JetBlue Announces Fourth Quarter and Full Year 2005 Results

Feb 01, 2006

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NEW YORK, Feb. 1, 2006 (PRIMEZONE) -- JetBlue Airways Corporation (Nasdaq:JBLU) today reported its results for the fourth quarter and full year 2005:

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-- Net loss for the quarter was $42.4 million, representing a
   loss per share of $0.25.  These results include $13.0 million
   in unusual charges consisting of $6.9 million in non-cash stock-
   based compensation expense related to the accelerated vesting
   of certain employee stock options and a $6.1 million charge for
   development costs related to a maintenance and inventory tracking
   system that will not be implemented.  Excluding these two unusual
   items, the reported net loss would have been $32.0 million, or a
   loss per diluted share of $0.19 in the fourth quarter.  This
   compares with fourth quarter 2004 net income of $1.5 million,
   or $0.01 per diluted share.  For the full year 2005, net loss
   totaled $20.3 million, or a $0.13 loss per share.  Excluding
   these two unusual items, the reported net loss would have been
   $9.8 million, or a loss per diluted share of $0.06 for the full
   year ended December 31, 2005, compared with net income of $46.2
   million, or $0.28 per diluted share, for the full year 2004.

-- Operating loss for the quarter was $31.5 million, resulting in
   a negative 7.1% operating margin.  Excluding the impact of the
   unusual items, the reported operating margin would have been
   negative 4.1%.  This compares to operating income of $10.8
   million and a 3.2% operating margin in the fourth quarter of 2004.
   For the full year 2005, operating income was $47.6 million,
   resulting in an operating margin of 2.8%.  Excluding the impact
   of the unusual items, operating margin for the full year 2005
   would have been 3.6%.  This compares with operating income of
   $110.9 million and an 8.8% operating margin for the full year
   2004.

-- Operating revenues for the quarter totaled $446.0 million,
   representing growth of 34.0% over operating revenues of $332.8
   million in the fourth quarter of 2004.  For the full year,
   operating revenues totaled $1.70 billion, representing growth of
   34.5% over operating revenues of $1.26 billion for the full year
   2004.
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"We are very disappointed in our performance this quarter as we continued to feel the effects of record-high fuel prices and a tough revenue environment, compounded by the impact of Hurricane Wilma and the residual effects of Hurricanes Katrina and Rita," said David Neeleman, JetBlue's Chairman and CEO. "Although we saw a 7.4% increase in revenue per available seat mile (RASM) in the face of 25% capacity growth, it was not nearly enough to offset the impact of high fuel costs."

During the fourth quarter of 2005, JetBlue achieved a completion factor of 98.9% of scheduled flights, compared to 99.9% in 2004. On-time performance, defined by the US Department of Transportation as arrivals within 14 minutes of schedule, was 70.9% in the fourth quarter of 2005 compared to 80.1% for the same period in 2004. For the full year 2005, JetBlue achieved a completion factor of 99.4%, identical to the full year 2004. On-time performance for the full year 2005 was 71.6%, compared to 81.6% for the full year 2004. The Company attained a load factor in the fourth quarter of 2005 of 81.1%, a decrease of 1.8 points on a capacity increase of 24.7% over the fourth quarter of 2004. Load factor for the full year 2005 was 85.2%, an increase of 2.0 points on a capacity increase of 25.3%.

Dave Barger, President and COO, commented, "Our crewmembers performed admirably throughout the difficult environment of 2005. Together, we successfully met the challenges of opening four new cities, connecting many others destinations across our system, adding sixteen new A320s, integrating the E190 aircraft into our fleet as well as commencing construction of our new terminal at JFK and completing construction of two new hangars in addition to our new training facility in Orlando. Looking ahead, we remain focused on improving the company's financial and operating performance."

For the fourth quarter 2005, operating revenues increased by 34.0% over 2004 to $446.0 million. Revenue passenger miles increased 22.0% from the

fourth quarter of 2004 to 5.2 billion. Yield per passenger mile was 8.16 cents, up 8.1% compared to 2004. Operating revenue per available seat mile (RASM) increased 7.4% year-over-year to 7.02 cents. Available seat miles grew 24.7% to 6.4 billion. Operating expenses for the fourth quarter were $477.5 million, up 48.3% from the fourth quarter of 2004. Operating expense per ASM (CASM) for the fourth quarter 2005 increased 18.9% year-over-year to 7.51 cents. This figure includes the impact of the two unusual items discussed above. During the quarter, realized fuel price was $1.87 per gallon, a 50.3% increase over fourth quarter 2004 realized fuel price of $1.24. Excluding fuel, CASM increased 7.9% year over year. As a result of its fuel hedging program, JetBlue realized an $11.8 million benefit in the fuel expense line in the fourth quarter and a $43.1 million benefit for the full year 2005. JetBlue ended the year with $483.8 million in cash and investment securities.

