

February 21, 2008

Copa Holdings Reports Fourth Quarter and Full Year 2007 Results

PANAMA CITY, Feb 21, 2008 /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 fourth quarter of 2007 (4Q07) and full year 2007. 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. Unless otherwise stated all comparisons with prior periods refer to the fourth quarter of 2006 (4Q06).

OPERATING AND FINANCIAL HIGHLIGHTS

- Copa Holdings reported net income of US\$34.1 million for 4Q07, or diluted earnings per share (EPS) of US\$0.79, as compared to net income of US\$41.5 million or diluted EPS of US\$0.96 in 4Q06. Fourth quarter 2007 results include special charges at Aero Republica totaling US\$6.3 million related to the accrual of costs associated with terms negotiated for the early termination of three MD-80 aircraft as a result of Aero Republica's ongoing transition to a more fuel efficient all EMBRAER-190 fleet. Excluding the impact of these special charges, the company would have reported 4Q07 net income of \$40.4 million, or diluted EPS of \$0.93.
- Net income for full year 2007 reached a record US\$160.4 million or diluted EPS of US\$3.69, compared to US\$133.8 million or diluted EPS of US\$3.10 for full year 2006. Excluding special charges of US\$7.3 million related to the accrual of costs associated with the early termination of five MD-80 aircraft leases as a result of Aero Republica's ongoing transition to a more fuel efficient all EMBRAER-190 fleet and a non-recurring pre-tax gain of US\$8.0 related to insurance proceeds in excess of aircraft book value, net income for full year 2007 would have been US\$159.7 Million or diluted EPS of US\$3.67.
- Operating income for 4Q07 came in at US\$43.0 million, representing an operating margin of 15.1%, as compared to operating income for 4Q06 of US\$50.7 million. Excluding special charges of US\$6.3 million, operating income would have been US\$49.3 million, which would have represented an operating margin of 17.3% for the quarter, down from 21.3% in 4Q06. These strong results were achieved despite US\$14.6 million in additional fuel costs as a result of a 23% increase in the all-in average price per gallon of jet fuel.
- In 4Q07, total revenues increased to US\$284.6 million, representing growth of 19.9%. Yield per passenger mile increased 9.0% to 17.5 cents and operating revenue per available seat mile (RASM) increased 6.7% to 13.8 cents. RASM for full year 2007 came in at 13.0 cents, up 4.7% from 12.4 cents in 2006.
- Revenue passenger miles (RPMs) increased 10.5% from 1.38 billion in 4Q06 to 1.52 billion in 4Q07. Available seat miles (ASMs) increased 12.4% from 1.84 billion in 4Q06 to 2.07 billion in 4Q07. As a result, average load factor decreased 1.3 percentage points to 73.8%. Load factor for full year 2007 reached 74.0%, up from 73.1% in 2006.
- Operating cost per available seat mile (CASM), increased 15.1% from 10.2 cents in 4Q06 to 11.7 cents in 4Q07. Excluding special charges, CASM would have increased 12.1% from 10.2 cents in 4Q06 to 11.4 cents in 4Q07. CASM, excluding fuel costs and special charges, would have increased 7.1% from 7.1 cents in 4Q06 to 7.6 cents in 4Q07, primarily as a result of the effect of Aero Republica's down gauge to an EMBRAER-190 fleet and the strengthening of the Colombian currency.
- CASM for full year 2007 came in at 10.6 cents, up from 10.0 cents in

2006. Excluding fuel and special charges, CASM for full year 2007 would have come in at 7.1 cents, up from 6.8 cents in 2006.

- In the fourth quarter, Copa Airlines took delivery of two aircraft - one EMBRAER-190 and one Boeing 737-800 - ending 2007 with a fleet of 37 aircraft with an average age of 3.7 years. During the quarter, Aero Republica took delivery of two additional EMBRAER 190 aircraft, ending 2007 with a fleet of 13 aircraft - 7 EMBRAER 190s and 6 MD-80s. For the full year, Copa Holdings took delivery of 14 aircraft.
- On October 11, Copa Airlines and KLM Royal Dutch Airlines announced a broad code share alliance, which will enable passengers of both carriers to travel more easily between Copa's extensive Latin American network and Europe via two of the world's most convenient hubs. KLM will begin service from Amsterdam to Panama City in March 2008.
- For full year 2007, Copa Airlines reported an on-time performance of 86.7% and a flight-completion factor of 99.4%, maintaining the airline amongst the best in the industry.

