

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 Or 15(d) of the Securities Exchange Act of 1934

August 7, 2006

Date of Report (Date of earliest event reported)

THE FAIRCHILD CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation or organization)

Commission File Number 1-6560

34-0728587
(I.R.S. Employer Identification No.)

1750 Tysons Boulevard, Suite 1400, McLean, VA 22102
(Address of principal executive offices)

(703) 478-5800
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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FORWARD-LOOKING STATEMENTS:

Certain statements in this filing contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operation and business. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" and similar terms and phrases, including references to assumptions. These forward-looking statements involve risks and uncertainties, including current trend information, projections for deliveries, backlog and other trend estimates that may cause our actual future activities and results of operations to be materially different from those suggested or described in this financial discussion and analysis by management. These risks include: our ability to finance and successfully operate our retail businesses; our ability to accurately predict demand for our products; our ability to receive timely deliveries from vendors; our ability to raise cash to meet seasonal demands; our dependence on the retail and aerospace industries; our ability to maintain customer satisfaction and deliver products of quality; our ability to properly assess our competition; our ability to improve our operations to profitability status; our ability to liquidate non-core assets to meet cash needs; our ability to attract and retain highly qualified executive management; our ability to achieve and execute internal business plans; weather conditions in Europe during peak business season and on weekends; labor disputes; competition; foreign currency fluctuations; worldwide political instability and economic growth; military conflicts, including terrorist activities; infectious diseases; new legislation which may cause us to be required to fund our pension plan earlier than we had expected; and the impact of any economic downturns and inflation.

If one or more of these and other risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Given these uncertainties, users of the information included in this report, including investors and prospective investors, are cautioned not to place undue reliance on such forward-looking statements. We do not intend to update the forward-looking statements included in this filing, even if new information, future events or other circumstances have made them incorrect or misleading.

Item 8.01 Other Events.

On August 7, 2006, The Fairchild Corporation ("the Company") announced that FA Holdings, LLC, a Delaware limited liability company led by Philip Sassower, Chairman of The Phoenix Group LLC, and Jeffrey Steiner, Chairman and Chief Executive Officer of the Company, has made a proposal to acquire all of the outstanding shares of the Company for \$2.73 per share in cash.

The Board of Directors of the Company had previously formed a Special Committee of independent directors to consider any proposal received. The Committee has retained independent financial advisors and legal counsel to assist it in its work. The Board of Directors cautions the Company's stockholders and others considering trading in its securities that the Board has just received the proposal and no decisions have been made by the Board with respect to the Company's response to the proposal. There can be no assurance that any definitive agreement will be executed or that any transaction will be approved or consummated.

A copy of the press release is filed as Exhibit 99.1 to this Form 8-K and incorporated into the Item 8.01 by reference. A copy of the proposal received by the Company is filed as Exhibit 99.2 to this Form 8-K and incorporated into this Item 8.01 by reference.

Item 9.01 Financial Statement and Exhibits

(d) Exhibits

The following are filed as exhibits to this report:

- 99.1 Press Release, dated August 7, 2006, issued by the Company.
 - 99.2 Proposal received by the Company from FA Holdings, LLC.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated August 8, 2006

THE FAIRCHILD CORPORATION

By: /s/ DONALD E. MILLER

Name: Donald E. Miller

Title: Executive Vice President,
Corporate Secretary and General Counsel

Contact: Michael L. McDonald
Chief Financial Officer
703-478-5845
Email: mmcdonald@fairchild.com

THE FAIRCHILD CORPORATION ANNOUNCES RECEIPT OF “GOING PRIVATE” PROPOSAL AT \$2.73 PER SHARE.

McLean, Virginia (August 7, 2006) - The Fairchild Corporation (NYSE: FA) today announced that FA Holdings, LLC, a Delaware limited liability company led by Philip Sassower, Chairman of The Phoenix Group LLC, and Jeffrey Steiner, Chairman and Chief Executive Officer of The Fairchild Corporation, has made a proposal to acquire all of the outstanding shares of the Company for \$2.73 per share in cash.

The Board of Directors of the Company had previously formed a Special Committee of independent directors to consider any proposal received. The Committee has retained independent financial advisors and legal counsel to assist it in its work. The Board of Directors cautions the Company’s stockholders and others considering trading in its securities that the Board has just received the proposal and no decisions have been made by the Board with respect to the Company’s response to the proposal. There can be no assurance that any definitive agreement will be executed or that any transaction will be approved or consummated.

