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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20459

FORM 11-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Plan Year Ended **December 31, 2006.**

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-6560

- C. Full title of the plan and address of the plan, if different from that of the issuer named below:

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

- D. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

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

PROCESSED

JUL 09 2007

THOMSON FINANCIAL

Required information is presented on the attached pages.

Signatures:

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

THE FAIRCHILD CORPORATION PENSION AND RETIREMENT COMMITTEE

By: *Robert H. Kelley*
Robert H. Kelley, Member, Pension and Retirement Committee

Date: June 28, 2007

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The Savings Plan for Employees of The Fairchild Corporation is subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Attached hereto are the financial statements of the Savings Plan for Employees of The Fairchild Corporation for the fiscal year ended December 31, 2006, prepared in accordance with the financial reporting requirements of ERISA.

1. Report of Independent Registered Public Accounting Firm
2. Financial Statements and Supplemental Schedule
3. Exhibit 23.1: Consent of McGladrey & Pullen

Savings Plan For Employees Of The Fairchild Corporation

Financial Statements With Supplemental Information

Years Ended December 31, 2006 And 2005
With Report Of Independent Registered Public Accounting Firm

McGladrey & Pullen
Certified Public Accountants

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

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McGladrey & Pullen

Certified Public Accountants

Report of Independent Registered Public Accounting Firm

To the Plan Administrator and Participants
Savings Plan for Employees of The Fairchild Corporation
McLean, Virginia

We have audited the accompanying statements of net assets available for benefits of the Savings Plan for Employees of The Fairchild Corporation (the Plan) as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of Savings Plan for Employees of The Fairchild Corporation as of December 31, 2006 and 2005, and the changes in its financial status for the years then ended, in conformity with auditing standards generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the Plan's basic financial statements taken as a whole. The accompanying schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the Plan's basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 2, the plan adopted Financial Accounting Standards Board Staff Position AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans, as of December 31, 2006.

McGladrey & Pullen, LLP

Baltimore, Maryland
June 28, 2007

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Statements Of Net Assets Available For Benefits

December 31, 2006 And 2005

	2006	2005
Assets:		
Investments:		
Investments at fair value (See Note 2):		
Common/collective trusts	\$ 32,746,436	\$ 32,162,337
Common stocks	54,820	29,156
Mutual funds	18,027,978	16,797,592
Loans to participants	555,776	655,025
Employer securities	306,230	426,125
	51,691,240	50,070,235
Interest-bearing cash	-	157
Receivables:		
Employee contributions	68,719	79,463
Employer contributions	20,697	23,321
	89,416	102,784
Total assets	51,780,656	50,173,176
Liabilities:		
Excess employee contributions refundable	(8,686)	(23,373)
Net assets available for benefits, at fair value	51,771,970	50,149,803
Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	24,781	5,322
Net assets available for benefits	\$ 51,796,751	\$ 50,155,125

See Accompanying Notes To The Financial Statements.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

**Statements Of Changes In Net Assets Available For Benefits
Years Ended December 31, 2006 And 2005**

	<u>2006</u>	<u>2005</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments:		
Investments	\$ 3,070,694	\$ 2,299,711
Employer securities	(55,889)	(170,080)
	3,014,805	2,129,631
Interest and dividends	1,850,691	1,617,857
Total investment income	4,865,496	3,747,488
Contributions:		
Employee	1,004,236	1,035,549
Employer	284,375	110,057
Other	60,980	14,589
	1,349,591	1,160,195
Total additions	6,215,087	4,907,683
Deductions:		
Benefits paid directly to participants	(4,521,977)	(5,623,490)
Administrative expenses	(51,484)	(70,812)
	(4,573,461)	(5,694,302)
Net increase (decrease)	1,641,626	(786,619)
Net assets available for benefits:		
Beginning of year	50,155,125	50,941,744
End of year	\$ 51,796,751	\$ 50,155,125

See Accompanying Notes To The Financial Statements.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Notes To Financial Statements December 31, 2006 And 2005

