

May 13, 2013

Copa Holdings Reports Net Income of US\$113.8 Million and EPS of US\$2.56 for the First Quarter of 2013

Excluding special items, adjusted net income came in at \$124.4 million, or EPS of \$2.80 per share

PANAMA CITY, May 13, 2013 /PRNewswire/ -- Copa Holdings, S.A. (NYSE: CPA), today announced financial results for the first quarter of 2013(1Q13). The terms "Copa Holdings" or "the Company" refer to the consolidated entity. The following financial information, unless otherwise indicated, is presented in accordance with International Financial Reporting Standards (IFRS). See the accompanying reconciliation of non-IFRS financial information to IFRS financial information included in financial tables section of this earnings release. Unless otherwise stated, all comparisons with prior periods refer to the first quarter of 2012 (1Q12).

OPERATING AND FINANCIAL HIGHLIGHTS

- Copa Holdings reported net income of US\$113.8 million for 1Q13, or diluted earnings per share (EPS) of US\$2.56. Excluding special items, Copa Holdings would have reported an adjusted net income of \$124.4 million, or \$2.80 per share, a 37.3% increase over adjusted net income of US\$90.6 million and US\$2.04 per share for 1Q12.
- Operating income for 1Q13 came in at US\$142.6 million, a 27.9% increase over operating income of US\$111.6 million in 1Q12. Operating margin for the period came in at 22.2%, compared to 20.5% in 1Q12, as a result of lower unit costs.
- Total revenues increased 18.0% to US\$641.3 million. Yield per passenger mile decreased 0.8% to 17.6 cents and operating revenue per available seat mile (RASM) decreased 1.5% to 14.0 cents. However, adjusting for a 6.3% increase in length of haul, yields and RASM increased 2.2% and 1.5%, respectively.
- For 1Q13, robust demand trends resulted in passenger traffic (RPMs) growth of 19.5% on a 19.9% capacity expansion. Consolidated load factor came in at 76.9%, or 0.3 percentage points below 1Q12.
- Operating cost per available seat mile (CASM) decreased 3.6%, from 11.3 cents in 1Q12 to 10.9 cents in 1Q13. CASM, excluding fuel, decreased 4.7% to 6.5 cents.
- Cash, short term and long term investments ended 1Q13 at US\$733.4 million, representing 31.2% of the last twelve months' revenues.
- During the first quarter, Copa Airlines took delivery of two Boeing 737-800 aircraft. As a result, Copa Holdings ended the quarter with a consolidated fleet of 85 aircraft.
- For 1Q13, Copa Holdings reported consolidated on-time performance of 90.0% and a flight-completion factor of 99.7%, maintaining its position among the best in the industry.

| Consolidated Financial & Operating Highlights | 1Q13 | 1Q12 | % Change | 4Q12 | % Change |
|--|-------------|-------------|-----------------|-------------|-----------------|
| Revenue Passengers Carried ('000) | 1,926 | 1,714 | 12.4% | 1,899 | 1.4% |
| RPMs (mm) | 3,529 | 2,954 | 19.5% | 3,366 | 4.8% |
| ASMs (mm) | 4,590 | 3,829 | 19.9% | 4,447 | 3.2% |
| Load Factor | 76.9% | 77.2% | -0.3 p.p. | 75.7% | 1.2 p.p. |
| Yield | 17.6 | 17.7 | -0.8% | 17.1 | 2.8% |
| PRASM (US\$ Cents) | 13.5 | 13.7 | -1.2% | 12.9 | 4.4% |
| RASM (US\$ Cents) | 14.0 | 14.2 | -1.5% | 13.5 | 3.6% |
| CASM (US\$ Cents) | 10.9 | 11.3 | -3.6% | 11.1 | -2.5% |
| CASM Excl. Fuel (US\$ Cents) | 6.5 | 6.8 | -4.7% | 6.8 | -4.1% |
| Breakeven Load Factor ⁽¹⁾ | 58.7% | 61.2% | -2.5 p.p. | 61.6% | -2.9 p.p. |
| Fuel Gallons Consumed (Millions) | 60.1 | 51.3 | 17.1% | 58.4 | 2.9% |
| Avg. Price Per Fuel Gallon (US\$ Dollars) | 3.34 | 3.33 | 0.4% | 3.34 | 0.1% |
| Average Length of Haul (Miles) | 1,832 | 1,724 | 6.3% | 1,772 | 3.4% |
| Average Stage Length (Miles) | 1,123 | 1,066 | 5.4% | 1,090 | 3.1% |
| Departures | 29,428 | 26,647 | 10.4% | 29,555 | -0.4% |
| Block Hours | 84,490 | 73,394 | 15.1% | 83,146 | 1.6% |
| Average Aircraft Utilization (Hours) | 11.3 | 10.9 | 3.1% | 11.0 | 2.7% |
| Operating Revenues (US\$ mm) | 641.3 | 543.3 | 18.0% | 599.8 | 6.9% |
| Operating Income (US\$ mm) | 142.6 | 111.6 | 27.9% | 104.3 | 36.8% |
| Operating Margin | 22.2% | 20.5% | 1.7 p.p. | 17.4% | 4.9 p.p. |
| Net Income (US\$ mm) | 113.8 | 95.9 | 18.7% | 86.6 | 31.4% |
| Adjusted Net Income (US\$ mm) ⁽¹⁾ | 124.4 | 90.6 | 37.3% | 89.3 | 39.3% |
| EPS - Basic and Diluted (US\$) | 2.56 | 2.16 | 18.5% | 1.95 | 31.5% |

