

# SkyWest, Inc. SKYW

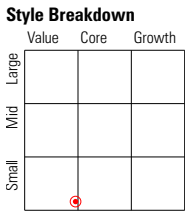
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# SkyWest, Inc. SKYW

## Quote/Snapshot

<b>Stock Type</b> Cyclical	<b>Last Close Price</b> \$13.59 ( 10/28/2011 )	<b>Fair Value Est</b> —	<b>Morningstar Rating™</b> —
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### Morningstar Investment Style



### Valuation 10/28/2011

	Stock	Industry	S&P 500
Price/Earnings	14.00	22.70	14.30
Forward P/E	10.30	—	13.70
Price/Book	0.50	2.50	1.90
Price/Cash Flow	2.80	4.20	7.40
Price/Sales	0.20	0.30	1.20
Fwd Div Yld %	1.18	—	2.08

### Quick Stats

<b>Morningstar Style</b> Small Value	<b>Industry</b> Airlines	<b>Sector</b> Industrials	<b>Stock Type</b> Cyclical
<b>Price/Cash Flow</b> 2.80	<b>Price/Earnings</b> 14.00	<b>Price/Sales</b> 0.20	<b>Sales (\$Mil)</b> 3,283
<b>52-Wk Range</b> 17.28-10.47	<b>Avg. Volume</b> 215,227 ( 10/28/2011 )	<b>Fwd Div Yld</b> 1.18	<b>Market Cap (\$Mil)</b> 705

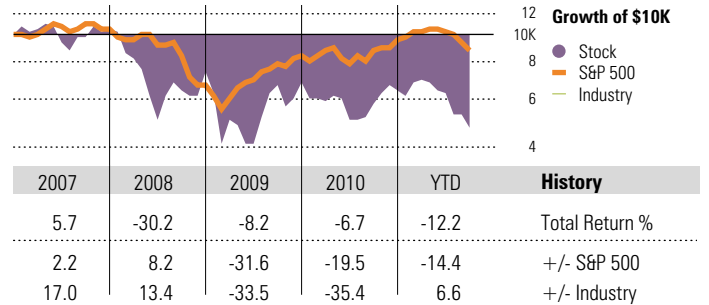
### Profitability 6/30/2011

	Stock	Industry	S&P 500
ROA %	1.20	1.40	9.30
ROE %	3.90	14.80	24.10
Net Margin %	1.60	1.60	13.90
Asset Turnover	0.80	0.90	0.80
Fin Leverage	—	8.40	4.10
Sales/Employee \$Thousands	362.10	—	—

### Growth 12/31/2010

	% 1 Yr	% 3 Yr	S&P 500
Sales	5.80	-6.40	6.60
Net Income	15.20	-15.40	6.40
EPS	15.60	-11.90	6.90
Equity/Share	8.40	8.80	8.30
Dividends	0.00	10.10	3.50

### Performance



### Morningstar Stock Grades

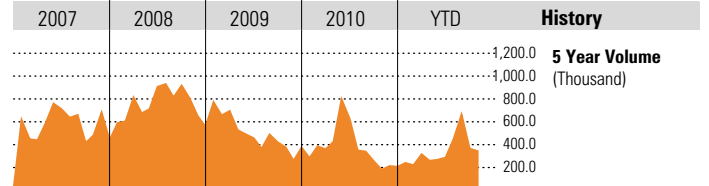
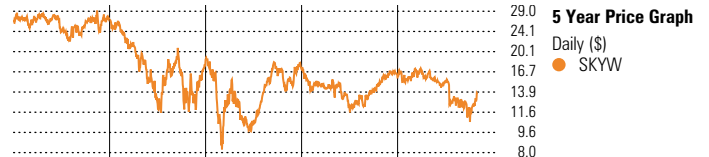
Growth	C
Profitability	D
Financial Health	C

### Industry Peers

	Market Cap \$Mil	TTM Sales \$Mil
easyJet PLC	10,007	4,651.72
Lan Airlines SA	8,793	5,018.40
Ryanair Holdings PLC	8,753	5,573.46
All Nippon Airways	7,791	15,853.17
Cathay Pacific Airways Ltd.	7,671	11,526.51

### Fund Ownership

	Morningstar Rating™	% Share Held	% Fund Assets
Nuveen Tradewinds Value Opportunities A	★★★★★	5.04	1.00
DFA U.S. Small Cap Value II	★★★★★	3.07	0.28
Fidelity Low-Priced Stock	★★★★	2.45	0.05
Franklin Small Cap Value A	★★★	2.39	1.04
Vanguard Small Cap Index Inv	★★★	1.58	0.05



### Operations

#### What Does This Company Do?

Regional airline SkyWest operates under two wholly owned subsidiaries, SkyWest and Atlantic Southeast Airlines. The firm has roughly 2,300 daily flights to more than 200 destinations in the United States, Canada, Mexico, and the Caribbean, flying out of major hubs in Atlanta, Chicago, San Francisco, and Denver. Its main partners, Delta and United, accounted for 98% of the firm's flying capacity in 2009. The firm operated 449 aircraft at the end of 2009.

#### Contact Information

Address	444 South River Road St. George, UT 84790
Phone	1 435 634-3000
Website	http://www.skywest.com
Direct Investment	No
Dividend Reinvestment	No

# SkyWest, Inc. SKYW

## Analysis

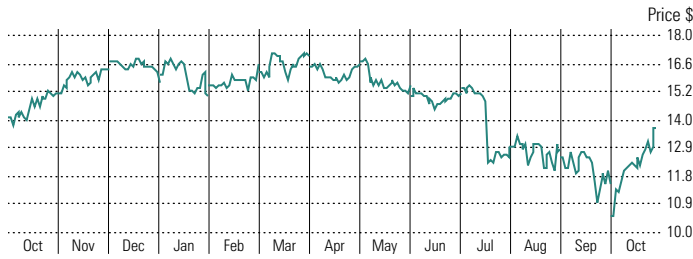
**Stock Type**  
Cyclical

**Last Close Price**  
\$13.59 ( 10/28/2011 ) —

**Fair Value Est**

**Morningstar Rating™**  
—

### Trailing One-Year Price



### Commentary

#### Financial Health

#### Profile

#### Management

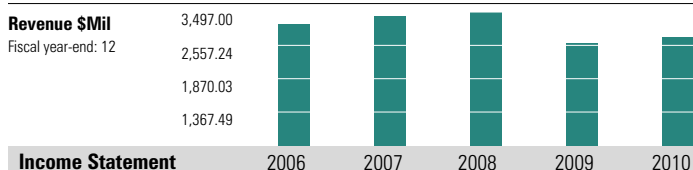
### Other Opinions

#### Bulls Say

#### Bears Say

# SkyWest, Inc. SKYW

## Financials



### Income Statement

	2006	2007	2008	2009	2010
Revenue \$Mil	3,114.66	3,374.33	3,496.25	2,613.61	2,765.15
Gross Margin %	21.67	20.81	38.90	48.74	61.39
Oper Income \$Mil	339.16	344.52	255.23	212.20	201.83
Operating Margin %	10.89	10.21	7.30	8.12	7.30
Net Income \$Mil	145.81	159.19	112.93	83.66	96.35
Earnings Per Share	2.30	2.49	1.93	1.47	1.70
Dividends \$ \$Mil	-7.49	-8.06	-6.95	-9.05	-9.00
Shares Mil	63	64	59	57	57
Book Value Per Share \$	18.43	20.46	22.37	24.32	26.36
Oper Cash Flow \$Mil	491.64	396.02	415.54	389.50	347.09
Cap Spending \$Mil	-251.64	-371.18	-238.38	-447.04	-151.27
Free Cash Flow \$Mil	240.00	24.84	177.17	-57.54	195.82

### Profitability

Return on Assets %	4.14	4.12	2.82	2.01	2.20
Return on Equity %	13.94	13.13	8.96	6.37	6.95
Net Margin %	4.68	4.72	3.23	3.20	3.48
Asset Turnover	0.88	0.87	0.87	0.63	0.63
Assets/Equity	3.17	3.20	3.15	3.19	3.13

### Financial Health

Working Capital \$Mil	687.02	811.92	834.07	804.26	806.93
Long Term Debt \$Mil	1,675.63	1,732.75	1,681.71	1,816.32	1,738.94
Total Equity \$Mil	1,178.29	1,246.01	1,275.52	1,352	1,421
Debt/Equity	1.42	1.39	1.32	1.34	1.22

### Cash Flow

	2006	2007	2008	2009	2010
Cash From Operations	491.64	396.02	415.54	389.50	347.09
Cap Ex	-251.64	-371.18	-238.38	-447.04	-151.27
<b>Free Cash Flow</b>	<b>240.00</b>	<b>24.84</b>	<b>177.16</b>	<b>-57.54</b>	<b>195.82</b>

### Cash Flows Ratios

Operating Cash Flow Growth-YOY	136.90	-19.45	4.93	-6.27	-10.89
Free Cash Flow Growth-YOY	-298.81	-89.65	613.20	-132.48	-440.32
Cap Ex as a % of Sales	8.08	11.00	6.82	17.10	5.47
Free Cash Flow/Sales	7.71	0.74	5.07	-2.20	7.08
Free Cash Flow/NetIncome	1.65	0.16	1.57	-0.69	2.03

Stock Type	Last Close Price	Fair Value Est	Morningstar Rating™
Cyclical	\$13.59 ( 10/28/2011 )	—	—

### Balance Sheet

Assets \$Mil	2009	2010	Current
Cash and Equiv	76.41	112.34	139.13
Short Term Investments	645.30	670.74	523.67
Accts Rec	124.51	113.56	151.54
Inventory	89.88	106.57	112.66
Other Current Assets	318.00	366.36	398.00
<b>Total Current Assets</b>	<b>1,254.10</b>	<b>1,369.57</b>	<b>1,325.00</b>
Net PP&E	2,879.71	2,942.82	2,877.66
Intangibles	24.00	21.75	20.62
Other Long-Term Assets	152.99	112.37	116.46
<b>Total Assets</b>	<b>4,310.80</b>	<b>4,446.51</b>	<b>4,339.74</b>

### Liabilities and Stockholder's Equity \$Mil

Accts Payable	165.83	206.49	233.04
Short Term Debt	148.57	159.04	160.49
Income Tax Payable	17.48	25.15	22.16
Accrued Liabilities	85.04	129.51	134.90
Other Short Term Liabilities	32.92	42.45	35.36
<b>Total Current Liabilities</b>	<b>449.84</b>	<b>562.64</b>	<b>585.95</b>
Long Term Debt \$Mil	1,816.32	1,738.94	1,658.12
Other Long Term Liabilities	692.42	724.01	723.41
<b>Total Liabilities</b>	<b>2,958.58</b>	<b>3,025.59</b>	<b>2,967.48</b>
<b>Total Stockholder's Equity</b>	<b>1,352.22</b>	<b>1,420.92</b>	<b>1,372.26</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,310.80</b>	<b>4,446.51</b>	<b>4,339.74</b>

### Quarterly Results

Sales	9/2010	12/2010	3/2011	6/2011
Current	687.00	796.00	866.00	934.00
% Change From Year Earlier	7.70	31.70	37.00	43.70
<b>Net Income</b>				
Current	25.00	37.00	-11.00	2.00
% Change From Year Earlier	-10.80	90.80	—	-91.50
<b>Earnings/Share</b>				
Current	0.45	0.67	-0.21	0.03
% Change From Year Earlier	-10.00	96.40	—	-90.90

# SkyWest, Inc. SKYW

## Valuation/Estimates

**Stock Type** Cyclical **Last Close Price** \$13.59 ( 10/28/2011 ) **Fair Value Est** — **Morningstar Rating™** —

### Valuation Ratios

	Stock	Industry	S&P 500	*Stock's 5 Yr Average
Price/Earnings	14.00	22.70	14.30	10.4
Price/Book	0.50	2.50	1.90	1.0
Price/Sales	0.20	0.30	1.20	0.4
Price/Cash Flow	2.80	4.20	7.40	—
Dividend Yld %	1.20	0.40	2.00	—

\* Price/Cash Flow uses 3-year average.

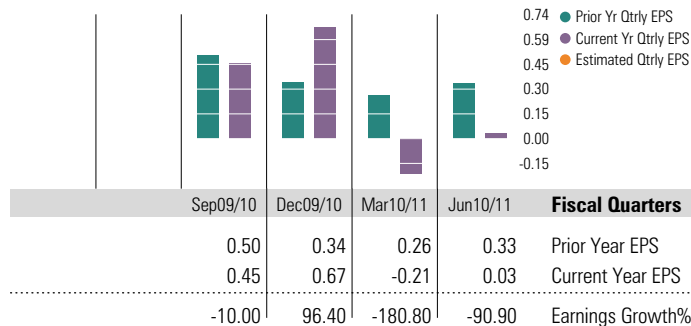
### Forward Valuation Ratios

	Stock	Industry	S&P 500
Forward Price/Earnings	10.30	—	13.70
PEG Ratio	1.40	—	1.80
PEG Payback (Yrs)	6.90	—	—

### Earnings Surprises %

By what percentage did the company beat consensus analyst earnings estimates?

### Quarterly Earnings



### Annual Earnings Estimates

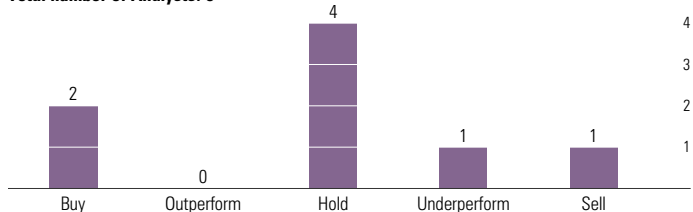
Earnings Type	12/2011		12/2012	
	\$	Growth %	\$	Growth %
High	0.27	-84.12	2.17	703.70
		-101.1764		
Low	-0.02	70588235	0.70	-3,600.00
Mean	0.06	-96.47	1.27	2,016.67
30 Days Ago	0.06	-96.47	1.27	2,016.67
60 Days Ago	0.06	-96.47	1.29	2,050.00
90 Days Ago	0.13	-92.35	1.47	1,030.77
Number of Estimates	6		6	

Five Year Growth Forecast: —%

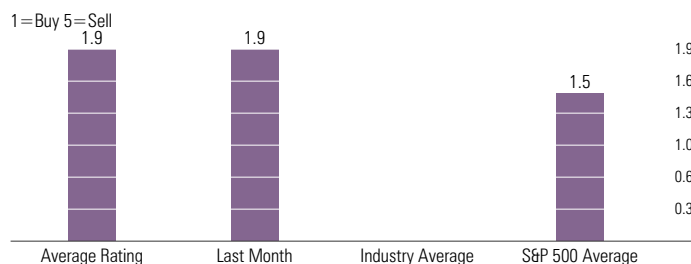
Industry Average: 15.10%

### Range of Analyst Opinions

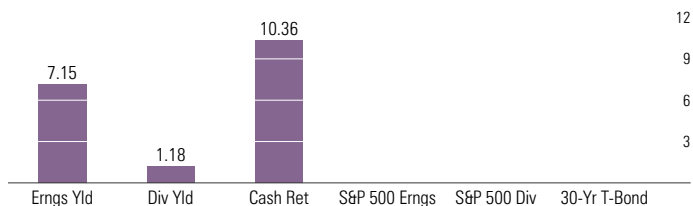
Total number of Analysts: 8



### Analyst Opinion Trends



### Current Rates of Return %



# SkyWest, Inc. SKYW

## Ownership

**Stock Type**  
Cyclical

**Last Close Price**  
\$13.59 ( 10/28/2011 ) —

**Fair Value Est**  
—

**Morningstar Rating™**  
—

### Fund Ownership Summary

Shares Outstanding	Fund Ownership	Total of Funds	Average Star Rating
51,883,416.00	24,819,151.00	314.00	3.0

### Insider Activity

Date	Name/Position	Shares	Transaction
10/9/2010	ROBERT G. SARVER/Director	3,000	Acquired at \$13.09/Share.
9/24/2010	JERRY C. ATKIN/Director, Chairman and CEO	2,000	Gave as Gift. Proceeds of 0.00
2/3/2010	BRADFORD R. HOLT/President of Subsidiary	9,698	Acquisition (including grants/awards) 9,698 Shares.
2/3/2010	BRADFORD R. HOLT/President of Subsidiary	9,597	Acquisition (including grants/awards) 9,597 Shares.
2/3/2010	BRADFORD R. RICH/EVP and CFO	11,678	Acquisition (including grants/awards) 11,678 Shares.
2/3/2010	BRADFORD R. RICH/EVP and CFO	11,557	Acquisition (including grants/awards) 11,557 Shares.
2/3/2010	HENRY J. EYRING,JR/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.
2/3/2010	IAN M. CUMMING/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.
2/3/2010	J. RALPH ATKIN/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.
2/3/2010	JAMES L. WELCH/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.
2/3/2010	JERRY C. ATKIN/Director, Chairman and CEO	20,094	Acquisition (including grants/awards) 20,094 Shares.
2/3/2010	JERRY C. ATKIN/Director, Chairman and CEO	19,886	Acquisition (including grants/awards) 19,886 Shares.
2/3/2010	MARGARET S. BILLSON/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.
2/3/2010	PROFESSOR MICHAEL K. YOUNG/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.
2/3/2010	ROBERT G. SARVER/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.
2/3/2010	RUSSELL CHILDS/President of Subsidiary	10,343	Acquisition (including grants/awards) 10,343 Shares.
2/3/2010	RUSSELL CHILDS/President of Subsidiary	10,236	Acquisition (including grants/awards) 10,236 Shares.
2/3/2010	STEVEN F. UDVAR-HAZY/Director	3,451	Acquisition (including grants/awards) 3,451 Shares.

