MILESTONES AND MOMENTUM

>>AAON ANNUAL REPORT 2000

AAON Listed 52 in Forbes Magazine 200 Best Small Companies

- October 30, 2000

Air Conditioning Firm Stays Cool On Future

- Investor's Business Daily, July 14, 2000

AAON Listed in Business Week's Top 100 "Hot Growth Companies"

- May 29, 2000

EARNING RESPECT AS WE EARN RETURNS

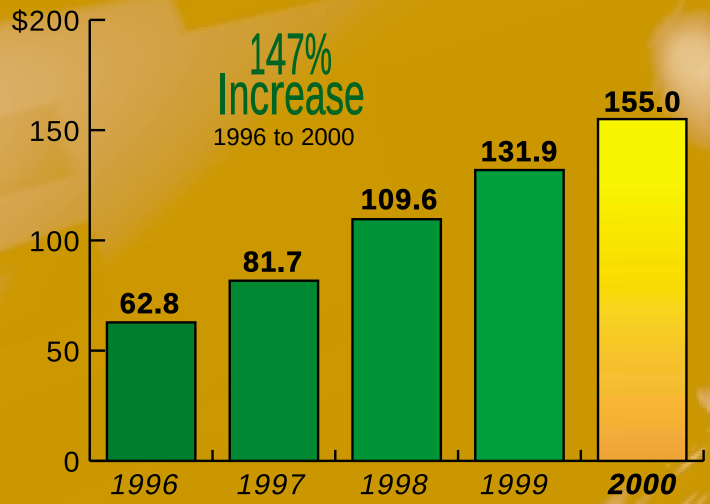
Continuous Years of Growth

AAON is devoted to the goal of continued growth through new product development, expanded market penetration and enhanced employee productivity.

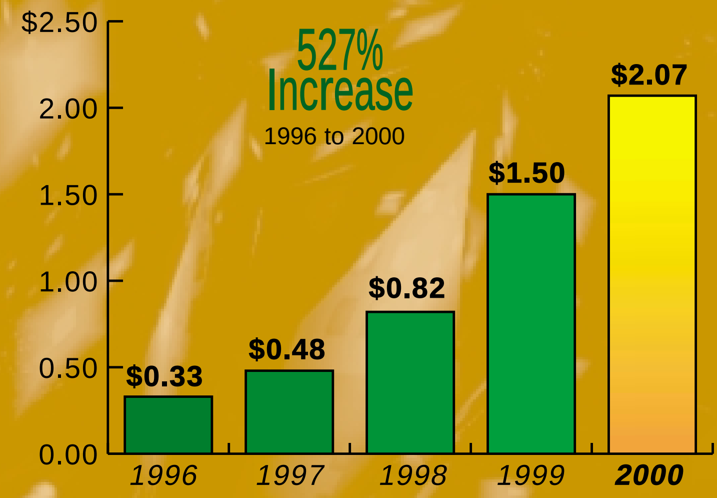
AAON NASDAQ LISTED

Listed on The Nasdaq Stock Market

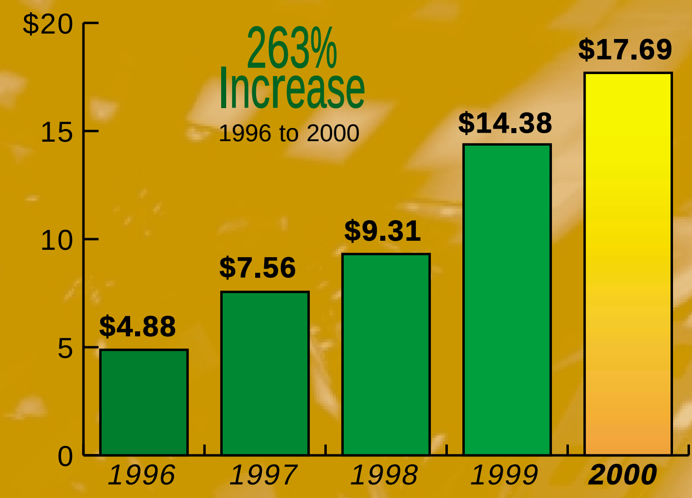
SALES-$
[in $ Millions]



EARNINGS PER SHARE-$
[Diluted]



STOCK PRICE-$
[As of end of December]