| | | | | | |
|--|--------|--------|-------|--------|-------|
| Adjusted EPS - Basic and Diluted (US\$) ⁽¹⁾ | 2.80 | 2.04 | 37.1% | 2.01 | 39.4% |
| # of Shares - Basic and Diluted ('000) | 44,387 | 44,341 | 0.1% | 44,409 | 0.0% |

⁽¹⁾ Breakeven Load Factor, Adjusted Net Income and Adjusted EPS for 1Q13, 1Q12, and 4Q12 exclude non-cash charges/gains associated with the mark-to-market of fuel hedges. Additionally, for 1Q13 excludes a US\$13.9 million charge related to the devaluation of the Venezuelan currency.

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

FULL 1Q13 EARNINGS RELEASE AVAILABLE FOR DOWNLOAD AT: <http://investor.shareholder.com/copa/results.cfm>

1Q13 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: May 14, 2013
Time: 11:00 AM US ET (10:00 AM Local Time)
Conference telephone number: 877-293-5456 (US Domestic Callers)
707-287-9357 (International Callers)
Webcast: <http://investor.shareholder.com/copa/events.cfm>
Speakers: Pedro Heilbron, Chief Executive Officer
Jose Montero, Chief Financial Officer

Copa Holdings is a leading Latin American provider of passenger and cargo services. The Company, through its operating subsidiaries, provides service to 64 destinations in 29 countries in North, Central and South America and the Caribbean with one of the youngest and most modern fleets in the industry, consisting of 86 aircraft: 60 Boeing 737NG aircraft and 26 EMBRAER-190s. For more information visit: www.copaair.com.

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.

CPA-G

Copa Holdings, S.A.
Income Statement - IFRS
(US\$ Thousands)

| | Unaudited 1Q13 | Unaudited 1Q12 | % Change | Unaudited 4Q12 | % Change |
|-----------------------------------|-------------------|-------------------|--------------|-------------------|-------------|
| Operating Revenues | | | | | |
| Passenger Revenue | 620,488 | 523,812 | 18.5% | 575,731 | 7.8% |
| Cargo, mail and other | 20,793 | 19,444 | 6.9% | 24,109 | -13.8% |
| Total Operating Revenue | 641,282 | 543,257 | 18.0% | 599,839 | 6.9% |
| Operating Expenses | | | | | |
| Aircraft fuel | 200,773 | 170,875 | 17.5% | 194,754 | 3.1% |
| Salaries and benefits | 66,728 | 57,536 | 16.0% | 65,782 | 1.4% |
| Passenger servicing | 60,316 | 49,433 | 22.0% | 59,788 | 0.9% |
| Commissions | 24,260 | 22,223 | 9.2% | 22,382 | 8.4% |
| Reservations and sales | 21,449 | 20,090 | 6.8% | 22,112 | -3.0% |
| Maintenance, material and repairs | 22,284 | 20,530 | 8.5% | 24,311 | -8.3% |
| Depreciation | 24,806 | 20,526 | 20.9% | 24,446 | 1.5% |
| Flight operations | 29,479 | 25,039 | 17.7% | 27,747 | 6.2% |
| Aircraft rentals | 19,952 | 17,300 | 15.3% | 19,472 | 2.5% |

| | | | | | |
|---|-----------------|----------------|--------------|----------------|--------------|
| Landing fees and other rentals | 12,195 | 10,846 | 12.4% | 12,266 | -0.6% |
| Other | 16,412 | 17,300 | -5.1% | 22,510 | -27.1% |
| Total Operating Expense | 498,655 | 431,699 | 15.5% | 495,570 | 0.6% |
| Operating Income | 142,626 | 111,558 | 27.9% | 104,269 | 36.8% |
| Non-operating Income (Expense): | | | | | |
| Interest expense | (7,660) | (7,959) | -3.7% | (8,130) | -5.8% |
| Interest capitalized | 0 | 0 | nm | 0 | nm |
| Interest income | 2,706 | 2,286 | 18.3% | 3,427 | -21.0% |
| Other, net | (9,195) | 4,866 | -289.0% | (2,721) | 238.0% |
| Total Non-Operating Income/(Expense) | (14,150) | (806) | n/a | (7,424) | 90.6% |
| Income before Income Taxes | 128,476 | 110,751 | 16.0% | 96,845 | 32.7% |
| Provision for Income Taxes | 14,646 | 14,822 | -1.2% | 10,222 | 43.3% |
| Net Income | 113,830 | 95,930 | 18.7% | 86,623 | 31.4% |

| | | | | | |
|-----------------------------------|-------------|-------------|--------------|-------------|--------------|
| EPS - Basic and Diluted | 2.56 | 2.16 | 18.5% | 1.95 | 31.5% |
| Shares - Basic and Diluted | 44,387,148 | 44,340,562 | 0.1% | 44,409,211 | 0.0% |

