

May 16, 2007

## Copa Holdings Reports Record Earnings of US\$48.6 Million and EPS of US\$1.12 for 1Q07

PANAMA CITY, May 16, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Copa Holdings, S.A. (NYSE: CPA), parent company of Copa Airlines and Aero Republica, today announced financial results for the first quarter of 2007 (1Q07). The terms "Copa Holdings" or "the Company" make reference to the consolidated entity, whose operating subsidiaries are Copa Airlines and Aero Republica. The following financial and operating information, unless otherwise indicated, is presented pursuant to US GAAP.

### OPERATING AND FINANCIAL HIGHLIGHTS

- \* Copa Holdings reported record net earnings of US\$48.6 million for 1Q07, representing diluted earnings per share of US\$1.12 for 1Q07.
- \* EBITDAR increased by 38.3% to US\$79.5 million in 1Q07 from US\$57.5 million in 1Q06, resulting in an EBITDAR margin of 32.8% in 1Q07.
- \* Operating income for 1Q07 rose 45.6% to US\$60.8 million from US\$41.8 million in 1Q06. Operating margin came in at 25%, an increase of 3.3 percentage points above 1Q06.
- \* Revenue passenger miles (RPMs) increased 23.5% from 1.16 billion in 1Q06 to 1.43 billion in 1Q07. Available seat miles (ASMs) increased 15.8% from 1.61 billion in 1Q06 to 1.87 billion in 1Q07. As a result, average load factor increased 4.8 percentage points to 76.4%.
- \* Total revenues increased to US\$242.7 million, representing growth of 26.6%. Passenger yield increased 3.3% to 16.1 cents and operating revenue per available seat mile (RASM) increased 9.4% to 13.0 cents.
- \* Operating cost per available seat mile (CASM) increased 4.8% from 9.3 cents in 1Q06 to 9.7 cents in 1Q07. CASM excluding fuel increased 5.8% from 6.4 cents in 1Q06 to 6.7 cents in 1Q07.
- \* On February 2, 2007 Copa Airlines signed a formal agreement with the SkyTeam Global Airline Alliance, a step towards the airline becoming an Associate member later in the year.
- \* In 1Q07, Aero Republica continued its fleet renewal plan by taking delivery of three additional EMBRAER-190 aircraft and is currently operating a fleet of 9 MD-80's and 4 EMBRAER-190's.
- \* In 1Q07, Aero Republica initiated service from the Colombian cities of Cali and Cartagena into Copa Airlines Hub of the Americas in Panama City. The airline has also announced a second daily frequency from Bogota to Panama City and connections beginning in 2Q07.
- \* On May 2, 2007, Copa Airlines announced the acquisition of four new Boeing 737-800 aircraft and options for three more. Copa Airlines now has firm orders for 19 aircraft (10 Boeing 737NG's / 9 EMB-190's) and purchase rights and options for an additional 22 aircraft (8 Boeing 737NG's / 14 EMB-190's). On a consolidated basis, Copa Airlines and Aero Republica combined now have firm orders for 23 aircraft (10 Boeing 737 NG's / 13 EMB-190's) and purchase rights and options for 38 aircraft (8 Boeing 737 NG's / 30 EMB-190's).
- \* For 1Q07, Copa Airlines reported an on-time performance of 91% and a flight-completion factor of 99.8%, placing the airline among the best in the industry.
- \* For 2007, Copa Airlines has announced five of the six new destinations it plans to incorporate to its route network during the second half of the year, namely: Cordoba (Argentina), Guadalajara (Mexico), Port of Spain (Trinidad and Tobago), Punta Cana (Dominican Republic), and Washington D.C. By the end of 2007 Copa Airlines' network will serve 42 cities in North, South and Central America and the Caribbean.
- \* On May 9, the Board of Directors of Copa Holdings declared an annual dividend of 0.31 cents per share. The dividend is payable June 15,

2007, to stockholders of record as of May 31, 2007.

Consolidated Financial & Operating Highlights

|   | 1Q07   | 1Q06   | % Change |
|---|--------|--------|----------|
| Revenue Passenger Miles (RPM) (mm)                      | 1,427  | 1,155  | 23.5%    |
| Available Seat Miles (ASM) (mm)                         | 1,868  | 1,614  | 15.8%    |
| Load Factor   | 76.4%  | 71.6%  | 4.8p.p.  |
| Yield   | 16.1   | 15.6   | 3.3%     |
| Passenger Revenue per ASM (US\$ cents)<br>("PRASM")     | 12.3   | 11.2   | 10.3%    |
| Operating Revenue per ASM (US\$ cents)<br>("RASM")      | 13.0   | 11.2   | 16.3%    |
| Operating Cost per ASM (US\$ cents)<br>("CASM")         | 9.7    | 9.3    | 4.8%     |
| Operating Cost (excluding fuel) per<br>ASM (US\$ cents) | 6.7    | 6.4    | 5.8%     |
| Breakeven Load Factor                                   | 56.5%  | 55.8%  | 0.7p.p.  |
| Operating Revenues (US\$ mm)                            | 242.7  | 191.7  | 26.6%    |
| EBITDAR (US\$ mm) *                                     | 79.5   | 57.5   | 38.3%    |
| EBITDAR Margin *  | 32.8%  | 30.0%  | 2.8p.p.  |
| Operating Income (US\$ mm)                              | 60.8   | 41.8   | 45.6%    |
| Operating Margin  | 25.0%  | 21.8%  | 3.3p.p.  |
| Net Income (US\$ mm)                                    | 48.6   | 32.3   | 50.5%    |
| Net Margin  | 20.0%  | 16.8%  | 3.2p.p.  |
| Earnings per Share - Basic (US\$)                       | 1.13   | 0.75   | 50.4%    |
| Earnings per Share - Diluted (US\$)                     | 1.12   | 0.75   | 48.4%    |
| Weighted Average Number of Shares -<br>Basic (000)      | 42,817 | 42,813 | 0.0%     |
| Weighted Average Number of Shares -<br>Diluted (000)    | 43,435 | 42,849 | 1.4%     |

