

November 12, 2009

Copa Holdings Reports Net Income of US\$43.1 Million and EPS of US\$0.99 for the Third Quarter of 2009

Excluding special items, adjusted net income came in at US\$52.6 million or US\$1.20 per share

PANAMA CITY, Nov 12, 2009 /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 third quarter of 2009 (3Q09). 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 U.S. GAAP. Unless otherwise stated, all comparisons with prior periods refer to the third quarter of 2008 (3Q08).

OPERATING AND FINANCIAL HIGHLIGHTS

- Copa Holdings reported net income of US\$43.1 million for 3Q09, or diluted earnings per share (EPS) of US\$0.99, an increase of 86.8% as compared to net income of US\$23.0 million or diluted EPS of US\$0.53 in 3Q08.
- Third quarter 2009 results include a special charge of US\$14.6 million related to the accrual of costs associated with the retirement of four MD-80 aircraft as a result of Aero Republica's transition to an all Embraer-190 fleet and a US\$5.1 million non-cash gain associated with the mark-to-market of fuel hedge contracts. Excluding the impact of these special items, the company would have reported net income of US\$52.6 million and diluted EPS of US\$1.20, an increase of 14.3% over 3Q08 adjusted net income. See the accompanying reconciliation of non-GAAP financial information to GAAP financial information included in the financial tables section of this earnings release.
- Operating income for 3Q09 came in at US\$45.9 million, representing an operating margin of 14.2%, as compared to operating income for 3Q08 of US\$57.1 million. Excluding special fleet charges of US\$14.6 million, operating income would have been US\$60.5 million, which would have represented an operating margin of 18.7% for the quarter, up from 16.4% in 3Q08.
- In 3Q09, total revenues reached US\$323.7 million, representing a 7.2% decline, on a 10.7% capacity expansion. Yield per passenger mile decreased 14.2% to 15.9 cents and operating revenue per available seat mile (RASM) decreased 16.2% to 12.7 cents.
- Revenue passenger miles (RPMs) increased 8.5% from 1.78 billion in 3Q08 to 1.93 billion in 3Q09, and available seat miles (ASMs) increased 10.7% from 2.30 billion in 3Q08 to 2.55 billion in 3Q09, with the Copa Airlines segment increasing 11.6% and Aero Republica increasing 6.0%. Consolidated load factor decreased 1.5 percentage points to 75.8%. Underlying Break-even load factor for 3Q09 decreased 4.8 percentage points to 59.7% from 64.5% in 3Q08.
- Operating cost per available seat mile (CASM), decreased 14.0% from 12.7 cents in 3Q08 to 10.9 cents in 3Q09. Excluding special charges, CASM would have decreased 18.5% from 12.7 cents in 3Q08 to 10.3 cents in 3Q09. CASM, excluding fuel costs and special charges, would have decreased 1.4% from 7.3 cents in 3Q08 to 7.2 cents in 3Q09.
- Cash, short term and long term investments ended the quarter at US\$376.3 million, representing 30% of the last twelve months' revenues. During the quarter the Company made pre-delivery payments for future aircraft deliveries in the amount of \$43.6 million.
- Copa Holdings ended the quarter with a consolidated fleet of 55 aircraft. Copa Airlines' fleet consisted of 43 aircraft, including 28 Boeing 737 Next Generation and 15 Embraer-190's. Aero Republica's fleet consisted of 12 aircraft, including 11 Embraer-190's and one MD-80.
- For 3Q09, Copa Airlines reported on-time performance of approximately 87.1% and a flight-completion factor of 99.2%, maintaining its position among the best in the industry.

RECENT DEVELOPMENTS

- On October 6, Aero Republica announced daily flights to Quito, Ecuador from Bogota, Colombia beginning December 20, 2009. With the addition of this destination, Aero Republica will now provide service to three international destinations from

seven Colombian cities.