### Top Funds Largest Stake

Fund Name	Morningstar Rating™	Shares Held	% Fund Assets	Chng(000) in Ownrshp	Date of Portfolio
Nuveen Tradewinds Value Opportunities A	★★★★★	5.04	1.00	1,367.00	8/31/2011
DFA U.S. Small Cap Value II		3.07	0.28	0.00	7/31/2011
Fidelity Low-Priced Stock	★★★★★	2.45	0.05	943.00	7/31/2011
Franklin Small Cap Value A	★★★	2.39	1.04	101.00	9/30/2011
Vanguard Small Cap Index Inv	★★★	1.58	0.05	-22.00	6/30/2011
T. Rowe Price Small-Cap Value	★★★★★	1.44	0.15	0.00	6/30/2011
Franklin Small Cap Value Securities Cl2	★★★	1.89	1.05	26.00	9/30/2011
iShares Russell 2000 (AU)		1.76	0.06	103.00	10/28/2011
iShares S&P SmallCap 600 (AU)		1.67	0.15	37.00	10/28/2011
Fidelity Value	★★	1.36	0.13	0.00	8/31/2011
Vanguard US Total Market Shares (AU) ETF		1.15	0.01	7.00	6/30/2011
Pacific Select Small-Cap Equity I	★★★★★	1.18	1.17	0.00	9/30/2011
Vanguard Small Cap Value Index Inv	★★★	0.88	0.09	-40.00	6/30/2011
Vanguard Extended Market Idx Inv	★★★	0.71	0.03	-8.00	6/30/2011
Northern Small Cap Value	★★★★★	0.83	0.34	0.00	9/30/2011
iShares Russell 2000 Value Index	★★	0.78	0.13	2.00	10/28/2011
iShares S&P SmallCap 600 Value Index	★★★	0.77	0.30	2.00	10/28/2011
Allianz NFJ Small Cap Value Instl	★★★★★	0.76	0.07	-371.00	9/30/2011
JNL/Mellon Cap Mgmt S&P SMid 60 B	★★★	0.56	1.02	29.00	6/30/2011
Berwyn	★★★★★	0.66	2.15	2.00	8/31/2011

### Top Funds Owners Largest Concentration

Fund Name	Morningstar Rating™	Shares Held	% Fund Assets	Chng(000) in Ownrshp	Date of Portfolio
Guggenheim Airline		0.14	4.37	0.00	10/27/2011
JNL/PPM America Small Cap Value B	★	0.28	2.39	18.00	6/30/2011
Berwyn	★★★★★	0.66	2.15	2.00	8/31/2011
SPDR S&P Transportation		0.03	1.29	0.00	10/28/2011
Rydex   SGI Var S&P SmallCap 600 Pure Val	★	0.01	1.28	-1.00	9/30/2011
Rydex S&P SmallCap 600 Pure Value	★	0.14	1.27	0.00	10/28/2011
Pacific Select Small-Cap Equity I	★★★★★	1.18	1.17	0.00	9/30/2011
Touchstone Small Cap Value A	★★	0.07	1.09	-1.00	6/30/2011
Franklin Small Cap Value Securities Cl2	★★★	1.89	1.05	26.00	9/30/2011
Franklin Small Cap Value A	★★★	2.39	1.04	101.00	9/30/2011
JNL/Mellon Cap Mgmt S&P SMid 60 B	★★★★★	0.56	1.02	29.00	6/30/2011
Nuveen Tradewinds Value Opportunities A	★★★★★	5.04	1.00	1,367.00	8/31/2011
JNL/PPM America Mid Cap Value B	★	0.20	0.99	16.00	6/30/2011
JNL/Franklin Templeton Small Cap Value A	★★★	0.53	0.99	0.00	6/30/2011
PowerShares S&P SmallCap Industrials		0.04	0.98	-1.00	9/30/2011
SAST Small Company Val 3	★★	0.29	0.97	10.00	8/31/2011
Rydex S&P SmallCap 600 Pure Value C	★	0.01	0.96	-9.00	9/30/2011
AZL Franklin Small Cap Value	★★	0.27	0.95	-15.00	6/30/2011
Omega Consensus American Equity Series F	★★★	0.17	0.94	2.00	9/30/2011
GS US Sm Cap CORE Eq Base E Snap	★★	0.09	0.92	3.00	6/30/2011

# SkyWest, Inc. SKYW

## Appendix: Annotated Snapshot

<b>Stock Type</b>	<b>Last Close Price</b>	<b>Fair Value Est</b>	<b>Morningstar Rating™</b>
Cyclical	\$13.59 ( 10/28/2011 )	—	—

<b>Valuation</b> 10/28/2011			
	Stock	Industry	S&P 500
Price/Earnings	14.00	22.70	14.30
Forward P/E	10.30	—	13.70
Price/Book	0.50	2.50	1.90
Price/Cash Flow	2.80	4.20	7.40
Price/Sales	0.20	0.30	1.20
Dividend Yld %	1.20	0.40	2.00

This stock's forward earnings yield of 11.11% is the annual return it would generate if its profits remained fixed and it paid out all of its earnings as dividends. This is normal compared with the earnings yields of other stocks in its industry, but it is extremely healthy in absolute terms. For this company to generate decent returns for investors, it will probably only have to realize moderate growth in earnings or a higher valuation by the market. It is, however, important to be reasonably confident about the quality of this stock's earnings. Sometimes a company in distress has a high yield because its stock price has dropped sharply. One way to verify earnings quality is to look at other valuation measures such as the price/cash flow ratio, which should not be dramatically higher than the stock's forward price/earnings ratio.

<b>Growth</b> 12/31/2010			
	% 1 Yr	% 3 Yr	S&P 500
Sales	5.80	-6.40	6.60
Net Income	15.20	-15.40	6.40
EPS	15.60	-11.90	6.90
Equity/Share	8.40	8.80	8.30
Dividends	0.00	10.10	3.50

This stock has [ln1] as far as top-line growth is concerned—its revenues have grown very rapidly over the past three years, though growth has been slower in the past 12 months. [ln1] this stock's earnings per share have fallen over the past three years.

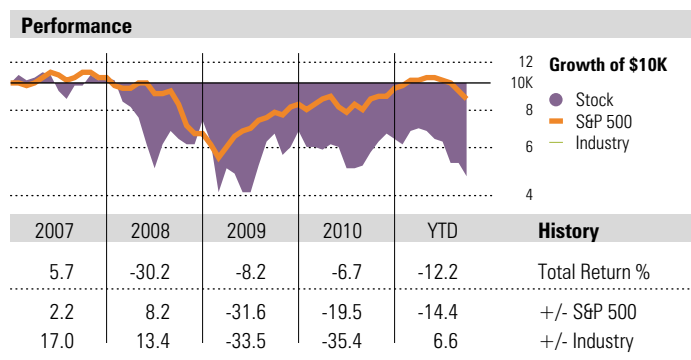
<b>Profitability</b>			
	Stock	Industry	S&P 500
ROA %	1.20	1.40	9.30
ROE %	3.90	14.80	24.10
Net Margin %	1.60	1.60	13.90
Asset Turnover	0.80	0.90	0.80
Fin Leverage	—	8.40	4.10
Sales/Employee	362.10	—	—

\$Thousands

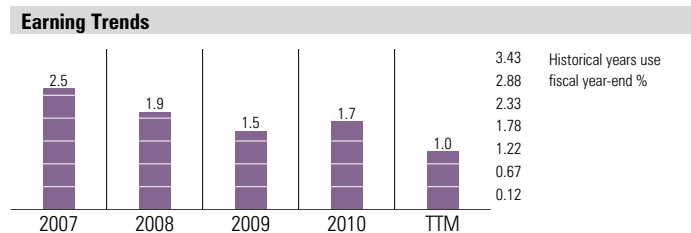
This company is in a very small industry, which makes it impossible for Morningstar to assess the company's relative profitability.

<b>Morningstar Investment Style</b>			
<b>Style Breakdown</b>			
	Value	Core	Growth
Large			
Mid			
Small			

Morningstar lacks the data necessary to assess this stock's style-box placement relative to its peers.



This stock is in the regional airlines industry, which has proven to be an excellent industry over the trailing five-year period. Compared to other stocks in its industry, though, its five-year returns (10-year numbers are unavailable) have been about average. Keep in mind when looking at a stock or industry's record that historic returns are not necessarily a predictor of future performance. Persistent strength or weakness, however, may very well say something about the structure of an industry or quality of a company's management.



Analyst expectations for this stock's earnings have risen lately. You may want to look into why this has occurred.



**SKYWEST INCORPORATED (SKYW-O)**

TRAVEL & LEISURE / TRAVEL & LEISURE / AIRLINES

**Indicator Description**

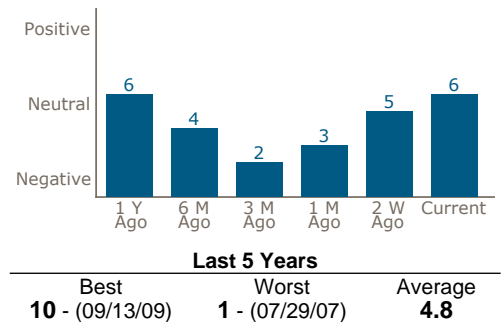
The **Average Score** combines the quantitative analysis of six widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, Price Momentum and Insider Trading. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the highest scored). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across supersectors, sectors, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

**Indicator**

SKYW's current average score is relatively **in-line** with the market.

AVERAGE SCORE	Peers	Averages
6	HA	9
	LCC	5
	RJET	2
	AMR	2
	Travel & Leisure Sector	5.3
	Travel & Leisure Supersector	5.3
	S&P 500 Index	7.2
	Small Market Cap	5.6

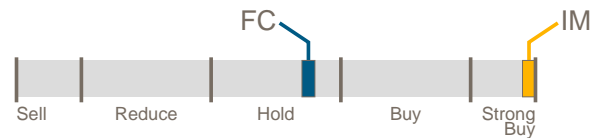
**Indicator Trend**



**Analyst Recommendations**

First Call Mean (FC): **Hold** (7 firms)  
 Independent Mean (IM): **Strong Buy** (1 firms)

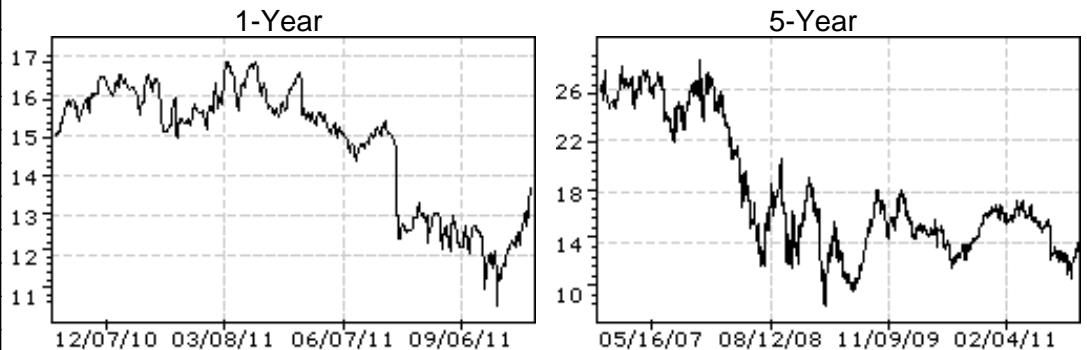
First Call Mean is the mean of all analysts covering the company. Independent Mean is the mean of only independent analysts (i.e. those who do not engage in investment banking business) which includes quantitative firms that are not included in the FC mean.



**Key Information**

Price (10/27/11) (USD)	13.67
52-Week High (USD)	17.28
52-Week Low (USD)	10.47
Market Cap (USD)	663M
Avg Daily Vol	328,545
Exchange	NASDAQ
Dividend Yield	1.2%
Annual Dividend (USD)	0.16
Trailing PE	16.8
Forward PE	16.1
Forward PEG	6.4
LTG Forecast	2.5%
Exp Report Date	11/04/11
Annual Revenue (USD)	3.3B
ROE	3.9%
Inst. Ownership	97.7%
1-Mo Return	14.5%
3-Mo Return	8.8%
1-Yr Return	-8.7%

**Price Charts**



**Business Description**

SkyWest, Inc. (SkyWest), through SkyWest Airlines, Atlantic Southeast and ExpressJet, offers scheduled passenger service with approximately 4,000 daily departures to destinations in the United States, Canada, Mexico and the Caribbean. Its flights are operated as Delta Connection, United Express, Continental Express or AirTran under code-share arrangements with Delta, United, Continental (AirTran), respectively, with presence in Delta's, United's and Continental's domestic hubs and focus cities. On November 12, 2010, it completed the acquisition of ExpressJet through the merger of ExpressJet Delaware Merger Co., a wholly owned subsidiary of Atlantic Southeast (the Merger Subsidiary), with and into ExpressJet Holdings, Inc., the parent company of ExpressJet (ExpressJet Holdings), with ExpressJet Holdings continuing as the surviving company in the merger and becoming a wholly owned subsidiary of Atlantic Southeast (the ExpressJet Merger).

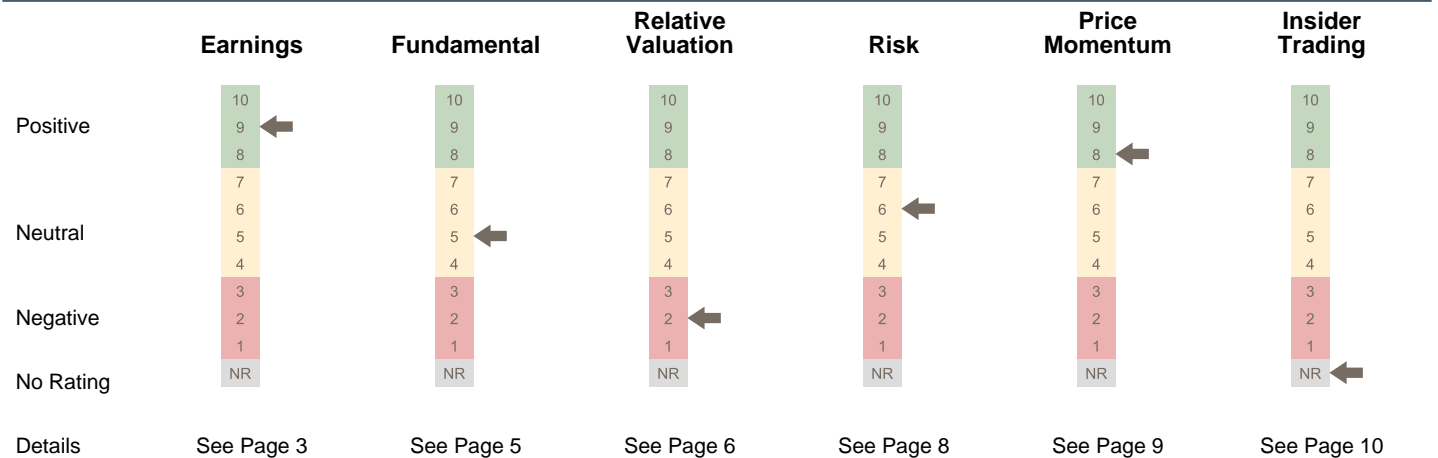


**Average Score**

AVERAGE SCORE  
**6**

The **Average Score** combines the quantitative analysis of six widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, Price Momentum and Insider Trading. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the highest scored). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across supersectors, sectors, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

**Indicator Components**



**Optimized Score**

OPTIMIZED SCORE  
**8**

Historically, companies with an optimized score of 8 have tended to moderately outperform the market over the following 12-month period.



