



News Release

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What's the Secret to Managing Rotables for Inventory Optimization? API

Supply chain tips at NBAA in Las Vegas

MEMPHIS, Tenn. – October 11, 2004 – Aerospace Products International (API), a subsidiary of First Aviation Services Inc. (NASDAQ: FAVS) and a leading provider of aerospace products and supply chain services, shares what it takes to run an efficient supply chain for rotables at this week's NBAA conference.

"Inventories of rotables are very expensive to administer and maintain, and can have carrying costs as high as 25 percent to 30 percent," said Paul Fanelli, president and chief executive of API. "Also, rotables generally account for 65 percent to 75 percent of inventory investment. With numbers like these, there's increasing pressure from the aviation industry for a proactive, efficient and cost-effective supply chain for rotables. API has developed processes that provide everything from proactive demand forecasting to easily accessible global data for analysis."

API manages rotables and cores, and the repair cycle, through rotables pool forecasting, analysis and management. They create accurate demand forecasts by aggregating demand for the total asset pool; deriving replenishment plans from forecasted demand by condition; developing systems and processes to track individual part data; and implementing customer contact with dedicated personnel.

"In this industry, where there's a relatively slow aftermarket response and very high overcosts, API has all the systems in place to maximize product availability and reduce process and working-capital costs," said Fanelli. "Doing it all provides our customers with the best service at a lower cost. This is how we do business."

About Aerospace Products International

Aerospace Products International, headquartered in Memphis, Tenn., is one of the premier suppliers of aerospace products and services worldwide to manufacturers and aircraft operators of some of the most widely used commercial and general aviation aircraft. In addition to its parts and components supply services, API is a leading provider of supply-chain management and customized third-party logistics services and technology solutions, including inventory management services. API also offers overhaul and repair services for brakes, starters and generators, and builds custom hose assemblies. Its parent company, First Aviation Services Inc., is a worldwide leader in providing services to operators of some of the most widely used military, commercial and general aviation aircraft. More information is available at www.apiparts.com.

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