-- On October 12, the Panamanian government authorities presented Aerotocumen S.A. the order to proceed with the Phase 2 expansion project of Tocumen International Airport. This project, which represents an investment of approximately US\$70 million and is expected to be completed in early 2011, involves the expansion from 22 to 34 international gates and will consolidate Tocumen Airport as the most complete and convenient hub facility for intra-Latin America travel.

Consolidated Financial & Operating Highlights					
	3Q09	3Q08	% Change	2Q09	% Change
RPMS (millions)	1,930	1,779	8.5%	1,676	15.2%
ASMs (mm)	2,545	2,300	10.7%	2,438	4.4%
Load Factor	75.8%	77.3%	-1.5 p.p.	68.7%	7.1 p.p.
Yield	15.9	18.6	-14.2%	15.6	2.0%
PRASM (cents)	12.1	14.4	-15.9%	10.7	12.5%
RASM (cents)	12.7	15.2	-16.2%	11.4	11.7%
CASM (cents)	10.9	12.7	-14.0%	9.9	10.5%
Adjusted CASM (cents) (1)	10.3	12.7	-18.5%	9.9	4.7%
CASM Excl. Fuel (cents)	7.7	7.3	6.5%	7.1	9.7%
Adjusted CASM Excl. Fuel (cents) (1)	7.2	7.3	-1.4%	7.1	1.6%
Breakeven Load Factor (3)	59.7%	64.5%	-4.8 p.p.	59.7%	0.0 p.p.
Operating Revenues (US\$ mm)	323.7	348.9	-7.2%	277.6	16.6%
EBITDAR (US\$ mm) (2)	79.6	57.1	39.5%	91.2	-12.6%
Adjusted EBITDAR (US\$ mm) (2)(3)	89.2	80.0	11.5%	64.1	39.1%
EBITDAR Margin (2)	24.6%	16.4%	8.2 p.p.	32.8%	-8.2 p.p.
Adjusted EBITDAR Margin (2)(3)	27.5%	22.0%	5.6 p.p.	23.1%	4.5 p.p.
Operating Income (US\$ mm)	45.9	57.1	-19.6%	36.8	24.9%
Adjusted Operating Income (US\$ mm) (1)	60.5	57.1	6.0%	36.8	64.6%
Operating Margin	14.2%	16.4%	-2.2 p.p.	13.2%	0.9 p.p.
Adjusted Operating Margin (1)	18.7%	16.4%	2.3 p.p.	13.2%	5.5 p.p.
Net Income (US\$ mm)	43.1	23.0	87.8%	55.2	-21.8%
Adjusted Net Income (US\$ mm) (3)	52.6	45.8	14.9%	28.1	87.4%
EPS - Basic (US\$)	1.00	0.53	87.1%	1.27	-21.8%
Adjusted EPS - Basic (US\$) (3)	1.21	1.06	14.5%	0.65	87.4%
EPS - Diluted (US\$)	0.99	0.53	86.8%	1.26	-21.8%
Adjusted EPS - Diluted (US\$) (3)	1.20	1.05	14.3%	0.64	87.3%
Weighted Avg. # of Shares - Basic (000)	43,344	43,195	0.3%	43,338	0.0%
Weighted Avg. # of Shares - Diluted (000)	43,710	43,491	0.5%	43,685	0.1%

(1) Adjusted Operating Income, Adjusted Operating Margin and Adjusted CASM for 3Q09 exclude special charges related to the accrual of costs associated with the retirement of four MD-80 aircraft as a result of Aero Republica's transition to an all Embraer-190 fleet.

(2) EBITDAR means earnings before interest, taxes, depreciation, amortization and rent.

(3) Adjusted EBITDAR, Adjusted EBITDAR Margin, Breakeven Load Factor and Adjusted Net Income and Adjusted EPS (Basic and Diluted) exclude: a) For 3Q09, exclude special charges related to the accrual of costs associated with the retirement of four MD-80 aircraft as a result of Aero Republica's transition to an all Embraer-190 fleet and b) For 3Q09, 3Q08 and 2Q09

exclude non-cash charges/gains associated with the mark-to-market of fuel hedges.

