# JetBlue Announces Second Quarter 2003 Earnings; Low-Fare Carrier Achieves Second Quarter Operating Margin of 18.6%; Announces Tenth Consecutive Quarter of Profitability

Jul 24, 2003

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NEW YORK--(BUSINESS WIRE)--July 24, 2003--JetBlue Airways Corporation (NASDAQ: JBLU) today reported its results for the second quarter 2003:

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--  Operating revenues for the quarter totaled $244.7 million,
    representing growth of 63.9% over operating revenues of $149.3
    million in the second quarter of 2002.

--  Operating income in the quarter was $45.6 million, resulting
    in an 18.6% operating margin. This compares with operating
    income of $27.7 million and an 18.6% operating margin in the
    second quarter of 2002.

--  Net income for the quarter was $37.9 million, representing
    earnings of $0.55 per diluted share, compared with second
    quarter 2002 net income of $14.6 million, or $0.22 per diluted
    share. Net income reflects our receipt of $22.8 million in
    compensation related to the Emergency War Time Supplemental
    Appropriations Act. Net of income taxes and profit-sharing,
    this amounts to $11.5 million, or $0.17 per diluted share.
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"This was a great quarter for JetBlue," commented David Neeleman, chief executive officer. "We continued to demonstrate excellent cost control and solid operational performance in the face of strong growth."

During the second quarter of 2003, JetBlue achieved a completion factor of 99.9% of scheduled flights, identical to the second quarter of 2002. On-time performance, defined by the US Department of Transportation as arrivals within 14 minutes of schedule, was 87.4% in the second quarter of 2003 compared to 85.8% for the same period in 2002. The Company attained a load factor of 85.3%, an improvement of 1.2 points, on a capacity increase of 69.5% over the second quarter of 2002.

"Without a doubt, JetBlue's success is due to the exceptional efforts put forth by all of our great crewmembers and their focus on delivering The JetBlue Experience to our customers," said Dave Barger, president and chief operating officer.

For the second quarter 2003, operating revenues increased by 63.9% over 2002 to $244.7 million. Revenue passenger miles increased 71.9% from the second quarter of 2002 to 2.8 billion. Available seat miles grew 69.5% to 3.3 billion. Yield per passenger mile was 8.48 cents, down 4.5% compared to 2002 on a 3.7% increase in average length of haul. Operating revenue per available seat mile (RASM) decreased 3.3% year-over-year to 7.47 cents.

Operating expenses for the second quarter of 2003 were $199.1 million, up 63.8% from the second quarter of 2002. Operating expense per ASM (CASM) for the second quarter decreased 3.5% year-over-year to 6.07 cents and decreased 2.9% from the first quarter 2003. During the quarter, realized fuel price was 79 cents per gallon, a 14.6% increase over second quarter 2002 realized fuel price of 69 cents. JetBlue ended the quarter with $268 million in cash and short-term investments.

JetBlue will conduct a conference call to discuss its quarterly earnings today, July 24th, at 10:00 a.m. EDT. A live broadcast of the conference call will be available via the World Wide Web at http://investor.jetblue.com.

About JetBlue

JetBlue is a low-fare, low-cost passenger airline, which provides high-quality customer service. JetBlue operates a fleet of 45 new Airbus A320 aircraft and is scheduled to place into service another eight A320s by the end of 2003. The airline recently placed an order for 100 EMBRAER 190 aircraft with options for an additional 100. The first EMBRAER 190 is scheduled to be delivered in mid 2005. All JetBlue aircraft feature roomy all-leather seats each equipped with free live satellite television, offering up to 24 channels of DIRECTV(R) Programming at every seat. (1)

From its base at New York City's John F. Kennedy International Airport, JetBlue flies to: Fort Lauderdale, Fort Myers, Orlando, Tampa and West Palm Beach, FL; Buffalo, Rochester and Syracuse, NY; Long Beach, Oakland, Ontario, and San Diego, CA; Burlington, VT; Denver, CO; Las Vegas, NV; New Orleans, LA; Salt Lake City, UT; San Juan, Puerto Rico; and Seattle, WA. From Washington DC, the airline serves Fort Lauderdale, FL, and Long Beach and Oakland, CA. From Long Beach, CA, the airline serves Atlanta, GA, Oakland, CA, Las Vegas, NV, Fort Lauderdale, FL and Salt Lake City, UT. JetBlue is scheduled to begin service between Atlanta, GA and Oakland, CA beginning September 8.

With JetBlue, all seats are assigned, all travel is ticketless, all fares are one-way, and a Saturday night stay is never required. For more information, schedules and fares, please visit www.jetblue.com or call JetBlue reservations at 1-800-JETBLUE (538-2583). This press release, as well as past press releases, can be found on www.jetblue.com.

(1) DIRECTV(R) service is not available on flights between New York

City and San Juan, Puerto Rico.