FINANCIAL HIGHLIGHTS

	2000	1999	1998	1997	1996
Income Data ($000)					
Net Sales [1]	154,982	131,947	109,624	81,676	62,845
Gross Profit	34,749	30,718	19,829	13,071	11,048
Operating Income	20,827	15,977	9,203	4,925	4,635
Interest Expense	904	574	1,017	687	838
Depreciation and Amortization	3,465	3,063	2,848	2,517	2,497
Pretax Income	20,359	15,641	8,545	4,071	3,391
Net Income	12,794	9,697	5,230	3,022	2,075
Earnings Per Share (Basic)	2.18	1.55	0.84	0.49	0.34
(Diluted)	2.07	1.50	0.82	0.48	0.33
Balance Sheet ($000)					
Current Assets	47,358	36,477	31,953	26,225	24,581
Net Fixed Assets	29,460	22,179	18,553	16,585	10,133
Accumulated Depreciation	19,063	15,650	12,678	9,969	7,868
Total Assets	76,818	58,656	50,506	42,810	35,569
Current Liabilities [2]	31,902	17,246	14,832	11,039	10,953
Long-Term Debt [2]	5,853	6,630	10,980	12,857	8,976
Stockholders' Equity	37,012	33,618	24,411	18,873	15,640
Stockholders' Equity per Share [3]	5.99	5.20	3.82	2.99	2.48
Funds Flow Data ($000)					
From (To) Operations	14,040	11,953	5,809	4,772	4,079
From (To) Investment	(10,733)	(6,649)	(4,767)	(8,956)	(2,053)
From (To) Financing	(3,315)	(5,304)	(1,043)	4,072	(2,551)
From (To) Cash	(8)	—	(1)	(112)	(525)
Ratio Analysis					
Return on Average Equity	36.2%	33.4%	24.2%	17.5%	14.2%
Return on Average Assets	18.9%	17.8%	11.2%	7.7%	6.3%
Pre-Tax Income on Sales	13.1%	11.9%	7.8%	5.0%	5.4%
Net Income on Sales	8.3%	7.4%	4.8%	3.7%	3.3%
Total Liabilities to Equity	1.0	1.3	1.0	0.8	0.8
Long-Term Debt to Equity	0.2	0.2	0.4	0.7	0.6
Interest Coverage	23.5	28.2	9.4	6.9	5.0
Current Ratio [2]	1.5	2.1	2.2	2.4	2.2

1 = Includes shipping charges for the years of 1998 to 2000 due to FASB (EITF 00-10).

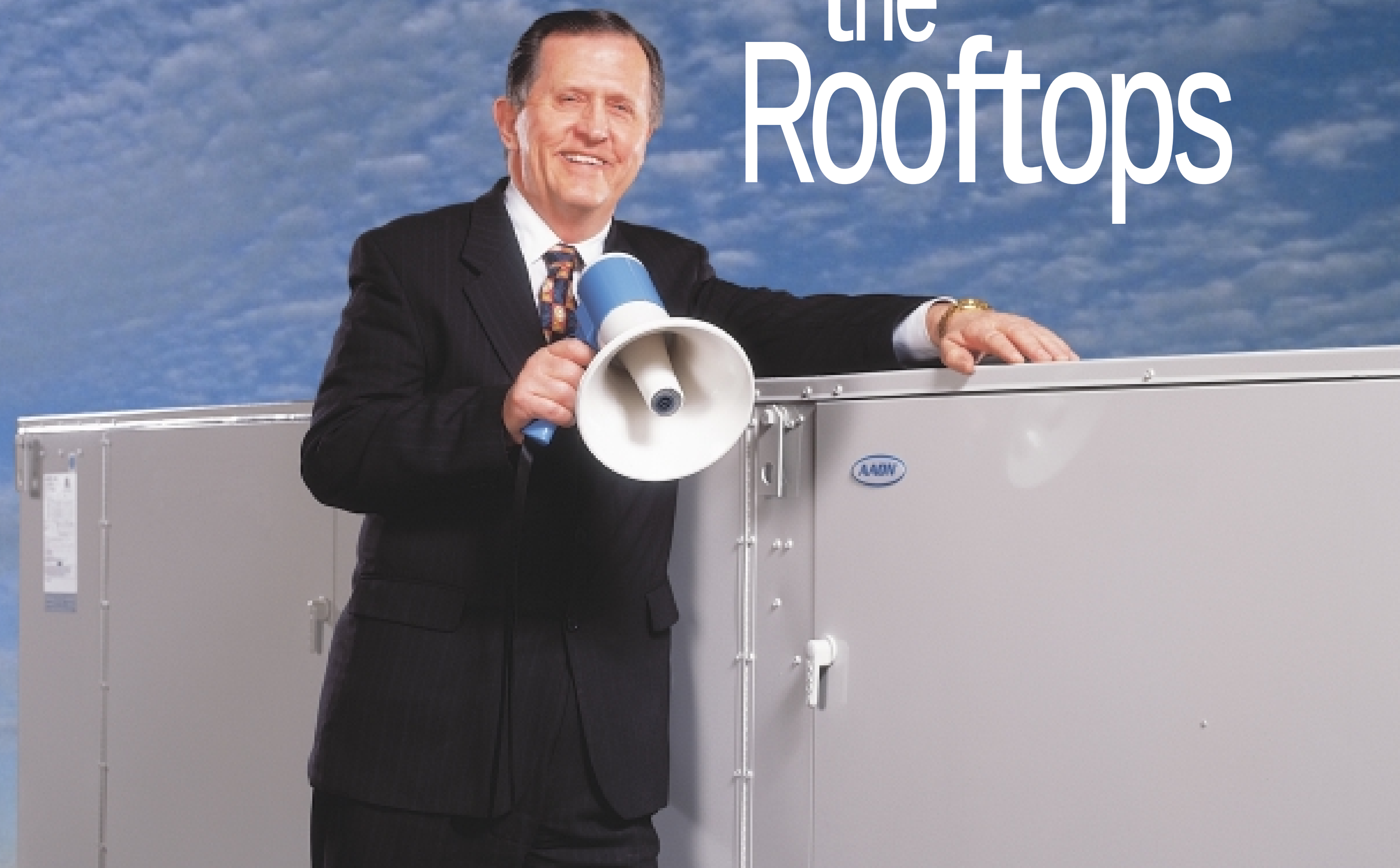
2 = Reflects reclassification of revolving loan from long term debt to current liabilities for the year 2000.