Copa Holdings, S.A.
Balance Sheet - IFRS
(US\$ Thousands)

| | March 31, 2013 | December 31, 2012 |
|--|---------------------------|------------------------------|
| | (Unaudited) | (Audited) |
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 325,184 | \$ 76,094 |
| Short-term investments | 349,628 | 575,009 |
| Total cash, cash equivalents and short-term investments | 674,812 | 651,103 |
| Accounts receivable, net of allowance for doubtful accounts | 174,537 | 135,207 |
| Accounts receivable from related parties | 1,121 | 1,129 |
| Expendable parts and supplies, net of allowance for obsolescence | 58,050 | 50,603 |
| Prepaid expenses | 56,767 | 63,120 |
| Other current assets | 19,687 | 16,328 |
| Total Current Assets | 984,974 | 917,490 |
| Long-term investments | 58,598 | 69,445 |
| Property and Equipment: | | |
| Owned property and equipment: | | |
| Flight equipment | 2,420,436 | 2,405,346 |
| Other equipment | 68,893 | 66,330 |
| | 2,489,329 | 2,471,676 |
| Less: Accumulated depreciation | (456,281) | (432,589) |
| | 2,033,048 | 2,039,087 |
| Purchase deposits for flight equipment | 271,916 | 245,544 |
| Total Property and Equipment | 2,304,964 | 2,284,631 |
| Other Assets: | | |
| Net pension asset | 10,618 | 10,009 |
| Goodwill | 26,612 | 27,575 |
| Intangible asset | 59,127 | 59,382 |
| Other assets | 122,357 | 110,968 |
| Total Other Assets | 218,714 | 207,934 |
| Total Assets | \$ 3,567,250 | \$ 3,479,500 |

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities:

| | | |
|--------------------------------------|----------------|----------------|
| Current maturities of long-term debt | \$ 122,414 | \$ 136,268 |
| Accounts payable | 114,498 | 104,975 |
| Accounts payable to related parties | 23,857 | 20,255 |
| Air traffic liability | 369,286 | 382,807 |
| Taxes and interest payable | 98,795 | 85,436 |
| Accrued expenses payable | 46,374 | 48,047 |
| Other current liabilities | 9,309 | 10,902 |
| Total Current Liabilities | 784,533 | 788,690 |

Non-Current Liabilities:

| | | |
|------------------------------------|------------------|------------------|
| Long-term debt | 1,038,793 | 1,069,836 |
| Post employment benefits liability | 6,322 | 6,340 |
| Other long-term liabilities | 46,285 | 43,726 |
| Deferred tax liabilities | 37,691 | 34,364 |
| Total Non-Current Liabilities | 1,129,091 | 1,154,266 |

Total Liabilities

| | | |
|--|------------------|------------------|
| | 1,913,624 | 1,942,956 |
|--|------------------|------------------|

Shareholders' Equity:

| | | |
|--|---------------------|---------------------|
| Class A - 33,418,117 shares issued and outstanding | 22,630 | 22,591 |
| Class B - 10,938,125 shares issued and outstanding | 7,466 | 7,466 |
| Additional paid in capital | 42,363 | 40,660 |
| Retained earnings | 1,572,088 | 1,458,258 |
| Accumulated other comprehensive income (loss) | 9,078 | 7,569 |
| Total Shareholders' Equity | 1,653,626 | 1,536,544 |
| Total Liabilities and Shareholders' Equity | \$ 3,567,250 | \$ 3,479,500 |

NON-IFRS FINANCIAL MEASURE RECONCILIATION

This press release includes the following non IFRS financial measures: CASM Excluding Fuel, 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 IFRS measures, in particular operating income and net income. The following is a reconciliation of these non-IFRS financial measures to the comparable IFRS measures:

Reconciliation of Net Income

| Excluding Special Items | 1Q13 | 1Q12 | 4Q12 |
|--|------------------|-----------------|-----------------|
| Net income as Reported | \$113,830 | \$95,930 | \$86,623 |
| Special Items (adjustments): | | | |
| Unrealized (gain) loss on fuel hedging instruments | (3,376) | (5,328) | 2,673 |
| Loss due to devaluation of Venezuelan Bolivar | 13,927 | | |
| Adjusted Net Income | \$124,381 | \$90,602 | \$89,296 |
| Shares used for Computation (in thousands) | | | |
| Basic and Diluted | 44,387 | 44,341 | 44,409 |
| Adjusted earnings per share - Basic and Diluted | 2.80 | 2.04 | 2.01 |

Reconciliation Operating Costs per ASM

| Excluding Fuel and Special Items | 1Q13 | 1Q12 | 4Q12 |
|--|------------|------------|------------|
| Operating Costs per ASM as Reported | 10.9 | 11.3 | 11.1 |
| Aircraft fuel per ASM | (4.4) | (4.5) | (4.4) |
| Operating Costs per ASM excluding fuel | 6.5 | 6.8 | 6.8 |

SOURCE Copa Holdings, S.A.

News Provided by Acquire Media