

February 19, 2009

Copa Holdings Reports Net Income of US\$51.9 Million for the Fourth Quarter of 2008 and US\$152.2 Million for Full Year 2008

PANAMA CITY, Feb 19, 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 fourth quarter of 2008 (4Q08) and full year 2008. The terms "Copa Holdings" or "the Company" refers 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. Unless otherwise stated, all comparisons with prior periods refer to the fourth quarter of 2007 (4Q07).

OPERATING AND FINANCIAL HIGHLIGHTS

-- Copa Holdings reported net income of US\$51.9 million for 4Q08 or diluted earnings per share (EPS) of US\$1.20, as compared to net income of US\$35.5 million or diluted EPS of US\$0.82 in 4Q07. Excluding special items, which for 4Q08 include a US\$12.2 million non-cash charge associated with the mark-to-market of fuel hedge contracts, Copa Holdings would have reported an adjusted net income of \$64.1 million, or \$1.48 per share. See the accompanying reconciliation of non-GAAP financial information to GAAP financial information included in financial tables section of this earnings release.

-- Net income for full year 2008 reached US\$152.2 million or diluted EPS of US\$3.50, compared to US\$161.8 million or diluted EPS of US\$3.72 for full year 2007. Excluding special items, which for 2008 include a US\$20.2 million non-cash charge associated with the mark-to-market of fuel hedge contracts, Copa Holdings would have reported an adjusted net income of \$172.4 million, or \$3.97 per share.

-- The Company reported record operating income for 4Q08, reaching US\$84.0 million, a 95.5% increase compared to operating income of US\$43.0 million recorded in 4Q07. Operating margin increased 9.2 percentage points, from 15.1% in 4Q07 to 24.3% in 4Q08, mainly due higher unit revenues.

-- The Company reported operating income of US\$224.0 million for full year 2008, a 13.4% increase as compared to operating income of US\$197.5 million in 2007. Operating margin for 2008 reached 17.4%, one of the best margins in the airline industry.

-- Total revenues for 4Q08 increased 21.6% to US\$346.1 million. Yield per passenger mile increased 6.0% to 18.5 cents and operating revenue per available seat mile (RASM) increased 5.8% to 14.6 cents.

-- For 4Q08 consolidated passenger traffic grew 15.5% while capacity increased 15.0%. As a result, consolidated load factor for the quarter increased 0.3 percentage points to 74.1%.

-- Operating cost per available seat mile (CASM) decreased 5.7%, from 11.7 cents in 4Q07 to 11.0 cents in 4Q08. CASM, excluding fuel costs and special items, decreased 5.4% from 7.6 cents in 4Q07 to 7.2 cents in 4Q08, mainly due to lower average commissions.

-- The Company ended the year with a strong cash position, totaling US\$408.1 million in cash, short term and long term investment, which represent approximately 32% of last twelve months' revenues. This figure includes US\$47.3 million in restricted cash, of which \$39.7 million are collateral for out-of-money hedge contracts related to future quarters. Additionally, the company has committed lines of credit totaling \$31.1 million.

-- In 4Q08, Copa Airlines began service to three new destinations: Oranjestad (Aruba), Valencia (Venezuela) and Santa Cruz (Bolivia). Copa Airlines' network currently serves 45 destinations in 24 countries in the Americas -- by far, the most extensive network for intra-Latin American travel.

-- During the fourth quarter, Copa Airlines took delivery of two Embraer- 190 aircraft. Copa Airlines ended the year with a fleet of 42 aircraft, consisting of 27 Boeing 737 Next Generation aircraft and 15 Embraer-190 aircraft. Copa Holdings ended the year with a consolidated fleet of 55 aircraft.

-- For 2008, Copa Airlines reported on-time performance of 87.5% and a flight-completion factor of 99.6%, maintaining its position among the best in

the industry. Additionally, Aero Republica's on-time performance came in at 84.2%, leading the Colombian market both in domestic and international on-time performance.