3 = Actual dollars and diluted number of shares for all years.

To Our Stockholders:

Simply defined, momentum is the speed or force of motion. Beginning in 1996, we placed in motion a plan to grow the Company's revenues and earnings through product development and diversity of our customer base. The successful implementation of our plan resulted in a period of accelerated growth in which your Company's share of the rooftop HVAC market has risen to approximately 12% from 7% in 1996. During that time net sales advanced from $62.8 million to $155.0 million or an increase of 147%, while net income climbed 509% to $12.8 million or $2.07 per share from $2.1 million or $0.33 per share. The introduction of new and expanded product lines such as air handlers, condensing units and wall-hung systems have begun to bear fruit. Our growing manufacturers' representative network continues to contribute significantly to the overall sales and earnings of the Company while giving us a broad and varied roster of customers. With 101 offices, our manufacturers representative business grew by more than $12 million in 2000, contributing approximately 60% of total sales.

Shouting from the Rooftops



1996 >> 2000

EXPANSIONS COMPLETED

Year 2000 was a banner one for AAON as the Company posted its fourth straight year of record sales and its fifth consecutive year of record net income. For the year ended December 31, 2000, net sales climbed 17.5% to $155.0 million from $131.9 million in 1999. Gross profit margins, narrowed slightly to 22.4% of sales or $34.8 million from 23.3% of sales or $30.7 million. Operating margins widened, benefiting from the close scrutiny of SG & A expenses. Income from operations increased 30.0% to $20.8 million (13.4% of sales) from $16.0 million (12.1% of sales). Net income advanced 32.0% to $12.8 million (8.3% of sales) or $2.07 per share from $9.7 million (7.3% of sales) or $1.50 per share. For the second consecutive year net income margins were the highest in the Company's history and we believe, once again, net income as a percent of sales represents a record achievement for any major equipment manufacturer in the HVAC industry during the last four decades.

At year-end 2000, the Company's financial condition remained strong. Total current assets were $47.4 million, with current liabilities of $31.9 million or a current ratio of 1.5:1. Total shareholders' equity increased to $37.0 million or $5.99 per share. Long-term debt declined to $5.9 million from $6.6 million a year earlier despite capital expenditures of $10.7 million and the stock purchase program in which the Company spent $10.4 million during the year. The long-term debt to equity was 15.8%. In 1999, the return on average shareholders' equity was 33.4% and for this past year the average ROE stood at 36.2%. Our ability to sustain this exceptional return on average shareholders' equity is an important indicator as to your management's adherence to operate efficiently and maximize profitability. Commencing in October 1999, the Company entered into a stock, buyback program which was completed in January 2001. During that period, we purchased 651,800 shares of common stock at a cost of $11.6 million.

