

August 16, 2006

Copa Holdings Reports Earnings of US\$22.9 Million and EPS of US\$0.53 for 2Q06

PANAMA CITY, Aug 16, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Copa Holdings S.A. (NYSE: CPA), parent company of Copa Airlines and AeroRepublica, today announced financial results for the second quarter of 2006 (2Q06). The terms "Copa Holdings" or "the Company" refer to the consolidated entity, whose operating subsidiaries are Copa Airlines and AeroRepublica. All comparisons, unless otherwise stated, refer to the second quarter of 2005 (2Q05). The following financial and operating information, unless otherwise indicated, is presented pursuant to US GAAP.

Note: Copa Holdings acquired AeroRepublica in April 22, 2005. As a result of the acquisition, our financial information at and for the three months ended June 30, 2006 is not comparable to the information at and for the three months ended June 30, 2005.

OPERATING AND FINANCIAL HIGHLIGHTS

- * Copa Holdings recorded net income of US\$22.9 million for 2Q06, an increase of 51.3% above 2Q05. Net margin increased 0.9 percentage points to 11.9%, placing the Company among the best in the industry in terms of net margin. Diluted earnings per share (EPS) increased by 51.1% to US\$0.53, well above average estimates of US\$0.44. (Source: I/B/E/S consensus estimates).
- * Operating income for the quarter rose 40.3% to US\$28.5 million from US\$20.3 million in 2Q05. Operating margin reached 14.9%, a 0.1 percentage point increase over 2Q05, despite record high fuel prices during the quarter.
- * Total revenues for the quarter increased by 39.4% to US\$191.5 million, primarily due to a 41.6% increase in passenger revenues. Yields continued their upward trend by increasing 9.0% to 15.8 cents and operating revenue per available seat mile (RASM) increased 8.1% to 11.7 cents.
- * Average load factor increased 0.5 percentage points from 69.2% in 2Q05 to 69.7%, as revenue passenger miles (RPMs) increased 29.9% to 1.14 billion in 2Q06 and available seat miles (ASMs) increased 29.0% to 1.63 billion in 2Q06.
- * Operating cost per available seat mile (CASM) increased 8.0% from 9.3 cents in 2Q05 to 10.0 cents in 2Q06. However, CASM excluding fuel remained unchanged at 6.7 cents.
- * On May 11, 2006 the Board of Directors of Copa Holdings declared an annual dividend of 19 cents per share. This dividend, payable to stockholders of record as of May 31, 2006, was paid on June 15, 2006.
- * In June, Copa Airlines continued its fleet expansion by taking delivery of one Boeing 737-700 and two Embraer 190's, as well as an additional Boeing 737-700 in July. Copa Airlines will receive two additional Embraer 190 aircraft during the month of October, to end the year with a fleet of 30 aircraft.
- * As part of its fleet modernization plan, AeroRepublica recently announced a lease agreement with GE Commercial Aviation Services (GECAS) for two Embraer 190 aircraft to be delivered in 2007. With this lease agreement, AeroRepublica now has firm orders and delivery commitments

for seven aircraft, all of which are Embraer 190s. Four of these aircraft will be delivered in 2006 and three in 2007. In addition to these commitments, AeroRepublica has options and purchase rights for twenty additional Embraer 190 aircraft through 2011.

- * In June, Copa Airlines was recognized by the 2006 World Airline Awards as "Best Airline" as well as "Best Cabin Staff" in Central America, Mexico and the Caribbean. The 2006 World Airline Awards are based on the annual World Airline Survey conducted by Skytrax, a British market-survey company.
- * For 2Q06, Copa Airlines reported an on-time performance of 91.9% and a flight-completion factor of 99.7%, among the best in the industry.
- * During the months of July and August Copa Airlines continued its route network expansion by adding service to five new destinations: Manaus (Brazil) and Santiago de los Caballeros (Dominican Republic) on July 15; Maracaibo (Venezuela) and San Pedro Sula, Honduras on July 24 and Montevideo (Uruguay) on August 15. With these destinations, Copa Airlines strengthens its network by increasing the total number of destinations served from its Hub of the Americas in Panama City to 35 cities in 21 countries in North, South, Central America and the Caribbean.

Consolidated Financial & Operating Highlights	2Q06	2Q05	% Change	1Q06	% Change
Revenue Passenger Miles (RPM)(mm)	1,137	875	29.9%	1,155	-1.5%
Available Seat Miles (ASM) (mm)	1,631	1,264	29.0%	1,615	1.0%
Load Factor	69.7%	69.2%	0.5p.p.	71.5%	-1.8p.p.
Yield	15.8	14.5	9.0%	15.6	1.2%
Passenger Revenue per ASM (US\$ cents) ("PRASM")	11.0	10.0	9.8%	11.2	-1.4%
Operating Revenue per ASM (US\$ cents) ("RASM")	11.7	10.9	8.1%	11.9	-1.1%
Operating Cost per ASM (US\$ cents) ("CASM")	10.0	9.3	8.0%	9.3	7.6%
Operating Cost (excluding fuel) per ASM (US\$ cents)	6.7	6.7	0.3%	6.37	5.6%
Breakeven Load Factor	58.8	58.2	0.6p.p.	55.8	3.0p.p.
Operating Revenues (US\$ mm)	191.5	137.4	39.4%	191.7	-0.10%
EBITDAR (US\$ mm) *	46.1	36.1	27.7%	57.5	-19.8%
EBITDAR Margin *	24.1%	26.3%	-2.2p.p.	30.0%	5.9p.p.
Operating Income (US\$ mm)	28.5	20.3	40.3%	41.8	-31.8%
Operating Margin	14.9%	14.8%	0.1p.p.	21.8%	-6.9p.p.
Net Income (US\$ mm)	22.9	15.1	51.3%	32.3	-29.2%
Earnings per Share - Basic (US\$)	0.53	0.35	51.3%	0.75	-29.2%
Earnings per Share - Diluted (US\$)	0.53	0.35	51.1%	0.75	-29.2%
Weighted Average Number of Shares - Basic (000)	42,813	42,813	0.0%	42,813	0.0%
Weighted Average Number of Shares - Diluted (000)	42,860	42,813	0.1%	42,837	0.10%

* 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.

Full 2Q06 earnings release available to download on: <http://investor.shareholder.com/copa/results.cfm>

2Q06 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: August 16, 2006
Time: 11:00 a.m. US EDT / 10 a.m. Local time
Conference Call:
Telephone Number: 877-502-9273 (U.S. Domestic Callers)
913-981-5582 (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 35 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 codeshare 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 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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SOURCE Copa Holdings, S.A.

Copa Holdings S.A. Investor Relations: +1-507-304-2677, or jputaturo@copaair.com

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