As an alternative approach to equally weighting each of the six factors, independent research firm, Verus Analytics, conducted a backtest to empirically determine the optimal factor blend. Results and weighting vary across four different market capitalization categories. For large cap stocks, price momentum and insider trading historically provided the most explanatory power among the six factors and are weighted heavily in the current optimized score. Among the small cap universe, the earnings and fundamental factors joined with insider trading and price momentum to explain returns.

**Peer Analysis**

Ticker	Average Score	Market Cap (USD)	Price (10/27/11) (USD)	Dividend Yield	Trailing PE	Forward PE	Forward PEG	LTG Forecast	Annual Revenue (USD)	Net Margin	1-Mo Return	3-Mo Return	1-Yr Return
ALK	9	2.4B	67.77	--	8.1	7.4	1.2	6.0%	4.2B	6.5%	15.5%	9.4%	29.7%
CPA	10	2.2B	70.20	2.3%	10.2	9.7	0.8	11.9%	1.6B	9.6%	10.4%	5.0%	44.8%
JBLU	4	1.3B	4.66	--	14.4	10.7	1.8	6.0%	4.1B	2.2%	10.2%	-0.9%	-34.7%
SAVE	6	1.1B	16.21	--	--	11.3	--	--	830M	6.1%	32.9%	28.2%	--
ALGT	8	957M	52.47	1.4%	17.8	15.9	2.0	8.0%	687M	8.9%	10.2%	22.0%	21.0%
LCC	5	951M	5.83	--	4.6	6.0	1.0	5.9%	12.6B	2.6%	-4.6%	-5.7%	-51.4%
AMR	2	902M	2.70	--	--	--	--	--	22.6B	-7.9%	-17.7%	-35.7%	-65.9%
<b>SKYW</b>	<b>6</b>	<b>663M</b>	<b>13.67</b>	<b>1.2%</b>	<b>16.8</b>	<b>16.1</b>	<b>6.4</b>	<b>2.5%</b>	<b>3.3B</b>	<b>0.2%</b>	<b>14.5%</b>	<b>8.8%</b>	<b>-8.7%</b>
HA	9	264M	5.42	--	7.0	5.3	1.3	4.0%	1.6B	5.6%	21.3%	12.9%	-27.8%
RJET	2	124M	2.89	--	--	5.3	1.8	3.0%	2.8B	-2.0%	-2.4%	-33.4%	-68.6%
PNCL	5	55.0M	2.67	--	5.4	5.0	1.0	5.0%	1.2B	-0.7%	-7.9%	-35.0%	-51.0%
Average	6.0	989M	--	1.6%	10.5	9.3	1.9	5.8%	5.0B	2.8%	7.5%	-2.2%	-21.3%
Median	6.0	951M	--	1.4%	9.2	8.6	1.3	5.9%	2.8B	2.6%	10.2%	5.0%	-31.3%

**Peer Group**

ALK	ALASKA AIR GROUP	LCC	US AIRWAYS GRP
CPA	COPA HOLDINGS SA	AMR	AMR CORPORATION
JBLU	JETBLUE AIRWAYS	HA	HAWAIIAN HOLDINGS
SAVE	SPIRIT AIR	RJET	REPUBLIC AIRWAYS
ALGT	ALLEGIANT TRAVEL	PNCL	PINNACLE AIRLINES



# Earnings

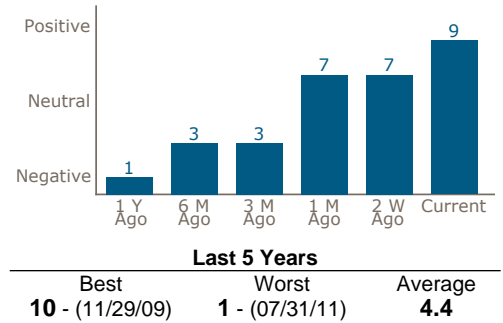
## Indicator Description

The **Earnings Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of three earnings factors: earnings surprise, broker recommendation changes and estimate revision. Each component is equally weighted. A stock needs to have at least two of the three earnings factors in order to receive a final earnings score.

## Indicator

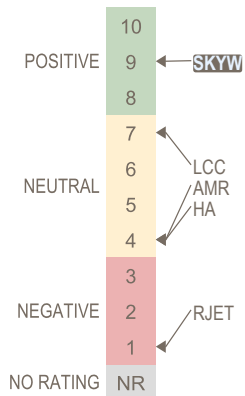
EARNINGS		Peers	
9	LCC		7
	RJET		6
	AMR		4
	HA		4
	<b>Averages</b>		
Travel & Leisure Sector		5.5	
Travel & Leisure Supersector		5.5	
S&P 500 Index		6.4	
Small Market Cap		5.4	

## Indicator Trend

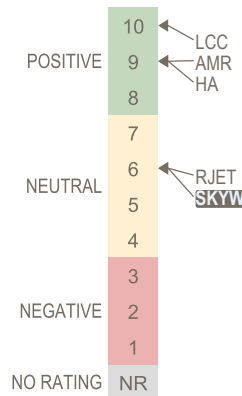


## Indicator Sub-Components

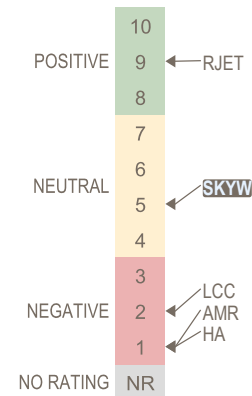
### Earnings Surprise (33.3% Weight)



### Estimate Revision (33.3% Weight)



### Broker Rec Changes (33.3% Weight)



### Last 4 Quarters

# Positive Surprises (> 2%)	3
# Negative Surprises (< -2%)	0
# In-Line (within 2%)	0
Avg Surprise	31.7%

### Last 4 Weeks

# Up Revisions	0
# Down Revisions	0
Avg Up Revisions	0.0%
Avg Down Revisions	0.0%

### Last 120 Days

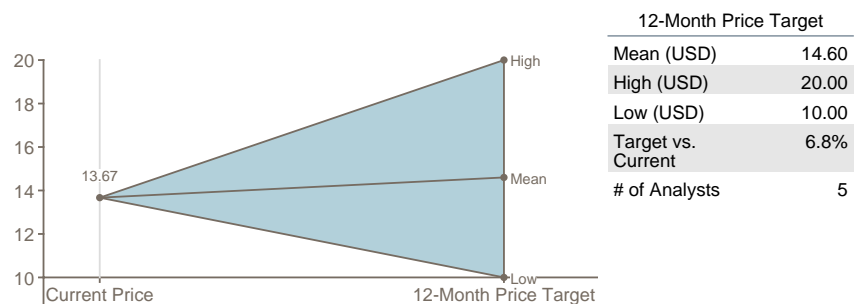
# Upgrades	0
# Downgrades	3

## Highlights

- SKYW's Earnings Rating improved significantly over the past two weeks from 7 to 9. The average Earnings Rating for its Airlines Subsector is 7.4 and the S&P 500 average is 5.4.
- SKYW's current quarter consensus estimate has decreased notably over the past 90 days from 0.46 to 0.13, a loss of -71.5%. This trails the average Airlines Subsector move of -8.0% during the same time period.
- During the past four weeks, analysts covering SKYW have made no upward or downward EPS estimate revisions for the current quarter.

## Price Target

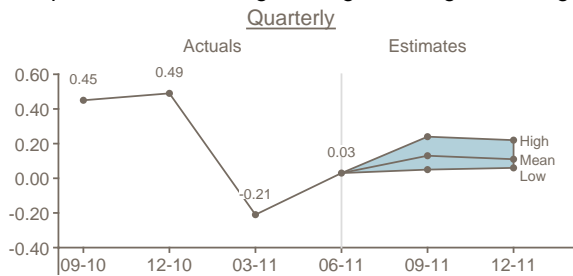
The chart below indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price. The high, low, and mean price targets are presented.



**Earnings Per Share**

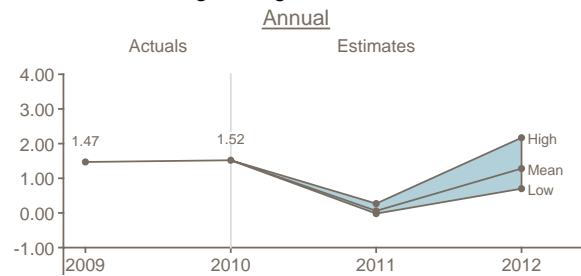
Earnings per share (EPS) is calculated by dividing a company's earnings by the number of shares outstanding. Analysts tend to interpret a pattern of increasing earnings as a sign of strength

and flat or falling earnings as a sign of weakness. The charts below provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.



	09-11	12-11
FC Mean (USD)	0.13	0.11
High (USD)	0.24	0.22
Low (USD)	0.05	0.06
# of Analysts	7	7

NA = No Actual or Estimated EPS



	2011	2012
FC Mean (USD)	0.06	1.28
High (USD)	0.27	2.17
Low (USD)	-0.02	0.70
# of Analysts	7	7

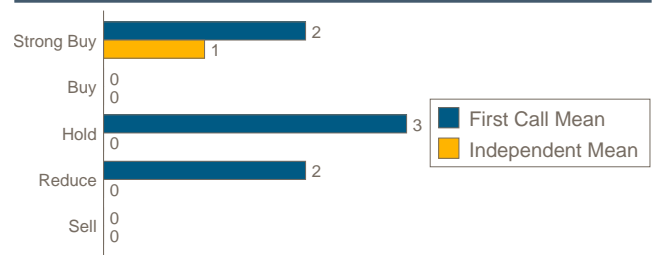
NA = No Actual or Estimated EPS

**Mean Estimate Trend**

	Q 09-11	Q 12-11	Y 2011	Y 2012	Price Target
Current (USD)	0.13	0.11	0.06	1.28	14.60
30 Days Ago (USD)	0.13	0.11	0.06	1.28	14.60
90 Days Ago (USD)	0.46	0.39	0.88	1.83	15.60
% Chg - Last 90 Days	-71.5%	-71.8%	-93.1%	-30.2%	-6.4%

Next Expected Report Date: 11/04/11

**Distribution of Analyst Recommendations**



**Earnings Surprise**

Investors frequently compare a company's actual earnings to the mean expectation of professional analysts. The difference between the two is referred to as a "positive" or "negative"

surprise. Academic research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

**Surprise Summary - Last 12 Quarters**

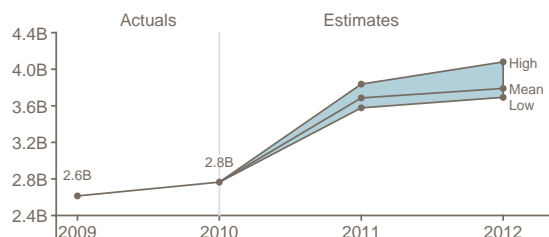
Surprise Type	#	%
Positive Quarters (> 2%)	6	54.5%
Negative Quarters (< -2%)	5	45.5%
In-Line Quarters (within 2%)	0	--

**Surprise Detail - Last 6 Periods**

Surprise Type	Announce Date	Period End Date	Actual EPS (USD)	Mean EPS (USD)	Surprise (%)
--	08/03/11	06/11	0.030	0.000	--
POSITIVE	05/04/11	03/11	-0.210	-0.253	17.0%
POSITIVE	02/23/11	12/10	0.490	0.334	46.7%
POSITIVE	11/03/10	09/10	0.450	0.398	13.1%
NEGATIVE	08/04/10	06/10	0.330	0.378	-12.7%
NEGATIVE	05/06/10	03/10	0.260	0.340	-23.5%

**Annual Revenue**

A pattern of increasing sales in conjunction with a rising EPS may influence a buy recommendation, while flat or falling sales and faltering earnings may explain a sell recommendation. A rising EPS with flat or falling sales may result from increased cost efficiency and margins, rather than market expansion. This chart shows the sales forecast trend of all analysts and the highest and lowest projections for the current and next fiscal year.



	2011	2012
Mean (USD)	3.7B	3.8B
High (USD)	3.8B	4.1B
Low (USD)	3.6B	3.7B
Forecasted Growth	33.3%	37.1%
# of Analysts	6	6

NA = No Actual or Estimated Revenue



# Fundamental

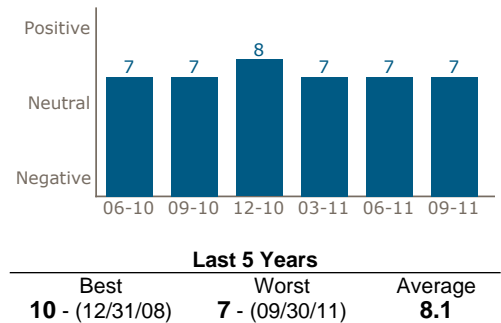
## Indicator Description

The **Fundamental Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Each component is equally weighted. A stock needs to have at least three of the four fundamental factors present for a given fiscal quarter in order to receive a final fundamental score. Companies that do not pay a dividend are not penalized.

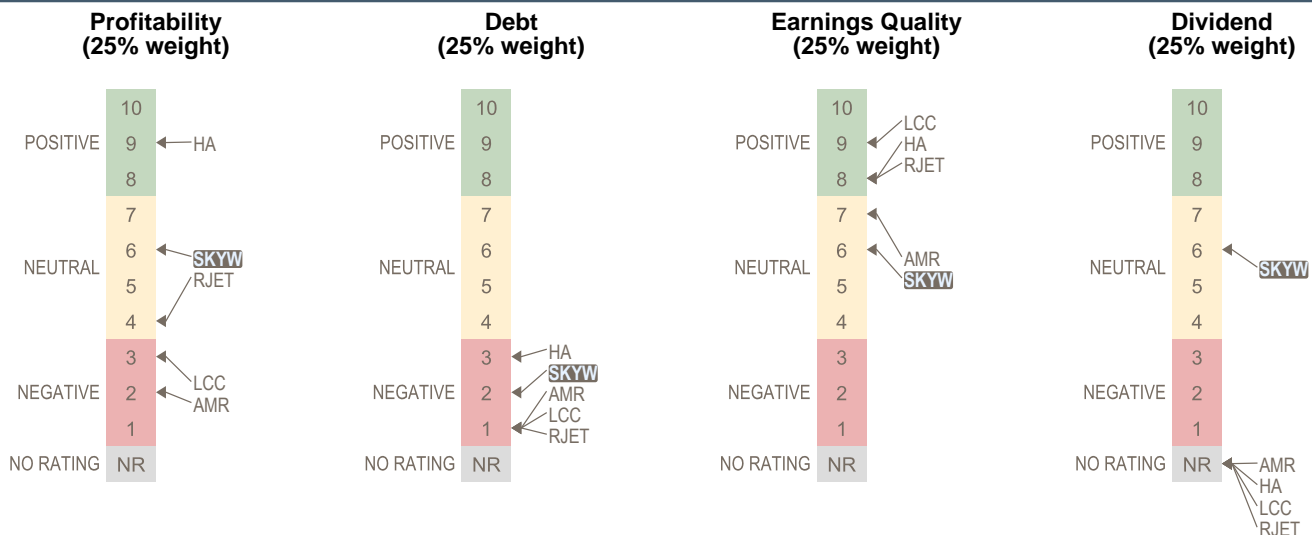
## Indicator

FUNDAMENTAL		Peers	
5	HA	8	
	LCC	4	
	RJET	3	
	AMR	2	
	<b>Averages</b>		
Travel & Leisure Sector		5.8	
Travel & Leisure Supersector		5.8	
S&P 500 Index		6.4	
Small Market Cap		5.9	

## Indicator Trend



## Indicator Sub-Components



<b>Revenue Growth</b> For year over year ending 06/11	30.1%	<b>Current Ratio</b> For year over year ending 06/11	2.3	<b>Days Sales in Inv.</b> For period ending 12/10	28.7	<b>Div. Growth Rate</b> For year over year ending 06/11	0.0%
<b>Gross Margin</b> For trailing 4 qtrs ending 06/11	44.0%	<b>Debt-to-Capital</b> For trailing 4 qtrs ending 12/10	55.0%	<b>Days Sales in Rec.</b> For period ending 12/10	15.7	<b>Dividend Funding</b> For trailing 4 qtrs ending 06/11	16.8%
<b>Return on Equity</b> For trailing 4 qtrs ending 06/11	3.9%	<b>Interest Funding</b> For trailing 4 qtrs ending 06/11	172.5%			<b>Dividend Coverage</b> For trailing 4 qtrs ending 12/10	40.3
<b>Net Margin</b> For trailing 4 qtrs ending 06/11	0.2%	<b>Interest Coverage</b> For trailing 4 qtrs ending 06/11	0.9			<b>Current Div. Yield</b> For trailing 4 qtrs ending 10/11	1.2%

## Highlights

- SKYW's Fundamental Rating declined significantly over the last quarter from a bullish 7 to a relatively neutral 5. The average Fundamental Rating for its Airlines Subsector is 6.9 and the S&P 500 average is 6.9.
- SKYWEST's current ratio of 2.3 is the highest within its Airlines Subsector.
- SKYW's days sales in inventory is the highest within its Airlines Subsector.



