JetBlue Announces Proposed Offerings of 20,000,000 Shares of Common Stock and $150 Million of Convertible Debentures

Jun 02, 2009

JetBlue Announces Proposed Offerings of 20,000,000 Shares of Common Stock and $150 Million of Convertible Debentures
NEW YORK, June 2 /PRNewswire-FirstCall/ -- JetBlue Airways Corporation (Nasdaq: JBLU) announced today that it intends to make concurrent offerings, subject to market conditions, of 20,000,000 shares of common stock and $150 million aggregate principal amount of convertible debentures, which are to be divided into two series, each with an aggregate principal amount of $75 million and maturing in 2039 (but subject to earlier repurchase or redemption). JetBlue intends to grant the underwriters of the common stock and the debentures a 30-day over-allotment option to purchase up to an additional 3,000,000 shares of common stock and up to an additional $11.25 million principal amount of the debentures of each series. In connection with the common stock offering, in order to maintain Deutsche Lufthansa AG's current ownership position in JetBlue, the underwriter would reserve up to 15.6% of the offered shares for sale to Lufthansa, and Lufthansa would have an option to purchase up to 15.6% of the over-allotment shares from JetBlue, depending on the extent to which the underwriter exercises its over-allotment option.

The debentures of each series will be convertible into JetBlue common stock at the option of their holders. The interest rate, conversion rate, conversion price, offering price and other terms of the debentures of each series will be determined at the time of pricing of the offering. The debentures will be general senior obligations of JetBlue. Neither of these offerings is contingent upon the consummation of the other offering.

JetBlue intends to use the proceeds from the offerings for general corporate purposes.

Morgan Stanley & Co. Incorporated is acting as the sole book-running manager for both offerings, with Goldman, Sachs & Co. and J.P. Morgan Securities Inc. acting as co-managers for the debenture offering.

Registration statements relating to the debentures and common stock described above have been filed with the Securities and Exchange Commission. This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

JetBlue has filed a registration statement (including a prospectus) with the SEC for the offerings to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the related preliminary prospectus supplement and other documents that JetBlue has filed with the SEC for more complete information about JetBlue and these offerings. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov. You may also obtain documents relating to either the common stock offering or the debenture offering by contacting Morgan Stanley & Co. Incorporated (Morgan Stanley & Co. Incorporated, Attn: Prospectus Dept., 180 Varick Street, 2nd Floor, New York, New York 10014, e-mail: prospectus@morganstanley.com, telephone: (866) 718-1649).

About JetBlue

New York-based JetBlue Airways has created a new airline category based on value, service and style. Known for its award-winning service and free TV as much as its low fares, JetBlue is now pleased to offer customers Lots of Legroom and super-spacious Even More Legroom seats. JetBlue introduced complimentary in-flight e-mail and instant messaging services on aircraft "BetaBlue," a first among U.S. domestic airlines. JetBlue is also America's first and only airline to offer its own Customer Bill of Rights, with meaningful and specific compensation for customers inconvenienced by service disruptions within JetBlue's control. JetBlue currently serves 55 cities with 600 daily flights. New service begins to Los Angeles International Airport on June 17 and to Baltimore on September 9. The airline also intends to commence service to Barbados and Saint Lucia in October, subject to receipts of government operating authority. With JetBlue, all seats are assigned, all travel is ticketless, all fares are one-way, and an overnight stay is never required.

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; volatility in financial and credit markets which could affect our ability to obtain debt and/or lease financing or to raise funds through debt or equity issuances; increases in fuel prices, maintenance costs and interest rates; our ability to implement our growth strategy, including the ability to operate reliably the EMBRAER 190 aircraft and our new terminal at JFK; our significant fixed obligations; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on high daily aircraft utilization; our dependence on the New York metropolitan market; our reliance on automated systems and technology; our sensitivity to potential unionization; our reliance on a limited number of suppliers; changes in or additional government regulation; changes in our industry due to other airlines' financial condition; a continuance of the economic recessionary conditions in the U.S. or a further economic downturn leading to a continuing or accelerated decrease in demand for domestic and business air travel; and external geopolitical events and conditions. Further information concerning these and other factors is contained in JetBlue's SEC filings, including but not limited to, JetBlue's

2008 Annual Report on Form 10-K, Current Report on Form 8-K as filed on June 1, 2009 and Quarterly Reports on Form 10-Q. We undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

Powered by SITECORE