Looking ahead, for the first quarter of 2006, JetBlue expects to report a negative operating margin between 3% and 5% assuming an all in aircraft fuel cost per gallon of $1.92. For the first quarter, CASM is expected to increase between 17% and 19% over the year-ago period, at the assumed $1.92 aircraft fuel cost per gallon. Excluding fuel, CASM in the first quarter is expected to increase between 6% and 8% year over year. Capacity is expected to increase between 27% and 29% over the same period last year. For the full year 2006, JetBlue expects to report an operating margin between 2% and 4% based on an assumed aircraft fuel cost per gallon of $1.98, net of hedges. CASM for the full year is expected to increase between 10% and 12% over full year 2005, at the assumed $1.98 aircraft fuel cost per gallon. Excluding fuel, CASM in 2006 is expected to increase between 4% and 6% year over year. Capacity for the full year 2006 is expected to increase between 28% and 30% over 2005. Based on these assumptions, the company expects to report a net loss for both the first quarter and the full year 2006.

JetBlue will conduct a conference call to discuss its quarterly earnings today, February 1, at 10:00 a.m. Eastern Time. A live broadcast of the conference call will be available via the World Wide Web at http://investor.jetblue.com.

About JetBlue

JetBlue Airways is a low-fare airline based in New York City that operates 370 flights daily to 34 destinations. JetBlue offers customers roomy leather seats with 36 channels of free DIRECTV(r) (a) programming, the most live television offered by any airline. On flights longer than two hours, the airline also features a selection of first-run movies and bonus features from FOX InFlight(tm). Customers enjoy brand name snacks and beverages, including freshly brewed Dunkin' Donuts coffee and fine wines selected by JetBlue's "Low Fare Sommelier," Joshua Wesson, founder of Best Cellars. With JetBlue, all seats are assigned, all travel is ticketless, all fares are one-way and an overnight stay is never required. For information or reservations call 1-800-JETBLUE (1-800-538-2583) or visit www.jetblue.com.

(a) DIRECTV(r) service is not available on flights between JFK or Newark and Puerto Rico or the Dominican Republic; however, FOX InFlight(tm) is offered complimentary on these routes. FOX InFlight is a trademark of Twentieth Century Fox Film Corporation. JetBlue's in-flight entertainment is powered by LiveTV, a wholly owned subsidiary of JetBlue.

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, our extremely competitive industry, our ability to implement our growth strategy including the integration of the EMBRAER 190 aircraft into our operations, our significant fixed obligations, our ability to maintain our culture, our reliance on high daily aircraft utilization, increases in maintenance costs, fuel prices, insurance costs and interest rates, our dependence on the New York market, our reliance on automated systems and technology, our reliance on sole suppliers, additional government regulation and future acts of terrorism or the threat of such acts or escalation of U.S. military involvement overseas. 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 2004 Annual Report on Form 10-K/A and Quarterly Reports on Form 10-Q and 10Q/A. We undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

The JetBlue logo is available at: http://www.primezone.com/newsroom/prs/?pkgid=795

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)
(unaudited)

	Three Months Ended December 31,		Percent
	2005	2004	Change
OPERATING REVENUES			
Passenger	$ 420,958	$ 319,112	31.9
Other	25,034	13,671	83.1
Total operating revenues	445,992	332,783	34.0
OPERATING EXPENSES			
Salaries, wages and benefits (a)	115,781	89,377	29.5
Aircraft fuel	151,982	80,192	89.5
Landing fees and other rents	32,084	23,168	38.5

