

# MEDIA RELEASE

## SKYWEST AIRLINES LTD ANNOUNCES PROFIT RESULTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

#### HIGHLIGHTS

- Pre Tax Profit for the six months was up 503% to S\$10.128m.
- The half-year earnings are S\$ 0.0364 per share.
- The group revenue for the half-year increased by 10% to S\$107.055m from the comparable half-year Period.
- The net profit after tax is S\$7.091m an amount that represents a turnaround from the S\$2.8m loss for comparable half-year period to 31 December 2008.
- EBITDAR for the period was S\$28.8m an increase of 108%.
- An interim dividend is to be S\$ 0.005 per share, there was no interim dividend paid in the last comparable period.

The results for the half-year ended 31 December 2009, based on the financial statements and reported in Singapore Dollars ("S\$") are presented below. The presentation of these accounts has been subject to auditor review.

Half year ended 31 December	2009	2008	Change
	S\$	S\$	
Revenue	107,055,564	97,308,717	10%
EBITDAR (earnings before interest, tax, depreciation, amortization and aircraft rental)	28,812,784	13,850,283	108%
Profit (loss) before income tax	10,128,097	(2,512,457)	503%*
Net profit (loss) after tax	7,091,067	(2,786,267)	354%*
Basic earnings per share (Singapore cents)	3.64	(1.40)	360%*
Dividend per share (Singapore cents)	0.5	-	NC
(*) – comparatives are based on negative figures			

#### DIVIDEND DETAILS:

Ex dividend date: 7 April 2010  
Associated record date: 9 April 2010  
Dividend payment date: 16 April 2010

#### CURRENCY COMPARATIVES:

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

	S\$	GBP Equivalent <sup>(i)</sup>	AUD Equivalent <sup>(ii)</sup>
Revenue	107,055,564	46,183,770	87,036,174
EBITDAR	28,812,784	12,429,835	23,424,793
(earnings before interest, tax, depreciation, amortization and aircraft rentals)			
Profit before income tax	10,128,097	4,369,261	8,234,143
Net profit after tax	7,091,067	3,059,086	5,765,037
Profit attributable to shareholders	7,091,067	3,059,086	5,765,037
Basic earnings per share	3.64 cents	1.57 pence	2.96 cents

- i. In this table, the applicable exchange rate between S\$ and GBP was taken to be the average exchange rate of 1:0.4314 which was used in the presentation of the accounts.
- ii. In this table, the applicable exchange rate between S\$ and AUD was taken to be the average exchange rate of 1: 0.8130 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 half year ended 31 December 2009 (the "Period"). The Company announces that the Group revenue for the half year has increased to S\$107,055,564 (2008 : S\$97,308,717) with earnings before interest, taxation, depreciation, amortization and aircraft rentals (EBITDAR) doubling to S\$28,812,784 (2008 : S\$13,850,283).

We recognise and appreciate the opportunity that the provision of airline services to ferry to and from work the employees of Rio Tinto, FMG, BHP, Newcrest , Newmont and others represent, and we treat this opportunity seriously. We will remain at the service of these important customers and will endeavour to do all that is necessary to satisfy client needs and provide solutions to their workforce logistical requirements. The result demonstrates the importance of maintaining the business strategy of providing an excellent airline service to the Coastal Towns of Western Australia combined with scheduled charter for the worlds major mining and resource companies.

The Group's net profit after income tax was recorded as S\$7,091,067 compared to the comparable prior year's loss of S\$2,786,267, with earnings per share of 3.64 Singapore cents. The board of Directors and senior management has maintained its business strategy in the face of a difficult global economic set of conditions. We have navigated the Group through a difficult period to turn this half year results to a net profit after tax of S\$7.09m as compared to a loss in last year's comparative period.

The interim dividend payment to shareholders will be 0.5 Singapore cents per ordinary share. The dividend payment will be paid to the shareholders on 16 April 2010.

### ASX Quotation

The Company was admitted to the official list of the Australian Securities Exchange on 7 December 2009. The Company now has its shares traded in both London, on the AIM market and in Australia, on the Australian Securities Exchange. Over a period of time, the Australian listing is expected to improve the liquidity of the Company's securities, which is where the bulk of the Group operations are located. The Airline already operates as an Australian domestic airline, has an Australian high capacity air operator's certificate and the Company has a large number of Australian shareholders. Secondly, quotation of the Company's shares on the Australian Securities Exchange might facilitate an increase in the Australian level of investment in the Company which may

in turn assist the Group to obtain an Australian International Airline Licence (thus potentially positioning the Group well with growth opportunities in international routes originating or terminating in Australia.)

### Trading and outlook

The Group continues to explore new route and services to expand the Airlines business. The Group has reinstated the Kalgoorlie to Melbourne service effective from 5 February 2010.

The Group continues to recognise the growth potential for Western Australia, particularly in light of recent announcements of a significant number of significant resource developments. To this end, the Airline has continued to engage, with demonstrable success, an additional strategy of focusing services on the resources sector, targeting as clients the major resource producers who fly their workers on a regular scheduled basis into and out of the mining areas. These scheduled fly-in fly-out contracts provide strong baseline recurring revenues. The Airline is well placed to capture more business in this area and at this time, it is tendering for various charter contracts and has deployed an additional aircraft, which may be utilized in due course for the purpose of operating additional charter services.

The Group also continues to provide conventional airline services to all of the major airports in Western Australia and beyond, as it has done for the previous 46 years. This regular airline business that the Group operates such as scheduled flights provided to the public, continues its organic growth in a buoyant environment. We believe that the scope for growth in this area of the business is a significant opportunity, and the Airline continues to expand its route network, adding regional routes as and when more aircraft become available through new fleet additions or by virtue of adjusted scheduling in accordance with demand.

In furtherance of its revenue growth, the Airline also enjoys a unique advantage in its business operations by being able to sell regular passenger tickets combined with block bookings to its resource clients thus, combining two methods of operation and commerce within the ambit of the transport policies of the current Western Australian Government. Furthermore, the Airline has an exclusive licence issued by the Western Australian Government on some routes. During the period, the Government extended the Airline's exclusive licence for the Coastal Network of Western Australia.

During the period, the Group has added one additional F100 and one F50 jet aircraft to its fleet and bring the total fleet size to 17.

### Reclassification and comparative figures

Certain reclassifications have been made to the prior period's comparative to enhance comparability with current year financial statements. Prior period's Rental of aircraft expenses of S\$10,439,234, depreciation expenses of S\$5,734,097 and administrative expenses of S\$13,837,618 has been reclassified to cost of sales. Prior period's other investments of S\$227,900 in the statement of financial position has been reclassified from current assets to non-current assets.

### Risks

Risks faced by the business remain Government actions, the normal commercial risks and typical airline industry related risks. The impact of significant rapid changes in exchange rates and fuel costs will continue to represent a significant business risks. The company does attempt to mitigate changes in the dollar and fuel costs by way of mitigating cost burdens. The Group will from time to time purchase fuel hedges. As announced on 18 December 2009, the Group has entered into a cashless collar in respect of 25% of its overall fuel requirements at spot market rates from the period 1 January 2010 to 30 June 2010.

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