Note 1. Description of Plan; Merger of Other Plans

The following summary of the Savings Plan for Employees of The Fairchild Corporation (the Plan), formerly the Fairchild Savings and Employee Stock Ownership Plan (SESOP), which was formerly the Fairchild Industries, Inc. Employee Stock Ownership Plan (ESOP), is provided for general information purposes only. Participants should refer to the legal Plan Document for more complete information. The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

General - The Plan was originally adopted, effective January 1951, by the Board of Directors and shareholders of Fairchild Industries, Inc. (the Company), a wholly-owned subsidiary of The Fairchild Corporation (the Corporation), formerly Banner Industries, Inc. The term Plan Sponsor as used herein refers to either the Company or the Corporation.

Effective January 1, 1986, the Plan was amended and restated into an employee stock ownership plan as described in Section 4975(E)(7) of the Internal Revenue Code (Code), coverage was expanded to include all non-bargaining unit employees and the Plan was renamed The Fairchild Industries, Inc. Employee Stock Ownership Plan (ESOP).

Effective February 1, 1989, The Savings Plan for Employees of Fairchild Industries, Inc. (Savings Plan) was merged into the ESOP to form the SESOP.

On December 18, 1990, the Corporation adopted a restated document entitled the Savings Plan for Employees of The Fairchild Corporation. The Plan as restated is intended to be a continuation of the Savings Plan.

As a result of Company acquisitions in 1999, the Plan was amended and restated, effective December 31, 1999, to reflect the merger of the Kaynar Technologies, Inc. Savings and Retirement Plan, the Amended and Restated Banner Aerospace, Inc. Profit Sharing/401(k) Plan and Trust, and the Marcliff Savings Plan. As of December 31, 1999, employees ceased participation in the three merged plans and began participation in the Plan. Assets from the three plans totaling \$56,820,193 were transferred into the Savings Plan for Employees of The Fairchild Corporation on February 1, 2000.

The purpose of the Plan is to provide a vehicle for the eligible employees of the Corporation and its United States subsidiaries that have adopted the Plan (individually, the Corporation or any United States subsidiary that has adopted the Plan is referred to as a "Plan Sponsor") to save funds on a tax-advantaged basis and receive a proprietary interest in the Corporation and to assist the Plan Sponsor in attracting and retaining competent employees.

Subject to meeting the requirements for participation set forth in the Plan and described below, each eligible employee of the Corporation or any United States subsidiary of the Corporation that has adopted the Plan is entitled to participate in the Plan.

The Plan consists of two components: (1) a savings feature that allows participants to contribute a portion of their annual compensation to the Plan through payroll deductions and to receive Plan Sponsor discretionary matching contributions on those contributions (Matching Contributions) and (2) a profit sharing feature that allows the Plan Sponsor to make contributions at the discretion of its board of directors to the accounts of eligible participants.

Participants may make their contributions on a before-tax basis in accordance with a qualified cash or deferred arrangement permitted under Section 401(k) of the Code or can elect to have their contributions made under the after-tax contribution provisions of the Plan.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Notes To Financial Statements December 31, 2006 And 2005

Note 1. Description of Plan; Merger of Other Plans (Continued)

Newly hired employees over age 18 are eligible for Plan participation on the first of the month following 60 days of service. Unless the employee enrolled in the Plan or waived participation in the Plan, the newly eligible employee will be automatically enrolled after the first of the month upon completion of 90 days of service, and a pre-tax contribution of 3% will be withheld from the participant's eligible compensation. The contributions made to the Plan on the participant's behalf will be invested in the Putnam Stable Value Fund selected in accordance with Plan procedures established by the plan administrator. Highly compensated employees may contribute up to 15% of compensation, and non-highly compensated employees may contribute up to 20% of compensation. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Effective January 1, 2002, Plan Sponsor matching contributions are discretionary and determined annually by the Board of Directors. Beginning January 1, 2005, the Plan document was amended to allow for matching contributions to be made by the Plan Sponsor on behalf of each participant of the Plan in the amount equal to 50% of the sum of the participant's before-tax and after-tax contributions, up to 5% of the participant's annual compensation. Employer matching contributions made for the plan year 2006 and 2005 was \$284,375 and \$110,057, respectively.

