

SKYWEST AIRLINES LTD



Consolidated Interim Financial Report Presentation

For The Half Year Ended
31st December 2009

Company Registration Number: 199708548K
ASX CODE: SXR
AIM CODE: SKYW

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HALF YEAR FINANCIAL RESULTS

- Pre Tax Profit for the six months up 503% to S\$10.128m
- Earnings of 3.64 cents per share
- Revenue increased to S\$107,055,564, 10% above comparable half-year period
- NPAT of S\$7,091,067 a turnaround from a S\$2,786,267 loss of comparable half-year period.
- EBITDAR for the period was S\$28,812,784 an increase of 108%.
- An interim dividend of 0.5 cents per share.

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COMPANY OVERVIEW

- Low risk airline model leveraged to high growth in Western Australia.
- Established 1964 servicing Western Australia.
- Now has the largest route structure within Western Australia.
- Profitable platform – solid strategic relationships with Virgin (code share partner)



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GROWTH

- Expansion into mining and natural resources scheduled charter operations, now accounts for 60% of revenue.
- Longterm macro driver of Western Australia's investment cycle.



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SKYWEST COMPANY OVERVIEW



- Only 48% of traffic is scheduled passenger traffic with low yield and volume volatility.
- Expansion opportunities involving international flights and Pilbara – East Coast, scheduled flights only initially.
- Current fleet 17 planes and expanding.

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KEY 2009 EVENTS

- Relisted on the ASX in December 2009.
- Australian airline domicile and listing allows airline nationality benefits.
- Opportunity to secure freight prospects with new commercial agreements between Skywest and Western Australian customers. An example of this is WA Newspapers.
- Exceptional recovery in 2009 earnings with new profits approaching A\$1,300,867 per month in 1HFY10.



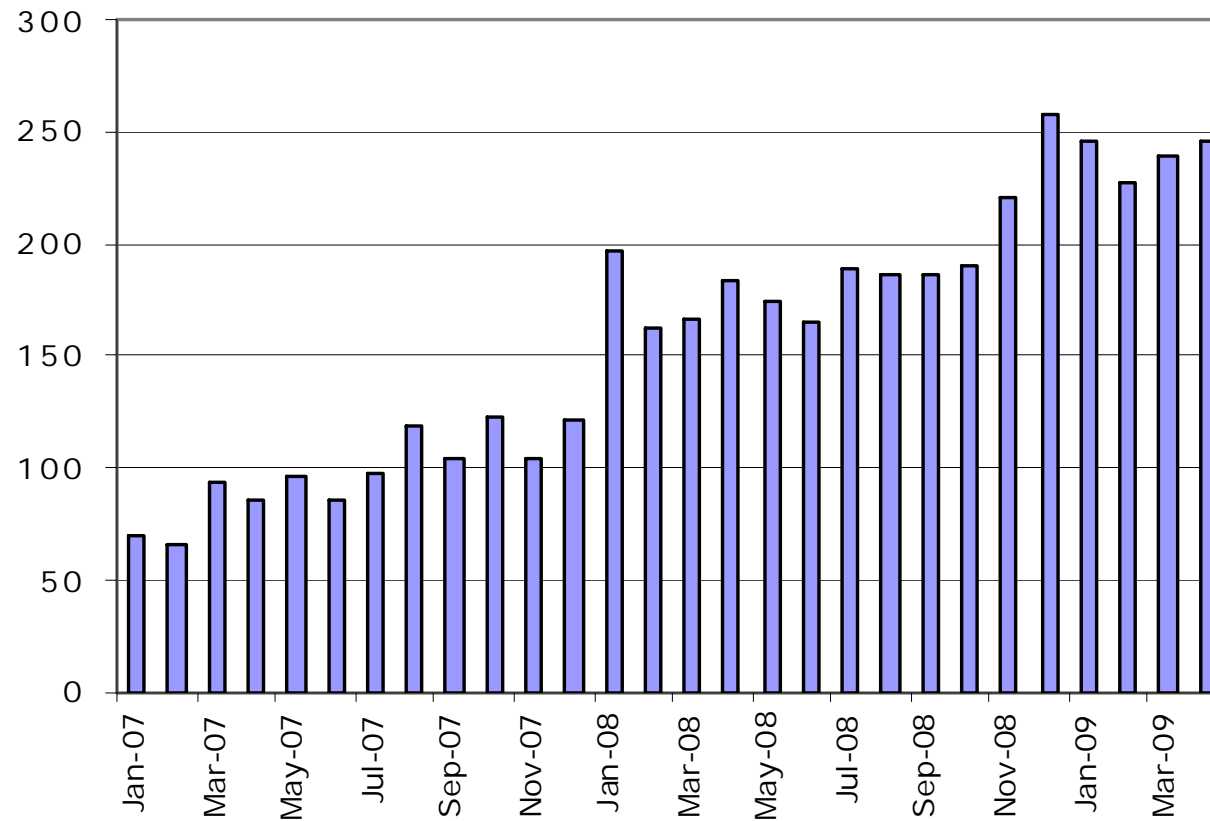
It's amazing where Skywest can take you...



