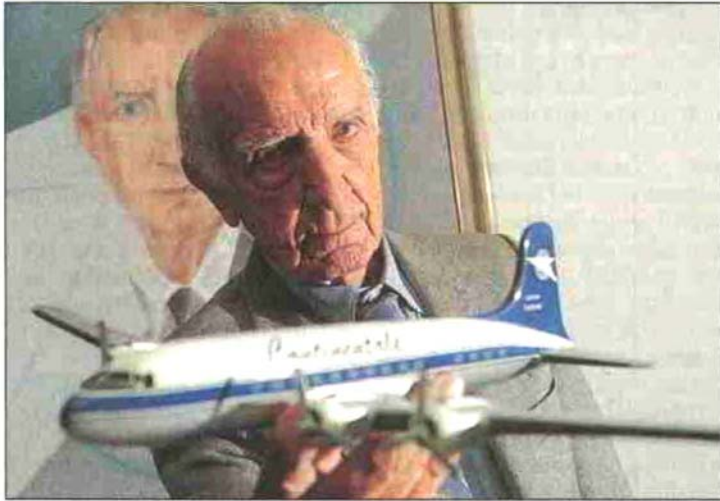


WEDNESDAY, MARCH 19, 2008

## Parts supplier keeps them flying



TYSON TRISH/STAFF PHOTOGRAPHER

Gino Nepola established Hackensack-based East Air Corp. in 1950, when propellers still powered airliners through the skies.

### East Air looks to grow close to home

By **RICHARD NEWMAN**  
STAFF WRITER

Gino Nepola, founder of Hackensack-based aircraft parts supplier East Air Corp., took the company international in the 1950s, years before the U.S. economy went global, lining up customers such as European airlines Alitalia, Lufthansa and Air France.

Now his son, John, wants to expand closer to home.

"It's ironic, but now we want to build the domestic business," the younger Nepola said in a recent interview. "My father grew See **EAST AIR** Page B-6

### The sky's the limit

**Company:** East Air Corp.  
**Headquarters:** Hackensack  
**Chairman:** Gino Nepola  
**President/CEO:** John Nepola  
**Established:** 1950  
**Employees:** 30  
(24 in Hackensack, six in Europe)  
**Sales:** \$60 million  
**Business:** Supplier of major aftermarket components for Boeing and Airbus commercial aircraft and F-100 series fighter jets.

B-6 THE RECORD

BUSINESS

## East Air

From Page B-1

the business into a global distribution and supply-chain management company for all the world's airlines and lots of government air forces," he said.

East Air is one of many aftermarket suppliers of aircraft parts that aim to fill gaps in the supply chain between manufacturers and airlines.

Prior to the collapse of the Soviet Union, the Dutch and Norwegian air forces were big customers, but "that market got soft on us," Nepola said.

"When the Berlin Wall fell, foreign air forces stopped buying parts because they didn't need them anymore. There was no more boogeyman."

Military sales, which comprised half of the business, have dwindled to about 20 percent, he said.

Still, between 1982 and 1992 sales grew to more than \$40 million from about \$7 million.

Business also slowed in the travel slump that followed the 9/11 terrorist attacks, prompting East Air to expand its leasing business and offer revolving lines of credit to cash-strapped airlines.

Last month, East Air renewed its certification as an approved supplier for Jet Blue Airways, and it signed with Air Canada Technical Services, the Canadian carrier's maintenance arm, for the first time.



TYSON TRISH/STAFF PHOTOGRAPHER

John Nepola of East Air in the company's parts warehouse in Hackensack.

Nepola is looking for a financial partner to help expand a successful "rotatable exchange" program.

Here is how the rotatable exchange works: An airline pays East Air a fee to swap a part in need of overhaul for one that has already been repaired and approved by the Federal Aviation Administration.

The airline customer also pays to have the replaced part restored, even though East Air has taken ownership of it. East Air puts the overhauled component on a shelf in the warehouse to be swapped out to another customer when needed.

The program allows the company to earn annual fee income amounting to 60 percent to 70 percent of the cost of the overhauled part, Nepola said. And it provides a constant replenishment of inventory at virtually no cost. "We have more than \$10 million in inven-

tory on the shelf right now and we are looking to build it to \$50 million or \$100 million in the next three to five years," said Nepola, who joined the family business in his early 20s in 1982.

Gino Nepola, who celebrated his 90th birthday last week at the Ridgewood Country Club, still comes to the Second Street office and wines and dines key customers. East Air has been in the same one-story brick building since 1950, when the elder Nepola acquired it from the owner of a hydraulic parts overhaul business.

The company has been through some difficult times but has never lost money in any of its 58 years, John Nepola said.

The East Air legacy began in the late 1940s when Gino Nepola was working for the U.S. government as a quality-control expert for aircraft part acquisitions and decided to go into business for himself. He bought a stake in a hydraulic component repair shop in Hackensack with a loan from his family. He soon bought out his partner, and he also bought a cache of government surplus aircraft components to sell abroad.

Over the decades that followed, he leveraged his love of travel and his foreign language skills (he speaks English, Italian, French, Spanish and German) to build relationships with sellers and purchasers of military and civilian aircraft components in Europe.

"Our success is based on our reliability," Gino Nepola says.

"They fly with confidence when they fly with us."