JetBlue Provides Update Related the Coronavirus Aid, Relief and Economic Security (CARES) Act

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NEW YORK--(BUSINESS WIRE)-- JetBlue (NASDAQ: JBLU) today issued the following message to its 23,000 crewmembers:

Dear Crewmembers –

As the coronavirus crisis deepens, so too does its impact on our business. If anyone tells you that they've seen anything like this before – don't believe them. We've shared with you in the past weeks the unprecedented decline in demand for travel, and the situation continues to deteriorate. The numbers are staggering:

- Just **7,000** Customers are likely to fly us each day in April and possibly May, compared to the **120,000** we would typically expect.
- Last year on a typical day in April, we took in about **$22 million** from bookings and ancillary fees. This is now just **$1 million** per day (and another $2 million per day is being issued in cash refunds, pushing us into negative territory). Additionally, we are still issuing $11 million per day of travel bank credits for canceled bookings.
- We are spending far more on running the airline than we are making in revenue and, as a result, we are burning through **over $10 million** of our savings each day. Despite our position of financial strength, this is simply not sustainable. We are leaving no stone unturned, cutting pay for officers (VPs and above), introducing voluntary time off programs, reducing capacity, re-negotiating Business Partners agreements, and stopping or pausing 75% of our major infrastructure, technology and real estate projects.

We are by no means alone in the pressures we are facing; it is clear that without government assistance, or mass furloughing and restructuring, that many of the world's airlines could fail.

Taking action by reducing our network, parking our fleet

Preserving cash is our top priority and we've had to make decisions we never dreamed we'd make. We must continue to make sacrifices where needed so that we can emerge from this unprecedented challenge.

- **70% April schedule reduction:** We've reduced our April schedule by at least 70%.
- **Parking over 100 aircraft:** Just a few weeks ago, we couldn't get new aircraft fast enough to hit our growth plans. Now, we are taking steps to sit down the aircraft we have. This month, we will park over 100 in the Arizona desert and at BlueCities around the country.

Payroll support for Crewmembers

Last Friday I shared some very good news about the CARES Act, which sets aside $25 billion in payroll support for airline employees through Sept. 30, 2020. In the week since the law was signed, our nation's leaders have moved with incredible speed to start the process of getting that money into the hands of Crewmembers. I want to again thank President Trump, his administration, and Congress – especially our very own Senator Schumer – for their bipartisan support.

Today we submitted our application for payroll support funds to the Treasury department and we now enter negotiations with the U.S. Government. I hope things can move quickly, and we are available this weekend so we can conclude an agreement next week, as time is of the essence. For reasons I am sure you understand we won't be commenting while we are in these discussions. We may not get enough to cover pay and benefits at the level you see when we are flying at full capacity. Also, as a growth carrier, we have a disadvantage as the funds are based on last year's payroll costs. With fewer hours for everyone to work and far fewer flights, total pay is likely to go down for both salary and hourly Crewmembers. The good news is this law keeps paychecks coming and it buys us time. Securing jobs, even at reduced total pay, is my priority right now.

Every dollar of the payroll assistance funds will be passed to Crewmembers, with the exception of JetBlue Officers who will not be funded by the Government and the leadership team have all taken significant pay cuts. We are in this together. The government is providing these funds as recognition to us to make sure we are in position to serve the flying public, support the country, and kickstart the economy again when the crisis is over.

Even if we get the payroll support, we still need to raise additional money to pay our other operating expenses. We will be talking to the government and other lenders in the coming weeks. We have thoughtfully managed our finances over the past 10 years, and thankfully we now own many aircraft and other assets we can borrow money against.

One requirement of accepting payroll support is that we continue to provide a reasonable level of service across our domestic network. With dramatically fewer Customers, we have to take a hard look at our schedule to meet those requirements while also pulling down further flying. We expect more clarity on this from the Department of Transportation soon.

Inspiring Humanity and looking ahead

I take great pride in knowing that we can help others even when we need a little help ourselves. Customers choosing to fly during this difficult time are, for the most part, doing so because they need to, not because they want to. With our mission to Inspire Humanity in mind, we are transporting medical professionals and supplies to the places where they are needed, and helping get students home.

While every day right now feels endless, this will not last forever. We are already thinking about what the world will look like when we come out of this. Just like after 9/11, some things will go back to normal and others will change for good and we need to prepare for that. With our incredible team, disruptive brand, low fares, and low-cost structure, I think JetBlue can do some great things in this new reality.

I'd like to end this update on a personal note. So many of you have reached out to me and I feel terrible I have not been able to personally get back to everyone like I normally do. I want you to know that I've read your comments and suggestions and have shared the themes with the right leaders. I know it is a scary time. The multiple stresses of work, finances, and personal health can take a toll. Take care of each other, and don't hesitate to reach out to your leader if you need support. Thanks for all you're doing. We will get through this.

Best wishes,

Robin Hayes
Chief Executive Officer

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