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SKYWEST'S CHARTER FLIGHTS



Source: Skywest Monthly Traffic Statistics

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BACKGROUND TO CHARTER OPERATIONS

- Charter services generate approximately 60% of the revenue.
- Charter operations has increased from 60 to 250 over the past three years an exponential growth of over 400%
- Contracts in place with major mining companies:
 - NewCrest
 - Portman Iron
 - Fortescue
 - Rio Tinto

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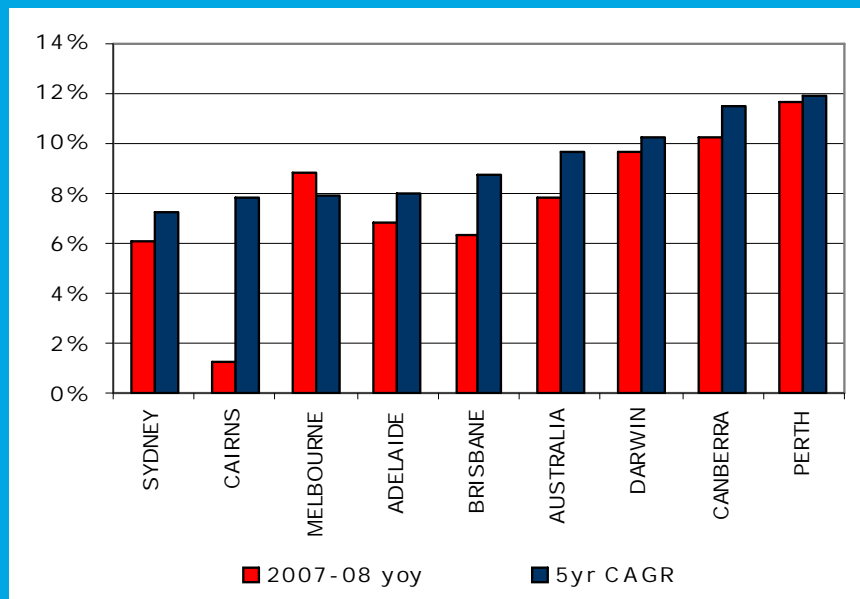
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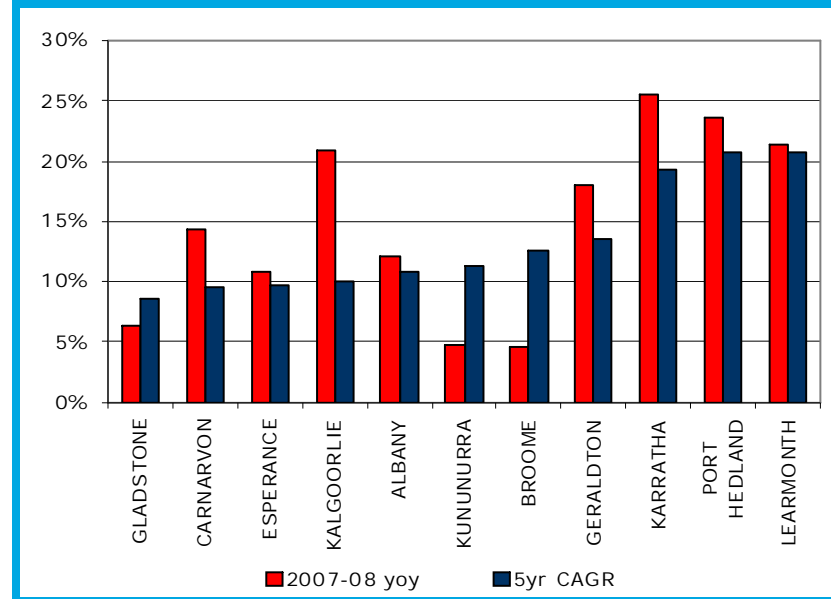
SCHEDULED TRAFFIC GROWTH EXCEPTIONAL IN AUSTRALIAN CONTEXT