About The Fairchild Corporation

The business of Fairchild consists of three segments: sports & leisure, aerospace, and real estate operations. Fairchild's sports and leisure segment, known as Fairchild Sports, is comprised of Hein Gericke, PoloExpress and Intersport Fashions West. Fairchild Sports designs and sells motorcycle protective apparel, helmets, and a large selection of technical accessories, for motorcyclists. Together, Hein Gericke and PoloExpress operate 233 retail shops in Germany, the United Kingdom, Austria, Belgium, France, Italy, Luxembourg, the Netherlands, and Switzerland. Intersport Fashions West, located in Tustin, California, is a designer and distributor of motorcycle protective apparel. Fairchild's aerospace segment is engaged in the aerospace distribution business which stocks and distributes a wide variety of parts to operators and aerospace companies providing aircraft parts and services to customers worldwide. Additional information is available on The Fairchild Corporation web site (www.fairchild.com).

This news release may contain 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.

FA HOLDINGS, LLC
c/o Phoenix Enterprises, LLC
110 East 59th Street, Suite 1901
New York, New York 10022

August 7, 2006

The Fairchild Corporation
1750 Tysons Boulevard, Suite 1400
McLean, Virginia 22102

Gentlemen:

The purpose of this letter is to set forth a proposal by FA Holdings, LLC, its members and their affiliates (collectively, the "Phoenix/Steiner Group") to acquire all of the outstanding capital stock of The Fairchild Corporation ("Fairchild") for \$2.73 per share in cash. This price represents approximately a 25% premium over the volume-weighted average closing price of Fairchild's common stock over the last 30 trading days, and approximately a 20% premium over yesterday's closing price.

The acquisition would be effective by means of a merger (the "Merger") into Fairchild of a wholly-owned Delaware subsidiary ("Acquisition") of FA Holdings, LLC ("Holdings"), a Delaware limited liability company led by Philip Sassower and Jeffrey J. Steiner. In the Merger, each shareholder will receive, for each share of Fairchild common stock, \$2.73 in cash.

The Steiner Group LLC has agreed to vote the shares held by it in favor of the Merger.

A form of Agreement and Plan of Merger (the "Merger Agreement") will be provided in the near future to counsel to the Fairchild Board of Directors and counsel to any committee of the Fairchild Board that may consider our proposal. The execution of the proposed Merger Agreement will not prohibit Fairchild from subsequently entering into an agreement to sell Fairchild to another bona fide bidder at a price which is more favorable from a financial point of view to Fairchild's shareholders than our proposed price. Our proposal includes customary provisions that Fairchild pay or reimburse us in cash for all expenses incurred in connection with the transaction and to pay to Holdings a "break-up fee" in an amount and under such circumstances (such as if Fairchild enters into a Merger Agreement with Holdings and thereafter accepts an alternative transaction) as were agreed upon with Fairchild.

Our proposal is not subject to financing.

Our proposal is subject to the negotiation and execution of a definitive Merger Agreement, the refinancing of any Fairchild or Fairchild subsidiary debt that comes due as a result of the Merger, limited supplemental due diligence (the Phoenix/Steiner Group anticipates that such investigation can be completed within 30 days), participation by Mr. Jeffrey J. Steiner and Dr. Eric Steiner (the "Steiner Management Group") in the management of Fairchild after consummation of the Merger (on terms to be agreed upon), the approval of the Board of Directors

and the affirmative vote of a majority of the shares of Fairchild (including in such calculation those shares held by The Steiner Group LLC and the Steiner Management Group, but including therein any Class B shares of common stock only on a one vote-per share basis) and the receipt of necessary regulatory approvals.

We believe that this proposal is in the best interests of the Fairchild stockholders and, accordingly, in light of the participation by the Steiner Management Group we request that the Fairchild Board of Directors consider this proposal as expeditiously as possible. This proposal will expire at 5:00 p.m., New York City time, on August 31, 2006.

We will be pleased to provide the Board and/or any committee of the Board and its representatives with any information in our possession with respect to our proposal, and we and our representatives are available to meet at any time with the Board and/or any committee of the Board and its representatives to discuss this proposal.

Sincerely yours,

FA HOLDINGS, LLC

By: /s/PHILIP SASSOWER
Philip Sassower, Manager

By: /s/ JEFFREY J. STEINER
Jeffrey J. Steiner, Manager