Each employee of the Plan Sponsor who is not a leased employee is generally eligible to participate in the Plan.

Contributions may be made in the form of Corporation stock, cash, or other property, provided that cash will be contributed as needed to provide the Plan with sufficient funds to pay in full when due any interest and principal payments required under any and all loans (or other extensions of credit) made to the Plan and used by the Trustee to finance the acquisition of common stock issued by the Plan Sponsor.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan reflect the accrual basis of accounting. The following accounting policies were followed in determining the value of the net assets available for Plan benefits:

1. Investments are stated at fair value.
2. Distributions to participants are recorded when paid.
3. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
4. As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Bully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The plan invests in investment contracts through a collective trust. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Notes To Financial Statements December 31, 2006 And 2005

Note 2. Summary of Significant Accounting Policies (Continued)

Administrative Expenses - The Plan provides that all usual and reasonable administrative expenses of the Plan related to trustee fees, record-keeping fees, and investment management fees may be paid out of the Plan assets.

Participant Accounts - Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, if any, and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' non-vested accounts are used to reduce future Company contributions or pay Plan expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Administration - The Plan is administered by a committee known as the Pension and Retirement Committee (the Committee) appointed by the Board of Directors of the Corporation. The duties of the Committee include, but are not limited to interpreting the Plan, issuing directions to the Trustee to pay benefits from the Plan and appointing and employing agents to assist in the administration of the Plan.

Investments Valuation and Income Recognition - Investments are stated at fair value except the investment in the Putnam Stable Value Fund, which is reported at contract value. Investments in marketable equity and debt securities are reported at fair value based on quoted market prices. Shares of registered investment companies (mutual funds) are reported at fair value based on the quoted market price of the fund, which represents the net asset value of the shares held by the fund at year-end. Shares held in the Putnam S&P 500 Index Fund and Putnam Bond Index Fund bank common trust funds are reported at fair value based on the unit prices quoted by the fund, representing the fair value of the underlying investments. The Plan's interest in the Putnam Stable Value Fund collective trust fund is reported at contract value, as valued by the investment advisor using the audited financial statements of the collective trust at year-end. Loans to participants are stated at their outstanding balances, which approximate fair value. Purchases and sales of securities are recorded on a trade date basis. Gains or losses on sales of securities are based on the average cost of the respective securities. Dividends are recognized on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

Employees may invest in the funds in increments of 1%. Participants may transfer their account balances in any investment fund to one or more of the other investment funds daily. The transfer must be in multiples of 1% of the account balance.

Participant Loans - Participant Loan Account - Active participants can apply for a loan at any time for any purpose. They can borrow up to 50% of their vested account balance. The maximum loan amount is \$50,000; the minimum is \$1,000. The maximum loan period is five years, or longer for a home loan. One loan to purchase a home and two general-purpose loans can be outstanding at any time. Loans are repaid through payroll deductions. The interest paid on the loan is credited to participants' individual accounts. Interest rates on loans range from 5.0% to 10.0%, which is commensurate with local prevailing rates as determined by the Plan Administrator.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Notes To Financial Statements December 31, 2006 And 2005

Note 2. Summary of Significant Accounting Policies (Continued)

Vesting – Participants are 100% vested in their voluntary contributions plus earnings thereon. The Plan's vesting schedule for employer contributions and earnings thereon is as follows:

Full Years Of Vesting Service	Percentage Vested
Less than one	0%
One year	20%
Two years	40%
Three years	60%
Four years	80%
Five years or more	100%

Vesting service means each Plan year during which an employee has completed no less than 1,000 hours of service. Employees who were participants of the Marcliff Savings Plan prior to the merger in 1999 retain their former vesting schedule. These participants are 100% vested after three years of service.

In the event of disability or retirement under the provision of a pension plan sponsored by the Corporation, or death, matching contributions are 100% vested. The balance of a participant's before-tax and after-tax contributions are fully vested and non-forfeitable at all times.