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

Full 3Q09 earnings release available for download at: <http://investor.shareholder.com/copa/results.cfm>

3Q09 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: November 13, 2009
Time: 11:00 a.m. EST (11:00 a.m. Panama Time)
Conference Call:
Telephone Number: 888-437-9315 (U.S. Domestic Callers)
719-325-2122 (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 144 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 Barranquilla, Bogota, Bucaramanga, Cali, Cartagena, Medellin and Pereira. Additionally, Aero Republica has direct flights to Caracas, Venezuela from the cities of Bogota and Cartagena.

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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.

Copa Holdings, S.A.

NON-GAAP FINANCIAL MEASURE RECONCILIATION

This press release includes the following non GAAP financial measures: Adjusted CASM, Adjusted CASM Excluding Fuel, Adjusted EBITDAR, 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 EBITDAR Excluding Special Items	3Q09	3Q08	2Q09
Net income as Reported	\$43,139	\$22,974	\$55,162
Interest Expense	(8,090)	(10,385)	(8,520)
Capitalized Interest	141	391	233
Interest Income	2,217	2,903	2,211

Income Taxes	(3,168)	(1,745)	(3,115)
EBIT	52,039	31,810	64,353
Depreciation and Amortization	11,926	11,132	11,966
EBITDA	63,965	42,942	76,319
Aircraft Rent	11,911	10,245	11,487
Other Rentals	3,772	3,926	3,345
EBITDAR	\$79,648	\$57,113	\$91,150
Special Items (adjustments):			
Unrealized (gain) loss on fuel hedging instruments (1)	(5,089)	22,848	(27,069)
Special fleet charges (2)	14,599	-	-
Adjusted EBITDAR	\$89,158	\$79,961	\$64,081
Reconciliation of Operating Income Excluding Special Items	3Q09	3Q08	2Q09
Operating Income as Reported	\$45,900	\$57,073	\$36,751
Special Items (adjustments):			
Special fleet charges (2)	14,599	-	-
Adjusted Operating Income	\$60,499	\$57,073	\$36,751
Reconciliation of Net Income Excluding Special Items	3Q09	3Q08	2Q09
Net income as Reported	\$43,613	\$22,974	\$55,162
Special Items (adjustments):			
Unrealized gain (loss) on fuel hedging instruments (1)	(5,089)	22,848	(27,069)
Special Items, net (2)	10,585	-	-
Adjusted Net Income	\$49,109	\$45,822	\$28,093
Shares used for Computation (in thousands)			
Basic	43,344	43,195	43,338
Diluted	43,710	43,491	43,685
Adjusted earnings per share			
Basic	1.13	1.06	0.65
Diluted	1.12	1.05	0.64
Reconciliation Operating Costs per ASM Excluding Fuel and Special Items	3Q09	3Q08	2Q09
Operating Costs per ASM as Reported	10.8	12.7	9.9
Aircraft fuel per ASM	(3.2)	(5.4)	(2.8)
Operating Costs per ASM excluding fuel	7.6	7.3	7.1
Special Items (adjustments):			
Special Items per ASM, net (2)	(0.4)	-	-
Operating expenses per ASM excluding fuel and special items	7.2	7.3	7.1

FOOTNOTES:

1) Includes unrealized (gains)/losses resulting from the mark-to-market accounting for changes in the fair value of fuel hedging instruments. For 3Q09 and 2Q09 period the Company recorded unrealized fuel hedge gains of US\$5.1 million and 27.1million, respectively. In 3Q08, the Company recorded an unrealized fuel hedge loss of US\$22.8 million.

2) Special fleet charges for the 3Q09 period include a US\$14.6 million special charge related to the accrual of costs associated with the retirement of four MD-80 aircraft as a result of Aero Republica's transition to an all Embraer-190 fleet.

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