



## For Immediate Release

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### **The Fairchild Corporation [NYSE: FA] Reports Net Income of \$0.04 Per Share and Sales Growth of 12.3% in its Core Aerospace Fastener Business for its Second Quarter**

**Dulles, VA (February 8, 2002)** - The Fairchild Corporation [NYSE: FA] reported today that consolidated sales increased by \$9.7 million, or 6.6%, to \$157.8 million in the second quarter of fiscal 2002 compared to sales of \$148.1 million in the second quarter of fiscal 2001.

The Company's core aerospace fastener business grew even faster with sales up \$15.8 million, or 12.3% in the second quarter of fiscal 2002. The Company's fastener business experienced significant growth in bookings throughout the past twelve months. However, there has been a softening of new orders following the September 11, 2001 terrorist attacks. The Company's book-to-bill ratio was 91.2% for the first six months of fiscal 2002.

The Company reported net income of \$0.9 million, or \$0.04 per share, for its second quarter ended December 30, 2001, compared with the prior year's second quarter net loss of \$6.6 million, or \$0.26 per share. The current quarter's pre-tax operating results benefited from a \$3.5 million decrease in net interest expense, due primarily to lower interest rates, and from a \$2.3 million non-cash increase in the fair market value of an interest rate hedge. The net loss for the quarter ended December 31, 2000 included a pre-tax \$5.4 million non-cash decrease in the fair market value of the hedge, and \$3.1 million of goodwill amortization expense.

Recent announcements by our major customers have reinforced the Company's view that projected aircraft build rates will be adversely affected by decreased worldwide demand for travel following September 11, 2001. Accordingly, the Company believes overall demand for aerospace fasteners will decrease during the last half of fiscal 2002, and its business will be affected by this decreased demand. Nevertheless, the Company also believes that the impact on its business will be partially offset by the supply chain service programs the Company entered into during the past several years and by the decrease in the fastener inventory available to OEMs and distributors. In addition, the Company maintains ongoing efforts to achieve additional savings through cost reductions and further plant rationalization.

The Fairchild Corporation is a leading worldwide manufacturer and supplier of precision fastening systems used in the construction and maintenance of commercial and military aircraft, and a distributor of aerospace parts. Fairchild Fasteners has manufacturing facilities, as well as sales/design customer teams in the United States, Germany, France,

the United Kingdom, Portugal, Hungary, and Australia. Because of its unique ability to serve customers worldwide from its manufacturing and logistics businesses, Fairchild Fasteners offers the market the most complete and innovative solutions to the delivery, stocking, and dispensing of fasteners. Banner Aerospace, The Fairchild Corporation's aerospace distribution segment, provides aircraft parts and services. The Fairchild Corporation also owns a significant real estate investment. Additional information is available on The Fairchild Corporation web site ([www.fairchild.com](http://www.fairchild.com)).

This news release contains forward-looking statements within the meaning of Section 27-A of the Securities Act of 1933, as amended and Section 21-E of the Securities Exchange Act of 1934, as amended. The Company's actual results could differ materially from those set forth in the forward-looking statements, as a result of the risks associated with the Company's business, changes in general economic conditions, and changes in the assumptions used in making such forward-looking statements.