Distributions – Until the Plan year ended December 31, 2001, benefits under the Plan were distributed either in a lump sum, installment distribution, or annuity. For subsequent years, distributions are only paid as lump sum payments. If a participant's total benefit is \$1,000 or less, the entire amount may be paid in a lump-sum distribution at the discretion of the Plan administrator. Any participants who were receiving installments or annuities were able to continue receiving payments in that form. All new benefits are distributed in lump sum payments. The value of the matching contributions is fully vested upon the earlier of disability, death, attainment of age 65, or five years of service. If, prior to attaining full vesting, a participant terminates employment, the non-vested value of company matching contributions is forfeited. Participants, under certain conditions, may make a financial hardship withdrawal of all or part of their vested accounts. Such withdrawals may not exceed the amount required to meet the immediate financial needs created by the hardship. Forfeitures are used to reduce current matching contributions or pay plan expenses. Forfeitures were \$113 and \$15,521 in 2006 and 2005, respectively. All administrative expenses paid by the Plan in 2006, except for \$3,818, were paid from the forfeiture account. In 2005, all administrative expenses paid by the Plan was from the forfeiture account and \$188,592 of Company contributions were paid via the forfeiture account. In 2006, forfeitures were not used to reduce the Company's contributions.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

**Notes To Financial Statements
December 31, 2006 And 2005**

Note 3. Investments

Investments representing 5% or more of the Plan's net assets are as follows at December 31:

	2006		2005
Putnam Bond Index Fund	\$ 3,288,703	\$	3,173,567
Putnam Stable Value Fund	19,488,127		19,002,362 *
Putnam S&P 500 Index Fund	9,969,606		9,986,408
T. Rowe Price Balanced Fund	5,162,286		5,064,897
MSIF Small Company Growth Portfolio	4,281,857		4,508,530
American Funds Growth Fund of America	3,610,276		3,563,420
Thornburg International Value Fund CL I	4,147,344		3,140,018
Other investments	1,743,041		1,631,033
	<u>\$ 51,691,240</u>	\$	<u>50,070,235</u>

* Amount reported in prior year was at contract value. For current year presentation, this is at fair value in conformity with FSP AAF-1 and SOP 94-4-1 (see Note 2).

For the years ended December 31, 2006 and 2005, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$3,014,805 and \$2,129,631 in 2006 and 2005, respectively, as described below:

	2006		2005
Common/collective trusts	\$ 1,545,588	\$	1,381,616
Mutual funds	1,500,080		925,418
Common stock	25,026		(7,323)
Employer securities	(55,889)		(170,080)
	<u>\$ 3,014,805</u>	\$	<u>2,129,631</u>

Note 4. Tax Status

The Plan has been amended to comply with (1) various regulations and rulings issued by government agencies including the Small Business Job Protection Act, the Taxpayer Relief Act, the Community Renewal Tax Relief Act of 2000 and the Economic Growth and Tax Relief Reconciliation Act of 2001 to ensure that the Plan document complies with current administrative practice and (2) to make certain changes to plan benefits. On February 25, 2003, the Plan received a favorable determination letter from the Internal Revenue Service, indicating that the Plan as designed and amended is in compliance with the applicable requirements of the Internal Revenue Code (Code). Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Notes To Financial Statements December 31, 2006 And 2005

Note 5. Plan Termination

Although the Corporation has not expressed any intent to discontinue its contributions, it is free to do so at any time. In the event that such discontinuance results in the effective termination of the Plan, the Plan provides that all participants become 100% vested, and the Plan will continue in effect for the sole purpose of liquidating the participants' interest in the Plan.

Effective June 24, 2005, as a result of a sale of the stock of Fairchild Aerostructures Company, an affiliate of the Plan Sponsor, to PCA Aerospace, Inc., Fairchild Aerostructures Company (FAC) has terminated its participation in the Plan. Employees of FAC, as of the closing date, who, as a result of the sale incurred a termination of employment, were therefore fully vested in both the discretionary and matching contributions credited to their accounts.

