

FAIRCHILD CORP
Form 10-Q
November 30, 2007

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the Quarterly Period Ended March 31, 2007
Commission File Number 1-6560**

THE FAIRCHILD CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware

(State of incorporation or organization)

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)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety (90) days: Yes No.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer:

Large accelerated file Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
 Yes No

On October 31, 2007, the number of shares outstanding of each of the Registrant's classes of common stock was as follows:

Title of Class

Class A Common Stock, \$0.10 Par Value	22,604,835
Class B Common Stock, \$0.10 Par Value	2,621,338

**THE FAIRCHILD CORPORATION INDEX TO QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED MARCH 31, 2007**

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All references in this Quarterly Report on Form 10-Q to the terms “we,” “our,” “us,” the “Company” and “Fairchild” mean The Fairchild Corporation and its subsidiaries. All references to “fiscal” in connection with a year shall mean the 12 months ended September 30th.

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****THE FAIRCHILD CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)

ASSETS

	March 31, 2007 (Unaudited)	September 30, 2006
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 12,003	\$ 8,541
Short-term investments - unrestricted	15,692	50,510
Short-term investments - restricted	51,650	6,002
Accounts receivable-trade, less allowances of \$1,179 and \$1,083	18,572	16,927
Finished goods inventories, less reserves of \$16,059 and \$15,223	135,406	106,718
Prepaid expenses and other current assets	20,834	10,795
Total Current Assets	254,157	199,493
Property, plant and equipment, net of accumulated depreciation of \$28,850 and \$24,989	59,592	58,698
Goodwill	12,322	14,128
Amortizable intangible assets, net of accumulated amortization of \$1,959 and \$1,673	1,007	1,279
Unamortizable intangible assets	32,679	30,969
Prepaid pension assets	34,223	33,373
Deferred loan fees	1,936	3,170
Long-term investments - unrestricted	3,499	4,370
Long-term investments - restricted	21,902	60,949
Notes receivable	3,339	5,396
Other assets	4,179	3,304
TOTAL ASSETS	\$ 428,835	\$ 415,129

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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THE FAIRCHILD CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2007 (Unaudited)	September 30, 2006
<u>CURRENT LIABILITIES:</u>		
Bank notes payable and current maturities of long-term debt	\$ 60,149	\$ 25,492
Accounts payable	56,060	26,325
Accrued liabilities:		
Salaries, wages and commissions	10,087	10,044
Insurance	7,234	7,357
Interest	840	1,810
Other accrued liabilities	25,659	28,304
Income taxes	1,155	2,314
Current liabilities of discontinued operations	-	62
Total Current Liabilities	161,184	101,708
<u>LONG-TERM LIABILITIES:</u>		
Long-term debt, less current maturities	30,098	65,450
Other long-term liabilities	31,746	31,750
Pension liabilities	40,183	40,622
Retiree health care liabilities	24,758	