**THE FAIRCHILD CORPORATION**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
(In thousands, except per share data)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>12/30/01</u>	<u>12/31/00</u>	<u>12/30/01</u>	<u>12/31/00</u>
<b>REVENUE:</b>				
Net sales	\$ 157,835	\$ 148,100	\$ 322,908	\$ 296,467
Rental revenue	1,664	1,862	3,397	3,530
Other income, net	<u>3,847</u>	<u>1,967</u>	<u>5,184</u>	<u>2,846</u>
	163,346	151,929	331,489	302,843
<b>COSTS AND EXPENSES:</b>				
Cost of goods sold	119,329	109,045	243,732	222,636
Cost of rental revenue	1,300	1,271	2,534	2,374
Selling, general & administrative	34,241	33,162	65,997	61,952
Amortization of intangibles	<u>-</u>	<u>3,125</u>	<u>-</u>	<u>6,259</u>
	154,870	146,603	312,263	293,221
<b>OPERATING INCOME</b>	8,476	5,326	19,226	9,622
Interest expense	12,451	14,315	25,360	27,298
Interest income	<u>(1,881)</u>	<u>(244)</u>	<u>(2,363)</u>	<u>(768)</u>
Net interest expense	10,570	14,071	22,997	26,530
Investment income (loss)	106	1,004	(280)	624
Increase (decrease) in fair market value of interest rate contract	<u>2,344</u>	<u>(3,075)</u>	<u>(2,905)</u>	<u>(3,545)</u>
Earnings (loss) from continuing operations before taxes	356	(10,816)	(6,956)	(19,829)
Income tax benefit	551	3,990	4,231	7,564
Equity in earnings of affiliates, net	<u>-</u>	<u>187</u>	<u>33</u>	<u>181</u>
<b>NET EARNINGS (LOSS)</b>	<u>\$ 907</u>	<u>\$ (6,639)</u>	<u>\$ (2,692)</u>	<u>\$ (12,084)</u>
<b>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE:</b>	<u>\$ 0.04</u>	<u>\$ (0.26)</u>	<u>\$ (0.11)</u>	<u>\$ (0.48)</u>
<b>Weighted average shares outstanding:</b>				
Basic	<u>25,149</u>	<u>25,101</u>	<u>25,149</u>	<u>25,068</u>
Diluted	<u>25,152</u>	<u>25,101</u>	<u>25,149</u>	<u>25,068</u>

**THE FAIRCHILD CORPORATION**  
**SEGMENT RESULTS**

(In thousands)

	Three Months Ended		Six Months Ended	
	12/30/01	12/31/00	12/30/01	12/31/00
<b>SALES BY SEGMENT:</b>				
Aerospace Fasteners Segment	\$ 143,766	\$ 128,010	\$ 290,856	\$ 253,456
Aerospace Distribution Segment	14,069	20,090	32,052	43,011
<b>TOTAL SALES</b>	<b>\$ 157,835</b>	<b>\$ 148,100</b>	<b>\$ 322,908</b>	<b>\$ 296,467</b>

**OPERATING RESULTS BY SEGMENT:**

Aerospace Fasteners Segment	\$ 11,848	\$ 9,853	\$ 26,714	\$ 16,852
Aerospace Distribution Segment	391	412	845	1,699
Real Estate Operations Segment (a)	52	(481)	490	83
Corporate and Other Segment	(3,815)	(4,458)	(8,823)	(9,012)
<b>TOTAL OPERATING INCOME (b)</b>	<b>\$ 8,476</b>	<b>\$ 5,326</b>	<b>\$ 19,226</b>	<b>\$ 9,622</b>

**EBITDA BY SEGMENT:**

Aerospace Fasteners Segment	\$ 18,492	\$ 19,676	\$ 39,925	\$ 36,490
Aerospace Distribution Segment	536	634	1,128	2,140
Real Estate Operations Segment (a)	744	75	1,868	1,234
Corporate and Other Segment	(3,718)	(4,095)	(8,606)	(8,267)
<b>TOTAL EBITDA (b)</b>	<b>\$ 16,054</b>	<b>\$ 16,290</b>	<b>\$ 34,315</b>	<b>\$ 31,597</b>

(a) – Includes rental revenue of \$1.7 million and \$1.9 million for the three months ended December 30, 2001 and December 31, 2000, respectively, and \$3.4 million and \$3.5 million for the six months ended December 30, 2001 and December 31, 2000, respectively.

(b) – Includes goodwill amortization of \$3.1 million and \$6.3 million for the three and six months ended December 31, 2000, respectively.