Our exceptional financial performance has not gone without recognition within the financial community. *Business Week Magazine* (5/29/00) listed AAON among the nation's top 100 "Hot Growth Companies". It is interesting to note that financial data on 10,000 publicly traded corporations provided the pool of companies from which winners were selected. In addition, *Forbes Magazine* (10/30/00) in an article, "200 Best Small Companies" rated us fifty-second and highlighted AAON as one of 11 "Companies to Watch". Finally, *Investor's Business Daily* (12/4/00) provided an in-depth look at AAON and its management's commitment to excellence.

The records attained in the past five years leave little doubt that we have gained a significant level of momentum. The challenge before us is to maintain and sustain this motion, which, as achieved and recognized, should translate to enhanced shareholder value. We have made significant commitments of capital in order to automate and enlarge our manufacturing facilities. Over the past five years we expended more than $32 million on capital improvements and have budgeted $9 million in the current year for additional improvements. In 1996, our manufacturing plants in Tulsa, Oklahoma, and Longview, Texas, had a combined total of 475,000 square feet. At the end of 2000, the two locations had a combined total of 1.1 million square feet.

As volume grows, we expect that our overhead will continue to be absorbed at a rate greater than its increase, resulting in continued productivity gains. In the upcoming years, we anticipate improved performance out of our manufacturing process as we more fully utilize the capital equipment acquired during the past few years. We have completed all major plant expansions and most renovations during 2000. Our currently utilized facilities are capable of handling sales in excess of $275 million. While we have substantial additional facilities leased out, we believe that we have most of our facility needs met for the foreseeable future. During the first half of 2001, we will complete the majority of equipment purchases required to take us to a production capability of approximately $225 million per year. These expansions and expenditures have allowed us to create substantial efficiency improvements by developing dedicated production lines for all rooftop products in our Tulsa facility. In our Longview plant, we have added capacity to enable efficiency improvements to be made in sheet metal fabrication as well as creating separate production lines for air handlers and condensing units. Dedicated lines enable us to focus assembly methodology upon the unique characteristics of each product to improve production efficiency.

Our investment in manufacturing capacity will also allow us to exploit opportunities we have not pursued in the past due to manufacturing constraints. While our success in serving our customers and a strong economy in 2000 resulted in proportional growth in sales to all markets, we believe that we have significant opportunities to grow in the new markets we are beginning to enter. In my letter to you last year, I spoke of

New West Tulsa Plant Addition - January 2001 replacing our larger rooftop units with a newly developed version, the introduction of air handlers, condensing units and wall-mounted products. Currently, we are involved in the introduction of our RL series rooftop product capable of more than 200 tons of cooling. This represents an increase of roughly 60% in maximum cooling capacity for the top end of our product line. Sales of air handlers and condensing units increased more than 75%, yet they remain a small contributor to overall sales. The wall-mounted product will address the needs of additional markets, particularly within the telecommunications industry. The markets we are entering are larger than the historic commercial rooftop air conditioning market. While we believe we will have continued penetration with our smaller rooftop product line, the greater percentage increases will come from these new products. In 2001, we will continue our trend of improving and expanding our product offerings by initiating production of chillers. The chillers may be used alone or in conjunction with the air handlers in either the replacement or new construction markets.

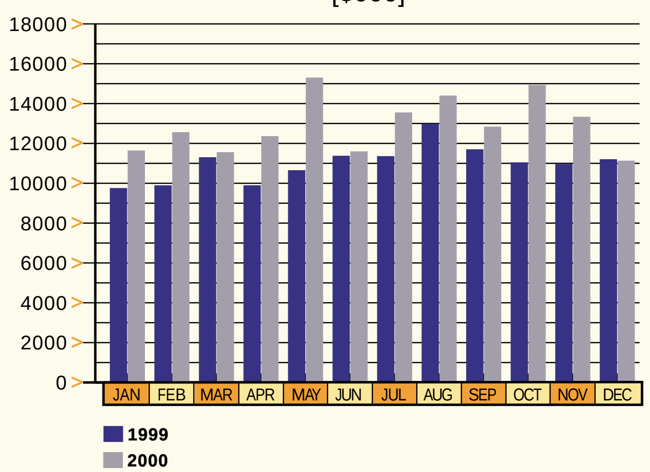
Recruitment and retention of skilled personnel have been high on our list of priorities. Our efforts to nurture and grow talent from within our Company have paid off handsomely with highly trained and loyal employees. We are constantly reviewing and improving our compensation structure. Since 1993, we have been matching employee contributions to their 401(k) accounts, with company stock purchased in the open market. More recently, as a further incentive to retain skilled employees, the Company began providing discretionary contributions to all employees eligible for our 401(k) retirement plan. The investment by our employees' retirement plan in AAON common stock has beneficially influenced our employee turnover rate while aligning employee interests with those of our other shareholders. It is worthy of note that our employee retirement accounts aggregate to be our third largest shareholder. Improved retention of personnel has materially affected productivity while reducing recruitment and training costs. The combination of these factors, in tandem with the manufacturing efficiencies garnered from our investments in manufacturing equipment, has made a dramatic and impressive contribution to our overall profitability.