Note 6. Correction Related to MetLife Demutualization

In 2000, Metropolitan Life Insurance Company went through a demutualization process whereby it converted from a mutual insurance company, owned by policy holders, to a stock insurance company, owned by stockholders (the Demutualization). The name of the new company remained Metropolitan Life Insurance Company (MetLife) but it became owned by a holding company, MetLife, Inc. In the Demutualization, policy holders of MetLife received either (1) common stock of MetLife, Inc., (2) cash, or (3) policy credits.

At the time of the Demutualization, the Plan had a guaranteed investment contract (GIC) from MetLife. The GIC was designed to preserve the principal balance of funds in the Plan and provide for a rate of return. As part of the Demutualization, MetLife issued shares of MetLife, Inc. stock to GIC holders unless the holders requested an alternative form of compensation.

On April 7, 2000 (the Distribution Date), MetLife issued a certificate representing 103,810 shares of MetLife, Inc. stock to Putnam Fiduciary Trust Company (Putnam) as trustee for the Plan at the time. The sale of the stock and additional dividends from the earnings on the sale of the MetLife stock in 2005 resulted in investment income of \$5,161,049. Due to administrative error, the proceeds were not timely allocated to participants' accounts. The Company filed a Voluntary Correction Process with the Internal Revenue Service (IRS) regarding the Plan to seek IRS approval of a proposed correction to allocate the proceeds to the proper participants' accounts. On September 25, 2006, the IRS issued a Compliance Statement approving the Company's proposed method of correction. All corrective actions were completed by December 15, 2006.

Note 7. Risk and Uncertainties

The Plan invests in common collective trusts, mutual funds and stocks. Such investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Notes To Financial Statements December 31, 2006 And 2005

Note 8. Plan Amendments

On November 11, 2006, the Plan was amended, effective January 1, 2006, to comply with final Treasury regulations issued under Sections 401(k) and 401(m) of the Internal Revenue Code.

On May 8, 2006, the Plan was amended, effective April 28, 2006, as a result of a reduction in workforce at Intersport Fashions West, Inc., an affiliate of the Plan Sponsor, to fully vest in both the discretionary and matching contributions credited to their accounts, the employees who were involuntarily terminated by the Plan Sponsor or were requested to resign by the Plan Sponsor.

In July 2005, the Plan was amended, effective March 28, 2005, to reduce the mandatory cash-out threshold amount to a participant from \$5,000 to \$1,000. As a result of a sale of the stock of Fairchild Aerostructures Company, an affiliate of the Plan Sponsor, to PCA Aerospace, Inc., Fairchild Aerostructures Company (FAC) has terminated its participation in the Plan effective June 24, 2005. As a result, the Plan Sponsor amended the Plan, effective June 24, 2005, to treat each participant who is an employee of FAC as of the closing date as an employee who has incurred a termination of employment and therefore fully vest these employees in both the discretionary and matching contributions credited to their accounts.

Note 9. Related Party Transactions

In January 2005, Putnam resigned from being trustee and Mercer Trust Company (Mercer) became the new trustee. Mercer and Putnam are related entities by virtue of being owned by a common parent. Certain plan investments are common/collective trusts managed by Putnam and therefore these transactions qualify as party-in-interest. No fees were paid by the Plan to Putnam for investment management services for the years ended December 31, 2006 or 2005.

Note 10. Form 5500 Reconciliation

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2006 and 2005:

	2006	2005
Net assets available for benefits per the financial statements	\$ 51,796,751	\$ 50,155,125
Deemed distributions	(140,830)	(161,224)
Net assets available for benefits per the Form 5500	<u>\$ 51,655,921</u>	<u>\$ 49,993,901</u>

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

**Notes To Financial Statements
December 31, 2006 And 2005**

Note 10. Form 5500 Reconciliation (Continued)

The following is a reconciliation of investments per the financial statements as of December 31, 2006 and 2005, to the Form 5500:

