



For Immediate Release

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THE FAIRCHILD CORPORATION (NYSE:FA) ANNOUNCES 9.4% REVENUE INCREASE FOR QUARTER ENDED DECEMBER 29, 2002

Dulles, Virginia (February 7, 2003) – The Fairchild Corporation (NYSE:FA) announced today that its revenues from continuing operations increased to \$21.7 million for the quarter ended December 29, 2002, as compared to revenue of \$19.8 million for the quarter ended December 30, 2001. Fairchild reported a net loss of \$2.2 million, or \$0.09 per share, for the quarter ended December 29, 2002.

On December 3, 2002, Fairchild sold its fastener business for approximately \$657 million in cash, and the fastener business is not included in continuing operations. A portion of the proceeds from the sale were used to reduce the Company's debt by \$457.3 million, from \$491.8 million at June 30, 2002, to \$30.8 million of non-recourse real estate financing and \$3.7 million of other debt at December 29, 2002. On February 3, 2003, the Company paid off the \$30.8 million non-recourse term loan. At December 29, 2002, Fairchild's cash and investments were \$189.7 million, compared to \$21.1 million at June 30, 2002.

Eric Steiner, President and Chief Operating Officer of The Fairchild Corporation, stated: "We are continuing to investigate how best to redeploy our cash in opportunities which will enable us to build a strong industrial company for the long term".

The Company's accumulated pension obligation exceeded the fair value of the plan assets, which resulted in a \$47.5 million non-cash charge to equity during the quarter ended December 29, 2002. The Company contributed \$7.4 million of cash to its pension plan during the quarter ended December 29, 2002. Based upon the Company's actuary's assumptions and projections, the Company does not expect additional cash contributions to the pension plan to be required until 2008.

In January 2003, the Company reduced its corporate staff by approximately 24%. The Company has also initiated actions designed to accelerate its cost reduction efforts across the entire company. These efforts will begin to be reflected in the financial statements beginning with the quarter ending in March 2003.

About The Fairchild Corporation

The Fairchild Corporation is engaged in the aerospace distribution business which stocks and distributes a wide variety of aircraft parts to commercial airlines and aerospace companies providing aircraft parts and services to customers worldwide. The Fairchild Corporation also owns and operates a shopping center located in Farmingdale, New York. 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.

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

	Three Months Ended		Six Months Ended	
	12/29/02	12/30/01	12/29/02	12/30/01
REVENUE:				
Net sales	\$ 19,595	\$ 18,040	\$ 37,391	\$ 39,950
Rental revenue	2,099	1,784	3,987	3,637
	21,694	19,824	41,378	43,587
COSTS AND EXPENSES:				
Cost of goods sold	17,456	14,589	31,427	32,781
Cost of rental revenue	1,325	1,300	2,557	2,534
Selling, general & administrative	35,305	12,223	43,978	22,114
Other (income) expense, net	(138)	(4,029)	(236)	(4,529)
	53,948	24,083	77,726	52,900
OPERATING LOSS	(32,254)	(4,259)	(36,348)	(9,313)
Interest expense	19,629	12,121	31,128	24,660
Interest income	(7,617)	(1,862)	(8,368)	(2,328)
Net interest expense	12,012	10,259	22,760	22,332
Investment income (loss)	534	106	482	(280)
Increase (decrease) in fair market value of interest rate contract	28	2,345	(6,747)	(2,905)
Loss from continuing operations before taxes	(43,704)	(12,067)	(65,373)	(34,830)
Income tax benefit	1,444	3,533	1,416	10,913
Equity in earnings (loss) of affiliates, net	(82)	-	(82)	33
Loss from continuing operations	(42,342)	(8,534)	(64,039)	(23,884)
Earnings (loss) from discontinued operations, net	(3,570)	9,441	10,837	21,192
Gain on disposal of discontinued operations, net	43,677	-	43,677	-
Earnings (loss) before cumulative effect of accounting change	(2,235)	907	(9,525)	(2,692)
Cumulative effect of change in accounting for goodwill	-	-	-	(144,600)
NET EARNINGS (LOSS)	\$ (2,235)	\$ 907	\$ (9,525)	\$ (147,292)
<u>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE:</u>				
Loss from continuing operations	\$ (1.68)	\$ (0.34)	\$ (2.55)	\$ (0.95)
Earnings (loss) from discontinued operations, net	(0.14)	0.38	0.43	0.84
Gain on disposal of discontinued operations, net	1.74	-	1.74	-
Earnings (loss) before cumulative effect of accounting change	(0.08)	0.04	(0.38)	(0.11)
Cumulative effect of change in accounting for goodwill	-	-	-	(5.75)
NET EARNINGS (LOSS)	\$ (0.08)	\$ 0.04	\$ (0.38)	\$ (5.86)
Weighted average shares outstanding	25,163	25,149	25,162	25,149
<u>SEGMENT RESULTS:</u>				
Revenues				
Aerospace Distribution Segment	\$ 16,198	\$ 14,069	\$ 31,175	\$ 32,052
Aerospace Manufacturing Segment	3,397	3,971	6,216	7,898
Real Estate Operations Segment	2,099	1,784	3,987	3,637
Total	\$ 21,694	\$ 19,824	\$ 41,378	\$ 43,587
Operating Income (Loss)				
Aerospace Distribution Segment	\$ 503	\$ 391	\$ 1,151	\$ 845
Aerospace Manufacturing Segment	(2,317)	(887)	(2,940)	(1,824)
Real Estate Operations Segment	710	171	1,306	730
Corporate and Other	(31,150)	(3,934)	(35,865)	(9,064)
Total	\$ (32,254)	\$ (4,259)	\$ (36,348)	\$ (9,313)