Consolidated Financial & Operating Highlights	4Q07	4Q06	% Change	3Q07	% Change
RPMs (millions)	1,524	1,379	10.5%	1,565	-2.6%
ASMs (mm)	2,066	1,838	12.4%	2,104	-1.8%
Load Factor	73.8%	75.0%	-1.3p.p.	74.4%	-0.6p.p.
Yield	17.5	16.0	9.0%	15.9	9.6%
PRASM (cents)	12.9	12.0	7.1%	11.8	8.7%
RASM (cents)	13.8	12.9	6.7%	12.6	9.5%
CASM (cents)	11.7	10.2	15.1%	10.4	12.9%
Adjusted CASM (cents) (1)	11.4	10.2	12.1%	10.3	10.5%
Adjusted CASM Excl. Fuel (cents) (1)	7.6	7.1	7.1%	6.9	9.8%
Breakeven Load Factor	60.2%	57.7%	2.5p.p.	60.6%	-0.4p.p.
Operating Revenues (US\$ mm)	284.6	237.4	19.9%	264.6	7.5%
EBITDAR (US\$ mm) (2)	72.0	70.3	2.4%	80.6	-10.7%
Adjusted EBITDAR (US\$ mm) (3)	78.3	70.3	11.4%	73.6	6.4%
EBITDAR Margin (2)	25.3%	29.6%	-4.3p.p.	28.6%	-3.3p.p.
Adjusted EBITDAR Margin (3)	27.5%	29.6%	-2.1p.p.	28.5%	-1.0p.p.
Operating Income (US\$ mm)	43.0	50.7	-15.1%	46.7	-7.9%
Adjusted Operating Income (US\$ mm) (1)	49.3	50.7	-2.7%	47.7	3.3%
Operating Margin	15.1%	21.3%	-6.2p.p.	17.6%	-2.5p.p.
Adjusted Operating Margin (US\$ mm) (1)	17.3%	21.3%	-4.0p.p.	18.0%	-0.7p.p.
Net Income (US\$ mm)	34.1	41.5	-17.7%	46.8	-27.1%
Adjusted Net Income (US\$ mm) (3)	40.4	41.5	-2.5%	39.8	1.5%
Net Margin	12.0%	17.5%	-5.5p.p.	17.6%	-5.7p.p.
Adjusted Net Margin (3)	14.2%	17.5%	-3.3p.p.	15.0%	-0.5p.p.
EPS - Basic (US\$)	0.79	0.97	-17.9%	1.09	-27.1%
Adjusted EPS - Basic (US\$) (3)	0.94	0.97	-2.8%	0.93	1.5%
EPS - Diluted (US\$)	0.79	0.96	-17.9%	1.08	-27.0%
Adjusted EPS - Diluted (US\$) (3)	0.93	0.97	-3.8%	0.92	1.7%
Weighted Avg. # of Shares - Basic (000)	42,938	42,813	0.3%	42,938	0.0%
Weighted Avg. # of Shares - Diluted (000)	43,401	43,304	0.2%	43,479	-0.2%

Consolidated Financial & Operating

Highlights	FY 2007	FY 2006	% Change
RPMs (millions)	5,861	5,017	16.8%
ASMs (mm)	7,918	6,866	15.3%
Load Factor	74.0%	73.1%	1.0p.p.
Yield	16.5	15.9	3.6%
PRASM (cents)	12.2	11.6	5.0%
RASM (cents)	13.0	12.4	4.7%
CASM (cents)	10.6	10.0	6.0%
Adjusted CASM (cents) (1)	10.5	10.0	5.1%
Adjusted CASM Excl. Fuel (cents) (1)	7.1	6.8	4.9%
Breakeven Load Factor	59.2%	58.0%	1.2 p.p.
Operating Revenues (US\$ mm)	1,027.3	851.2	20.7%
EBITDAR (US\$ mm) (2)	301.1	239.9	25.5%
Adjusted EBITDAR (US\$ mm) (3)	293.1	239.9	22.2%
EBITDAR Margin (2)	28.5%	28.2%	0.3p.p.
Adjusted EBITDAR Margin (3)	29.3%	28.2%	1.1p.p.
Operating Income (US\$ mm)	189.5	166.1	14.1%
Adjusted Operating Income (US\$ mm) (1)	196.8	166.1	18.5%
Operating Margin	18.4%	19.5%	-1.1p.p.
Adjusted Operating Margin (US\$ mm) (1)	19.2%	19.5%	-0.4p.p.
Net Income (US\$ mm)	160.4	133.8	19.9%
Adjusted Net Income (US\$ mm) (3)	159.7	133.8	19.3%
Net Margin	15.6%	15.7%	-0.1p.p.
Adjusted Net Margin (3)	15.5%	15.7%	-0.2p.p.
EPS - Basic (US\$)	3.74	3.13	19.6%
Adjusted EPS - Basic (US\$) (3)	3.72	3.13	19.1%
EPS - Diluted (US\$)	3.69	3.10	19.2%
Adjusted EPS - Diluted (US\$) (3)	3.67	3.10	18.7%
Weighted Avg. # of Shares - Basic (000)	42,908	42,813	0.2%
Weighted Avg. # of Shares - Diluted (000)	43,464	43,223	0.6%

