

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 000-49728



JETBLUE AIRWAYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

87-0617894

(State of Other Jurisdiction of Incorporation)

(I.R.S. Employer Identification No.)

27-01 Queens Plaza North

Long Island City

New York

11101

(Address of principal executive offices)

(Zip Code)

(718) 286-7900

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year,
if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	JBLU	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2019, there were 296,266,931 shares outstanding of the registrant's common stock, par value \$0.01.

JETBLUE AIRWAYS CORPORATION
FORM 10-Q
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(unaudited, in millions, except per share data)

	June 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 461	\$ 474
Investment securities	448	413
Receivables, less allowance (2019-\$2; 2018-\$1)	282	211
Inventories, less allowance (2019-\$20; 2018-\$18)	85	78
Prepaid expenses and other	193	212
Total current assets	1,469	1,388
PROPERTY AND EQUIPMENT		
Flight equipment	9,814	9,525
Predelivery deposits for flight equipment	408	293
Total flight equipment and predelivery deposits, gross	10,222	9,818
Less accumulated depreciation	2,609	2,448
Total flight equipment and predelivery deposits, net	7,613	7,370
Other property and equipment	1,102	1,074
Less accumulated depreciation	494	461
Total other property and equipment, net	608	613
Total property and equipment	8,221	7,983
OPERATING LEASE ASSETS	998	1,056
OTHER ASSETS		
Investment securities	4	3
Restricted cash	61	59
Other	483	470
Total other assets	548	532
TOTAL ASSETS	\$ 11,236	\$ 10,959

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(unaudited, in millions, except per share data)

	June 30, 2019	December 31, 2018
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 504	\$ 437
Air traffic liability	1,290	1,035
Accrued salaries, wages and benefits	335	313
Other accrued liabilities	352	298
Current operating lease liabilities	133	133
Current maturities of long-term debt and finance leases	275	309
Total current liabilities	2,889	2,525
LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS	1,217	1,361
LONG-TERM OPERATING LEASE LIABILITIES	753	798
DEFERRED TAXES AND OTHER LIABILITIES		
Deferred income taxes	1,158	1,112
Air traffic liability - loyalty non-current	470	447
Other	52	31
Total deferred taxes and other liabilities	1,680	1,590
COMMITMENTS AND CONTINGENCIES (Note 7)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 25 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 900 shares authorized, 425 and 422 shares issued and 296 and 306 shares outstanding at June 30, 2019 and December 31, 2018, respectively	4	4
Treasury stock, at cost; 129 and 116 shares at June 30, 2019 and December 31, 2018, respectively	(1,503)	(1,272)
Additional paid-in capital	2,221	2,203
Retained earnings	3,974	3,753
Accumulated other comprehensive income (loss)	1	(3)
Total stockholders' equity	4,697	4,685
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 11,236	\$ 10,959

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
OPERATING REVENUES				
Passenger	\$ 2,031	\$ 1,858	\$ 3,833	\$ 3,549
Other	74	70	144	133
Total operating revenues	2,105	1,928	3,977	3,682
OPERATING EXPENSES				
Aircraft fuel and related taxes	484	491	921	908
Salaries, wages and benefits	576	486	1,151	985
Landing fees and other rents	121	122	237	230
Depreciation and amortization	127	114	251	226
Aircraft rent	25	24	50	48
Sales and marketing	75	75	141	142
Maintenance materials and repairs	168	188	324	329
Other operating expenses	277	261	563	522
Special items	2	319	14	319
Total operating expenses	1,855	2,080	3,652	3,709
OPERATING INCOME (LOSS)	250	(152)	325	(27)
OTHER INCOME (EXPENSE)				
Interest expense	(19)	(16)	(38)	(32)
Capitalized interest	3	3	6	5
Interest income and other	2	3	1	5
Total other income (expense)	(14)	(10)	(31)	(22)
INCOME (LOSS) BEFORE INCOME TAXES	236	(162)	294	(49)
Income tax expense (benefit)	57	(41)	73	(18)
NET INCOME (LOSS)	\$ 179	\$ (121)	\$ 221	\$ (31)
EARNINGS PER COMMON SHARE:				
Basic	\$ 0.60	\$ (0.39)	\$ 0.73	\$ (0.10)
Diluted	\$ 0.59	\$ (0.39)	\$ 0.73	\$ (0.10)

