

August 3, 2011

Copa Holdings Reports Net Income of US\$41.3 Million and EPS of US\$0.93 for the Second Quarter of 2011

Excluding special items, adjusted net income came in at \$56.6 million, or EPS of \$1.28 per share

PANAMA CITY, Aug. 3, 2011 /PRNewswire/ -- Copa Holdings, S.A. (NYSE: CPA), today announced financial results for the second quarter of 2011 (2Q11). 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 second quarter of 2010 (2Q10).

OPERATING AND FINANCIAL HIGHLIGHTS

- Copa Holdings reported net income of US\$41.3 million for 2Q11, or diluted earnings per share (EPS) of US\$0.93. Excluding special items, Copa Holdings would have reported an adjusted net income of \$56.6 million, or \$1.28 per share, a 52.9% increase over adjusted net income of US\$37.0 million and US\$0.84 per share for 2Q10.
- Operating income for 2Q11 came in at US\$75.4 million, a 72.6% increase over operating income of US\$43.7 million in 2Q10. Operating margin for the period came in at 17.6%, compared to 14.4% in 2Q10, despite a 38.1% increase in the effective price of jet fuel.
- Total revenues increased 40.9% to US\$428.5 million, significantly outpacing a strong capacity expansion. Yield per passenger mile increased 11.2% to 17.0 cents and operating revenue per available seat mile (RASM) increased 14.7% to 13.6 cents, despite a 12.4% increase in average length of haul.
- For 2Q11, robust demand trends resulted in passenger traffic (RPMs) growth of 28.3% and a consolidated load factor of 76.3%, or 3.2 percentage points above 2Q10.
- Operating cost per available seat mile (CASM) increased 10.3%, from 10.2 cents in 2Q10 to 11.2 cents in 2Q11. However, CASM excluding fuel costs decreased 0.8% to 6.9 cents.
- Cash, short term and long term investments ended 2Q11 at US\$466.0 million, representing 29% of the last twelve months' revenues.
- During the second quarter, Copa Airlines took delivery of one Boeing 737-800 aircraft. As a result, Copa Holdings ended the quarter with a consolidated fleet of 66 aircraft. During the second half of 2011, Copa Airlines expects to take delivery of an additional seven Boeing 737-800 aircraft to end the year with a consolidated fleet of 73 aircraft.
- On June 15, Copa Airlines expanded its operations at its Hub of the Americas in Panama City, by transitioning from four to six connecting banks. Copa Airlines' six bank hub provides passengers with greater flight options, better schedules and more frequencies, thereby bolstering the Hub of the Americas' leadership in the region. As part of this expansion, four new destinations were added to Copa Airlines' network: Toronto, Canada; Nassau, Bahamas; and Brasilia and Porto Alegre, Brazil. In addition, Copa Airlines announced it will launch new service, in December, to three new cities: Chicago, USA; Asunción, Paraguay and Cucuta, Colombia.
- For 2Q11, Copa Holdings reported consolidated on-time performance of 89.2% and a flight-completion factor of 99.2%, maintaining its position among the best in the industry.

Consolidated Financial & Operating Highlights	2Q11	2Q10	% Change	1Q11	% Change
Revenue Passengers Carried ('000)	1,611	1,412	14.1%	1,654	-2.6%
RPMs (mm)	2,400	1,871	28.3%	2,416	-0.7%
ASMs (mm)	3,145	2,559	22.9%	3,122	0.7%
Load Factor	76.3%	73.1%	3.2 p.p.	77.4%	-1.1 p.p.
Yield	17.0	15.3	11.2%	16.6	2.2%
PRASM (US\$ Cents)	13.0	11.2	16.1%	12.9	0.8%
RASM (US\$ Cents)	13.6	11.9	14.7%	13.4	1.3%
CASM (US\$ Cents)	11.2	10.2	10.3%	10.2	9.9%
CASM Excl. Fuel (US\$ Cents)	6.9	6.9	-0.8%	6.5	6.1%
Breakeven Load Factor (1)	63.6%	62.1%	1.5 p.p.	58.5%	5.1 p.p.
Fuel Gallons Consumed (Millions)	41.7	34.8	19.8%	41.5	0.4%
Avg. Price Per Fuel Gallon (US\$ Dollars)	3.27	2.37	38.1%	2.80	16.9%
Average Length of Haul (Miles)	1,490	1,325	12.4%	1,461	2.0%
Average Stage Length (Miles)	973	891	9.2%	968	0.5%

