

August 11, 2010

Copa Holdings Reports Net Income of US\$18.6 Million and EPS of US\$0.42 for the Second Quarter of 2010

Excluding special items, adjusted net income came in at \$26.3 million, or \$0.60 per share

PANAMA CITY, Aug 11, 2010 /PRNewswire via COMTEX News Network/ -- Copa Holdings, S.A. (NYSE: CPA), parent company of Copa Airlines and Aero Republica, today announced financial results for the second quarter of 2010 (2Q10). The terms "Copa Holdings" or "the Company" refer to the consolidated entity, whose operating subsidiaries are Copa Airlines and Aero Republica. The following financial and operating information, unless otherwise indicated, is presented in accordance with US GAAP. See the accompanying reconciliation of non-GAAP financial information to GAAP financial information included in financial tables section of this earnings release. Unless otherwise stated, all comparisons with prior periods refer to the second quarter of 2009 (2Q09).

OPERATING AND FINANCIAL HIGHLIGHTS

- Copa Holdings reported net income of US\$18.6 million for 2Q10, or earnings per share (EPS) of US\$0.42. Excluding special items, Copa Holdings would have reported an adjusted net income of \$26.3 million, or \$0.60 per share, compared to an adjusted net income of US\$28.1 million or US\$0.64 per share for 2Q09.
- Operating income for 2Q10 came in at US\$32.5 million, representing an operating margin of 10.7% compared to an operating margin of 13.2% in 2Q09.
- In 2Q10, total revenues increased to US\$303.4 million, representing growth of 9.3%, on 5.0% capacity expansion. Yield per passenger mile decreased 2.5% to 15.2 cents mainly as a result of lower fares in Venezuela and the Colombian domestic market; however, consolidated operating revenue per available seat mile (RASM) increased 4.1% to 11.9 cents.
- For 2Q10, consolidated load factor for the quarter increased 4.4 percentage points to 73.1%, as consolidated passenger traffic grew 11.6% on 5% capacity increase.
- Operating cost per available seat mile (CASM) increased 7.1%, from 9.9 cents in 2Q09 to 10.6 cents in 2Q10. CASM, excluding fuel costs, increased 4.3% from 7.1 cents in 2Q09 to 7.4 cents in 2Q10 mainly as a result of a stronger Colombian currency and expenses related to additional capacity mainly to support growth in the second half of 2010.
- Cash, short term and long term investments ended 2Q10 at US\$359.4 million, representing 28% of the last twelve months' revenues.
- In May, Copa Airlines took delivery of two Boeing 737-800s ending the quarter with a consolidated fleet of 60 aircraft.
- In June, Copa Airlines increased frequencies to five markets: Sao Paulo (Brazil), Los Angeles (USA), Guatemala City (Guatemala), Havana (Cuba) and Punta Cana (Dominican Republic). Also in June, Aero Republica increased frequencies into Panama City from Bogota and Medellin. Additionally, as part of its ongoing international expansion, Aero Republica recently announced that beginning in October it will launch new service from Bogota to Mexico City and Havana.
- For 2Q10, Copa Holdings reported consolidated on-time performance of 91.6% and a flight-completion factor of 99.7%, maintaining its position among the best in the industry.
- On June 15, 2010, the Company paid its annual dividend which amounted to \$1.09 per share, representing 20% of 2009 consolidated net income. The dividend was paid to shareholders of record as of May 31, 2010.

Consolidated Financial & Operating Highlights	2Q10	2Q09	% Change		
			1Q10	2Q09	
RPMs (mm)	1,871	1,676	11.6%	2,005	-6.7%
ASMs (mm)	2,559	2,438	5.0%	2,507	2.1%
			4.4		-6.9
Load Factor	73.1%	68.7%	p.p.	80.0%	p.p.
Yield	15.2	15.6	-2.5%	15.9	-4.3%
PRASM (cents)	11.1	10.7	3.7%	12.7	-12.5%
RASM (cents)	11.9	11.4	4.1%	13.4	-11.3%
CASM (cents)	10.6	9.9	7.1%	10.5	0.4%
CASM Excl. Fuel (cents)	7.4	7.1	4.3%	7.4	-0.9%
			5.2		2.2
Breakeven Load Factor (1)	64.9%	59.7%	p.p.	62.7%	p.p.
Operating Revenues (US\$ mm)	303.4	277.6	9.3%	335.2	-9.5%