Consolidated Financial & Operating Highlights	4Q08	Variance vs. 4Q07	Variance vs. 3Q08	FY2008	Variance vs. 2007
RPMS (millions)	1,760	15.5%	-1.1%	6,717	14.6%
ASMs (mm)	2,375	15.0%	3.3%	8,845	11.7%
Load Factor	74.1%	0.3 p.p.	-3.3 p.p.	75.9%	1.9 p.p.
Yield	18.5	6.0%	-0.3%	18.1	9.8%
PRASM (cents)	13.7	6.5%	-4.5%	13.8	12.7%
RASM (cents)	14.6	5.8%	-4.0%	14.6	12.3%
CASM (cents)	11.0	-5.7%	-13.1%	12.0	14.9%
Adjusted CASM (cents) (1)	11.0	-3.1%	-13.1%	12.0	14.7%
Adjusted CASM Excl. Fuel (cents) (1)	7.2	-5.4%	-1.2%	7.5	4.6%
Breakeven Load Factor	56.9%	-4.1 p.p.	-7.6 p.p.	63.0%	8.5 p.p.
Operating Revenues (US\$ mm)	346.1	21.6%	-0.8%	1,288.8	25.5%
EBITDAR (US\$ mm) (2)	94.0	30.2%	47.0%	301.0	2.4%
Adjusted EBITDAR (US\$ mm) (2)(3)	106.1	44.3%	33.7%	321.2	13.0%
EBITDAR Margin (2)	27.1%	1.8 p.p.	8.8 p.p.	23.4%	-5.3 p.p.
Adjusted EBITDAR Margin (2)(3)	30.7%	4.8 p.p.	7.9 p.p.	24.9%	-2.7 p.p.
Operating Income (US\$ mm)	84.0	95.5%	47.3%	224.0	13.4%
Adjusted Operating Income (US\$ mm)(1)	84.0	70.5%	47.3%	224.0	13.8%
Operating Margin	24.3%	9.2 p.p.	7.9 p.p.	17.4%	-1.8 p.p.
Adjusted Operating Margin (1)	24.3%	7.0 p.p.	7.9 p.p.	17.4%	-1.8 p.p.
Net Income (US\$ mm)	51.9	46.1%	71.1%	152.2	-6.0%
Adjusted Net Income (US\$ mm) (3)	64.1	73.7%	39.8%	172.4	13.4%
EPS - Basic (US\$)	1.20	45.3%	71.1%	3.53	-6.5%
Adjusted EPS - Basic (US\$) (3)	1.48	72.7%	39.8%	4.00	12.8%
EPS - Diluted (US\$)	1.20	46.1%	71.4%	3.50	-5.9%
Adjusted EPS - Diluted (US\$) (3)	1.48	73.6%	40.1%	3.97	13.4%
Weighted Avg. # of Shares - Basic (000)	43,195	0.6%	0.0%	43,143	0.5%
Weighted Avg. # of Shares - Diluted (000)	43,426	0.1%	-0.1%	43,440	-0.1%

(1) Adjusted Operating Income and Adjusted CASM exclude for full year 2007 a US\$8.0 million pre-tax non-recurring gain related to insurance proceeds in excess of aircraft book value and special charges of US\$6.3 million for 4Q07 and 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 for full year 2007 a US\$8.0 million pre-tax non-recurring gain related to insurance proceeds in excess of aircraft book value and special charges of US\$6.3 million for 4Q07 and

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 and b) Excludes 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 US GAAP measures.

Full 4Q08 earnings release available to download on: <http://investor.shareholder.com/copa/results.cfm>

4Q08 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: February 19, 2009
Time: 11:00 a.m. US EST (11:00 a.m. Panama Time)
Conference Call:
Telephone Number: 877-857-6173 (U.S. Domestic Callers)
719-325-4745 (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 Bogota, Bucaramanga, Cali, Cartagena, Medellin and Pereira. Additionally, in May 2008 Aero Republica increased international service by launching 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.