# Relative Valuation

## Indicator Description

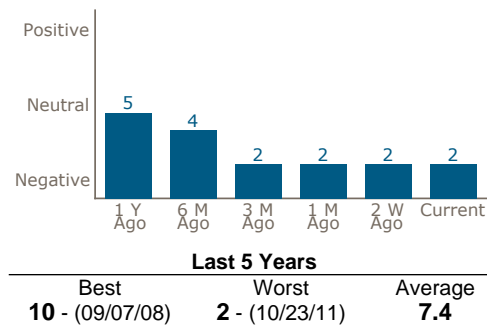
The **Relative Valuation Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of three component factors: Forward PEG (50%), Trailing PE (25%), and Forward PE (25%). A stock needs to have at least one of the three relative valuation factors present in order to receive a final relative valuation score.

## Indicator

Multiples **significantly above** the market or the stock's historic norms.

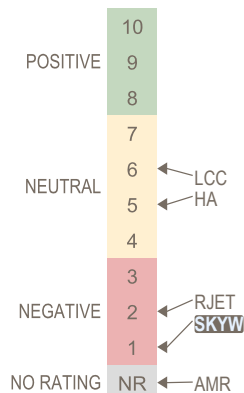
RELATIVE VALUATION		Peers
2	LCC	9
	HA	8
	RJET	5
	AMR	NR
	<b>Averages</b>	
Travel & Leisure Sector	5	
Travel & Leisure Supersector	5	
S&P 500 Index	5.7	
Small Market Cap	5.3	

## Indicator Trend

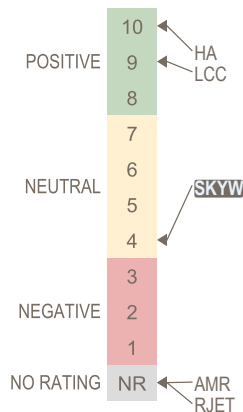


## Indicator Sub-Components

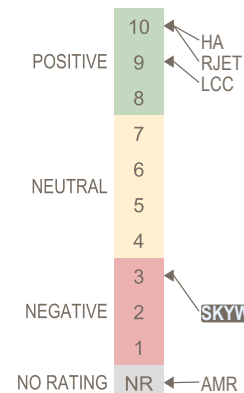
### Forward PEG (50% weight)



### Trailing PE (25% weight)



### Forward PE (25% weight)



Fwd. PEG	6.4
5-Yr Avg	1.4
Rel. to 5-Yr Avg.	>100% Premium
S&P 500 Fwd. PEG	1.3
Rel. To S&P 500	>100% Premium

Tr. PE	16.8
5-Yr Avg	10.0
Rel. to 5-Yr Avg.	68% Premium
S&P 500 Tr. PE	17.7
Rel. To S&P 500	5% Discount

Fwd. PE	16.1
5-Yr Avg	10.2
Rel. to 5-Yr Avg.	58% Premium
S&P 500 Fwd. PE	15.4
Rel. To S&P 500	5% Premium

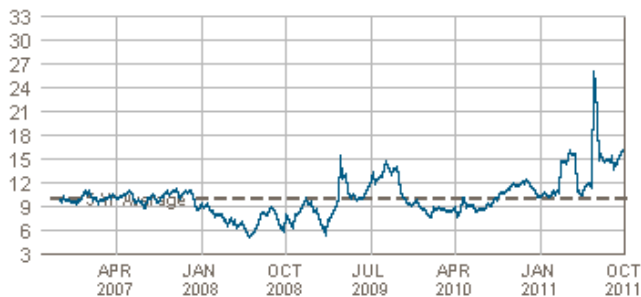


**Highlights**

- SKYW's Trailing P/E, Forward P/E, and Forward PEG multiples are all significantly above (more expensive than) their 5-year averages.
- Based on Forward PEG, SKYW currently trades at a >100% Premium to its Airlines Subsector peers. On average, the company has traded at a >100% Premium over the past five years.
- Based on Trailing P/E, SKYW currently trades at a 61% Premium to its Airlines Subsector peers. On average, the company has traded at a 10% Discount over the past five years.

**Forward PE**

Forward P/E is calculated using the most recent closing price (updated weekly) divided by the sum of the four upcoming quarterly consensus estimates.



Forward PE	16.1	Index Avg	15.4
5yr Avg	10.2	Sector Avg	8.8

**Trailing PE**

Trailing P/E is calculated using the most recent closing price (updated weekly) divided by the sum of the four most recently reported quarterly earnings.



Trailing PE	16.8	Index Avg	17.7
5yr Avg	10.0	Sector Avg	10.4

**Forward PEG**

Forward PEG is calculated by dividing the Forward P/E by the five-year, long term forecasted growth rate.



Forward PEG	6.4	Index Avg	1.3
5yr Avg	1.4	Sector Avg	1.7



# Risk

## Indicator Description

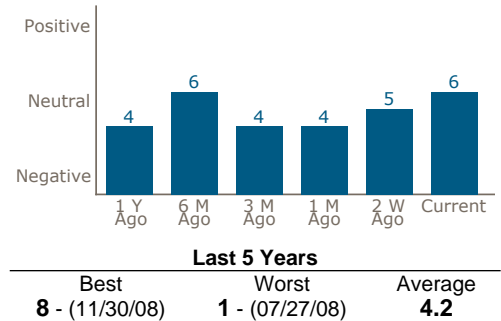
The **Risk Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the least risky stocks. 'Risk' is derived by looking at a series of long (60-month) and short (90-day) term stock performance measures including volatility (standard deviation), magnitude of returns (best and worst day and month), beta (movement versus broader market), and correlation to the relevant index.

## Indicator

Moderate risk (medium volatility).

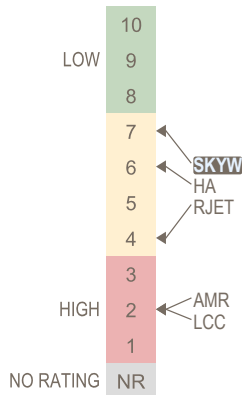
6	<b>Peers</b>	
	HA	6
	RJET	2
	AMR	1
	LCC	1
	<b>Averages</b>	
Travel & Leisure Sector	5.6	
Travel & Leisure Supersector	5.6	
S&P 500 Index	8.5	
Small Market Cap	5.7	

## Indicator Trend

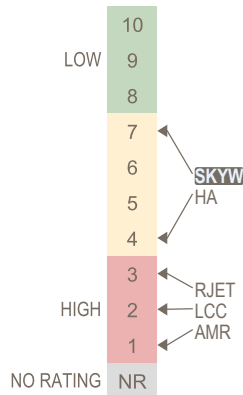


## Indicator Sub-Components

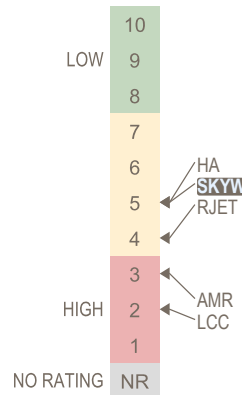
### Magnitude of Returns (25% weight)



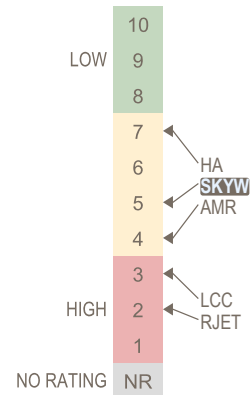
### Volatility (25% weight)



### Beta (1-year) (25% weight)



### Correlation (25% weight)



### Daily Returns (last 90)

Best	8.3%
Worst	-8.7%

### Monthly Returns (last 60)

Best	33.4%
Worst	-34.9%

### Standard Deviation

Last 90 Days	3.17
Last 60 Months	12.09

### Intra-Day Swing

Last 90 Days Avg	4.1%
Last 90 Days Largest	11.7%

### Beta vs. S&P 500

1.07	
Positive Days Only	1.01
Negative Days Only	0.91

### Beta vs. Sector

0.96	
Positive Days Only	0.98
Negative Days Only	0.80

### Correlation vs. S&P 500

Last 90 Days	70%
Last 60 Months	40%

### Correlation vs. Sector

Last 90 Days	74%
Last 60 Months	46%

## Highlights

- SKYW currently has a Risk Rating of 6, which is significantly below the S&P 500 index average rating of 8.5.
- SKYW tends to perform in-line with the S&P 500 index regardless of whether the market is experiencing an up or a down day.
- In both short-term and long-term periods, SKYW has shown high correlation (>=0.4) with the S&P 500 index. Thus, this stock would provide only low levels of diversification to a portfolio similar to the broader market.
- Over the past 90 days, SKYW shares have been more volatile than the overall market. The stock's average daily price fluctuations have exceeded that of all S&P 500 index firms.

## Risk and Reward Analysis

	Last 90 Days				Last 60 Months		
	Best Daily Return	Worst Daily Return	# Days Up	# Days Down	Largest Intra-Day Swing	Best Monthly Return	Worst Monthly Return
SKYW	8.3%	-8.7%	30	33	11.7%	33.4%	-34.9%
S&P 500	4.7%	-6.7%	36	27	7.1%	9.4%	-16.9%



## Price Momentum

### Indicator Description

The **Price Momentum Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). A stock's 1-month, 3-month, and 6-month relative strength indicators are considered and combined. The seasonality measure reflects a stock's and subsector's historic price performance for each month over the past 10 years.

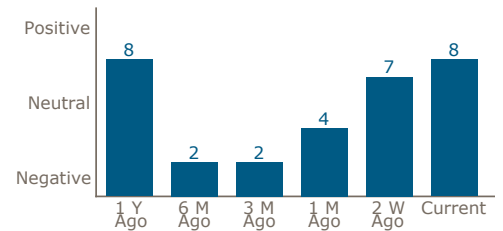
### Indicator

Strong recent relative price performance or entering historically **favorable seasonal** period.

PRICE MOMENTUM	Peers	
8	HA	10
	LCC	6
	AMR	3
	RJET	2

Averages	
Travel & Leisure Sector	5.4
Travel & Leisure Supersector	5.4
S&P 500 Index	7
Small Market Cap	6.2

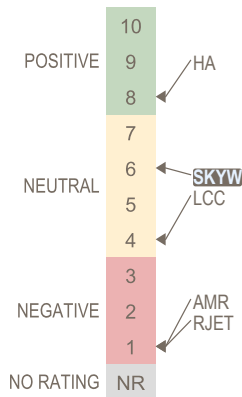
### Indicator Trend



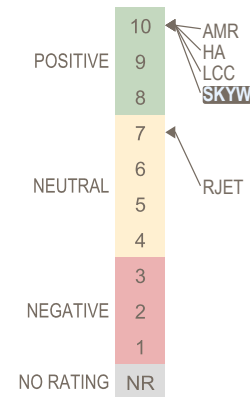
Last 5 Years		
Best	Worst	Average
10 - (09/27/09)	1 - (04/10/11)	5.2

### Indicator Sub-Components

#### Relative Strength (70% weight)



#### Seasonality (30% weight)

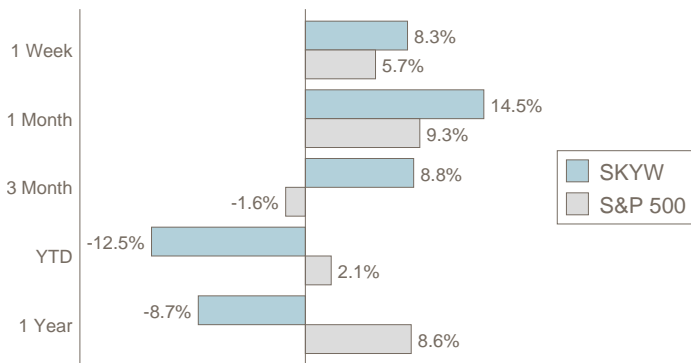


Relative Strength Indicator (scale 1-100, 100 being the best)	SKYW	Subsector Avg
Last 1 Month	54	53
Last 3 Months	48	48
Last 6 Months	48	48

	Last 10 Years		
	Avg OCT Return	Avg NOV Return	Avg DEC Return
Company Avg	4.9%	4.0%	4.2%
Subsector Avg	6.5%	7.2%	5.2%
Subsector Rank	2 of 104	8 of 104	32 of 104

### Price Performance

Daily closing pricing data is used to calculate the price performance of a stock over five periods. The performance of the S&P 500 is also displayed as a means of comparison.



	SKYW (USD)	S&P 500
Close Price (10/27/11)	13.67	1285
52-Week High	17.28	1364
52-Week Low	10.47	1099

- On 10/27/11, SKYW closed at 13.67, 20.9% below its 52-week high and 30.6% above its 52-week low.
- SKYW shares are currently trading 12.2% above their 50-day moving average of 12.18, and 5.5% below their 200-day moving average of 14.46.
- The S&P 500 is currently 5.8% below its 52-week high and 16.9% above its 52-week low.



# Insider Trading

## Indicator Description

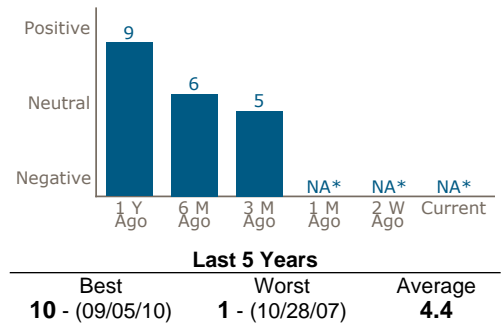
The **Insider Trading Indicator** displays stocks on a scale of 1-10 with 10 being awarded to the strongest stocks based on short-term and long-term legal insider trading behavior. The short-term view (60% weight) focuses primarily on insider transactions within the past 90 days. The long-term view (40% weight) looks at buying, selling and option exercise decisions over the past six months relative to other stocks within the same supersector.

## Indicator



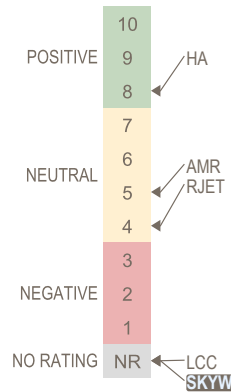
Peers	
HA	8
AMR	7
RJET	4
LCC	NR
Averages	
Travel & Leisure Sector	5.9
Travel & Leisure Supersector	5.9
S&P 500 Index	5
Small Market Cap	5.7

## Indicator Trend

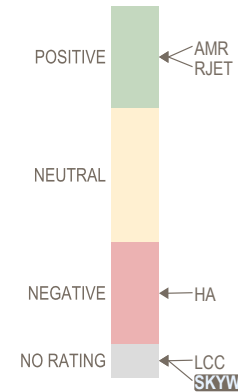


## Indicator Sub-Components

### Short-Term (60% weight)



### Long-Term (40% weight)



## Purchases and Sells

(Most recent transactions within the past 90 days)

Name	Role	Tran Date	Tran Type	Shares
No transactions for SKYW in the past 90 days.				

## Last 6 Months

Total Shares Acquired	--
Total Shares Disposed	--
Net Shares (Acq - Disp)	--
Supersector Avg	-2,981

## Seasonal Sells - Quarterly & Yearly

(values in USD)

Time-series data for each quarter over the past three years allows you to easily analyze the longer-term trend in open-market insider selling.