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in millions)

	Three Months Ended June 30,	
	2019	2018
NET INCOME (LOSS)	\$ 179	\$ (121)
Changes in fair value of derivative instruments, net of reclassifications into earnings (net of tax benefit/(expense) of \$1 and \$0 in 2019 and 2018, respectively)	2	—
Total other comprehensive income	2	—
COMPREHENSIVE INCOME (LOSS)	\$ 181	\$ (121)
	Six Months Ended June 30,	
	2019	2018
NET INCOME (LOSS)	\$ 221	\$ (31)
Changes in fair value of derivative instruments, net of reclassifications into earnings (net of tax benefit/(expense) of \$1 and \$0 in 2019 and 2018, respectively)	4	—
Total other comprehensive income	4	—
COMPREHENSIVE INCOME (LOSS)	\$ 225	\$ (31)

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Six Months Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 221	\$ (31)
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	46	(36)
Depreciation	229	205
Amortization	22	21
Stock-based compensation	17	14
Impairment of long-lived assets	—	319
Changes in certain operating assets and liabilities	430	233
Other, net	3	(3)
Net cash provided by operating activities	968	722
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(328)	(368)
Predelivery deposits for flight equipment	(142)	(38)
Purchase of held-to-maturity investments	(289)	(175)
Proceeds from the maturities of held-to-maturity investments	250	211
Purchase of available-for-sale securities	(609)	(210)
Proceeds from the sale of available-for-sale securities	545	250
Other, net	5	(11)
Net cash used in investing activities	(568)	(341)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	27	24
Proceeds from issuance of long-term debt	—	279
Repayment of long-term debt and finance lease obligations	(182)	(124)
Acquisition of treasury stock	(256)	(257)
Net cash used in financing activities	(411)	(78)
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(11)	303
Cash, cash equivalents and restricted cash at beginning of period	533	359
Cash, cash equivalents and restricted cash at end of period ⁽¹⁾	\$ 522	\$ 662

SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments for interest (net of amount capitalized)	\$ 33	\$ 26
Cash payments for income taxes (net of refunds)	(88)	10

(1) Reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets:

	June 30, 2019	June 30, 2018
Cash and cash equivalents	\$ 461	\$ 603
Restricted cash	61	59
Total cash, cash equivalents and restricted cash	\$ 522	\$ 662

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited, in millions)

	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at March 31, 2019	423	\$ 4	122	\$ (1,377)	\$ 2,186	\$ 3,795	\$ (1)	\$ 4,607
Net income	—	—	—	—	—	179	—	179
Other comprehensive income	—	—	—	—	—	—	2	2
Vesting of restricted stock units	—	—	—	(1)	—	—	—	(1)
Stock compensation expense	—	—	—	—	8	—	—	8
Stock issued under Crewmember stock purchase plan	2	—	—	—	27	—	—	27
Shares repurchased	—	—	7	(125)	—	—	—	(125)
Balance at June 30, 2019	425	\$ 4	129	\$ (1,503)	\$ 2,221	\$ 3,974	\$ 1	\$ 4,697

	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at March 31, 2018	419	\$ 4	103	\$ (1,021)	\$ 2,134	\$ 3,654	\$ —	\$ 4,771
Net (loss)	—	—	—	—	—	(121)	—	(121)
Other comprehensive income	—	—	—	—	—	—	—	—
Vesting of restricted stock units	—	—	—	(1)	—	—	—	(1)
Stock compensation expense	—	—	—	—	6	—	—	6
Stock issued under Crewmember stock purchase plan	2	—	—	—	24	—	—	24
Shares repurchased	—	—	5	(100)	(25)	—	—	(125)
Balance at June 30, 2018	421	\$ 4	108	\$ (1,122)	\$ 2,139	\$ 3,533	\$ —	\$ 4,554

