



For Immediate Release
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The Fairchild Corporation [NYSE: FA] Reports a 26% Increase in Operating Income for Fiscal 2002 and Writes Off a non-cash Charge of \$144.6 million for the Cumulative Effect of Change in Accounting for Goodwill.

Dulles, VA (September 26, 2002) – The Fairchild Corporation [NYSE: FA] reported today that operating income increased by \$5.5 million, or 26%, to \$26.8 million for fiscal 2002, compared to operating income of \$21.3 million for fiscal 2001. Operating income for the three months ended June 30, 2002, was \$0.3 million, as compared to \$5.6 million for the three months ended June 30, 2001. Operating income in fiscal 2001 and the three months ended June 30, 2001, included goodwill amortization expense of \$12.5 million and \$3.1 million, respectively.

On July 17, 2002, the Company announced that it had signed a definitive agreement to sell its Fairchild Fasteners business to Alcoa, Inc. [NYSE: AA], for approximately \$657 million in cash and a maximum future earnout of \$50 million. This sale is subject to customary conditions. The Company expects that the sale will close before November 30, 2002.

After a non-cash charge of \$144.6 million for the cumulative effect of a change in accounting for goodwill, the Company reported a net loss of \$154.8 million for its year ended June 30, 2002. In addition, a pre-tax loss of \$4.6 million was recognized in this year on the fair market value adjustment of a ten-year \$100 million interest rate contract, offset partially by a \$9.0 million decrease in interest expense. The prior year's net loss of \$15.0 million included \$8.4 million of pre-tax investment income, partially offset by a pre-tax loss of \$5.6 million on the fair market value adjustment of the ten-year \$100 million interest rate contract.

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).

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)

	Three Months Ended		Twelve Months Ended	
	06/30/02	06/30/01	06/30/02	06/30/01
REVENUE:				
Net sales	\$ 147,953	\$ 163,987	\$ 624,093	\$ 622,812
Rental revenue	1,656	1,886	6,679	7,030
Other income (expense), net	(1,894)	1,888	5,021	5,922
	147,715	167,761	635,793	635,764
COSTS AND EXPENSES:				
Cost of goods sold	112,943	123,854	472,270	466,361
Cost of rental revenue	1,204	1,232	4,911	4,599
Selling, general & administrative	30,237	30,384	128,342	125,106
Amortization of intangibles	-	3,122	-	12,506
Impairment charges	3,061	3,524	3,435	5,889
	147,445	162,116	608,958	614,461
	270	5,645	26,835	21,303
OPERATING INCOME				
Interest expense	12,975	16,726	51,124	57,577
Interest income	(953)	(352)	(4,368)	(1,861)
Net interest expense	12,022	16,374	46,756	55,716
Investment income (loss)	(742)	2,829	(992)	8,367
Increase (decrease) in fair market value of interest rate contract	(3,587)	1,305	(4,567)	(5,610)
Loss from continuing operations before taxes	(16,081)	(6,595)	(25,480)	(31,656)
Income tax benefit	8,065	7,242	15,377	16,546
Equity in earnings (loss) of affiliates, net	(38)	(71)	(137)	110
Earnings (loss) from continuing operations	(8,054)	576	(10,240)	(15,000)
Cumulative effect of change in accounting for goodwill (a)	-	-	(144,600)	-
NET EARNINGS (LOSS)	\$ (8,054)	\$ 576	\$(154,840)	\$ (15,000)
<u>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE:</u>				
Earnings (loss) from continuing operations	\$ (0.32)	\$ 0.02	\$ (0.41)	\$ (0.60)
Cumulative effect of change in accounting for goodwill (a)	-	-	(5.75)	-
NET EARNINGS (LOSS)	\$ (0.32)	\$ 0.02	\$ (6.16)	\$ (0.60)
Weighted average shares outstanding:				
Basic	25,162	25,149	25,155	25,122
Diluted	25,162	25,149	25,155	25,122

(a) The Company's reported amounts in the first quarter of 2002 were restated to reflect the transitional goodwill impairment charge of \$144.6 million from the implementation of SFAS No. 142, which was presented as a cumulative effect of change in accounting.

THE FAIRCHILD CORPORATION
SEGMENT RESULTS
(In thousands)

	Three Months Ended		Year Ended	
	6/30/02	6/30/01	6/30/02	6/30/01
SALES BY SEGMENT:				
Aerospace Fasteners Segment	\$ 132,979	\$ 142,642	\$ 560,795	\$ 536,904
Aerospace Distribution Segment	14,974	21,345	63,297	85,908
TOTAL SALES	\$ 147,953	\$ 163,987	\$ 624,092	\$ 622,812
OPERATING RESULTS BY SEGMENT:				
Aerospace Fasteners Segment	\$ 4,711	\$ 10,368	\$ 41,581	\$ 37,008
Aerospace Distribution Segment	532	(925)	2,579	2,499
Real Estate Operations Segment (a)	362	543	1,076	(138)
Corporate and Other Segment	(5,335)	(4,341)	(18,400)	(18,066)
TOTAL OPERATING INCOME (b)	\$ 270	\$ 5,645	\$ 26,836	\$ 21,303
EBITDA BY SEGMENT:				
Aerospace Fasteners Segment	\$ 11,557	\$ 20,075	\$ 68,242	\$ 76,098
Aerospace Distribution Segment	732	(692)	3,258	3,399
Real Estate Operations Segment	1,043	1,224	3,820	2,130
Corporate and Other Segment	(5,193)	(3,990)	(17,955)	(16,590)
TOTAL EBITDA (b)	\$ 8,139	\$ 16,617	\$ 57,365	\$ 65,037

(a) – Includes rental revenue of \$1.7 million and \$1.9 million in the three months ended June 30, 2002 and June 30, 2001, respectively, and \$6.7 million and \$7.0 million for the year ended June 30, 2002 and June 30, 2001, respectively.

(b) – Includes goodwill amortization of \$3.1 million and \$12.5 million for the three and twelve months ended June 30, 2001, respectively.