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SKYWEST AIRLINES LTD ANNOUNCES PROFIT RESULTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS

Net Profit better than anticipated;

The net profit after tax is SGD \$7.14 m;

Pre-tax profit for the six months was SGD \$9.76 m;

The group revenue for the half-year increased by 17% to SGD 125.27 m from the comparable half-year Period;

EBITDAR for the period was SGD 30.03 m; and

The half-year earnings are SGD 3.58 cents per share.

The results for the half-year ended 31 December 2010, based on the financial statements and reported in Singapore Dollars (“SGD”) are presented below. The presentation of these accounts has been subject to auditor review.

Half year ended 31 December	2010	2009	Change
	SGD	SGD	
Revenue	125,265,230	107,055,564	17%
EBITDAR (earnings before interest, tax, depreciation, amortization and aircraft rental)	30,030,330	28,812,784	4%
Profit before income tax	9,758,069	10,128,097	-4%
Net profit after tax	7,136,286	7,091,067	0.64%
Basic earnings per share (Singapore cents)	3.58	3.64	-2%
Dividend per share (Singapore cents)	-	0.5	NA

CURRENCY COMPARATIVES:

In respect to the 1st half year results and for the convenience of UK and Australian shareholders, additional columns are provided below to denote an equivalent value in Pounds Sterling and Australian Dollars:

	SGD	GBP Equivalent ^(I)	AUD Equivalent ^(II)
	In SGD	In GBP	In AUD
Revenue	125,265,230	60,189,943	95,521,001
EBITDAR	30,030,330	14,429,574	22,899,628
(earnings before interest, tax, depreciation, amortization and aircraft rentals)			
Profit before income tax	9,758,069	4,688,752	7,441,016
Net profit after tax	7,136,286	3,428,985	5,441,775
Profit attributable to shareholders	7,136,286	3,428,985	5,441,775
Basic earnings per share	3.58 cents	1.72 pence	2.73 cents

I. In this table, the applicable exchange rate between SGD and GBP was taken to be the average exchange rate of 1:0.4805 which was used in the presentation of the accounts.

II. In this table, the applicable exchange rate between SGD and AUD was taken to be the average exchange rate of 1:0.76255 which was used in the presentation of the accounts.

Chairman's Statement regarding the Group's Operations and Financial Results

Dear Fellow Shareholders,

On behalf of your Board of Directors, I am pleased to present our interim results for the financial half year ended 31 December 2010 (the "Period"). The Company announces that the Group revenue for the half year has increased to SGD 125.27 m (2009 : SGD 107.06 m) with earnings before interest, taxation, depreciation, amortization and aircraft rentals (EBITDAR) increasing to SGD 30.03 m (2009 : SGD 28.81 m).

Notwithstanding Airbus A320-200 aircraft introduction costs of AUD 2.9m which were expensed during the period, the Group's net profit after income tax still increased and was recorded as SGD 7,136,286 compared to the prior period (the financial half year period ended 31st December 2009 the "Prior Period") of SGD 7,091,067 with earnings per share of 3.58 Singapore cents. The Board considers that the interim results are highly satisfactory in view of the fact that the Group had to absorb the one-time A320 aircraft introduction cost. In anticipating the A320 introductory costs in my last Chairman's Statement on 11th November 2010, the Company expected that the net profit for the Current Period would be lower by AU\$2.9m than the Prior Period so it is highly pleasing to see this better than anticipated result of an overall increase in profit.

Current trading and outlook

During the half year, the Australian subsidiary, Skywest Airlines (Australia) Pty Ltd ("SKW"), introduced its inaugural Airbus A320-200 jet aircraft, which is now successfully deployed in full-time service, bringing the total fleet size to 18 aircraft. In total, the Group has incurred approximately AUD 6.0m in total in order to not only deploy the particular aircraft but also to add that aircraft type to the Australian Air Operator's Certificate. During this six month period AUD 2.82 m was expensed on the introduction of this aircraft type.

On the 10th of January 2011, Skywest Airlines (Australia) Pty Ltd and the Virgin Blue Group of Airlines signed a 10 year strategic alliance to service a greater proportion of regional Australia with a new fleet of aircraft. As part of the deal, Skywest will operate up to 18 new Virgin Blue branded Turbo prop aircraft and will "wetlease" the aircraft to Virgin Blue. Wetleasing the aircraft includes the provision of the aircraft, the actual flight and cabin crew, the maintenance, the insurance and the general operation. The new aircraft will be leased from specialist leasing company, Avation Plc, with an initial term of 10 years.

There are many benefits to Skywest shareholders, as part of the Virgin Blue arrangements. Some of these benefits include that Skywest is paid the cost of operating the planes in full, alongside its typical profit margin. Additionally, the strategic alliance between the two parties could potentially double the size of Skywest, from the current Skywest fleet of 18 planes to the possibility of operating 36 aircraft or more. The arrangement is anticipated to commence in May 2011 with the delivery of the first of a series of aircraft.

Furthermore, Skywest may enjoy the opportunity to refresh its turboprop fleet with new aircraft which should deliver operational and maintenance cost savings to Skywest. The combined buying

power of the Virgin Blue fleet with Skywest's more modest requirements provides Skywest with the opportunity to potentially acquire attractively priced new aircraft.

Reclassification and comparative figures

Certain reclassifications have been made to align the previous period's results, with the current results as follows:

The prior period's cost of sales of SGD 82,265,148 and administrative expenses of SGD 15,497,520 have been reclassified to aircraft operating cost (excluding fuel costs) of SGD 17,904,984, fuel cost of SGD 21,486,974, aircraft lease rental and hire charges of SGD 11,703,400, employee benefits of SGD 22,276,970, sales and marketing costs of SGD 2,683,021, engineering and maintenance costs of SGD 10,437,418, depreciation and amortization of SGD 6,929,130 and other expenses of SGD 4,340,771.

The prior period's other investments of SGD 692,723 in the statement of financial position has been reclassified from non-current assets to current assets.

Risks

Risks faced by the business remain the normal commercial risks and typical airline industry related risks. The Group appears to be facing increased competition as the overall size of the resources sector client base continues to expand. This year has demonstrated the impact of significant rapid changes in exchange rate and fuel costs. These two factors still represent a significant risk to the business. Australian domestic fuel prices, when combined with a lowering in the value of the Australian dollar, cause increased overall costs to the Airline's operations. The Group does attempt to mitigate changes in the dollar and fuel costs by way of hedging, however, rapid and massive changes can quickly impact the finances of the Group with significant consequences.

In all, the Board remains committed to deliver shareholder value while growing this business in challenging times.

Jeff Chatfield
Executive Chairman

Enquiries:

Skywest Airlines Ltd Jeff Chatfield, Executive Chairman +61 411 478 132

Nominated Adviser James Joyce, W H Ireland Limited 0207 220 1666

Company Stockbroker
W H Ireland Limited 0207 220 1670

Financial Public Relations

Bishopsgate Communications
Nick Rome/ Laura Stevens/ Natalie Quinn
skywest@bishopsgatecommunications.com

0207 562 3350

Media Enquiries in Australia Nicole Harrison

+61 414626723

Websites www.skywest.com.au
www.advent.com.sg
www.skywest.com.sg