This press release contains statements of a forward-looking nature which represent our management's beliefs and assumptions concerning future events. Forward-looking statements involve risks, uncertainties and assumptions and are based on information currently available to us. Actual results may differ materially from those expressed in the forward looking statements due to many factors, including without limitation, potential hostilities in the Middle East or other regions, our ability to implement our growth strategy and our dependence on the New York market, our fixed obligations and our limited operating history, seasonal fluctuations in our operating results, increases in maintenance costs, fuel prices and interest rates, our competitive environment, our reliance on sole suppliers, government regulation, our failure to properly integrate LiveTV or enforce its patents, our ability to hire qualified personnel, the loss of key personnel and potential problems with our workforce including work stoppages, and continuing changes in the airline industry following the September 11th terrorist attacks and the increased risk of future attacks, as well as potential risks with respect to, delivery, placing into service and integration into our operations of the EMBRAER 190 aircraft. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to, the Company's 2002 Annual Report on Form 10-K. We undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

| | Three Months Ended June 30, | | |
|---|---|---|---|
| | 2003 | 2002 | Percent Change |
| OPERATING REVENUES | | | |
| Passenger | $237,037 | $144,295 | 64.3 |
| Other | 7,664 | 5,008 | 53.0 |
| Total operating revenues | 244,701 | 149,303 | 63.9 |
| OPERATING EXPENSES | | | |
| Salaries, wages and benefits | 67,827 | 37,622 | 80.3 |
| Aircraft fuel | 32,457 | 16,983 | 91.1 |
| Sales and marketing | 14,541 | 11,785 | 23.4 |
| Landing fees and other rents | 16,309 | 9,681 | 68.5 |
| Aircraft rent | 14,907 | 10,298 | 44.8 |
| Depreciation and amortization | 11,471 | 5,695 | 101.4 |
| Maintenance materials and repairs | 5,366 | 1,506 | 256.4 |
| Other operating expenses | 36,279 | 28,026 | 29.4 |
| Total operating expenses | 199,157 | 121,596 | 63.8 |
| OPERATING INCOME | 45,544 | 27,707 | 64.4 |
| Operating margin | 18.6 % | 18.6 % | - pts. |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (6,023) | (4,725) | 27.5 |
| Capitalized interest | 1,221 | 1,435 | (14.9) |
| Interest income and other | 1,948 | 617 | 215.7 |
| Emergency War Time compensation (1) | 22,761 | - | |
| Total other income (expense) | 19,907 | (2,673) | |
| INCOME BEFORE INCOME TAXES | 65,451 | 25,034 | 161.4 |

| | | | |
|---|---|---|---|
| Income tax expense | 27,494 | 10,448 | |
| NET INCOME | $37,957 | $14,586 | 160.2 |
| EARNINGS PER COMMON SHARE: | | | |
| Basic | $0.60 | $0.27 | |
| Diluted | $0.55 | $0.22 | |
| Weighted average shares outstanding: | | | |
| Basic | 62,985 | 50,682 | |
| Diluted | 69,522 | 66,504 | |

| | Six Months Ended June 30, | | Percent |
|---|---|---|---|
| | 2003 | 2002 | Change |
| OPERATING REVENUES | | | |
| Passenger | $446,940 | $273,386 | 63.5 |
| Other | 14,891 | 9,286 | 60.4 |
| Total operating revenues | 461,831 | 282,672 | 63.4 |
| OPERATING EXPENSES | | | |
| Salaries, wages and benefits | 124,728 | 71,183 | 75.2 |
| Aircraft fuel | 68,423 | 29,967 | 128.3 |
| Sales and marketing | 25,968 | 21,635 | 20.0 |
| Landing fees and other rents | 32,597 | 19,620 | 66.1 |
| Aircraft rent | 27,986 | 19,789 | 41.4 |
| Depreciation and amortization | 21,793 | 10,407 | 109.4 |
| Maintenance materials and repairs | 8,698 | 3,411 | 155.0 |
| Other operating expenses | 71,641 | 55,575 | 28.9 |
| Total operating expenses | 381,834 | 231,587 | 64.9 |
| OPERATING INCOME | 79,997 | 51,085 | 56.6 |
| Operating margin | 17.3 | 18.1 | (0.8)pts. |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (12,217) | (8,912) | 37.1 |
| Capitalized interest | 2,242 | 2,732 | (17.9) |
| Interest income and other | 2,720 | 2,419 | 12.4 |
| Emergency War Time compensation (1) | 22,761 | - | |
| Total other income (expense) | 15,506 | (3,761) | |
| INCOME BEFORE INCOME TAXES | 95,503 | 47,324 | 101.8 |
| Income tax expense | 40,188 | 19,734 | |
| NET INCOME | $55,315 | $27,590 | 100.5 |
| EARNINGS PER COMMON SHARE: | | | |
| Basic | $0.88 | $0.78 | |
| Diluted | $0.80 | $0.44 | |

| | | |
|---|---|---|
| | ========= | ========= |
| Weighted average shares outstanding: | | |
| Basic | 62,807 | 27,578 |
| Diluted | 69,025 | 62,016 |

(1) On May 15, 2003 we received $22.8 million in compensation related to the Emergency War Time Supplemental Appropriations Act. Net of income taxes and profit-sharing, this amounts to $11.5 million, or $0.17 per diluted share for the three and six months ended June 30, 2003.