	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2018	422	\$ 4	116	\$ (1,272)	\$ 2,203	\$ 3,753	\$ (3)	\$ 4,685
Net income	—	—	—	—	—	221	—	221
Other comprehensive income	—	—	—	—	—	—	4	4
Vesting of restricted stock units	1	—	—	(6)	—	—	—	(6)
Stock compensation expense	—	—	—	—	17	—	—	17
Stock issued under Crewmember stock purchase plan	2	—	—	—	26	—	—	26
Shares repurchased	—	—	13	(225)	(25)	—	—	(250)
Balance at June 30, 2019	425	\$ 4	129	\$ (1,503)	\$ 2,221	\$ 3,974	\$ 1	\$ 4,697

	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2017	418	\$ 4	97	\$ (890)	\$ 2,127	\$ 3,564	\$ —	\$ 4,805
Net (loss)	—	—	—	—	—	(31)	—	(31)
Other comprehensive income	—	—	—	—	—	—	—	—
Vesting of restricted stock units	1	—	—	(7)	—	—	—	(7)
Stock compensation expense	—	—	—	—	14	—	—	14
Stock issued under Crewmember stock purchase plan	2	—	—	—	23	—	—	23
Shares repurchased	—	—	11	(225)	(25)	—	—	(250)

Balance at June 30, 2018

<u>421</u>	<u>\$</u>	<u>4</u>	<u>108</u>	<u>\$</u>	<u>(1,122)</u>	<u>\$</u>	<u>2,139</u>	<u>\$</u>	<u>3,533</u>	<u>\$</u>	<u>—</u>	<u>\$</u>	<u>4,554</u>
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See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1—Summary of Significant Accounting Policies

Basis of Presentation

JetBlue Airways Corporation, or JetBlue, provides air transportation services across the United States, the Caribbean and Latin America. Our condensed consolidated financial statements include the accounts of JetBlue and our subsidiaries which are collectively referred to as “we” or the “Company”. All majority-owned subsidiaries are consolidated on a line by line basis, with all intercompany transactions and balances being eliminated. These condensed consolidated financial statements and related notes should be read in conjunction with our 2018 audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, or our 2018 Form 10-K.

These condensed consolidated financial statements are unaudited and have been prepared by us following the rules and regulations of the U.S. Securities and Exchange Commission, or the SEC. In our opinion they reflect all adjustments, including normal recurring items, that are necessary to present fairly the results for interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the U.S., or GAAP, have been condensed or omitted as permitted by such rules and regulations; however, we believe that the disclosures are adequate to make the information presented not misleading.

Due to seasonal variations in the demand for air travel, the volatility of aircraft fuel prices and other factors, our operating results for the periods presented herein are not necessarily indicative of the results that may be expected for other interim periods or the entire fiscal year. We recast financial information previously filed under Accounting Standards Codification (ASC), or the Codification, Topic 840, *Leases* for the periods presented to reflect the modified retrospective method of transition to Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* of the Codification. Refer to Note 4 to our consolidated financial statements for more information.

Investment Securities

Investment securities consist of available-for-sale investment securities and held-to-maturity investment securities. We use a specific identification method to determine the cost of the securities when they are sold.

Held-to-maturity investment securities. The contractual maturities of the held-to-maturity investments we held as of June 30, 2019 were not greater than 24 months. We did not record any significant gains or losses on these securities during the three and six months ended June 30, 2019 or 2018. The estimated fair value of these investments approximated their carrying value as of June 30, 2019 and December 31, 2018, respectively.

