

August 14, 2008

Copa Holdings Reports Earnings of US\$30.4 Million and EPS of US\$0.70 for 2Q08

PANAMA CITY, Aug 14, 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 second quarter of 2008 (2Q08). 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 US GAAP. Unless otherwise stated, all comparisons with prior periods refer to the second quarter of 2007 (2Q07).

OPERATING AND FINANCIAL HIGHLIGHTS

- Copa Holdings reported net income of US\$30.4 million for 2Q08, or diluted earnings per share (EPS) of US\$0.70, as compared to net income of US\$30.9 million or diluted EPS of US\$0.71 in 2Q07.
- Operating income for 2Q08 came in at US\$31.2 million, as compared to operating income of US\$39.0 million for 2Q07. Operating margin decreased from 16.6% to 10.5%, maintaining its position among the world's most profitable airlines. These strong results were achieved despite US\$37.0 million in additional fuel costs as a result of a 56% increase in the all-in average price per gallon of jet fuel.
- In 2Q08, total revenues increased to US\$297.9 million, representing growth of 26.6 %, on an 11.3% capacity expansion. Yield per passenger mile increased 9.6% to 18.0 cents and operating revenue per available seat mile (RASM) increased 13.7% to 14.2 cents.
- Revenue passenger miles (RPMs) increased 15.8% from 1.35 billion in 2Q07 to 1.56 billion in 2Q08, and available seat miles (ASMs) increased 11.3% from 1.88 billion in 2Q07 to 2.09 billion in 2Q08, with the Copa Airlines segment increasing 17.2% year-over-year and Aero Republica decreasing 10.2%, mainly as a result of its down-gauge to an Embraer-190 fleet.
- Consolidated load factor increased 2.9 percentage points to 74.5%, driven by a year-over-year load factor improvement at both Copa Airlines and Aero Republica.
- Operating cost per available seat mile (CASM) increased 22.1%, from 10.4 cents in 2Q07 to 12.7 cents in 2Q08. CASM, excluding fuel costs, increased 6.9% from 7.3 cents in 2Q07 to 7.8 cents in 2Q08, mainly due to an increase in Aero Republica's unit costs driven by timing of maintenance events, Colombian currency appreciation and down-gauging to an Embraer-190 fleet.
- Liquidity including cash, short term and long term investments plus committed credit lines ended the quarter at US\$347.2 million, representing 30% of last twelve months revenues.
- On May 24, Aero Republica continued its international expansion by initiating new direct daily service to Caracas, Venezuela, from the Colombian cities of Bogota and Medellin. Aero Republica currently provides service to 12 cities in Colombia as well as international connectivity with Copa Airlines' Hub of the Americas from the cities of Bogota, Bucaramanga, Cali, Cartagena and Medellin.
- On June 30, Copa Airlines announced that it will begin service from Panama and connecting cities to Belo Horizonte, Brazil, beginning August 21, 2008. More recently, Copa Airlines announced new service to three additional destinations: Oranjestad (Aruba), Valencia (Venezuela) and Santa Cruz (Bolivia). By year-end, Copa Airlines' network is expected to serve 45 destinations in 24 countries in the Americas.
- During the second quarter, Copa Airlines took delivery of three aircraft, two Embraer-190's and one Boeing 737-800, ending the quarter with 40 aircraft. Copa Holdings ended the second quarter with a consolidated fleet of 53 aircraft.
- For 2Q08, Copa Airlines reported an on-time performance of 89.3% and a flight-completion factor of 99.7%, maintaining its position among the best in the industry.

RPMs (millions)	1,559	1,346	15.8%	1,619	-3.8%
ASMs (mm)	2,093	1,880	11.3%	2,077	0.8%
Load Factor	74.5%	71.6%	2.9 p.p.	78.0%	-3.5 p.p.
Yield	18.0	16.4	9.6%	17.3	4.1%
PRASM (cents)	13.4	11.8	14.1%	13.5	-0.5%
RASM (cents)	14.2	12.5	13.7%	14.2	-0.1%
CASM (cents)	12.7	10.4	22.1%	11.8	8.4%
CASM Excl. Fuel (cents)	7.8	7.3	6.9%	7.7	0.9%
Breakeven Load Factor	64.6%	59.3%	5.3 p.p.	64.6%	0.0 p.p.
Operating					
Revenues (US\$ mm)	297.9	235.3	26.6%	295.9	0.7%
EBITDAR (US\$ mm) (1)	66.7	61.7	8.1%	75.9	-12.1%
EBITDAR Margin (1)	22.4%	26.2%	-3.8 p.p.	25.6%	-3.2 p.p.
Operating					
Income (US\$ mm)	31.2	39.0	-20.0%	51.7	-39.7%
Operating Margin	10.5%	16.6%	-6.1 p.p.	17.5%	-7.0 p.p.
Net Income (US\$ mm)	30.4	30.9	-1.5%	39.5	-23.0%
Net Margin	10.2%	13.1%	-2.9 p.p.	13.3%	-3.1 p.p.
EPS - Basic (US\$)	0.70	0.72	-2.4%	0.92	-23.3%
EPS - Diluted (US\$)	0.70	0.71	-1.5%	0.91	-23.0%
Weighted Avg. # of					
Shares - Basic (000)	43,195	42,817	0.9%	42,985	0.5%
Weighted Avg. # of					
Shares - Diluted (000)	43,465	43,502	-0.1%	43,433	0.1%

(1) 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. A reconciliation of EBITDAR to consolidated net income is attached to this press release.

Full 2Q08 earnings release available for download at: <http://investor.shareholder.com/copa/results.cfm>

2Q08 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: August 14, 2008
Time: 11:30 a.m. EDT (10:30 a.m. Panama Time)
Conference Call:
Telephone Number: 877-681-3373 (U.S. Domestic Callers)
719-325-4908 (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 international airline passenger and cargo service. Copa Airlines currently offers approximately 136 daily scheduled flights to 41 destinations in 22 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 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

EBITDAR (Figures in US\$ thousands)	2Q08	2Q07	1Q08
Net Income	\$30,431	\$30,905	\$39,499
Interest Expense	(9,815)	(10,393)	(10,980)
Capitalized Interest	484	736	521
Interest Income	2,596	3,031	2,768
Income Taxes	(3,507)	(3,839)	(4,104)
EBIT	40,674	41,370	51,295
Depreciation and Amortization	10,433	8,457	10,000
EBITDA	51,107	49,827	61,295
Aircraft Rent	12,012	9,303	10,673
Other Rentals	3,610	2,575	3,883
EBITDAR	\$66,729	\$61,706	\$75,851

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