Year	Q1	Q2	Q3	Q4	Year Total
2011	0.02M	0	0	0	16,850
2010	0	0	0	0.02M	16,310
2009	0	0	0	0.02M	24,240
2008	0.26M	0	0	2.74M	3.00M

## Seasonal Buys - Quarterly & Yearly

(values in USD)

Time-series data for each quarter over the past three years allows you to easily analyze the longer-term trend in open-market insider buying.

Year	Q1	Q2	Q3	Q4	Year Total
2011	0	0	0	0	0
2010	0	0	0.04M	0	39,268
2009	0	0	0	0	0
2008	0	0	0	0	0

## Institutional Holders

(Updated weekly as of 10/22/11)

The top five institutional holders are presented based on the total number of shares held.

Institution	Inst. Type	# Shares Held	Reported Date
Tradewinds Global Investors...	Inv Mgmt	9.26M	08/31/11
Dimensional Fund Advisors, LP	Inv Mgmt	4.29M	06/30/11
Barclays Global Investors, ...	Inv Mgmt	3.51M	06/30/11
Franklin Advisory Services, ...	Inv Mgmt	3.47M	06/30/11
Vanguard Group, Inc.	Inv Mgmt	2.70M	06/30/11

## Top Executive Holders

(Updated monthly as of 09/18/11)

The top five insider holders are presented based on the total number of direct holdings. Indirect holdings are excluded.

Insider Name	Role	# Direct Shares	Values (USD)	Reported Date
Atkin, Jerry C	CEO	0.89M	11.1M	06/02/11
Rich, Bradford R	CFO	60,032	0.75M	02/07/11
Sarver, Robert Gary	OD	35,211	0.44M	02/02/11
Childs, Russell A	O	33,897	0.42M	02/07/11
Holt, Bradford R	O	33,306	0.42M	02/07/11



## Stock Report (10-Page) Report Tips

The Thomson Reuters Stock Report is a comprehensive, company-specific analysis that includes a proprietary Stock Rating along with underlying component indicators and supportive data elements. The report is updated daily, although some of the data elements are updated weekly.

### Average Score

The Average Score combines a quantitative analysis of six widely-used investment decision making tools - Earnings, Fundamental, Relative Valuation, Risk, Price Momentum, and Insider Trading. First, a simple average of the six underlying component ratings is calculated. Then, a normal distribution is used to rank each stock on a scale of 1 to 10, with 10 being most favorable. A score of 8 to 10 is considered positive, 4 to 7 is neutral, and 1 to 3 is negative. These six factors may be evaluated differently using alternative methodologies, and the importance of individual factors varies across groups, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

- U.S. Coverage: Of the 5,300 stocks within the Thomson Reuters U.S. universe, approximately 70% typically meet the criteria for generating an Average Score. Specifically, a stock must have sufficient data available for at least four of the six component indicators.

### Optimized Score

As an alternative to the average score, the Stock Report includes an Optimized Score generated by independent research firm, Verus Analytics. It uses the same six component ratings, but rather than equally weighting each of the factors, the weighting varies by market capitalization of the underlying security based on backtesting research. These scores are also updated weekly and distributed normally on a 1 to 10 scale, with 10 being best. The variable size is assigned monthly by ranking the market capitalization and assigning the appropriate category as follows:

Large	- Top 5.55%
Mid	- Next 13.87%
Small	- Next 34.68%
Micro	- Remaining 45.9%

### Indicator Components

- The six indicators that comprise the stock rating are displayed. Like the stock rating, the component rating scale is 1 to 10, with 10 being best. A company will receive an 'NR' for No Rating if the required data elements or criteria are not met.
- The indicators are updated weekly.

### Peer Analysis

- The Peer Analysis section of the report compares the company to its ten closest peers. The peers are selected from the industry group based on similar market capitalization. The peer listing may have fewer than ten companies if there are fewer than ten companies within that industry.
- The ICB industry classification system by Dow Jones and FTSE is used for the company classifications. It allocates companies to the industry whose definition most closely describes the nature of its business, which is determined by its source of revenue or where it constitutes the majority of revenue. There are 124 industries that are categorized within 41 industry groups and then within 19 business sectors.

### Highlights

The Thomson Reuters proprietary automated text-generation system creates highlights summarizing the most noteworthy data. The bullets will vary by company and will change from week to week as different criteria are met.

### Earnings

#### Indicator

The Earnings Rating is based on a combination of three factors: earnings surprise, estimate revision, and broker recommendation changes. Each factor is equally weighted. A stock needs to have at least two of the three earnings factors in order to receive a final earnings score. The company's current earnings indicator is presented for each factor alongside its four closest industry peers based on market capitalization.

- Earnings Surprise - The number of positive and negative surprises, along with the number of in-line announcements within the last 4 quarters.
- Estimate Revision - The number of up and down revisions and the average percentage change of those revisions within a 4 week period.
- Broker Recommendation Changes - The number of upgrades and downgrades in the last 120 days.

#### Indicator Trend

The best, worst, and average earnings indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level earnings indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

#### Price Target

The price target is based on the predictions of analysts covering the stock and shows the high, low and mean price expected within the next 12 months.

### Earnings Per Share

The quarterly and annual earnings per share are presented, along with the mean, high and low. Quarterly data is available for the past 4 quarters (actual) and the next 2 quarters (estimated). Annual data is available for the past 2 years (actual) and the next 2 years (estimated).

### Earnings Surprise

- The surprise summary includes the total number of quarters (and percentage) in the past 12 quarters in which earnings surprises were positive, negative, or in-line. In order to be recognized as a 'positive surprise', the surprise percent must be greater than 2% above the consensus. A 'negative surprise' is any surprise that is more than -2% below the consensus. Finally, an 'in-line surprise' is any surprise percent within 2% of the consensus.
- The surprise detail section includes detailed information on a company's quarterly earnings reported for the most recent 6 quarters. The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

### Mean Estimate Trend

The mean estimate trend shows how the consensus has changed over the past 30 and 90 days for the upcoming two quarters and two years. The percentage change is calculated for the company as a means for comparison by measuring the difference between the current consensus estimate and that of 90 days ago.

### Analyst Recommendations

The Stock Report presents two analyst surveys – the First Call Mean (FC), which is the mean of all analysts covering the stock, and the Independent Mean (IM), the mean of only independent analysts, or those who do not engage in investment banking business. The recommendations are presented on a five-point scale: strong buy, buy, hold, reduce and sell.

### Fundamental

#### Indicator

The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Each factor is equally weighted. A stock needs to have at least three of the four fundamental factors present for a given fiscal quarter in order to receive a final fundamental score. Companies that do not pay a dividend are not penalized. The company's current fundamental indicator is presented for each factor alongside its four closest industry peers based on market capitalization.

- Profitability is comprised of four data elements.
  - Revenue Growth: (Net Sales – Previous Net Sales) / Previous Net Sales
  - Gross Margin: Gross Profit / Net Sales
  - Return on Equity: Net Income / Total Equity
  - Net Margin: Net Profit / Net Sales
- Debt is comprised of four data elements.
  - Current Ratio: Current Assets / Current Liabilities
  - Debt-to-Capital: Total Debt / Total Capital
  - Interest Funding: Interest Expense / Operating Cash Flow
  - Interest Coverage: (Pre-Tax Income + Interest Expense) / Interest Expense
- Earnings Quality is comprised of two data elements.
  - Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
  - Days Sales in Receivables: 365 / (Net Sales (Revenues) / Receivables)
- Dividend is comprised of four data elements. The company must have a current dividend yield.
  - Dividend Growth Rate: (Dividends per Share – Previous Dividends per Share) / Previous Dividends per Share
  - Dividend Funding: Dividends / Operating Cash Flow
  - Dividend Coverage: (Pre-Tax Income + Interest Expense) / (Interest Expense + Dividends)
  - Current Dividend Yield: Annual Dividends per Share / Current Market Price per Share

#### Indicator Trend

The best, worst and average fundamental indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level fundamental indicator for the last 6 quarters. If there is no rating, an 'NA' is inserted.

### Relative Valuation

#### Indicator

The Relative Valuation Rating is based on a combination of three component factors: Forward PEG (50% weight), Trailing P/E (25% weight), and Forward P/E (25% weight). These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors present in order to receive a score. The company's current relative valuation indicator is presented for each factor alongside its four closest industry peers based on market capitalization.

- Trailing P/E: Close Price / Most Recent 4 Quarters of Earnings
- Forward P/E: Close Price / Upcoming 4 Quarters of Earnings
- Forward PEG: Forward P/E / Long-Term Forecasted Growth Rate



## Indicator Trend

The best, worst, and average relative valuation indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level relative valuation indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

## Valuation Averages

- Negative values are excluded when calculating the averages.
- A maximum value of 100 is placed on Trailing P/E and Forward P/E and a maximum value of 5 is placed on Forward PEG when calculating the averages. Higher values are rounded down to the maximum for the averages.

## Valuation Multiples

The valuation multiples provide the Trailing P/E, Forward P/E, and Forward PEG for the company and the S&P 500 index average. In addition, a comparison of the current company's values to its 5-year average and the S&P 500 average are presented. A discount occurs when the company's Trailing P/E, Forward P/E, or Forward PEG is valued more favorably (lower) than that to which it is compared.

## Risk

### Indicator

The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility (40% weight), magnitude of returns (30% weight), beta (20% weight), and correlation (10% weight). A stock needs to have at least two of the four risk factors in order to receive a final score. The company's current risk indicator is presented for each factor alongside its four closest industry peers based on market capitalization.

- Magnitude of Returns – The best / worst daily returns in the past 90 days and the best / worst monthly returns in the past 60 months.
- Volatility – The standard deviation of the stock price over the last 90 days and last 60 months. The average and largest intra-day stock swing is another measure of volatility.
- Beta – Measures how the stock performs versus the broader market based on the beta of the company versus the S&P 500 and the industry group.
- Correlation – Determines how correlated (or not) the stock is to the S&P 500 and the industry group in the last 90 days and last 60 months.

### Indicator Trend

The best, worst, and average risk indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level risk indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

### Risk and Reward Analysis

Price analysis for the company and the S&P 500 is provided over two time periods. Daily analysis is provided for the last 90 days, whereas monthly statistics are used for the last 60 months.

## Price Momentum

### Indicator

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). A stock needs to have data for the relative strength factor in order to receive a price momentum score. The company's current price momentum indicator is presented for each factor alongside its four closest industry peers based on market capitalization.

- Relative Strength – The relative strength of the company for the last 1 month, 3 months, and 6 months on a scale of 1 to 100.
- Seasonality – The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

### Indicator Trend

The best, worst, and average price momentum indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level price momentum indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

### Price Performance

Daily close pricing data is used to calculate the price performance of a stock. The performance of the S&P 500 is also displayed as a means of comparison.

## Insider Trading

### Indicator

The Insider Trading Rating is based on short-term (60% weight) and long-term (40% weight) legal insider trading behavior. A stock needs to have at least one of the two insider trading factors in order to receive a score. The company's current insider trading indicator is presented for each factor alongside its four closest industry peers based on market capitalization.

- Short-Term Insider – Uses insider buy and sell transactions within the past 90 days. This factor is based on the Thomson Reuters quantitative insider trading model that considers the insider's role, consensus, number of shares, market capitalization of the company, and the historic stock performance following trades by the given insider.
- Long-Term Insider – Looks at buying, selling and option exercise decisions over the past six months relative to other stocks within the same business sector. The net shares are presented alongside the business sector average as a means of comparison.

### Indicator Trend

The best, worst, and average insider trading indicator scores over the last five years allow users to put the current score into historical context. The trend graph displays the company-level insider trading indicator for six time periods: 1 year ago, 6 months ago, 3 months ago, 1 month ago, 2 weeks ago, and current. If there is no rating, an 'NA' is inserted.

## Seasonal \$ Sells / Buys

The seasonal \$ quarterly and yearly sell / buy section provides time-series data that allows an easy analysis of the longer-term trend in open-market insider buying and selling (option acquisitions are not considered). Data is presented based on the market value of the transactions. Transactions by trusts and corporations are excluded, along with buys greater than \$10 million and sales greater than \$50 million. The transaction totals within each quarter are the sum of all buys or sells for that time period. Each quarter is a calendar quarter, January through March, April through June, etc. The value for the full year is the sum of each of the four quarterly averages.

## Institutional and Executive Holders

The top five institutional and executive holders of the company are listed in descending order, based on their total direct common share holdings (options are not considered). Indirect holdings are excluded, as the owner may not actually have investment discretion over these shares. This table is updated monthly. Insiders who have not filed any transactions or holdings over the past two years are excluded as this may indicate that the individual is no longer associated with the company. Additionally, direct shares held must be greater than 1,000 to be considered.

## Insider Roles

AF - Affiliate	CT - Chief Technology Officer	R - Retired
B - Beneficial Owner	D - Director	SH - Shareholder
CB - Chairman	EVP - Exec Vice President	SVP - Senior Vice President
CEO - Chief Executive Officer	GC - General Counsel	T - Trustee
CFO - Chief Financial Officer	O - Officer	TR - Treasurer
CM - Committee Member	OH - Other	VC - Vice Chairman
CO - Chief Operating Officer	P - President	VP - Vice President

## Disclaimer

All information in this report is assumed to be accurate to the best of our ability. Past performance is not a guarantee of future results. The information contained in this report is not to be construed as advice and should not be confused as any sort of advice. Thomson Reuters, its employees, officers or affiliates, in some instances, have long or short positions or holdings in the securities or other related investments of companies mentioned herein. Investors should consider this report as only a single factor in making their investment decision.



BUY				HOLD				SELL				<b>HOLD</b>	RATING SINCE	06/07/2011			
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-				E+	E	E-
Annual Dividend Rate <b>\$0.16</b>				Annual Dividend Yield <b>1.26%</b>				Beta <b>1.08</b>				Market Capitalization <b>\$654.8 Million</b>		52-Week Range <b>\$10.47-\$17.28</b>		Price as of 10/20/2011 <b>\$12.62</b>	

 Sector: **Industrials** | Sub-Industry: **Airlines** | Source: **S&P**
**SKYW BUSINESS DESCRIPTION**

SkyWest, Inc., through its subsidiaries, operates as a regional airline in the United States.

**STOCK PERFORMANCE (%)**

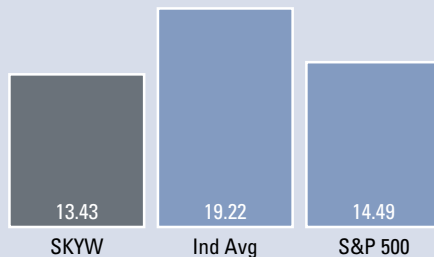
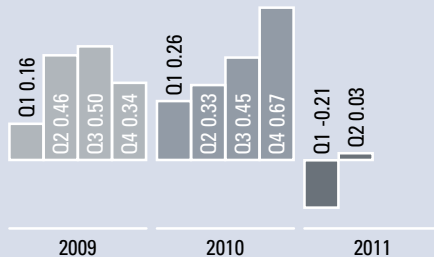
	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	2.51	-15.93	-2.13

**GROWTH (%)**

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	43.69	29.37	-2.74
Net Income	-91.55	-34.93	-29.12
EPS	-90.91	-34.27	-27.24

**RETURN ON EQUITY (%)**

	SKYW	Ind Avg	S&P 500
Q2 2011	3.88	22.75	14.22
Q2 2010	5.90	11.51	12.69
Q2 2009	6.37	-8.74	2.50

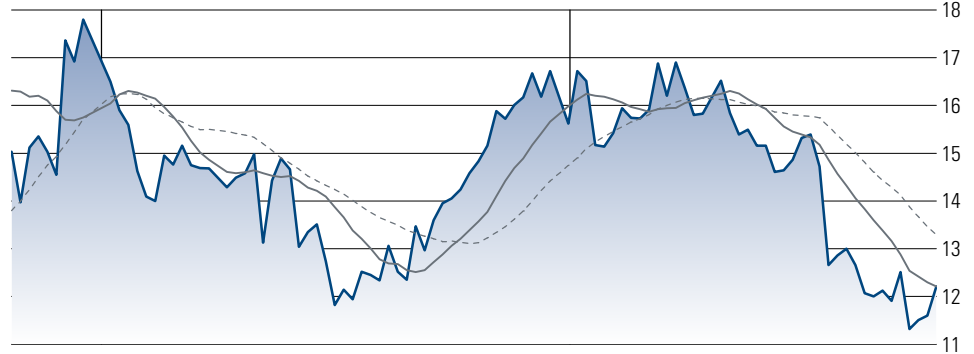
**P/E COMPARISON**

**EPS ANALYSIS' (\$)**


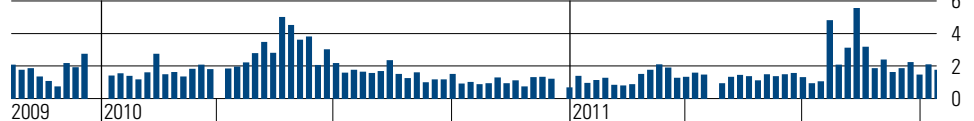
NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

1 Year | 2 Years


**Rating History**

**Volume in Millions**


COMPUSTAT for Price and Volume, TheStreet.com Ratings, Inc. for Rating History

**RECOMMENDATION**

We rate SKYWEST INC (SKYW) a HOLD. The primary factors that have impacted our rating are mixed - some indicating strength, some showing weaknesses, with little evidence to justify the expectation of either a positive or negative performance for this stock relative to most other stocks. The company's strengths can be seen in multiple areas, such as its robust revenue growth, reasonable valuation levels and largely solid financial position with reasonable debt levels by most measures. However, as a counter to these strengths, we also find weaknesses including deteriorating net income, disappointing return on equity and poor profit margins.

