



For Immediate Release

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The Fairchild Corporation [NYSE: FA] Reports an Increase in Operating Income at its Aerospace Distribution Segment for the First Quarter Ended September 29, 2002.

Dulles, Virginia (November 12, 2002) — The Fairchild Corporation (NYSE: FA) reported today that operating income increased by \$0.2 million, or 42.7%, at its aerospace distribution segment for the first quarter of fiscal 2003, as compared to the same period of the prior year. Operating income also improved by 7.8%, to \$0.5 million, at the Company's real estate operations segment during the same period. These two segments will remain with the Company following the anticipated sale of the Company's aerospace fasteners business to Alcoa Inc. (NYSE: AA) for approximately \$657 million in cash, which is expected to close before December 30, 2002.

The book-to-bill ratio at the aerospace fasteners segment was 98.8% for the first three months of fiscal 2003, which was a substantial improvement from the book-to-bill ratio of 91.9% over the six months ended June 30, 2002. The aerospace fastener segment reported sales of \$122.3 million and earnings before interest, taxes and depreciation of \$15.8 million in the first quarter of 2003, as compared to sales of \$147.1 million and earnings before interest, taxes and depreciation of \$21.4 million in the first quarter of 2002.

After a pre-tax loss of \$6.8 million recognized on the fair market value adjustment of a \$100 million interest rate contract, the Company reported a net loss of \$7.3 million for its first quarter ended September 29, 2002.

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 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
(In thousands, except per share data)

	For the Three Months Ended	
	09/29/02	09/30/01
REVENUE:		
Net sales	\$ 137,228	\$ 165,073
Rental revenue	1,765	1,733
Other income (expense), net	849	1,337
	139,842	168,143
COSTS AND EXPENSES:		
Cost of goods sold	105,291	124,403
Cost of rental revenue	1,232	1,234
Selling, general & administrative	27,994	31,756
	134,517	157,393
OPERATING INCOME	5,325	10,750
Interest expense	11,784	12,909
Interest income	(786)	(482)
	10,998	12,427
Net interest expense	10,998	12,427
Investment income (loss)	(52)	(386)
Decrease in fair market value of interest rate contract	(6,776)	(5,249)
	(12,501)	(7,312)
Loss from continuing operations before taxes	(12,501)	(7,312)
Income tax benefit	5,210	3,680
Equity in earnings of affiliates, net	-	33
	(7,291)	(3,599)
Loss from continuing operations	(7,291)	(3,599)
Cumulative effect of change in accounting for goodwill	-	(144,600)
NET LOSS	\$ (7,291)	\$ (148,199)
<u>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE:</u>		
Loss from continuing operations	\$ (0.29)	\$ (0.14)
Cumulative effect of change in accounting for goodwill	-	(5.75)
NET LOSS	\$ (0.29)	\$ (5.89)
Weighted average shares outstanding:		
Basic	25,162	25,149
Diluted	25,162	25,149

THE FAIRCHILD CORPORATION
SEGMENT RESULTS
(In thousands)

	For the Three Months Ended	
	9/29/02	9/30/01
Sales		
Aerospace Fasteners Segment	\$ 122,251	\$ 147,090
Aerospace Distribution Segment	14,977	17,983
Total	<u>\$ 137,228</u>	<u>\$ 165,073</u>
Operating Income (Loss)		
Aerospace Fasteners Segment	\$ 8,795	\$ 14,866
Aerospace Distribution Segment	648	454
Real Estate Segment (a)	472	438
Corporate and Other	(4,590)	(5,008)
Total	<u>\$ 5,325</u>	<u>\$ 10,750</u>
EBITD		
Aerospace Fasteners Segment	\$ 15,757	\$ 21,433
Aerospace Distribution Segment	787	592
Real Estate Segment (a)	1,154	1,124
Corporate and Other	(4,499)	(4,887)
Total	<u>\$ 13,199</u>	<u>\$ 18,262</u>

(a) – Includes rental revenue of \$1,765 and \$1,733 for the three months ended September 29, 2002 and September 30, 2001, respectively.