Depreciation and amortization	34,108	23,350	46.1
Aircraft rent	20,082	17,668	13.7
Sales and marketing	19,749	16,775	17.7
Maintenance materials and repairs	17,519	12,495	40.2
Other operating expenses (b)	86,202	58,993	46.1
Total operating expenses	477,507	322,018	48.3
OPERATING INCOME (LOSS)	(31,515)	10,765	(392.7)
Operating margin	(7.1) %	3.2 %	(10.3) pts.
OTHER INCOME (EXPENSE)			
Interest expense	(32,126)	(16,966)	89.4
Capitalized interest	4,386	3,011	45.7
Interest income and other	4,108	2,483	65.5
Total other income (expense)	(23,632)	(11,472)	
INCOME (LOSS) BEFORE INCOME TAXES	(55,147)	(707)	
Income tax expense (benefit)	(12,719)	(2,235)	
NET INCOME (LOSS)	$ (42,428)	$ 1,528	
EARNINGS (LOSS) PER COMMON SHARE:			
Basic	$ (0.25)	$ 0.01	
Diluted	$ (0.25)	$ 0.01	
Weighted average shares outstanding:			
Basic	167,532	155,953	
Diluted	167,532	166,106	

	Twelve Months Ended December 31,		Percent
	2005	2004	Change
OPERATING REVENUES			
Passenger	$1,620,611	$1,219,365	32.9
Other	80,671	45,214	78.4
Total operating revenues	1,701,282	1,264,579	34.5
OPERATING EXPENSES			
Salaries, wages and benefits (a)	427,520	337,118	26.8
Aircraft fuel	487,935	255,366	91.1
Landing fees and other rents	112,190	91,605	22.5
Depreciation and amortization	114,614	76,779	49.3
Aircraft rent	74,236	70,216	5.7
Sales and marketing	81,493	63,198	28.9
Maintenance materials and repairs	64,450	44,901	43.5
Other operating expenses (b)	291,232	214,509	35.8
Total operating expenses	1,653,670	1,153,692	43.3

OPERATING INCOME (LOSS)	47,612	110,887	(57.1)
Operating margin	2.8 %	8.8 %	(6.0) pts.
OTHER INCOME (EXPENSE)			
Interest expense	(106,512)	(53,478)	99.2
Capitalized interest	15,910	8,874	79.3
Interest income and other	19,169	8,483	126.0
Total other income (expense)	(71,433)	(36,121)	
INCOME (LOSS) BEFORE INCOME TAXES	(23,821)	74,766	
Income tax expense (benefit)	(3,559)	28,532	
NET INCOME (LOSS)	$ (20,262)	$ 46,234	
EARNINGS (LOSS) PER COMMON SHARE:			
Basic	$ (0.13)	$ 0.30	
Diluted	$ (0.13)	$ 0.28	
Weighted average shares outstanding:			
Basic	159,889	154,769	
Diluted	159,889	166,214	

JETBLUE AIRWAYS CORPORATION

COMPARATIVE OPERATING STATISTICS

	Three Months Ended December 31,		Percent
	2005	2004	Change
Revenue passengers	3,850,507	3,178,517	21.1
Revenue passenger miles (000)	5,157,019	4,226,616	22.0
Available seat miles (000)	6,356,379	5,095,656	24.7
Load factor	81.1 %	82.9 %	(1.8) pts.
Breakeven load factor (c)	91.0 %	82.7 %	8.3 pts.
Aircraft utilization (hours per day)	13.1	13.2	(0.3)
Average fare	$ 109.33	$ 100.40	8.9
Yield per passenger mile (cents)	8.16	7.55	8.1
Passenger revenue per available seat mile (cents)	6.62	6.26	5.8
Operating revenue per available seat mile (cents)	7.02	6.53	7.4
Operating expense per available seat mile (cents)	7.51	6.32	18.9
Operating expense per available seat mile, excluding fuel (cents)	5.12	4.75	7.9
Airline expense per available seat mile (cents) (c)	7.43	6.24	19.0
Departures	30,886	24,649	25.3
Average stage length (miles)	1,324	1,325	(0.1)
Average number of operating aircraft during period	85.5	66.5	28.6
Average fuel cost per gallon	$ 1.87	$ 1.24	50.3

Fuel gallons consumed (000)	81,355	64,526	26.1
Percent of sales through jetBlue.com during period	78.6 %	74.7 %	3.9 pts.