- Western Australia's 5 year CAGR in regional traffic at 13.7% versus overall Australian market of 9%. FY08 regional growth of 15.1% versus 7% overall.
- 23% of Skywest routes are competitive, and the balance accounting for 34% of scheduled traffic volumes, are licensed exclusive with average review terms of 5 years.

Perth leading the growth in hub airports ...



... underpinned by rapid intrastate growth



Source: BITRE - Bureau of Infrastructure, Transport and Regional Economics.

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FLEET



- Fleet utilisation is not intense in charter operations. 1,827 hours per annum per aircraft versus >3,000 hours per annum for normal airline operators.
- Skywest has acquired low capital cost aircraft consistently.
- Skywest aircraft book value (including lease obligations) to revenues is a low % versus comparative airlines.

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SKYWEST'S FLEET

- Average age 19 years (In line with other regional airlines)

Skywest Airlines Pty Ltd

Registration	Serial	Model	Year	MTOW	Engines	Type	Registered
VH –FNA	20106	F27 MK 50	1987	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH –FNB	20107	F27 MK 50	1987	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH –FND	20129	F27 MK 50	1987	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH –FNE	20212	F27 MK 50	1991	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH –FNF	20200	F27 MK 50	1990	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH –FNH	20113	F27 MK 50	1987	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH –FNI	20114	F27 MK 50	1987	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH –FSL	20249	F27 MK 50	1994	20,820kg	2 x Pratt & Whitney	Turboprop	Skywest Airlines PTY LTD
VH – FNC	11334	F28 MK 0100	1991	43,090kg	2 x Rolls Royce	Turbofan	Capital Lease Aust. Portfolio One
VH – FNJ	11489	F28 MK 0100	1994	43,090kg	2 x Rolls Royce	Turbofan	F100 PTY LTD
VH – FNN	11326	F28 MK 0100	1991	43,090kg	2 x Rolls Royce	Turbofan	Capital Lease Aust. Portfolio One
VH – FNR	11488	F28 MK 0100	1994	45,000kg	2 x Rolls Royce	Turbofan	F100 PTY LTD
VH – FNT	11461	F28 MK 0100	1995	45,000kg	2 x Rolls Royce	Turbofan	Capital Lease Aust. Portfolio One
VH – FNU	11373	F28 MK 0100	1993	43,090kg	2 x Rolls Royce	Turbofan	F100 PTY LTD
VH – FNY	11484	F28 MK 0100	1994	45,000kg	2 x Rolls Royce	Turbofan	F100 PTY LTD
VH – FSQ	11450	F28 MK 0100	1994	45,000kg	2 x Rolls Royce	Turbofan	Skywest Airlines (S) PTE LTD
VH – FSW	11391	F28 MK 0100	1991	43,090kg	2 x Rolls Royce	Turbofan	F100 PTY LTD

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GROWTH STRATEGY

- Acquire (buy / lease) more aircraft to match demand for charter requests
- Excising free cash flows and recovery in leasing market ensures that internal cash flows will be sufficient to match tenders being quoted in 2010, however, further growth opportunities abound.
- Capital Lease Aviation Plc and Aviation Plc (both related parties), has delivered to Skywest aircraft under lease, more

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