While 2000 was a record year for AAON, we began to witness some softening in demand toward year-end. Many parts of the economy, notably manufacturing, have been hurt by the economic slowdown. The softness continued into 2001. Despite the clouded economic atmosphere, we believe that the Company can achieve another record year of sales and earnings. We recognize, particularly during difficult times, the importance of our devoted and loyal customers, sales representatives and shareholders, as well as our outstanding employees all of whose names appear at the end of this report. Thank you all for enabling AAON to attain the premier position it enjoys today and for your continuing support.

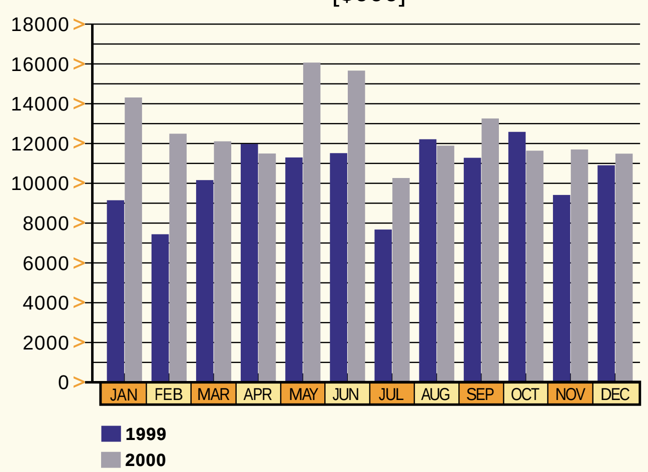
Norman H. Asbjornson
President/CEO

April 10, 2001

SALES
[$000]



ORDERS
[$000]



New AAON RL Product And Features

PEOPLE

EQUIPMENT

COMPANY TIMELINE

August 1988
AAON, an Oklahoma corporation, was founded.

September 1988
Purchase of John Zink Air Conditioning Division.

Spring 1989
- AAON purchased, renovated and moved into a 184,000 square foot plant in Tulsa, Oklahoma.
- Introduced a new product line of rooftop heating and air conditioning units 2-140 tons.

Summer 1989
Became a publicly traded company with the reverse acquisition of Diamond Head Resources (now "AAON, Inc."), a Nevada corporation.

December 1990
Listed on NASDAQ Small Cap–Symbol "AAON".

December 1991
Formed AAON Coil Products, a Texas Corporation, as a subsidiary to AAON, Inc. (Nevada) and purchased coil making assets of Coils Plus.

Spring 1993
AAON Coil Products purchased, renovated and moved into a 110,000 square foot plant in Longview, Texas.

September 1993
One-for-four reverse stock split. Retired $1,927,000 of subordinated debt.

November 1993
Listed on the NASDAQ National Market System.

January 1995
Introduced a desiccant heat recovery wheel option available on all AAON rooftop units.

March 1995
- Purchase of property with 26,000 square ft. building adjacent to AAON Coil Products plant in Longview, TX.
- Issued a ten percent stock dividend.

September 1995
Completed expansion of the Tulsa facility to 332,000 square feet.

December 1997
Purchased 40 acres with 457,000 square foot plant and 22,000 square foot office space located across from Tulsa facility.

April 1998
AAON receives U.S. patent for Blower Housing assembly.

October 1998
U.S. patent is granted to AAON for air conditioner with energy recovery heat wheel.

November 1998
- AAON yearly shipments exceed $100 million.
- Received U.S. patent for Dimpled Heat Exchanger Tube.

Spring 2000
Completed Tulsa, Oklahoma and Longview, Texas plant additions yield a total exceeding 1 million square feet.

AAON

The Name To Remember.

AAON, Inc.
2425 South Yukon Avenue
Tulsa, Oklahoma 74107
(918) 583-2266
Fax: (918) 583-6094

>> http://www.aaon.com

AAON Coil Products, Inc.
203 Gum Springs Road
Longview, Texas 75602
(903) 236-4403
Fax: (903) 236-4463