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SKYWEST AIRLINES LTD
('Skywest' or the 'Company')
CONSOLIDATED UNAUDITED RESULTS FOR THE
SIX MONTHS ENDED 31 DECEMBER 2007

Skywest Airlines Ltd presents its interim results for the six months to 31 December 2007.

HIGHLIGHTS

- Profits rise 96% with pre-tax profits increasing to \$8,672,166 (six months to 31 December 2006: \$4,422,960);
- The interim dividend to shareholders increased by 133% from the figure in the comparable period;
- Group revenues for the 6 months were up 26.3 per cent on the comparable period to \$74.1m (six months to 31 December 2006: \$58.7m);
- The revenues for the full year ending June 2008 are expected to materially exceed that of the prior full year;
- Post tax profits rose 46.6 per cent to \$6,485,870 (six months to 31 December 2006: \$4,422,960);
- Scheduled charters with major mining companies such as with Newcrest Mining Ltd (ASX: NCM) and Fortescue Metals Group Ltd (ASX: FMG) and a code share with Virgin Blue Holdings Ltd (ASX: VBA) are adding revenues in current period.

The results for the half year ended 31 December 2007 based on unaudited financial statements as reported are as follows along with an equivalent in Pounds Sterling:

	In SGD \$	GBP equivalent (1)
Revenue from ordinary activities	74,185,824	24,581,472
EBITDAR (earnings before interest, tax, depreciation and aircraft rental)	21,543,159	7,138,326
Net Profit after income tax	6,485,870	2,149,093
Profit attributable to shareholders	6,485,870	2,149,093
Earnings per share for the 6 months	3.26 cents	1.08 pence

Notes:

(1) In this announcement the applicable exchange rate between GBP and SGD at the average exchange rate of 0.33135 which was used in the presentation of the accounts.

The Company's results are reported in Singapore Dollars ('\$' or 'SGD'), all references to Dollars are Singapore Dollars unless otherwise stated. References to AUD are to Australian Dollars and USD are United States Dollars

Jeff Chatfield, Executive Chairman of Skywest commented on the results as follows:

“We are pleased that your Company has managed to implement its business strategy effectively. This has resulted increased revenues and profits. Efficiency gains continue apace and I am grateful to all my colleagues for their hard work in delivering these outstanding results for all shareholders.”

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CHAIRMAN'S STATEMENT

I am pleased to present our interim results for the six months ended 31 December 2007 (the "Period"). The Company's airline operations have resulted in improved Group operating results with Group revenues for the half year increasing to \$74,185,824 (2006: \$58,726,491) with earnings before interest, taxation, depreciation, amortization and aircraft rentals (EBITDAR) doubling to \$21,543,159 (2006: \$10,400,199).

The Group's net profit after income tax was recorded as \$6,485,870 compared to \$4,422,960 for the same period last year – an increase of 46.6%. This was a result of increases in revenue along with economy of scale improvements that result from a larger and better utilized fleet.

The interim dividend payment to shareholders will be \$0.007 per ordinary share which is an increase of 133% on the amount paid per share as the interim dividend payable for the comparable period of last year.

The Company's results are presented and prepared in accordance with IFRS and are unaudited.

TRADING

The regular airline business that the Company operates, where scheduled flights are provided and sold to the flying public, continues its organic growth within a relatively stable environment. We believe that the current growth in this area of the business is currently 20% in revenue terms. The Company is pleased with the growth in this area of the business. We continue to add regional routes as and when additional aircraft become available. The most recent route added was Perth – Kalgoorlie – Melbourne, a route that was contributing to profits within 2 months of the inaugural flight.

Revenue Passenger Kilometers increased by 12.75% to approximately 158,883,000 and Available Seat Kilometers increase by 17.7% to 276,790,000.

It has been a key strategy of the Company to pursue contracts for scheduled charter services. The Company operates these long term scheduled mining charters for the resources sector whereby the Company carries workers into and out of their place of employment in remote mining areas. This is the area where the Company is enjoying the largest growth in revenues. Demand for services currently exceeds the ability of the Company to secure aircraft, pilots and flight attendants. The growth in services in this area has been dramatic.

The Company often sells regular passenger tickets combined with a block booking for a resource company. The ability to combine these two methods of operation and commerce is a unique advantage that Skywest maintains and one that is in line with the policy of the current Western Australian Government. By way of explanation – Skywest enjoys an arrangement with its marquee client Rio Tinto Ltd (ASX:RIO) for a regular service for the employees of the Argyle Diamond Mine. After landing at Argyle to collect the Rio Tinto Ltd employees, the aircraft then flies to Kununurra en route to Perth, to transport members of the traveling public and regional community.

This joint Rio Tinto Ltd and Skywest initiative allows the airline to provide services to this remote regional community and travelers are able to enjoy a reliable and economical jet service to a town, namely Kununurra, which under usual circumstances would not

enjoy such a service level. Combining resource sector activity with regular passenger services adds value for all parties. The technique also alters the calculation of seat load factor that the Company reports: it makes the load factor appear to be artificially low.