	Twelve Months Ended December 31,		Percent
	2005	2004	Change
Revenue passengers	14,729,066	11,782,625	25.0
Revenue passenger miles (000)	20,200,057	15,730,302	28.4
Available seat miles (000)	23,703,094	18,911,051	25.3
Load factor	85.2 %	83.2 %	2.0 pts.
Breakeven load factor (c)	86.1 %	77.9 %	8.2 pts.
Aircraft utilization (hours per day)	13.4	13.4	--
Average fare	$ 110.03	$ 103.49	6.3
Yield per passenger mile (cents)	8.02	7.75	3.5
Passenger revenue per available seat mile (cents)	6.84	6.45	6.0
Operating revenue per available seat mile (cents)	7.18	6.69	7.3
Operating expense per available seat mile (cents)	6.98	6.10	14.4
Operating expense per available seat mile, excluding fuel (cents)	4.92	4.75	3.5
Airline expense per available seat mile (cents) (c)	6.91	6.04	14.4
Departures	112,009	90,532	23.7
Average stage length (miles)	1,358	1,339	1.4
Average number of operating aircraft during period	77.5	60.6	28.0
Average fuel cost per gallon	$ 1.61	$ 1.06	52.0
Fuel gallons consumed (000)	303,035	241,087	25.7
Percent of sales through jetBlue.com during period	77.5 %	75.4 %	2.1 pts.
Full-time equivalent employees at period end (c)	8,326	6,413	29.8

SELECTED CONSOLIDATED BALANCE SHEET DATA
(in thousands)

	December 31, 2005	December 31, 2004
Cash, cash equivalents and investment securities	$ 483,778	$ 449,162
Total assets	3,892,363	2,796,670
Total debt	2,325,704	1,544,812
Stockholders' equity	911,175	754,123

JETBLUE AIRWAYS CORPORATION

NON-GAAP FINANCIAL MEASURES (d)

	Three Months Ended December 31, 2005		Twelve Months Ended December 31, 2005	
	$	Diluted EPS	$	Diluted EPS
	(thousands)		(thousands)	
Net loss excluding unusual items				
Net loss as reported	$ (42,428)	$ (0.25)	$ (20,262)	$ (0.13)

Less: unusual items, net of tax				
Acceleration of stock option vesting	6,792	0.04	6,792	0.04
Write-off of software development costs	3,679	0.02	3,679	0.03
Net loss excluding unusual items	$ (31,957)	$ (0.19)	$ (9,791)	$ (0.06)

	$ (thousands)	CASM (cents)	$ (thousands)	CASM (cents)
Operating expenses excluding unusual items				
Operating expenses as reported	$ 477,507	7.51	$ 1,653,670	6.98
Less: unusual items				
Acceleration of stock option vesting	(6,943)	(0.11)	(6,943)	(0.03)
Write-off of software development costs	(6,099)	(0.09)	(6,099)	(0.03)
	(13,042)	(0.20)	(13,042)	(0.06)
Operating expenses, excluding unusual items	$ 464,465	7.31	$ 1,640,628	6.92
Operating margin excluding unusual items	(4.1) %		3.6 %	

	$ (thousands)	CASM (cents)	$ (thousands)	CASM (cents)
Fuel neutral operating expenses excluding unusual items				
Operating expenses as reported	$ 477,507	7.51	$ 1,653,670	6.98
Less: Unusual items	(13,042)	(0.20)	(13,042)	(0.06)
Reported Aircraft Fuel	(151,982)	(2.39)	(487,935)	(2.06)
Add: Aircraft fuel at prior period cost per gallon	101,106	1.59	320,982	1.36
Profit sharing impact of lower fuel expense	4,058	0.06	21,470	0.09
Fuel neutral operating expenses excluding unusual items	$ 417,647	6.57	$ 1,495,145	6.31
Fuel neutral operating margin excluding unusual items	6.4 %		12.1 %	

(a) In the fourth quarter of 2005, we recorded $6.9 million in non-cash stock-based compensation expense related to the accelerated vesting of certain employee stock

(b) In the fourth quarter of 2005, we recorded a $6.1 million charge for development costs related to a maintenance and inventory tracking system that will not be implemented.

(c) Excludes operating expenses and employees of LiveTV, LLC, which are unrelated to our airline operations

(d) In management's view, it is useful for investors to consider separately the impact of certain unusual items on the fourth quarter and full year operating results, specifically our acceleration of stock option vesting and the write-off of software development costs, in order to facilitate investors' understanding of some of the key reasons for period-to-period fluctuations in our operating results and to distinguish between those reasons that relate to our ongoing operations and those that are unusual in nature.

Management also believes that comparative analysis of period-to-period operating results can be enhanced by also excluding the significant volatility in the price of aircraft fuel, which is subject to many economic and political factors that are beyond our control. We believe that the presentation of fuel neutral CASM and operating margin non-GAAP financial measures is useful to management and investors because it is more indicative of our ability to manage costs and also assists in understanding the significant impact that fuel prices have had on our operations, along with the two unusual items noted above.

Investors should consider these non-GAAP financial measures in addition to, and not as a substitute for, our financial performance measures prepared in accordance with GAAP.

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