**HIGHLIGHTS**

The revenue growth came in higher than the industry average of 25.5%. Since the same quarter one year prior, revenues rose by 43.7%. This growth in revenue does not appear to have trickled down to the company's bottom line, displayed by a decline in earnings per share.

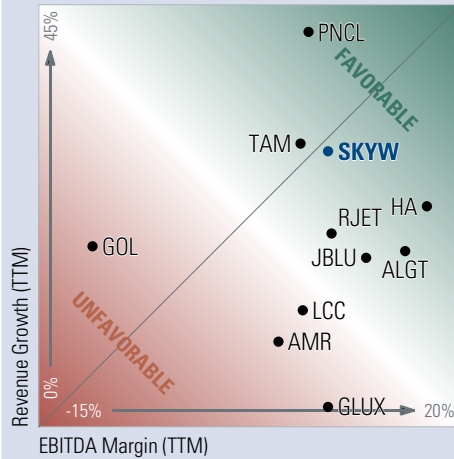
Even though the current debt-to-equity ratio is 1.33, it is still below the industry average, suggesting that this level of debt is acceptable within the Airlines industry. Regardless of the somewhat mixed results with the debt-to-equity ratio, the company's quick ratio of 1.43 is sturdy.

The company, on the basis of change in net income from the same quarter one year ago, has significantly underperformed when compared to that of the S&P 500 and the Airlines industry. The net income has significantly decreased by 91.5% when compared to the same quarter one year ago, falling from \$18.66 million to \$1.58 million.

The company's current return on equity has slightly decreased from the same quarter one year prior. This implies a minor weakness in the organization. Compared to other companies in the Airlines industry and the overall market, SKYWEST INC's return on equity significantly trails that of both the industry average and the S&P 500.

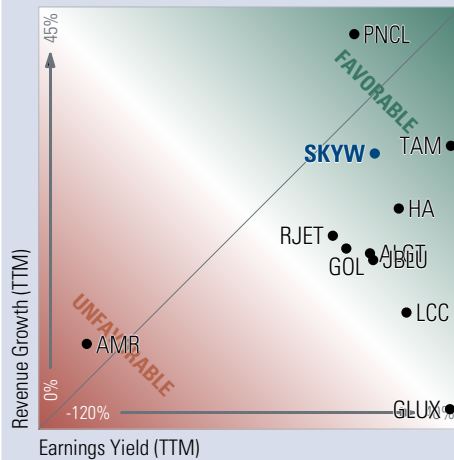
Sector: Industrials | Airlines | Source: S&amp;P

Annual Dividend Rate <b>\$0.16</b>	Annual Dividend Yield <b>1.26%</b>	Beta <b>1.08</b>	Market Capitalization <b>\$654.8 Million</b>	52-Week Range <b>\$10.47-\$17.28</b>	Price as of 10/20/2011 <b>\$12.62</b>
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**PEER GROUP ANALYSIS**
**REVENUE GROWTH AND EBITDA MARGIN\***


Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$10.7 Million and \$1.7 Billion. Companies with NA or NM values do not appear.

\*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

**REVENUE GROWTH AND EARNINGS YIELD**


Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between 2.1% and 42.1%. Companies with NA or NM values do not appear.

**INDUSTRY ANALYSIS**
**PEER GROUP: Airlines**

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
<b>SKYW</b>	<b>SKYWEST INC</b>	<b>12.62</b>	<b>655</b>	<b>13.43</b>	<b>3,265.59</b>	<b>53.19</b>
LCC	US AIRWAYS GROUP INC	6.01	974	5.14	12,551.00	244.00
ALGT	ALLEGiant TRAVEL CO	50.40	960	17.87	719.33	54.64
GOL	GOL LINHAS AEREAS INTELIGENT	7.11	948	NM	4,529.35	-65.14
PNCL	PINNACLE AIRLINES CORP	2.87	55	NM	1,212.26	-0.15
HA	HAWAIIAN HOLDINGS INC	5.39	273	6.06	1,560.28	47.01
TAM	TAM SA	17.10	1,717	2.75	7,843.72	622.86
JBLU	JETBLUE AIRWAYS CORP	4.36	1,294	14.53	4,131.00	95.00
RJET	REPUBLIC AIRWAYS HLDGS INC	2.60	126	NM	2,760.46	-17.30
AMR	AMR CORP/DE	2.88	1,043	NM	23,609.00	-982.00
GLUX	GREAT LAKES AVIATION LTD	0.75	11	2.78	126.50	3.86

The peer group comparison is based on Major Airlines companies of comparable size.

Sector: Industrials | Airlines | Source: S&amp;P

Annual Dividend Rate <b>\$0.16</b>	Annual Dividend Yield <b>1.26%</b>	Beta <b>1.08</b>	Market Capitalization <b>\$654.8 Million</b>	52-Week Range <b>\$10.47-\$17.28</b>	Price as of 10/20/2011 <b>\$12.62</b>
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**COMPANY DESCRIPTION**

SkyWest, Inc., through its subsidiaries, operates as a regional airline in the United States. As of December 31, 2009, the company primarily offered scheduled passenger and air freight services with approximately 2,300 total daily departures to 217 different destinations in the United States, Canada, Mexico, and the Caribbean. It also provides ground handling services for approximately eight other airlines throughout its system. The company operated a fleet of 449 aircrafts, of which 258 were assigned to Delta Air Lines, 186 were assigned to United Air Lines, 3 were assigned to Midwest Airlines, and 2 were assigned to AirTran Airways. SkyWest, Inc. was founded in 1972 and is headquartered in St. George, Utah.

SKYWEST INC  
 444 S River Rd  
 Saint George, UT 84790-2085  
 USA  
 Phone: 435-634-3000  
<http://www.skywest.com>

**STOCK-AT-A-GLANCE**

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of SKYW shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
<b>Growth</b>	<b>1.5 out of 5 stars</b>	★	☆	☆	☆	☆
Measures the growth of both the company's income statement and cash flow. On this factor, SKYW has a growth score better than 20% of the stocks we rate.		weak				strong
<b>Total Return</b>	<b>1.5 out of 5 stars</b>	★	☆	☆	☆	☆
Measures the historical price movement of the stock. The stock performance of this company has beaten 20% of the companies we cover.		weak				strong
<b>Efficiency</b>	<b>2.5 out of 5 stars</b>	★	★	☆	☆	☆
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 40% of the companies we review.		weak				strong
<b>Price volatility</b>	<b>2.0 out of 5 stars</b>	★	★	☆	☆	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 30% of the stocks we monitor.		weak				strong
<b>Solvency</b>	<b>2.5 out of 5 stars</b>	★	★	☆	☆	☆
Measures the solvency of the company based on several ratios. The company is more solvent than 40% of the companies we analyze.		weak				strong
<b>Income</b>	<b>3.5 out of 5 stars</b>	★	★	★	☆	☆
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 60% of the companies we track.		weak				strong

**THESTREET.COM RATINGS RESEARCH METHODOLOGY**

TheStreet.com Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

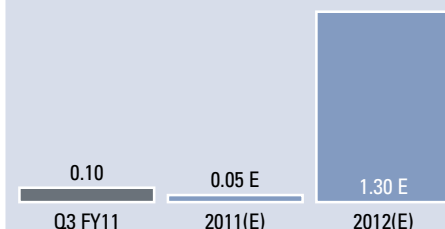
Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

## Sector: Industrials | Airlines | Source: S&amp;P

Annual Dividend Rate <b>\$0.16</b>	Annual Dividend Yield <b>1.26%</b>	Beta <b>1.08</b>	Market Capitalization <b>\$654.8 Million</b>	52-Week Range <b>\$10.47-\$17.28</b>	Price as of 10/20/2011 <b>\$12.62</b>
---------------------------------------	---------------------------------------	---------------------	---	---	--

**Consensus EPS Estimates<sup>2</sup> (\$)**

IBES consensus estimates are provided by Thomson Financial


**FINANCIAL ANALYSIS**

SKYWEST INC's gross profit margin for the second quarter of its fiscal year 2011 has significantly decreased when compared to the same period a year ago. Even though sales increased, the net income has decreased, representing a decrease to the bottom line. SKYWEST INC has average liquidity. Currently, the Quick Ratio is 1.43 which shows that technically this company has the ability to cover short-term cash needs. The company's liquidity has decreased from the same period last year, indicating deteriorating cash flow.

During the same period, stockholders' equity ("net worth") has remained unchanged from the same quarter last year. Together, the key liquidity measurements indicate that it is relatively unlikely that the company will face financial difficulties in the near future.

**INCOME STATEMENT**

	Q2 FY11	Q2 FY10
Net Sales (\$mil)	933.70	649.76
EBITDA (\$mil)	84.10	107.67
EBIT (\$mil)	20.40	49.29
Net Income (\$mil)	1.58	18.66

**BALANCE SHEET**

	Q2 FY11	Q2 FY10
Cash & Equiv. (\$mil)	684.56	746.10
Total Assets (\$mil)	4,339.74	4,366.97
Total Debt (\$mil)	1,818.61	1,972.54
Equity (\$mil)	1,372.26	1,384.90

**PROFITABILITY**

	Q2 FY11	Q2 FY10
Gross Profit Margin	9.01%	16.57%
EBITDA Margin	9.01%	16.57%
Operating Margin	2.19%	7.59%
Sales Turnover	0.75	0.58
Return on Assets	1.23%	1.87%
Return on Equity	3.88%	5.90%

**DEBT**

	Q2 FY11	Q2 FY10
Current Ratio	2.26	2.89
Debt/Capital	0.57	0.59
Interest Expense	20.05	21.66
Interest Coverage	1.02	2.28

**SHARE DATA**

	Q2 FY11	Q2 FY10
Shares outstanding (mil)	52	56
Div / share	0.04	0.04
EPS	0.03	0.33
Book value / share	26.37	24.76
Institutional Own %	NA	NA
Avg Daily Volume	469,749	306,220

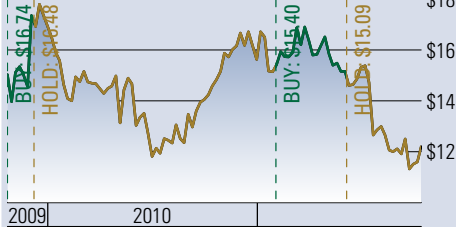
<sup>2</sup> Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

Sector: Industrials | Airlines | Source: S&amp;P

Annual Dividend Rate <b>\$0.16</b>	Annual Dividend Yield <b>1.26%</b>	Beta <b>1.08</b>	Market Capitalization <b>\$654.8 Million</b>	52-Week Range <b>\$10.47-\$17.28</b>	Price as of 10/20/2011 <b>\$12.62</b>
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**RATINGS HISTORY**

Our rating for SKYWEST INC has not changed since 6/7/2011. As of 10/20/2011, the stock was trading at a price of \$12.62 which is 27.0% below its 52-week high of \$17.28 and 20.5% above its 52-week low of \$10.47.

**2 Year Chart**

**MOST RECENT RATINGS CHANGES**

Date	Price	Action	From	To
6/7/11	\$15.09	Downgrade	Buy	Hold
2/3/11	\$15.40	Upgrade	Hold	Buy
12/9/09	\$16.48	Downgrade	Buy	Hold
10/20/09	\$16.74	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

**RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET.COM RATINGS**

(as of 10/20/2011)

**32.61% Buy** - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

**38.83% Hold** - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

**28.55% Sell** - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

**TheStreet.com Ratings, Inc.**  
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**VALUATION**

**HOLD.** SKYWEST INC's P/E ratio indicates a discount compared to an average of 19.22 for the Airlines industry and a value on par with the S&P 500 average of 14.49. To use another comparison, its price-to-book ratio of 0.48 indicates a discount versus the S&P 500 average of 1.96 and a significant discount versus the industry average of 3.79. The price-to-sales ratio is well below both the S&P 500 average and the industry average, indicating a discount. Upon assessment of these and other key valuation criteria, SKYWEST INC proves to trade at a discount to investment alternatives within the industry.

Price/Earnings	1	2	3	4	5
					discount

**SKYW 13.43** Peers **19.22**

- Discount. A lower P/E ratio than its peers can signify a less expensive stock or lower growth expectations.
- SKYW is trading at a significant discount to its peers.

Price/Projected Earnings	1	2	3	4	5
					discount

**SKYW 9.71** Peers **19.37**

- Premium. A higher price-to-projected earnings ratio than its peers can signify a more expensive stock or higher future growth expectations.
- SKYW is trading at a significant premium to its peers.

Price/Book	1	2	3	4	5
					discount

**SKYW 0.48** Peers **3.79**

- Discount. A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- SKYW is trading at a significant discount to its peers.

Price/Sales	1	2	3	4	5
					discount

**SKYW 0.20** Peers **0.72**

- Discount. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- SKYW is trading at a significant discount to its industry on this measurement.

Price/CashFlow	1	2	3	4	5
					discount

**SKYW 2.59** Peers **5.34**

- Discount. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- SKYW is trading at a significant discount to its peers.

Price to Earnings/Growth	1	2	3	4	5
					discount

**SKYW NM** Peers **0.46**

- Neutral. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- SKYW's negative PEG ratio makes this valuation measure meaningless.

Earnings Growth	1	2	3	4	5
					higher

**SKYW -34.27** Peers **326.42**

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, SKYW is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth	1	2	3	4	5
					higher

**SKYW 29.37** Peers **32.69**

- Lower. A sales growth rate that trails the industry implies that a company is losing market share.
- SKYW trails its peers on the basis of sales growth

**DISCLAIMER:**

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# SkyWest Inc

**S&P Recommendation** **HOLD** ★★☆☆☆

**Price**  
\$12.77 (as of Oct 21, 2011)

**12-Mo. Target Price**  
\$14.00

**Investment Style**  
Small-Cap Blend

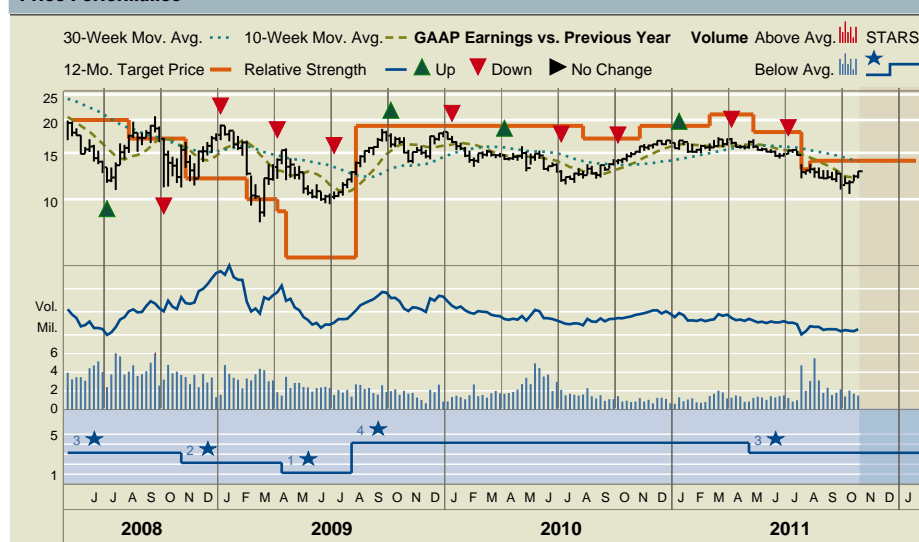
**GICS Sector** Industrials  
**Sub-Industry** Airlines

**Summary** Through SkyWest Airlines, Atlantic Southeast Airlines and ExpressJet, SKYW is one of the largest U.S. regional airlines, with service in the U.S., Canada, Mexico and the Caribbean.

### Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	<b>\$17.28–10.47</b>	S&P Oper. EPS 2011 E	<b>0.05</b>	Market Capitalization(B)	<b>\$0.663</b>	Beta	<b>1.07</b>
Trailing 12-Month EPS	<b>\$0.97</b>	S&P Oper. EPS 2012 E	<b>1.17</b>	Yield (%)	<b>1.25</b>	S&P 3-Yr. Proj. EPS CAGR(%)	<b>8</b>
Trailing 12-Month P/E	<b>13.2</b>	P/E on S&P Oper. EPS 2011 E	<b>NM</b>	Dividend Rate/Share	<b>\$0.16</b>	S&P Credit Rating	<b>NA</b>
\$10K Invested 5 Yrs Ago	<b>\$5,121</b>	Common Shares Outstg. (M)	<b>51.9</b>	Institutional Ownership (%)	<b>88</b>		

### Price Performance



Analysis prepared by Equity Analyst **Jim Corridore** on Aug 17, 2011, when the stock traded at **\$13.05**.

### Highlights

- After a 6% increase in 2010, the consensus revenue estimate from Capital IQ is for a 33% increase, which reflects the November 2010 acquisition of ExpressJet Holdings. In addition, organic revenue growth should be aided by the addition of new planes coming into service for United and a likely higher utilization level on existing planes. Given the recent rise in oil prices, revenues from fuel will be higher, since reimbursement of this expense line item flows through the revenue line.
- Operating margins in 2011 are likely to narrow due to higher fuel costs on the portion of SKYW's fuel expenses that are not reimbursed by partners, along with higher maintenance and staffing costs. SKYW is expecting to be pressured in 2011 by a timing lag between when maintenance costs are incurred and when they are reimbursed. Partly offsetting these impacts is a likely rise in block hours, which would leverage SKYW's fixed costs over a larger unit revenue base.
- Capital IQ consensus projects EPS of \$0.05 for 2011, down from 2010's \$0.96, and \$1.17 for 2012.

### Investment Rationale/Risk

- While we think the acquisition of ExpressJet adds revenue diversification and growth to SKYW, and makes SKYW the largest regional airline at both United and Delta, we believe ExpressJet's operating margins are lower than the SKYW corporate average, which we think needs to be addressed. We expect SKYW to lose some business from AirTran now that it has been acquired by Southwest Airlines, who intends to use its own planes for the flights that SKYW operated for AirTran. Although utilization on domestic routes is near record levels for major airlines, we think high oil prices could restrain regional airline industry growth.
- Risks to our recommendation and target price include the possibility that SKYW's partners cut additional regional capacity or even cancel their contracts. Additional mergers in the industry among SKYW's partners could lead to decreased regional capacity.
- Our 12-month target price of \$14 values the shares at 12X the 2012 Capital IQ consensus estimate of \$1.17, above peers and toward the high-end of SKYW's five-year historical P/E range.

### Qualitative Risk Assessment

**LOW** **MEDIUM** **HIGH**

Our risk assessment reflects high oil prices, high debt levels, and the distressed financial state of many of SKYW's customer airlines, offset by what we see as an operating model that reduces the risk of oil and other operating costs, many of which are borne by its major airline customers.

### Quantitative Evaluations

**S&P Quality Ranking** **B+**

D C B- B **B+** A- A A+

**Relative Strength Rank** **STRONG**

LOWEST = 1 **76** HIGHEST = 99

### Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2011	866.0	933.7	--	--	--
2010	632.2	649.8	686.9	796.3	2,765
2009	672.6	698.8	637.8	604.4	2,614
2008	868.0	950.8	934.1	743.3	3,496
2007	789.0	855.1	875.6	854.7	3,374
2006	742.9	790.4	791.8	789.6	3,115

Earnings Per Share (\$)	2011	2010	2009	2008	2007	2006
2011	-0.21	0.03	E0.12	E0.11	E0.05	
2010	0.26	0.33	0.45	0.67	1.70	
2009	0.16	0.46	0.50	0.34	1.47	
2008	0.47	0.63	0.45	0.37	1.93	
2007	0.53	0.62	0.68	0.66	2.49	
2006	0.57	0.62	0.63	0.48	2.30	

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

### Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.040	11/30	12/29	12/31	01/06/11
0.040	02/21	03/29	03/31	04/07/11
0.040	05/18	06/28	06/30	07/07/11
0.040	08/09	09/28	09/30	10/07/11

Dividends have been paid since 1987. Source: Company reports.

# SkyWest Inc

## Business Summary August 17, 2011

SkyWest, Inc., through its subsidiaries, operates regional airlines in the United States. Through SkyWest Airlines, Atlantic Southeast and ExpressJet, the company offers scheduled passenger service with approximately 4,000 daily departures to destinations in the United States, Canada, Mexico and the Caribbean. Substantially all of the flights are operated as Delta Connection, United Express, Continental Express or AirTran under code-share arrangements with Delta, United, Continental or AirTran, respectively, with significant presence in Delta's, United's and Continental's key domestic hubs and focus cities.

SkyWest Airlines, Atlantic Southeast and ExpressJet generally provide regional flying to partners under long-term, fixed-fee code-share agreements. Among other features of its fixed-fee agreements, partners generally reimburse them for specified direct operating expenses (including fuel expense, which is passed through to partners), and pay them a fee for operating the aircraft.

SkyWest Airlines has been flying since 1972, Atlantic Southeast since 1979 and ExpressJet since 1986. The three provide regional flying to partners under long-term, fixed-fee code-share agreements. The company operates one type of regional jet aircraft in three different configurations, the 50-seat Bombardier Aerospace (Bombardier) CRJ200 Regional Jet (the CRJ200), the 70-seat Bombardier CRJ700 Regional Jet (the CRJ700) and the 70-90-seat Bombardier CRJ900 Regional Jet (the CRJ900), and 1 type of turboprop aircraft, the 30-seat Embraer Brasilia EMB-120 turboprop (the Brasilia turboprop). SkyWest Airlines provides regional jet and turboprop service primarily located in the midwestern and western United States.

SkyWest Airlines' operations are conducted from hubs located in Chicago (O'Hare), Denver, Los Angeles, Milwaukee, San Francisco and Salt Lake City. Atlantic Southeast provides regional jet service primarily in the United States mainly from hubs located in Atlanta, Cincinnati, Chicago (O'Hare) and Washington Dulles.

On contract routes, the major airline partner controls scheduling, ticketing, pricing and seat inventories, with the company receiving negotiated payments per block-hour or flight departure, and incentives related to levels of customer service. Some additional flying is done under pro-rated contracts, with SkyWest controlling scheduling, ticketing, pricing and seat inventories, and receiving a prorated portion of fares. All of the company's regional jets are flown under contract flying arrangements. SKYW's turboprops flown for Delta are flown under pro-rated arrangements. The large majority of turboprops flown for United are contract flying, with the remainder of the turboprops are pro-rated.

The regional airline industry is highly competitive. The combined operations of SkyWest, Atlantic Southeast and ExpressJet extend through most of the United States. Major airlines award contract flying to regional airlines based on cost, financial resources, timeliness of arrivals and departures, flight cancellations, baggage handling performance and overall image. Primary competitors among regional airlines with code-share arrangements include Air Wisconsin Airlines Corporation, American Eagle Airlines, Inc., Comair, Inc., Compass Airlines, Mesaba Airlines, Horizon Air Industries, Inc., Mesa Air Group, Inc., Pinnacle Airlines Corp., Republic Airways Holdings Inc., and Trans State Airlines, Inc.

SKYW acquired Atlantic Southeast in September 2005 from Delta Air Lines for about \$427 million, the assumption of \$1.25 billion in debt, and the return of \$50 million of aircraft deposits to Delta. It acquired ExpressJet in November 2010 for \$6.75 a share in cash, or \$136.5 million. In that deal, SKYW acquired 244 regional jets operated by ExpressJet.

Passengers carried in 2010 totaled 40.4 million, up 17% from 34.5 million in 2009. The passenger load factor in 2010 was 79.3%, up 0.5 percentage points from 78.8% in 2009. Revenue passenger miles totaled 20.2 billion, up 15.9% from 17.4 billion in 2009. Revenue per available seat mile was \$0.108 in 2010, down 8.5% from \$0.118 in 2009. Over the 10-year period from 2001-2010, revenues increased at a compound annual growth rate (CAGR) of 17.3%, operating income at a CAGR of 14.4%, and net income at a CAGR of 3.9%.

## Corporate Information

### Investor Contact

M. Kraupp (435-634-3203)

### Office

444 South River Road, St. George, UT 84790.

### Telephone

435-634-3000.

### Email

info@skywest.com

### Website

http://www.skywest.com

## Officers

### Chrmn & CEO

J.C. Atkin

### Chief Acctg Officer

E. Woodward

### Pres

B.R. Rich

### Secy

E.D. Christensen

### CFO & Treas

M.J. Kraupp

## Board Members

J. R. Atkin

J. C. Atkin

P. Billson

I. M. Cumming

H. J. Eyring

R. G. Sarver

S. F. Udvar-Hazy

J. L. Welch

### Domicile

Utah

### Auditor

ERNST & YOUNG

### Founded

1972

### Employees

18,378

### Stockholders

949

# SkyWest Inc

## Quantitative Evaluations

<b>S&amp;P Fair Value Rank</b>	5+	1	2	3	4	5
		LOWEST				HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

<b>Fair Value Calculation</b>	<b>\$16.80</b>	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that SKYW is Undervalued by \$4.03 or 31.6%.
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<b>Investability Quotient Percentile</b>	16	LOWEST = 1	HIGHEST = 100
		SKYW scored lower than 84% of all companies for which an S&P Report is available.	

<b>Volatility</b>	LOW	AVERAGE	HIGH
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<b>Technical Evaluation</b>	<b>BEARISH</b>	Since July, 2011, the technical indicators for SKYW have been BEARISH.
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<b>Insider Activity</b>	NA	UNFAVORABLE	NEUTRAL	FAVORABLE
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## Expanded Ratio Analysis

	2010	2009	2008	2007
Price/Sales	0.32	0.37	0.31	0.51
Price/EBITDA	1.99	2.22	2.29	3.11
Price/Pretax Income	6.05	7.30	6.19	6.87
P/E Ratio	9.16	11.49	9.66	10.80
Avg. Diluted Shares Outstg (M)	56.5	56.8	58.6	64.0

Figures based on calendar year-end price

## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	5.80	-8.50	3.55	21.97
Net Income	15.17	-16.53	-7.62	6.35

## Ratio Analysis (Annual Avg.)

	2010	2009	2008	2007
Net Margin (%)	3.48	3.31	3.86	5.53
% LT Debt to Capitalization	52.40	51.90	51.79	44.10

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	25.83	23.89	22.16	25.01	16.21	14.99	13.51	12.23	11.12	9.71
Cash Flow	5.89	5.37	5.68	5.75	5.30	3.86	2.72	2.43	2.36	1.79
Earnings	1.70	1.47	1.93	2.49	2.30	1.90	1.40	1.15	1.36	0.99
S&P Core Earnings	1.50	1.55	1.86	2.49	2.31	1.82	1.29	1.02	1.21	0.90
Dividends	0.16	0.16	0.13	0.12	0.12	0.12	0.12	0.08	0.08	0.08
Payout Ratio	9%	11%	7%	5%	5%	6%	9%	7%	6%	8%
Prices:High	17.45	19.25	27.19	29.50	30.44	34.09	20.70	21.10	29.36	34.10
Prices:Low	11.38	8.17	10.84	21.27	20.88	16.04	13.00	8.60	11.20	9.75
P/E Ratio:High	10	13	14	12	13	18	15	18	22	34
P/E Ratio:Low	7	6	6	9	9	8	9	7	8	10

## Income Statement Analysis (Million \$)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenue	2,765	2,614	3,496	3,374	3,115	1,964	1,156	888	774	602
Operating Income	444	434	475	553	675	336	335	183	176	121
Depreciation	237	222	220	209	190	115	76.8	74.4	57.5	45.8
Interest Expense	86.5	86.3	107	126	118	53.3	18.2	9.89	3.61	Nil
Pretax Income	146	132	176	250	240	180	137	109	128	92.5
Effective Tax Rate	NA	36.5%	35.9%	36.4%	39.3%	37.5%	40.0%	39.0%	39.0%	39.0%
Net Income	96.4	83.7	113	159	146	112	82.0	66.8	78.3	56.4
S&P Core Earnings	85.2	88.3	109	159	147	108	75.2	58.8	69.9	51.3

## Balance Sheet & Other Financial Data (Million \$)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Cash	783	722	694	660	636	300	541	471	425	311
Current Assets	1,370	1,254	1,221	1,210	1,095	694	712	670	513	383
Total Assets	4,447	4,311	4,014	3,991	3,731	3,321	1,662	1,529	999	817
Current Liabilities	563	450	387	398	408	616	176	152	121	104
Long Term Debt	1,739	1,816	1,682	1,733	1,676	1,423	463	463	125	114
Common Equity	1,421	1,352	1,276	1,246	1,178	913	779	709	639	552
Total Capital	3,319	3,317	3,464	3,425	3,181	2,561	1,432	1,327	827	707
Capital Expenditures	177	422	238	368	206	328	154	741	94.5	34.3
Cash Flow	333	305	333	368	336	228	159	141	136	102
Current Ratio	2.4	2.8	3.2	3.0	2.7	1.1	4.1	4.4	4.2	3.7
% Long Term Debt of Capitalization	52.4	Nil	48.5	50.6	52.7	55.6	32.4	34.9	15.2	16.1
% Net Income of Revenue	3.5	3.2	3.2	4.7	4.7	5.7	7.1	7.5	10.1	9.4
% Return on Assets	NA	NA	2.8	4.1	4.1	4.5	5.1	5.3	8.6	7.6
% Return on Equity	NA	NA	9.0	13.1	13.9	13.3	11.0	9.9	13.2	10.9

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# SkyWest Inc

## Sub-Industry Outlook

We have a positive fundamental outlook for the airline sub-industry for the next 12 months. Traffic statistics showed improving demand and revenues in 2010 and through the first nine months of 2011. We believe the U.S. airline industry is still seeing strong demand, despite the weak U.S. economy. In addition, we think that since the industry has reduced capacity levels, it should be able to raise fares if passenger travel demand improves, and hold the line on fares if demand weakens. Oil and jet fuel prices have fallen after rising sharply earlier in the year, but we think oil represents a risk to the fragile industry recovery. At this time, we believe fare increases should offset higher jet fuel costs.

We think investor sentiment on airline stocks could improve on signs that the U.S. economy is recovering and if oil prices retreat. We view positively the news on October 1, 2010, that UAL Corp. (UAL 19, Buy) and Continental Airlines completed their merger. This created the largest airline in the world, eliminated one major competitor and, we think, could spur additional capacity cuts and eventually lead to higher airfares. We see similar, but smaller, benefits from the recently completed acquisition of AirTran Holdings by Southwest Airlines (LUV 8, Buy). Many of the shares warrant added risk premiums, in our view.

We estimate that the top 10 U.S. carriers earned \$3.7 billion in 2010, after losing \$5 billion in 2009 and \$4 billion in 2008. Results in 2010 benefited from strong leisure demand, improved business travel and airfare increases. We think cuts to domestic and international supply over the past three years have improved airlines' pricing power. For 2011, we think the 10 largest carriers will likely earn a net profit of about \$4 billion.

Total revenue passenger miles (RPMs) rose 3.2% in

2010, after a 5.8% decline in 2009. Yields rose 14.1%, after a 13.1% decline in 2009. Available seat miles rose 0.6%, after falling 6.1% in 2009. The passenger load factor improved by 1.4 percentage points in 2010, to 82.5%.