Departures	24,694	22,857	8.0%	24,943	-1.0%
Block Hours	61,240	51,996	17.8%	60,760	0.8%
Average Aircraft Utilization (Hours)	10.3	9.7	6.1%	10.7	-3.9%
Operating Revenues (US\$ mm)	428.5	304.1	40.9%	419.9	2.1%
Operating Income (US\$ mm)	75.4	43.7	72.6%	101.0	-25.3%
Operating Margin	17.6%	14.4%	3.2 p.p.	24.1%	-6.5 p.p.
Net Income (US\$ mm)	41.3	29.4	40.6%	94.4	-56.3%
Adjusted Net Income (US\$ mm) (1)	56.6	37.0	52.9%	82.0	-31.0%
EPS - Basic and Diluted (US\$)	0.93	0.67	39.5%	2.14	-56.5%
Adjusted EPS - Basic and Diluted (US\$) (1)	1.28	0.84	51.8%	1.86	-31.3%
# of Shares - Basic and Diluted ('000)	44,316	43,983	0.8%	44,139	0.4%

(1) Breakeven Load Factor, Adjusted Net Income and Adjusted EPS for 2Q11, 2Q10, and 1Q11 exclude non-cash charges/gains associated with the mark-to-market of fuel hedges. Additionally, they exclude for 2Q10 a US\$1.0 million adjustment 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 2Q11 earnings release available for download at: <http://investor.shareholder.com/copa/results.cfm>

2Q11 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date: August 4, 2011

Time: 10:30 a.m. EST (9:30 a.m. Panama Time)

Conference Call:

Telephone Number: (877) 293-5456 (U.S. Domestic Callers)

(707) 287-9357 (International Callers)

Webcast Link <http://investor.shareholder.com/copa/events.cfm>

About Copa Holdings:

Copa Holdings is a leading Latin American provider of passenger and cargo services. The Company, through its operating subsidiaries, provides service to 55 destinations in 27 countries in North, Central and South America and the Caribbean with one of the youngest and most modern fleets in the industry, consisting of 67 aircraft: 41 Boeing 737NG aircraft and 26 EMBRAER-190s.

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.

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	2Q11	2Q10	1Q11
Net income as Reported	\$41,263	\$29,356	\$94,447
Special Items (adjustments):			
Unrealized (gain) loss on fuel hedging instruments (1)	15,315	8,602	(12,457)
Other special items, net (2)	-	(965)	-
Adjusted Net Income	\$56,578	\$36,993	\$81,990

Shares used for Computation (in thousands)			
Basic and Diluted	44,316	43,983	44,139
Adjusted earnings per share - Basic and Diluted	1.28	0.84	1.86
Reconciliation Operating Costs per ASM			
Excluding Fuel and Special Items	2Q11	2Q10	1Q11
Operating Costs per ASM as Reported	11.2	10.2	10.3
Aircraft fuel per ASM	(4.3)	(3.2)	(3.7)
Operating Costs per ASM excluding fuel	6.9	6.9	6.6

FOOTNOTES:

1) Includes unrealized (gains) losses resulting from the mark-to-market accounting for changes in the fair value of fuel hedging instruments. For 2Q11 and 2Q10, the Company recorded unrealized fuel hedge losses of US\$15.3 million and US\$8.6 million, respectively. For 1Q11, the Company recorded unrealized fuel hedge gain of US\$12.5 million.

2) Other Special items include for 2Q10 a US\$1.0 million adjustment related to the devaluation of the Venezuelan currency.

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