Operating Income (US\$ mm)	32.5	36.8	-11.6%	70.8	-54.2%
			-2.5		-10.4
Operating Margin	10.7%	13.2%	p.p.	21.1%	p.p.
Net Income (US\$ mm)	18.6	55.2	-66.3%	36.7	-49.3%
Adjusted Net Income (US\$ mm)					
(1)	26.3	28.1	-6.6%	56.9	-53.9%
EPS - Basic and Diluted (US\$)	0.42	1.26	-66.3%	0.84	-49.3%
Adjusted EPS -Basic and Diluted (US\$) (1)	0.60	0.64	-6.6%	1.29	-53.9%
# of Shares -Basic and Diluted (000)	43,983	43,946	0.1%	43,978	0.0%
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1) Breakeven Load Factor, Adjusted Net Income and Adjusted EPS (Basic and Diluted) exclude for 2Q10, 2Q09, and 1Q10 excludes non-cash charges/gains associated with the mark-to-market of fuel hedges. Additionally, for 1Q10 Other Special items include a US\$19.8 million charge related to the devaluation of the Venezuelan currency and for 2Q10 a US\$1.0 million gain related to prior period adjustments.

Note: Attached to this press release is a reconciliation of non-GAAP financial measures to the comparable US GAAP measures.

Full 2Q10 earnings release available for download at: <http://investor.shareholder.com/copa/results.cfm>

2Q10 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: August 12, 2010
Time: 11:00 a.m. EST (10:00 a.m. Local Time)
Conference Call:
Dial-in Number: 888-765-5546 (U.S. Domestic Callers)
913-312-1456 (International Callers)
Webcast Link: <http://investor.shareholder.com/copa/events.cfm>

About Copa Holdings

Copa Holdings, through its Copa Airlines and Aero Republica operating subsidiaries, is a leading Latin American provider of passenger and cargo service. Copa Airlines currently offers approximately 152 daily scheduled flights to 45 destinations in 24 countries in North, Central and South America and the Caribbean. In addition, Copa Airlines provides passengers with access to flights to more than 120 other international destinations through code share agreements with Continental Airlines and other airlines. Aero Republica, the second-largest domestic carrier in Colombia, provides service to 12 cities in Colombia as well as international connectivity with Copa Airlines' Hub of the Americas through flights from Bogota, Bucaramanga, Cali, Cartagena, Medellin and Pereira. Additionally, Aero Republica has direct daily flights to Caracas, Venezuela from the cities of Bogota and Medellin.

This release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management's expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement. The risks and uncertainties relating to the forward-looking statements in this release are among those disclosed in Copa Holdings' filed disclosure documents and are, therefore, subject to change without prior notice.

NON-GAAP FINANCIAL MEASURE RECONCILIATION

This press release includes the following non GAAP financial measures: Adjusted CASM, Adjusted CASM Excluding Fuel, Adjusted Operating Income, Adjusted Net Income and Adjusted EPS. This supplemental information is presented because we believe it is a useful indicator of our operating performance and is useful in comparing our performance with other companies in the airline industry. These measures should not be considered in isolation, and should be considered together with comparable U.S. GAAP measures, in particular operating income and net income. The following is a reconciliation of these non-GAAP

financial measures to the comparable U.S. GAAP measures:

Reconciliation of Net Income Excluding Special Items	2Q10 ----	2Q09 ----	1Q10 ----
Net income as Reported	\$18,614	\$55,162	\$36,726
Special Items (adjustments):			
Unrealized (gain) loss on fuel hedging instruments (1)	8,602	(27,069)	372
Other special items, net (2)	(965)	-	19,828
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Adjusted Net Income	\$26,251 =====	\$28,093 =====	\$56,926 =====
Shares used for Computation (in thousands)	43,983 =====	43,946 =====	43,978 =====
Adjusted EPS	0.60 =====	0.64 =====	1.29 =====
Reconciliation Operating Costs per ASM Excluding Fuel and Special Items	2Q10 ----	2Q09 ----	1Q10 ----
Operating Costs per ASM as Reported	10.6	9.9	10.5
Aircraft fuel per ASM	(3.2)	(2.8)	(3.1)
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Operating Costs per ASM excluding fuel	7.4 ===	7.1 ===	7.4 ===

FOOTNOTES:

1) Includes unrealized (gains) losses resulting from the mark-to-market accounting for changes in the fair value of fuel hedging instruments. For 2Q10 and 1Q10 the Company recorded unrealized fuel hedge losses of US\$8.6 million and US\$0.4 million, respectively. For 2Q09 the Company recorded an unrealized fuel hedge gain of US\$27.1 million.

2) Other Special items include for 1Q10 a US\$19.8 million charge related to the devaluation of the Venezuelan currency and for 2Q10 a US\$1.0 million gain related to prior period adjustments.

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