Consolidated Financial & Operating Highlights

|   | 4Q06   | % Change |
|---|--------|----------|
| Revenue Passenger Miles (RPM) (mm)                      | 1,379  | 3.5%     |
| Available Seat Miles (ASM) (mm)                         | 1,838  | 1.6%     |
| Load Factor   | 75.0%  | 1.4p.p.  |
| Yield   | 16.0   | 0.6%     |
| Passenger Revenue per ASM (US\$ cents)<br>("PRASM")     | 12.0   | 2.5%     |
| Operating Revenue per ASM (US\$ cents)<br>("RASM")      | 12.9   | 0.6%     |
| Operating Cost per ASM (US\$ cents)<br>("CASM")         | 10.1   | -3.7%    |
| Operating Cost (excluding fuel) per<br>ASM (US\$ cents) | 7.0    | -4.3%    |
| Breakeven Load Factor                                   | 57.7%  | -1.2p.p. |
| Operating Revenues (US\$ mm)                            | 237.4  | 2.3%     |
| EBITDAR (US\$ mm) *                                     | 71.1   | 11.8%    |
| EBITDAR Margin *  | 30.0%  | 2.8p.p.  |
| Operating Income (US\$ mm)                              | 51.4   | 18.2%    |
| Operating Margin  | 21.7%  | 3.4p.p.  |
| Net Income (US\$ mm)                                    | 42.3   | 14.8%    |
| Net Margin  | 17.8%  | 2.2p.p.  |
| Earnings per Share - Basic (US\$)                       | 0.99   | 14.8%    |
| Earnings per Share - Diluted (US\$)                     | 0.98   | 14.4%    |
| Weighted Average Number of Shares -<br>Basic (000)      | 42,813 | 0.0%     |
| Weighted Average Number of Shares -<br>Diluted (000)    | 43,304 | 0.3%     |

\*EBITDAR (earnings before interest, taxes, depreciation, amortization and rent) is presented as supplemental information 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. However, EBITDAR should not be considered in isolation, as a substitute for net income prepared in accordance with US GAAP or as a measure of a company's profitability. In addition, our calculations may not be comparable to other similarly titled measures of other companies. A reconciliation of EBITDAR to consolidated net income is attached to this press release.

Full 1Q07 earnings release available to download on: <http://investor.shareholder.com/copa/results.cfm>

1Q07 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: May 16, 2007  
 Time: 11:00 a.m. US EST (10 a.m. Local Time)  
 Conference Call:  
 Telephone Number: 877-704-5384 (U.S. Domestic Callers)  
 913-312-1297 (International Callers)  
 Webcast: <http://www.copaair.com/investor/default.aspx>

About Copa Holdings

Copa Holdings, through its Copa Airlines and AeroRepublica operating subsidiaries, is a leading Latin American provider of international airline passenger and cargo service. Copa Airlines currently offers approximately 110 daily scheduled flights to 36 destinations in 21 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. AeroRepublica, 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 daily flights from Bogota, Cartagena, Cali 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.

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COPA HOLDINGS, S.A. - EBITDAR RECONCILIATION  
 (Figures in US\$ thousands)

|                               | 1Q07     | 4Q06     | 1Q06     |
|-------------------------------|----------|----------|----------|
| Net Income                    | \$48,566 | \$42,314 | \$32,280 |
| Interest Expense              | (9,848)  | (8,190)  | (6,278)  |
| Capitalized Interest          | 531      | 361      | 508      |
| Interest Income               | 2,542    | 2,467    | 1,262    |
| Income Taxes                  | (4,361)  | (3,491)  | (4,066)  |
| EBIT                          | 59,702   | 51,167   | 40,854   |
| Depreciation and Amortization | 7,995    | 7,458    | 5,417    |
| EBITDA                        | 67,697   | 58,625   | 46,271   |
| Aircraft Rent                 | 9,163    | 9,518    | 8,861    |
| Other Rentals                 | 2,685    | 2,988    | 2,368    |
| EBITDAR                       | \$79,546 | \$71,131 | \$57,500 |

SOURCE Copa Holdings, S.A.

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