Investor Update: January 28, 2016

This investor update provides JetBlue's investor guidance for the first quarter ending March 31, 2016 and full year 2016. The guidance provided below does not include the impact of Winter Storm Jonas, which caused over 900 flight cancellations to our schedule within the last week.

Recent Announcements

JetBlue has recently announced service between the following city pairs:

City Pair	Frequency	Start Date
Fort Lauderdale (FLL) – Barbados (BGI) (*)	1x Daily	April 28, 2016
Fort Lauderdale (FLL) – Aguadilla (BQN)	1x Daily	May 5, 2016
Boston (BOS) – Salt Lake City (SLC)	1x Daily	May 12, 2016
Fort Lauderdale (FLL) – San Diego (SAN)	1x Daily	June 16, 2016

(*) subject to Government approval

Capacity

Full year 2016 ASMs are estimated to increase 8.5% to 10.5% year-over-year, with a higher growth rate in the first half of the year. First quarter 2016 available seat miles (ASMs) are estimated to increase 14.0% to 16.0% year-over-year. Severe winter weather caused significant flight cancellations in the first quarter of 2015, which increases JetBlue's 2016 capacity growth rate compared to a scheduled versus scheduled basis by about 2.5% in the first quarter and 0.5% for the full year.

Year-over-year capacity growth rate

First Quarter 2016			Full Year 2016		
Scheduled (**)	Planned (***)	Difference	Scheduled (**)	Planned (***)	Difference
12.3%	14.0-16.0%	1.7-3.7%	-	8.5-10.5%	~0.5%

(**) Based on Diio Mi Data as of January 18, 2016. JetBlue has published its flight schedule until Sep 6, 2016.
(***) Planned capacity uses actual data for 2015 and the Jan 1-Jan 15 2016 period, and forecast for the remainder of 2016

JetBlue estimates the following distribution as a percentage of total ASMs by aircraft type:

First Quarter 2016				Full Year 2016			
A320	A321 All-Core	A321 Mint	E190	A320	A321 All-Core	A321 Mint	E190
68.4%	10.4%	7.8%	13.4%	67.7%	10.3%	9.3%	12.7%

Average stage length is projected to increase year-over-year by approximately 1% both in the first quarter and the full year 2016.

Operational Outlook

	First Quarter 2016	Full Year 2016
Operating Expense Year-Over-Year Percentage Change		
Unit Operating Expense Excluding Fuel and Profit Sharing (CASM Ex-Fuel and Profit Sharing)	(2.0) - 0.0%	0.0 - 2.0%

	First Quarter 2016	Full Year 2016
Fuel Expense		
Estimated Consumption (gallons)	186 million	764 million
Estimated Fuel Price per Gallon, Net of Hedges [1]	**$1.12**[2]	

[1]Includes fuel taxes.
[2]JetBlue utilizes the forward Brent crude curve and the forward Brent crude to heating oil crack spread to calculate the unhedged portion of its prompt quarter. As of January 15, 2016, the forward Brent crude per barrel price was $30 and the crack spread averaged $10 per barrel for the First quarter of 2016

Fuel Hedges

As of January 15, 2016 JetBlue's advanced fuel derivative contracts are as follows:

	Gallons	Estimated Percentage of Consumption	Price
1Q16	-	-	
2Q16	-	-	
3Q16	19 million	10%	•10% in USGC jet fuel swaps at an average of $1.30/gal
4Q16	19 million	10%	•10% in USGC jet fuel swaps at an average of $1.34/gal

Other Income (Expense)

JetBlue estimates total Other Income (Expense) to be between ($25) and ($30) million in the first quarter and between ($105) and ($115) million for the full year.

Tax Rate

JetBlue expects an effective annual tax rate of approximately 39%. However, the actual tax rate in the first quarter and full year 2016 could differ due to a number of factors.