JETBLUE AIRWAYS CORPORATION

COMPARATIVE OPERATING STATISTICS

| | Three Months Ended June 30, | | Percent |
|---|---|---|---|
| | 2003 | 2002 | Change |
| Revenue passengers | 2,209,920 | 1,332,906 | 65.8 |
| Revenue passenger miles (000) | 2,795,016 | 1,625,536 | 71.9 |
| Available seat miles (000) | 3,275,219 | 1,932,113 | 69.5 |
| Load factor | 85.3 % | 84.1 % | 1.2 pts. |
| Breakeven load factor | 71.6 % | 70.9 % | 0.7 pts. |
| Aircraft utilization (hours per day) | 12.9 | 13.3 | (2.6) |
| Average fare | $107.26 | $108.26 | (0.9) |
| Yield per passenger mile (cents) | 8.48 | 8.88 | (4.5) |
| Passenger revenue per available seat mile (cents) | 7.24 | 7.47 | (3.1) |
| Operating revenue per available seat mile (cents) | 7.47 | 7.73 | (3.3) |
| Operating expense per available seat mile (cents) (2) | 6.07 | 6.29 | (3.5) |
| Departures | 16,133 | 10,090 | 59.9 |
| Average stage length (miles) | 1,253 | 1,182 | 6.0 |
| Average number of operating aircraft during period | 41.6 | 24.6 | 69.2 |
| Average fuel cost per gallon (cents) | 79.01 | 68.92 | 14.6 |
| Fuel gallons consumed (000) | 41,080 | 24,641 | 66.7 |
| Percent of sales through jetBlue.com during period | 72.5 % | 61.3 % | 11.2 pts. |
| Full-time equivalent employees at period end | | | |

| | Six Months Ended June 30, | | Percent |
|---|---|---|---|
| | 2003 | 2002 | Change |
| Revenue passengers | 4,220,537 | 2,513,823 | 67.9 |
| Revenue passenger miles (000) | 5,169,862 | 2,929,811 | 76.5 |
| Available seat miles (000) | 6,193,290 | 3,546,783 | 74.6 |
| Load factor | 83.5 % | 82.6 % | 0.9 pts. |
| Breakeven load factor | 71.2 % | 70.0 % | 1.2 pts. |
| Aircraft utilization (hours per day) | 13.0 | 13.0 | - |
| Average fare | $105.90 | $108.75 | (2.6) |
| Yield per passenger mile (cents) | 8.65 | 9.33 | (7.4) |
| Passenger revenue per available seat mile (cents) | 7.22 | 7.71 | (6.4) |
| Operating revenue per available seat mile (cents) | 7.46 | 7.97 | (6.4) |
| Operating expense per available seat mile (cents) (2) | 6.16 | 6.53 | (5.7) |

| | | | |
|---|---|---|---|
| Departures | 31,544 | 19,529 | 61.5 |
| Average stage length (miles) | 1,212 | 1,121 | 8.1 |
| Average number of operating aircraft during period | 40.2 | 23.4 | 71.6 |
| Average fuel cost per gallon (cents) | 87.80 | 65.75 | 33.5 |
| Fuel gallons consumed (000) | 77,927 | 45,575 | 71.0 |
| Percent of sales through jetBlue.com during period | 71.7 % | 58.3 % | 13.4 pts. |
| Full-time equivalent employees at period end | 4,475 | 2,642 | 69.4 |

(2) Excludes direct costs associated with LiveTV third party sales of $268,000 and $499,000 for the three and six months ended June 30, 2003, which are unrelated to our airline operations

SELECTED CONSOLIDATED BALANCE SHEET DATA
(in thousands)

| | June 30, 2003 | December 31, 2002 |
|---|---|---|
| Cash and cash equivalents | $253,525 | $246,752 |
| Total assets | 1,565,322 | 1,378,923 |
| Total debt | 758,320 | 711,931 |
| Stockholders' equity | 480,594 | 414,673 |

CONTACT: JetBlue Airways Corporation
Investor Relations
Amy Carpi, 203-656-7651
amy.carpi@jetblue.com
Corporate Communications
Gareth Edmondson-Jones, 718-709-3089
gareth.edmondson-jones@jetblue.com

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