Scheduled Charter for clients, such as that delivered during the construction phase of the Fortescue Metals Group Ltd (ASX: FMG) Iron Ore production facility, has assisted the Company grow the business. Flights delivered during the construction phase of the mine for FMG have provided the Company with significant opportunity to better utilize its fleet of 100 seat jets. These flights were operated during the entire Interim Period in this report.

OUTLOOK

The increase in profits is in part due to an increased scale of business. The Airline's overheads are in the main part fixed; as the fleet of larger planes has expanded, the ability to generate profits from the operating asset base has been increased.

The Company can expect continued growth; two additional jets are anticipated to be added to the fleet within 60 to 90 days of the date of this announcement.

The Company also plans to continue with an initiative to add the larger narrow body jets to its fleet over the next couple of years. Certain routes the Company operates may continue to grow so as to warrant the introduction of larger aircraft.

The Company continues to aggressively compete for each and every scheduled mining charter in its scope of operations in Australia. The Company believes that larger aircraft are required to adequately service the larger mining operators and continues to source and offer these to existing and potential clients.

The Company recently won a major scheduled charter contract with Newcrest to fly Newcrest's employees to the Telfer Gold production facility in Western Australia. This contract has commenced effective January and is performing well and is profitable. Because the contract commenced in January, no financial impact is recorded in the Interim Statements, however, due to this contract and others of a similar nature a material increase in group revenues for the full year above and beyond the prior year is inevitable. Further contributing to revenue growth is a code share with Virgin Blue airlines. The Company will attempt to add additional routes to the code share and utilize Virgin Blue's sales network.

RISK AND COMMENTS ON FUEL COSTS

Risks faced by the business are normal commercial risks and typical airline industry related risks.

While increased fuel costs have unpredictable consequences to the bottom line, it may be that the growing costs could assist our returns rather than diminish them. The reason for this focuses on the decision making process when a passenger chooses to either travel in an automobile or to fly. Air travel may be a more cost effective option for the consumer than an automobile over the distances of Skywest's routes. This is because the amount of fuel used by an aircraft on a per passenger basis and its cost is typically less than that used by a single passenger on a similar trip in an automobile. This set of circumstances is only applicable when the airline has the economic freedom to directly pass to the end user changes in fuel cost.

To mitigate the fuel cost issues, the Company operates an ethical and transparent fuel levy policy on pricing of ticket sales to the public. The Company also has in its contracts with mining company's rise and fall provisions where on the basis of a transparent formula, in so far as possible, the Company passes on increases in fuel.

INTERIM DIVIDEND

In line with the increase in profits, the directors have increased the first interim dividend for 2008. The interim dividend for this period is \$0.007 per share (2007 \$0.003, increase this year 133%). The dividend will be paid on 2 April 2008 in Pounds Sterling calculated at then prevailing exchange rate to shareholders on the share register at the close of business on 25 March 2008.

CAPITAL MANAGEMENT AND STOCK MARKET QUOTATIONS

The Company has its shares quoted on the AIM market in London and the shares are also traded on PLUS Markets in London. Consequential to the mandate issued by shareholders at the last annual general meeting and the high levels of cash and relatively low levels of gearing within the group, the Company has been in the process of systematically buying back its shares for cancellation. The Company understands that this is a tax effective method of increasing the earnings per share enjoyed by shareholders. In the period 1 Jan 2007 – 31 Dec 2007, the Company repurchased for cancellation a total of 7,936,073 shares. The Company intends to continue with systematic repurchases of shares for cancellation based on its opinion that when in an environment of rising profits a buyback programme represents a tax effective opportunity to continue to increase shareholder value.

I would like to take this opportunity of thanking you - the shareholders – for your continued support and encouragement and look forward to keeping you updated on the progress of our Company.

Jeff Chatfield
Executive Chairman,
Singapore, 11 March 2008

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007
In Singapore Dollars (\$)

	6 months ended 31 December 2007	6 months ended 31 December 2006
Revenue	74,185,824	58,726,491
Cost of sales	<u>(39,355,022)</u>	<u>(28,819,916)</u>
Gross profit	34,830,802	29,906,575
Other operating income	552,194	568,633
Selling, general and administrative expenses	(13,839,837)	(19,362,967)
Other operating expenses	-	(712,042)
Earnings before rental of aircraft/depreciation/finance cost	<u>21,543,159</u>	<u>10,400,199</u>
Rental of aircraft	(8,048,330)	(2,712,532)
Depreciation	(4,727,145)	(3,248,204)
Interest expense	<u>(95,518)</u>	<u>(16,503)</u>
Earnings after rental of aircraft/depreciation/finance cost	8,672,166	4,422,960
Income tax	<u>(2,186,296)</u>	<u>-</u>
Profit after income tax	6,485,870	4,422,960
Minority Interest	-	(787,860)
Profit attributable to shareholders of the company	<u>6,485,870</u>	<u>3,635,100</u>
Earnings per share	<u>3.26 cents</u>	<u>1.79 cents</u>

UNAUDITED CONSOLIDATED BALANCE SHEET
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2007
 In Singapore Dollars (\$)