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:

Reconciliation of EBITDAR Excluding Special Items	4Q08	4Q07	3Q08	2008	2007
Net income as Reported	\$51,918	\$35,526	\$30,343	\$152,191	\$161,820

Interest Expense	(10,891)	(12,567)	(10,385)	(42,071)	(44,332)
Capitalized Interest	525	584	391	1,921	2,570
Interest Income	2,863	3,361	2,903	11,130	12,193
Income Taxes	(9,253)	(5,058)	(1,745)	(18,609)	(17,106)
EBIT	68,674	49,206	39,179	199,820	208,495

Depreciation and Amortization	11,326	9,821	11,132	42,891	35,328
EBITDA	80,000	59,027	50,311	242,711	243,823

Aircraft Rent	10,078	9,692	10,245	43,008	38,636
Other Rentals	3,873	3,461	3,341	15,293	11,536
EBITDAR	\$93,951	\$72,180	\$63,897	\$301,013	\$293,995

Special Items (adjustments):

Unrealized (gain) loss on fuel hedging instruments (1)	12,160	(4,932)	15,479	20,175	(9,095)
Special Items (2)	-	6,300	-	-	(710)
Adjusted EBITDAR	\$106,112	\$73,547	\$79,376	\$321,188	\$284,191

Reconciliation of
Operating Income

Excluding Special Items	4Q08	4Q07	3Q08	2008	2007
Operating Income as Reported	\$84,047	\$42,991	\$57,073	\$224,028	\$197,509

Special Items (adjustments):

Special Items, net (2)	-	6,300	-	-	(710)
Adjusted Operating Income	\$84,047	\$49,291	\$57,073	\$224,028	\$196,799

Reconciliation of Net
Income Excluding Special
Items

	4Q08	4Q07	3Q08	2008	2007
Net income as Reported	\$51,918	\$35,526	\$30,343	\$152,191	\$161,820

Special Items (adjustments):

Unrealized (gain) loss on fuel hedging instruments (1)	12,160	(4,932)	15,479	20,175	(9,095)
Special Items, net (2)	-	6,300	-	-	(710)
Adjusted Net Income	\$64,078	\$36,893	\$45,822	\$172,366	\$152,016

Shares used for Computation
(in thousands)

Basic	43,195	42,985	43,195	43,143	42,908
Diluted	43,426	43,433	43,491	43,440	43,464

Adjusted earnings per share

Basic	1.48	0.86	1.06	4.00	3.54
Diluted	1.48	0.85	1.05	3.97	3.50

Reconciliation Operating

Costs per ASM Excluding Fuel and Special Items	4Q08	4Q07	3Q08	2008	2007
Operating Costs per ASM as Reported	11.0	11.7	12.7	12.0	10.5
Aircraft fuel per ASM	3.8	3.8	5.4	4.6	3.4
Operating Costs per ASM excluding fuel	7.2	7.9	7.3	7.5	7.1
Special Items (adjustments):					
Special Items per ASM, net (2)	-	(0.3)	-	-	0.0
Operating expenses excluding fuel and special items	7.2	7.6	7.3	7.5	7.1

FOOTNOTES:

- (1) Include unrealized (gains) losses resulting from the mark-to-market accounting for changes in the fair value of fuel hedging instruments. For 4Q08, 3Q08 and full year 2008 the Company recorded unrealized fuel hedge losses of US\$12.2 million, US\$15.5 million and US\$20.2 million, respectively. For 4Q07 and full year 2007 the Company recorded unrealized fuel hedge gains of US\$4.9 million and US\$9.1 million, respectively.
- (2) Special items include for the 4Q07 period a US\$6.3 million special charge 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. Special items include for full year 2007 include a US\$8.0 million non-recurring gain related to insurance proceeds in excess of aircraft book value and a US\$7.3 million special charge 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.

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