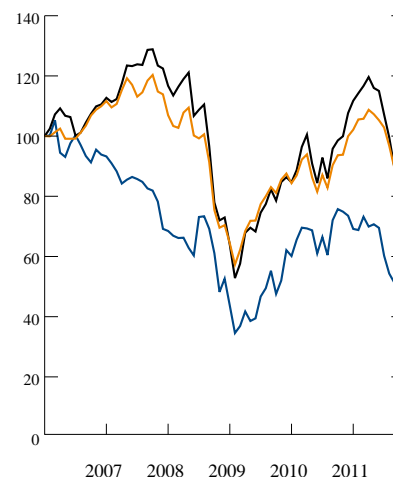
Year to date through September 30, the S&P Airlines index declined 30.3%, versus a 10.5% decrease for the S&P 1500. In 2010, the S&P Airlines index gained 18.5%, versus a 14.2% increase for the S&P 1500.

--Jim Corridore

## Stock Performance

**GICS Sector: Industrials**  
**Sub-Industry: Airlines**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 09/30/11



Sub-Industry      Sector      S&P 1500

**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

## Sub-Industry : Airlines Peer Group\*: Airlines - Regional/Commuter

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>SkyWest Inc</b>	<b>SKYW</b>	<b>663</b>	<b>12.77</b>	<b>17.28/10.47</b>	<b>1.07</b>	<b>1.3</b>	<b>13</b>	<b>16.80</b>	<b>B+</b>	<b>16</b>	<b>3.5</b>	<b>52.4</b>
Great Lakes Aviation	GLUX	11	0.78	2.50/0.32	0.45	Nil	3	NA	B-	9	4.0	7.6
Hawaiian Holdings	HA	264	5.21	8.69/3.67	1.96	Nil	6	6.40	B-	8	8.4	36.8
Pinnacle Airlines	PNCL	55	2.86	8.68/2.57	1.67	Nil	NM	NA	NR	NA	1.3	79.1
Republic Airways Hldg	RJET	124	2.57	9.58/2.47	0.10	Nil	NM	6.50	NR	1	NA	72.4
WestJet Airlines	WJA.C	1,807	12.64	16.02/11.75	NA	1.6	13	NA	B	NA	5.2	33.8

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

**SkyWest Inc****S&P Analyst Research Notes and other Company News****August 15, 2011**

03:33 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF SKYWEST INC. (SKYW 13.04\*\*\*): The Capital IQ consensus EPS estimates for '11 and '12 have moved lower and are now \$0.05 for 2011 and \$1.17 for 2012. SKYW faces integration issues and increased staffing costs related to its merger with ExpressJet Holdings as well as to the addition of some unexpected flying for SKYW's airline partners. We think these issues are likely to persist at least through '11. However, we believe SKYW remains well positioned to gain market share once industry capacity growth resumes. Our target price of \$14 values the shares at 12X the '12 consensus EPS estimate, above peers. /J. Corridore

**August 9, 2011**

SkyWest Inc. announced that the board meeting held on August 2, 2011, the board accepted the resignation of Micheal K. Young from his position as a director of the company. Mr. Young resigned in order to pursue duties associated with his recent appointment as the President of the University of Washington. The Board adopted amended and restated bylaws of the company principally for the purpose of implementing a majority vote standard for the election of directors. The Amended Bylaws became effective immediately upon their approval by the Board. Section 3.3 of the Amended Bylaws provides that directors shall be elected by the vote of a majority of the votes cast with respect to each director, meaning that the number of shares voted for the election of a director must exceed the number of shares voted against the election of that director. If the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at the meeting at which the election is held. The Amended Bylaws also amend the process set forth in Section 2.12 for shareholder action by written consent in order to conform the procedure set forth in the Amended Bylaws to be consistent with recent changes to the Utah Revised Business Corporation Act.

**August 3, 2011**

12:06 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF SKYWEST INC. (SKYW 12.98\*\*\*): Q2 operating EPS of \$0.06, is ahead of our breakeven estimate and Capital IQ consensus of \$0.05 and ahead of reduced guidance of breakeven given by SKYW on Jul 18. SKY saw some merger integration issues, increased staffing costs, and unexpected costs related to capacity additions. SKYW seems to have a good grasp of the challenges it faces, but we think they will persist into the second half of the year. We cut our '11 EPS forecast to \$0.24 from \$0.50 and keep '12's at \$1.35. We raise our 12-month target price by \$1 to \$14, 10.3X our '12 EPS estimate, above the peer average. /J. Corridore

**July 18, 2011**

SKYW results to be breakeven for Q2, primarily due to additional crew costs at its operating airlines, merger related costs, estimated losses due to ownership percentage of two non-U.S. regional carriers, TRIP and Air Mekong.

**July 18, 2011**

01:26 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF SKYWEST INC. (SKYW 12.27\*\*\*): SKYW expects Q2 results to be near breakeven, vs. our \$0.38 estimate and consensus of \$0.22 from Capital IQ. SKYW blames increased crew costs, merger related costs and losses from affiliates. We expect these issues to persist into the second half of the year. We are cutting our '11 EPS estimate to \$0.50 from \$0.96, but are keeping '12's unchanged at \$1.35. We lower our 12-month target price to \$13 from \$18, valuing the shares at 9.6X our '12 estimate, still above the peer average. /J. Corridore

**July 18, 2011**

11:18 am ET ... SKYWEST INC. (SKYW 12.23) DOWN 2.49, SKYWEST (SKYW) SEES BREAKEVEN Q2. R. JAMES CUTS TO MARKET PERFORM FROM OUTPERFORM... Analyst James Parker tells salesforce appears several issues causing Q1 '11 loss continuing into Q2, likely to persist into Q3, Q4. Says SKYW has incurred pilot shortages due to SkyWest Airlines, ASA having opportunity to take delivery of 13 additional aircraft to be used in contract flying not previously anticipated, as well as hiring by legacy, low cost carriers. Notes Q2 results also expected to be impacted by merger related costs, op. losses at TRIP and Air Mekong. Cuts \$0.25 Q2 EPS est. to breakeven, \$1.50 '11 EPS to \$0.01 loss, \$2.04 '12 EPS to \$1.04. M.Morrow

**May 12, 2011**

SkyWest Inc. announced the appointment of Bradford R. Rich to President of the

company, effective immediately. As part of the company's restructuring, Michael J. Kraupp is appointed as Chief Financial Officer and Treasurer, and Eric J. Woodward is appointed as Chief Accounting Officer. This evolution of executive leadership positions at the holding company ensures that its collective resources continue to match the extensive and growing reach of all of its entities and international investments. As President, Rich will oversee the strategic development and operational and financial performance for all of the entities and investments associated with SkyWest Inc. Russell 'Chip' Childs, President and COO -- SkyWest Airlines, and Bradford R. Holt, President and COO -- Atlantic Southeast Airlines, will report directly to Rich. In his new role as Chief Financial Officer and Treasurer, Kraupp will oversee structured finance, fleet planning, information technology, investor and banking relations, benefits, risk management, and overall treasury functions. He will report to Rich. With his promotion to Chief Accounting Officer, Woodward will be responsible for the accounting, reporting, SEC compliance, financial analysis, corporate taxation and internal controls of the Company. He will also report to Rich. With nearly 24 years of experience at the financial controls of the Company, Rich has served as Chief Financial Officer of SkyWest since 1991.

**May 10, 2011**

SkyWest Inc. announced that at the company's AGM, held on May 3, 2011, the shareholders elected Jerry C. Atkin as director of the company, to serve until the next annual meeting of shareholders and until his or her successor shall have been duly elected and shall qualify.

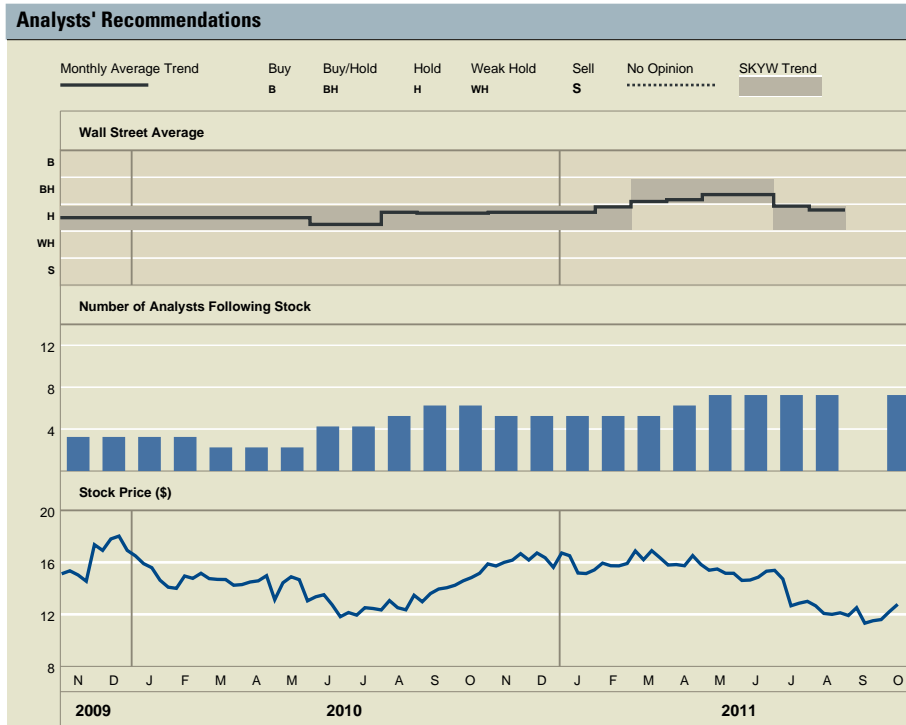
**May 4, 2011**

12:37 pm ET ... S&P DOWNGRADES OPINION ON SHARES OF SKYWEST TO HOLD FROM BUY (SKYW 16.46\*\*\*): Q1 per share operating loss was \$0.21, vs. \$0.26 EPS, narrower than our \$0.26 loss estimate and ahead of 4/1/11 guidance of a \$0.24-\$0.28 loss. SKYW was impacted by higher maintenance, weather related costs and less production and utilization related to weather and schedule changes. Fuel costs rose sharply as well. We expect higher fuel and capacity cuts by legacy airlines to continue to impact operations. We cut our '11 EPS forecast to \$0.96 from \$1.24, and lower our 12-month target price to \$18 from \$21, 19X our '11 EPS projection, still above regional peers. /J. Corridore

**April 1, 2011**

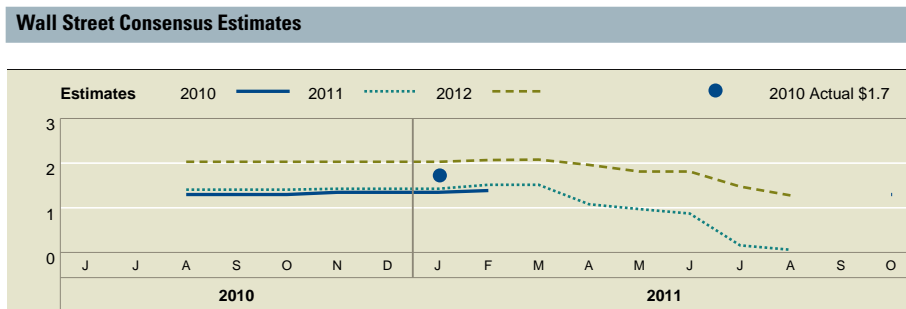
SKYW sees Q1 loss of \$0.24-\$0.28, significantly lower than it previously anticipated. Notes its operating airlines, SkyWest Airlines, Atlantic Southeast Airlines, ExpressJet Airlines produced about 15,000 less block hours during Q1, primarily as a result of severe winter weather storms, mainly in Jan. and Feb. Also notes Atlantic Southeast and ExpressJet experienced additional crew costs during Q1.

# SkyWest Inc



Of the total 7 companies following SKYW, 7 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	2	29	0	2
Buy/Hold	0	0	0	1
Hold	3	43	0	2
Weak Hold	2	29	0	2
Sell	0	0	0	0
No Opinion	0	0	0	0
<b>Total</b>	<b>7</b>	<b>100</b>	<b>0</b>	<b>7</b>



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	1.28	2.17	0.70	7	10.0
2011	0.06	0.27	-0.02	7	NM
<b>2012 vs. 2011</b>	<b>▲ 2033%</b>	<b>▲ 704%</b>	<b>▲ 3600%</b>	<b>0%</b>	<b>NA</b>
Q3'12	0.65	0.70	0.60	2	19.6
Q3'11	0.13	0.24	0.05	7	98.2
<b>Q3'12 vs. Q3'11</b>	<b>▲ 400%</b>	<b>▲ 192%</b>	<b>▲ 1100%</b>	<b>▼ -71%</b>	<b>▼ -80%</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

### Wall Street Consensus Opinion

**HOLD**

### Companies Offering Coverage

- Avondale Partners LLC
- Bofa Merrill Lynch
- Dahlman Rose & Co.
- Deutsche Bank North America
- Evercore Partners
- Raymond James
- Sidoti & Company LLC

### Wall Street Consensus vs. Performance

For fiscal year 2011, analysts estimate that SKYW will earn \$0.06. For the 2nd quarter of fiscal year 2011, SKYW announced earnings per share of \$0.03, representing 50% of the total annual estimate. For fiscal year 2012, analysts estimate that SKYW's earnings per share will grow by 2033% to \$1.28.

**Glossary****S&P STARS**

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

**S&P 12-Month Target Price**

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

**Investment Style Classification**

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

**S&P EPS Estimates**

Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

**S&P Core Earnings**

Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

**Qualitative Risk Assessment**

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment

is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

**Quantitative Evaluations**

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

**S&P Quality Ranking**

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

**S&P Fair Value Rank**

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

**S&P Fair Value Calculation**

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

**Insider Activity**

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

**Funds From Operations FFO**

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

**Investability Quotient (IQ)**

The IQ is a measure of investment desirability. It serves

as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

**S&P's IQ Rationale:  
SkyWest Inc**

	Raw Score	Max Value
Proprietary S&P Measures	20	115
Technical Indicators	18	40
Liquidity/Volatility Measures	1	20
Quantitative Measures	2	75
<b>IQ Total</b>	<b>41</b>	<b>250</b>

**Volatility**

Rates the volatility of the stock's price over the past year.

**Technical Evaluation**

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

**Relative Strength Rank**

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

**Global Industry Classification Standard (GICS)**

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

**S&P Issuer Credit Rating**

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

**Exchange Type**

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

**S&P Equity Research Services**

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

**Abbreviations Used in S&P Equity Research Reports**

**CAGR**- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

**Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).**

**Required Disclosures**

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

**S&P Global STARS Distribution**

**In North America:** As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services North America recommended 42.2% of issuers with buy recommendations, 54.2% with hold recommendations and 3.6% with sell recommendations.

**In Europe:** As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Europe recommended 34.4% of issuers with buy recommendations, 49.4% with hold recommendations and 16.2% with sell recommendations.

**In Asia:** As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Asia recommended 48.4% of issuers with buy recommendations, 45.7% with hold recommendations and 5.9% with sell recommendations.

**Globally:** As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services globally recommended 41.5% of issuers with buy recommendations, 52.6% with hold recommendations and 5.9% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★★★★☆ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

**Relevant benchmarks:** In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

**For All Regions:** All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

**S&P Global Quantitative Recommendations Distribution**

**In Europe:** As of September 30, 2011, Standard & Poor's Quantitative Services Europe recommended 47.0% of issuers with buy recommendations, 20.0% with hold recommendations and 32.0% with sell recommendations.

**In Asia:** As of September 30, 2011, Standard & Poor's Quantitative Services Asia recommended 48.4% of issuers with buy recommendations, 21.0% with hold recommendations and 30.0% with sell recommendations.

**Globally:** As of September 30, 2011, Standard & Poor's Quantitative Services globally recommended 44.0% of issuers with buy recommendations, 20.0% with hold recommendations and 34.0% with sell recommendations.

**Additional information is available upon request.**

**Other Disclosures**

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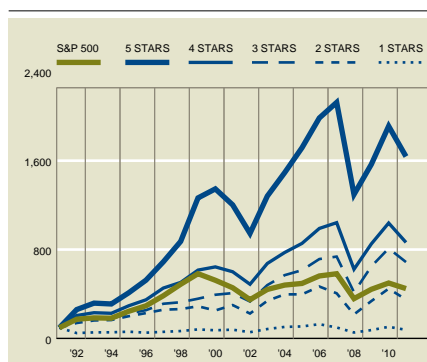
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#### U.S. STARS Cumulative Model Performance

Hypothetical Growth Due to Price Appreciation of \$100 For the Period 12/31/1986 through 09/30/2011



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For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are

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