	<u>2006</u>	<u>2005</u>
Investments per the financial statements	\$ 51,691,240	\$ 50,070,235
Deemed distributions	(140,830)	(161,224)
Interest-bearing cash	-	157
Adjustment from fair value to contract value	24,781	5,322
Deemed distributions per the Form 5500	<u>\$ 51,575,191</u>	<u>\$ 49,914,490</u>

The following is a reconciliation of deemed distributions per the financial statements for the years ended December 31, 2006 and 2005, to the Form 5500:

	<u>2006</u>	<u>2005</u>
Deemed distributions per the financial statements	\$ -	\$ -
Deemed distributions change from prior year	20,394	21,629
Deemed distributions per the Form 5500	<u>\$ 20,394</u>	<u>\$ 21,629</u>

Note 11. New Accounting Pronouncements

In July 2006, Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement 109 (FIN 48)*, was issued and is effective for fiscal years beginning after December 15, 2006. FIN 48 sets forth a threshold for financial statement recognition, measurement and disclosure of a tax position taken or expected to be taken on a tax return. Management is currently evaluating the impact, if any, the adoption of FIN 48 will have on the Fund's net assets, results of operations and financial statement disclosures.

In addition, in September 2006, Statement of Financial Accounting Standards No. 157, *Fair Value Measurements (SFAS 157)*, was issued and is effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the Fund's financial statement disclosures.

Note 12. Pension Protection Act of 2006

The Pension Protection Act of 2006 (PPA) was signed August 17, 2006. Notice and disclosure and other changes mandated by the PPA will become effective for the plan year beginning January 1, 2008. The effect of these changes has not yet been determined.

SUPPLEMENTAL SCHEDULE

SAVINGS PLAN FOR EMPLOYEES OF THE FAIRCHILD CORPORATION

Schedule Of Assets (Held At End Of Year)

Form 5500 - Schedule H, Item 4i

December 31, 2006

Employer Identification Number: 54-1794337

Plan Number: 014

(a)	(b)	(c)	(d)	(d)
Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral and Par or Maturity Value	Shares	Cost**	Current Value
* Putnam Bond Index Fund	Common/collective trust	220,570	\$	3,288,703
* Putnam Stable Value Fund (1)	Common/collective trust	19,512,908		19,512,908
* Putnam S&P 500 Index Fund	Common/collective trust	268,216		9,969,606
American Funds Growth Fund of America	Mutual fund	110,541		3,610,276
MSIF Small Company Growth Portfolio	Mutual fund	321,702		4,281,857
Thornburg International Value Fund	Mutual fund	142,963		4,147,344
T. Rowe Price Balanced Fund	Mutual fund, Class I	242,475		5,162,286
Goldman Sachs Small Cap Value	Mutual fund	7,266		320,482
T. Rowe Price Equity Income Fund	Mutual fund	17,114		505,733
* Plan participants	Participant Loans (5.0%-10.0%)**			555,776
* Fairchild Corporation Stock	Employer securities-common shares	139,831		306,230
Global Sources Ltd. Stock Fund	Common stock	3,083		54,820
			<u>\$</u>	<u>51,716,021</u>

* Represents a party-in-interest to the Plan.

** Cost information is not required for participant directed investments.

*** Maturity dates of loans are from March 2007 to November 2014.

(1)The current value on the Form 5500 is presented at contract value for this investment.

McGladrey & Pullen, LLP
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Baltimore, MD 21201-3821
O 410.347.5254 F 410.727.1936
www.mcgladrey.com

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Fairchild Corporation
Savings Plan for the Employees of the Fairchild Corporation

We consent to the incorporation by reference in Registration Statement No. 333-97703, and on Form S-8 of the Fairchild Corporation, of our report, dated June 28, 2007, relating to the statements of net assets available for benefits of the Savings Plan for Employees of The Fairchild Corporation as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years ended December 31, 2006 and 2005, which report appears in the December 31, 2006 Form 11-K of the Savings Plan for Employees of the Fairchild Corporation.

McGladrey & Pullen, LLP

Baltimore, Maryland
June 28, 2007

END