Copa Holdings Reports Net Income of US$70.3 Million and EPS of US$1.59 for the Third Quarter of 2011

Excluding special items, adjusted net income came in at $90.1 million, or EPS of $2.03 per share

PANAMA CITY, Nov. 8, 2011 /PRNewswire/ -- Copa Holdings, S.A. (NYSE: CPA), today announced financial results for the third quarter of 2011 (3Q11). 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 third quarter of 2010 (3Q10).

OPERATING AND FINANCIAL HIGHLIGHTS

- Copa Holdings reported net income of US$70.3 million for 3Q11, or diluted earnings per share (EPS) of US$1.59. Excluding special items, Copa Holdings would have reported an adjusted net income of $90.1 million, or $2.03 per share, a 44.3% increase over adjusted net income of US$62.5 million and US$1.42 per share for 3Q10.
- Operating income for 3Q11 came in at US$102.2 million, a 38.2% increase over operating income of US$73.9 million in 3Q10. Operating margin for the period came in at 21.4%, compared to 20.4% in 3Q10, despite a 37.9% increase in the effective price of jet fuel.
- Total revenues increased 31.3% to US$476.8 million, outpacing a strong capacity expansion. Yield per passenger mile increased 9.1% to 17.2 cents and operating revenue per available seat mile (RASM) increased 10.3% to 13.8 cents, despite a 17.2% increase in average length of haul.
- For 3Q11, robust demand trends resulted in passenger traffic (RPMs) growth of 21.6% and a consolidated load factor of 77.1%, or 1.6 percentage points above 3Q10.
- Operating cost per available seat mile (CASM) increased 8.8%, from 10.0 cents in 3Q10 to 10.9 cents in 3Q11. However, CASM excluding fuel costs decreased 2.6% to 6.6 cents.
- Cash, short term and long term investments ended 3Q11 at US$503.2 million, representing 30% of the last twelve months' revenues.
- During the third quarter, Copa Airlines took delivery of five Boeing 737-800 aircraft. As a result, Copa Holdings ended the quarter with a consolidated fleet of 71 aircraft. During the fourth quarter of 2011, Copa Airlines expects to take delivery of an additional two Boeing 737-800 aircraft to end the year with a consolidated fleet of 73 aircraft.
- For 3Q11, Copa Holdings reported consolidated on-time performance of 91.3% and a flight-completion factor of 99.6%, maintaining its position among the best in the industry.

Consolidated Financial & Operating Highlights	3Q11	3Q10	% Change	2Q11	% Change
Revenue Passengers Carried ('000)	1.670	1.609	3,8%	1.611	3,7%
RPMs (mm)	2.660	2.187	21,6%	2.400	10,9%
ASMs (mm)	3.450	2.897	19,1%	3.145	9,7%
Load Factor	77,1%	75,5%	1,6 p,p,	76,3%	0,8 p,p,
Yield	17,2	15,7	9,1%	17,0	1,1%
PRASM (US$ Cents)	13,2	11,9	11,4%	13,0	2,2%
RASM (US$ Cents)	13,8	12,5	10,3%	13,6	1,4%
CASM (US$ Cents)	10,9	10,0	8,8%	11,2	-3,2%
CASM Excl. Fuel (US$ Cents)	6,6	6,8	-2,6%	6,9	-3,7%
Breakeven Load Factor (1)	58,4%	59,6%	-1,2 p,p,	63,6%	-5,2 p,p,
Fuel Gallons Consumed (Millions)	45,0	38,9	15,6%	41,7	7,9%
Avg. Price Per Fuel Gallon (US$ Dollars)	3,24	2,35	37,9%	3,27	-0,9%
Average Length of Haul (Miles)	1.593	1.359	17,2%	1.490	6,9%
Average Stage Length (Miles)	1.058	936	13,0%	973	8,7%
Departures	24.728	24.583	0,6%	24.694	0,1%
Block Hours	65.159	58.306	11,8%	61.240	6,4%
Average Aircraft Utilization (Hours)	10,6	10,4	1,5%	10,3	2,8%
Operating Revenues (US$ mm)	476,8	363,1	31,3%	428,5	11,3%
Operating Income (US$ mm)	102,2	73,9	38,2%	75,4	35,4%
Operating Margin	21,4%	20,4%	1,0 p,p,	17,6%	3,8 p,p,
Net Income (US$ mm)	70,3	71,5	-1,7%	41,3	70,4%
Adjusted Net Income (US$ mm) (1)	90,1	62,5	44,3%	56,6	59,3%
EPS - Basic and Diluted (US$)	1,59	1,63	-2,4%	0,93	70,4%

Adjusted EPS - Basic and Diluted (US$) (1)	2,03	1,42	43,2%	1,28	59,3%
# of Shares - Basic and Diluted ('000)	44.319	43.999	0,7%	44.316	0,0%

(1) *Breakeven Load Factor, Adjusted Net Income and Adjusted EPS for 3Q11, 3Q10, and 1Q11 exclude non-cash charges/gains associated with the mark-to-market of fuel hedges.*
Note: Attached to this press release is a reconciliation of non-IFRS financial measures to the comparable IFRS measures.

Full 3Q11 earnings release available for download at: http://investor.shareholder.com/copa/results.cfm

3Q11 EARNINGS RESULTS CONFERENCE CALL AND WEBCAST

Date:	**November 9, 2011**
Time:	**11:00 a.m. EST (11 a.m. Local 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 54 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 72 aircraft: 46 Boeing 737NG aircraft and 26 EMBRAER-190s. For more information visit www.copaair.com.

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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	**3Q11**	**3Q10**	**2Q11**
Net income as Reported	$70.331	$71.539	$41.263
Special Items (adjustments):			
Unrealized (gain) loss on fuel hedging instruments (1)	19.797	(9.068)	15.315
Adjusted Net Income	$90.128	$62.470	$56.578
Shares used for Computation (in thousands)			
Basic and Diluted	44.319	43.999	44.316
Adjusted earnings per share - Basic and Diluted	2,03	1,42	1,28

Reconciliation Operating Costs per ASM Excluding Fuel and Special Items	**3Q11**	**3Q10**	**2Q11**

Operating Costs per ASM as Reported	10,9	10,0	11,2
Aircraft fuel per ASM	(4,2)	(3,1)	(4,3)
Operating Costs per ASM excluding fuel	6,6	6,8	6,9

FOOTNOTES:

(1) Includes unrealized (gains) losses resulting from the mark-to-market accounting for changes in the fair value of fuel hedging instruments. For 3Q11 and 2Q11, the Company recorded unrealized fuel hedge losses of US$19.8 million and US$15.3 million, respectively. For 3Q10, the Company recorded unrealized fuel hedge gain of US$9.1 million.

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