(1) Adjusted Operating Income and Adjusted CASM exclude special charges of US\$1.0 million recorded in 3Q07 and US\$6.3 million recorded in 4Q07, resulting in special charges of US\$7.3 million for full year 2007 related to the early termination of MD-80 aircraft leases, as a result of Aero Republica's ongoing transition to an all EMBRAER-190 fleet.

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

(3) Adjusted EBITDAR, Adjusted Net Income and Adjusted EPS (Basic and Diluted):

a) Excludes special charges of US\$1.0 million recorded in 3Q07 and US\$6.3 million recorded in 4Q07, resulting in special charges of US\$7.3 million for full year 2007 related to the early termination of MD-80 aircraft leases, as a result of Aero Republica's ongoing transition to an all EMBRAER-190 fleet.

b) Excludes for 3Q07 and full year 2007 an US\$8.0 million pre-tax non-recurring gain related to insurance proceeds in excess of aircraft book value recorded in 3Q07.

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

Full 4Q07 earnings release available to download on: <http://investor.shareholder.com/copa/results.cfm>

4Q07 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: February 21, 2008

Time: 11:00 a.m. US EST
 Conference Call:
 Telephone Number: 877-419-6591 (U.S. Domestic Callers)
 719-325-4922 (International Callers)
 Webcast: <http://investor.shareholder.com/copa/events.cfm>

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 they are useful indicators of our operating performance and are 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 US GAAP measures, in particular operating income and net income. The following is a reconciliation of these non-GAAP financial measures to the comparable US GAAP measures:

EBITDAR (Figures in US\$ thousands)	4Q07	4Q06	3Q07	2007	2006
Net Income	\$34,116	\$41,455	\$46,822	\$160,411	\$133,839
Interest Expense	(12,567)	(8,190)	(11,524)	(44,332)	(29,150)
Capitalized Interest	584	361	719	2,570	1,712
Interest Income	3,361	2,467	3,259	12,193	7,257
Income Taxes	(6,269)	(3,491)	(3,848)	(18,317)	(12,286)
EBIT	49,007	50,308	58,216	208,297	166,306
Depreciation and Amortization	9,821	7,458	9,056	35,327	24,874
EBITDA	58,828	57,766	67,272	243,624	191,180
Aircraft Rent	9,692	9,518	10,478	38,636	38,169
Other Rentals	3,461	2,988	2,814	11,536	10,524
EBITDAR	\$71,981	\$70,272	\$80,564	\$293,796	\$239,873
Special Charges	6,300	-	1,009	7,309	-
Non-recurring gain	-	-	(8,019)	(8,019)	-
Adjusted EBITDAR	\$78,281	\$70,272	\$73,555	\$293,087	\$239,873
EARNINGS PER SHARE	4Q07	4Q06	3Q07	2007	2006
Diluted Earnings per Share	\$0.79	\$0.96	\$1.08	\$3.69	\$3.10
Adjustments:					
Special Charges	0.15	-	0.02	0.17	-
Non-recurring gain	-	-	(0.18)	(0.18)	-
Adjusted Diluted EPS	\$0.93	\$0.96	\$0.92	\$3.67	\$3.10
CASM (cents)	4Q07	4Q06	3Q07	2007	2006

Cost per available seat mile (CASM)	\$11.7	\$10.2	\$10.4	\$10.6	\$9.98
Less: Special Charges per ASM	(0.3)	-	(0.0)	(0.1)	-
Adjusted CASM	11.4	10.2	10.3	10.5	10.0
Less: Fuel Cost per ASM	(3.8)	(3.1)	(3.4)	(3.4)	(3.2)
Adjusted CASM Excluding Fuel	\$7.6	\$7.1	\$6.9	\$7.1	\$6.8

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SOURCE Copa Holdings, S.A.

<http://www.copaair.com>

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