Capital Expenditures

(In millions)

First Quarter 2016				Full Year 2016		
Aircraft	Non-aircraft	Total		Aircraft	Non-aircraft	Total
$190	$40 – $50	$230 – $240		$670 – $720	$150 – $200	$820 – $920

Aircraft Delivery Schedule

As of December 31, 2015 JetBlue's fleet comprised 130 Airbus A320 aircraft, 14 Airbus A321 All-Core aircraft, 11 Airbus A321 Mint aircraft, and 60 EMBRAER 190 aircraft. 91 aircraft were on order from Airbus and 24 aircraft were on order from Embraer.

	Airbus A320			Airbus A321			EMBRAER 190		
	Aircraft	Mortgage	Lease	Aircraft	Mortgage	Lease	Aircraft	Mortgage	Lease
1Q16	-	-	-	3	-	-	-	-	-
2Q16	-	-	-	1	-	-	-	-	-
3Q16	-	-	-	3	-	-	-	-	-
4Q16	-	-	-	3	-	-	-	-	-
Total at Year End	130	45	24	35	8	0	60	30	30

Cabin Restyling Program

The program is expected to generate $100 million of annual incremental operating income upon completion.

Fleet Type	Seat Count per Aircraft			Number of Aircraft Impacted	Timeline
	Current	After Restyling	Difference		
A320	150	162	+12	~130 retrofits	Retrofit starting at the beginning of 2017 Completion expected in 2019
A321 All-Core	190	200	+10	15 retrofits 3 new deliveries in 2016 All new deliveries beyond	New Deliveries starting in July 2016. Retrofit starting in the third quarter of 2016. Completion expected by the end of 2016
A321 Mint	16 Mint 143 Core	16 Mint 143 Core	-	-	Not part of the program
E190	100	100	-	-	Not part of the program

Historical Revenue Performance
(year-over-year unit revenue growth)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	PRASM	RASM	PRASM	RASM	PRASM	RASM	PRASM	RASM
2014	0.9%	1.1%	6.0%	5.6%	2.4%	1.4%	(0.1)%	(1.0)%
2015	4.5%	3.0%	1.4%	0.4%	(0.6)%	0.0%	(1.9)%	(0.2)%

Share Count
Share count estimates for calculating basic and diluted earnings per share are as follows:

	First Quarter 2016		
Net Income Range	Basic Share Count (in millions)	Diluted Share Count (in millions)	Interest Add-back (in millions)*
Zero - $10 million	321.6	324.1	$-
$10 million or greater	321.6	341.7	$1

	Full Year 2016		
Net Income Range	Basic Share Count (in millions)	Diluted Share Count (in millions)	Interest Add-back (in millions)*
Zero - $23 million	327.1	329.3	$-
$23 million or greater	327.1	342.9	$1

* Net of taxes

These share count estimates assume 20% annual stock price appreciation and that all of the holders of the 6.75% convertible debentures due 2039 (Series B) will be converted to shares during the fourth quarter of 2016. These share count estimates do not include any share repurchases that may occur throughout 2016 under JetBlue's share buyback program. The number of shares used in JetBlue's actual earnings per share will likely be different than those stated above.

This Investor Update contains statements of a forward-looking nature which represent our management's beliefs and assumptions concerning future events. When used in this document, the words “expects,” “plans,” “anticipates,” “indicates,” “believes,” “forecast,” “guidance,” “outlook,” “may,” “will,” “should,” “seeks,” “targets” and similar expressions are intended to identify forward-looking statements. 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; volatility in fuel prices, maintenance costs and interest rates; our ability to implement our growth strategy; our significant fixed obligations and substantial indebtedness; 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 and the effect of increased congestion in this market; our reliance on automated systems and technology; our being subject to potential unionization, work stoppages, slowdowns or increased labor costs; our reliance on a limited number of suppliers; our presence in some international emerging markets that may experience political or economic instability or may subject us to legal risk; reputational and business risk from information security breaches; changes in or additional government regulation; changes in our industry due to other airlines' financial condition; global economic conditions, or an economic downturn leading to a continuing or accelerated decrease in demand for domestic and business air travel; the spread of infectious diseases; and external geopolitical events and conditions. Further 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 2014 Annual Report on Form 10-K and 2015 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.