	As at 31 Dec 2007	As at 31 Dec 2006
ASSETS		
Non-current assets		
Property, plant and equipment	48,178,599	39,626,570
Other receivables	-	603,309
Intangible assets	<u>17,189,508</u>	<u>16,853,860</u>
Total non-current assets	<u>65,368,107</u>	<u>57,083,739</u>
Current assets		
Cash	10,356,850	12,988,611
Trade receivables	13,993,002	8,138,999
Other receivables	2,504,558	651,048
Inventories	1,482,520	1,037,769
Available for sales financial assets	<u>3,408,240</u>	<u>229,132</u>
Total current assets	<u>31,745,170</u>	<u>23,045,559</u>
TOTAL ASSETS	<u><u>97,113,277</u></u>	<u><u>80,129,298</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	44,731,615	45,844,250
Reserves	1,936,004	740,426
Accumulated profits (losses)	<u>4,841,500</u>	<u>(875,146)</u>
	<u>51,509,119</u>	<u>45,709,530</u>
Current liabilities		
Trade payables	4,974,617	5,013,199
Other payables	18,972,038	17,473,141
Borrowings	2,536,800	-
Provisions	6,140,463	4,539,840
Income tax payables	4,481,762	-
Dividend payable	<u>-</u>	<u>1,077,116</u>
Total current liabilities	<u>37,105,680</u>	<u>28,103,296</u>
Non-current liabilities		
Borrowings	4,876,196	5,307,391
Deferred tax liabilities	3,537,306	928,019
Provisions	<u>84,976</u>	<u>81,062</u>
Total	<u>8,498,478</u>	<u>6,316,472</u>
TOTAL EQUITY AND LIABILITIES	<u><u>97,113,277</u></u>	<u><u>80,129,298</u></u>

UNAUDITED CONSOLIDATED GROUP CASH FLOW
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007
In Singapore Dollars (\$)

	6 months ended 31 December 2007	6 months ended 31 December 2006
Cash flows from operating activities		
Profit after income tax	6,485,870	4,422,960
Adjustments for:		
Income tax	2,186,296	-
Depreciation expenses	4,727,145	3,248,204
Gain on disposal of property, plant and equipment	(50,351)	-
Interest expense	95,518	16,502
Interest income	(446,553)	(429,357)
Operation profits before working capital changes	12,997,925	7,258,309
Trade receivables	(1,671,058)	1,656,169
Other receivables	981,023	1,281,759
Inventories	(269,160)	(124,918)
Intangible assets	88,759	-
Trade payables	(1,553,812)	(10,248,051)
Other payables	(2,732,520)	6,595,445
Provisions	811,234	376,519
Unearned revenue	-	3,928,385
Deferred income	-	578,178
Deferred government grant	-	(507,366)
Cash generated from operations	8,652,391	10,794,429
Interest paid	(95,518)	(16,502)
Interest received	446,553	429,357
Income tax paid	(295,131)	(295,300)
Net cash generated from operating activities	8,708,295	10,911,984
Cash flow used in Investing activities		
Purchase of property, plant and equipment	(11,089,740)	(12,296,925)
Proceeds from disposal of property, plant and equipment	197,100	-
Purchase of available for sale financial assets	(2,264,169)	(38,503)
Dividends paid	(3,673,230)	(365,310)
Additional investment in subsidiary paid to minority shareholders	-	(10,754,077)
Net cash used in investing activities	(16,830,039)	(23,454,815)
Cash flow generated from financing activities		
Proceeds from (Repayment of) borrowings	2,117,515	(1,479,736)
Proceeds from issuing shares (net of cost)	1,682,367	18,437,472
Dividend paid to minority shareholders of subsidiary	-	(533,824)
Net cash generated from financing activities	3,799,882	16,423,912
Net effect of exchange rates in consolidating subsidiaries	149,848	427,038
Net (decrease) increase in cash	(4,172,014)	4,308,119
Cash at beginning of period	14,528,864	8,680,492
Cash at end of period	10,356,850	12,988,611

Notes:

- 1) The financial statements do not reflect this interim dividend payable which will be accounted for in the period when the funds are actually paid to shareholders.
- 2) The results for the Period are derived from continuing activities.
- 3) The calculation on earnings per shares have been on a weighted average 198,686,962 (2006: 203,229,406) ordinary shares in issue for the during the 6 months period.
- 4) The un-audited results have been prepared on a going concern basis and on the basis of the accounting policies adopted in the audited accounts for the period ended 30 June 2007 and 30 June 2006. The interim figures have not been audited. The interim financial statement does not constitute statutory accounts within the meaning of Section of the Singapore Companies Act (as amended).
- 5) The interim statement for 2007 was approved by the board of Directors. Copies of this statement will be available to shareholders and members of the public, free of charge, from its nominated adviser and the Company's registered office and the Company website www.advent.com.sg
- 6) The exchange rate applying at 31 December 2007 was AUD – SGD 1.26840. The average rate applied during the six months period ended 31 December 2007 was AUD – SGD 1.29061.