The carrying values of investment securities consisted of the following at June 30, 2019 and December 31, 2018 (in millions):

	June 30, 2019	December 31, 2018
Available-for-sale securities		
Time deposits	\$ 290	\$ 190
U.S. Treasury	—	39
Debt securities	7	7
Total available-for-sale securities	297	236
Held-to-maturity securities		
U.S. Treasury	155	180
Total investment securities	\$ 452	\$ 416

Other Investments

Our wholly-owned subsidiary, JetBlue Technology Ventures, LLC, or JTV, has equity investments in emerging companies which do not have readily determinable fair values. In accordance with ASU 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, we account for these investments using a measurement alternative which allows entities to measure these investments at cost, less any impairment, adjusted for changes from observable price changes in orderly transactions for identifiable or similar investments of the same issuer. The carrying amount of these investments were \$26 million and \$25 million as of June 30, 2019 and December 31, 2018, respectively.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board, or FASB, issued ASU 2016-02, *Leases (Topic 842)* of the Codification, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Targeted Improvements*; ASU 2018-20, *Narrow-Scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. Under the new standard, a lessee will recognize liabilities on the balance sheet, initially measured at the present value of the lease payments, and right-of-use (ROU) assets representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less at the commencement date, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities. The new standard also eliminates the build-to-suit lease accounting guidance which results in the derecognition of build-to-suit assets and liabilities that remained on the balance sheet after the end of the construction period.

We adopted the requirements of ASU 2016-02 as of January 1, 2019, utilizing the modified retrospective method of transition for all leases existing at or commencing after the date of initial application. We recorded a \$58 million cumulative adjustment to retained earnings as of January 1, 2017, the beginning of the retrospective reporting period, for the impact of the new accounting standard. The adjustment to retained earnings was driven principally by the derecognition of our existing assets constructed for others and construction obligation related to our Terminal 5 (T5) build-to-suit project at John F. Kennedy International Airport in New York.

We elected to use the package of transition provisions available for expired or existing contracts, which allowed us to carryforward our historical assessment of whether contracts are or contain leases, lease classification, and initial direct costs. Refer to Note 4 to our consolidated financial statements for more information.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The update eliminates, adds, and modifies certain disclosure requirements for fair value measurements. ASU 2018-13 is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted of the entire standard or only the provisions that eliminate or modify disclosure requirements. We are still evaluating the full impact of adopting the amendments on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The update provides guidance for determining if a cloud computing arrangement is within the scope of internal-use software guidance, and would require capitalization of certain implementation costs. ASU 2018-15 is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted. We adopted the requirements of ASU 2018-15 on April 1, 2019 using the prospective transition method. The adoption of this amendment did not have a material impact on our consolidated financial statements.

Note 2— Revenue Recognition

The Company categorizes the revenues received from contracts with its customers by revenue source as we believe it best depicts the nature, amount, timing, and uncertainty of our revenue and cash flow. The following table provides the revenues recognized by revenue source for the three and six months ended June 30, 2019 and 2018 (in millions):

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Passenger revenue				
Passenger travel	\$ 1,981	\$ 1,820	\$ 3,733	\$ 3,471
Loyalty revenue - air transportation	50	38	100	78
Other revenue				
Loyalty revenue	49	44	93	80
Other revenue	25	26	51	53
Total revenues	\$ 2,105	\$ 1,928	\$ 3,977	\$ 3,682

Contract Liabilities

Our contract liabilities primarily consist of ticket sales for which transportation has not yet been provided, unused credits available to customers, and outstanding loyalty points available for redemption.

<i>(in millions)</i>	June 30, 2019	December 31, 2018
Contract liabilities		
Air traffic liability - passenger travel	\$ 1,133	\$ 892
Air traffic liability - loyalty program (air transportation)	617	580
Deferred revenue	10	10
Total contract liabilities	\$ 1,760	\$ 1,482

During the six months ended June 30, 2019 and 2018, we recognized revenue of \$819 million and \$759 million, respectively, which was included in contract liabilities at the beginning of the respective periods.

The Company elected the practical expedient that allows entities to not disclose the amount of the remaining transaction price and its expected timing of recognition for passenger tickets if the contract has an original expected duration of one year or less or if certain other conditions are met. We elected to apply this practical expedient to our contract liabilities relating to passenger travel and ancillary services as our tickets or any related passenger credits expire one year from the date of issuance.

TrueBlue® points are combined in one homogeneous pool and are not separately identifiable. As such, the revenue is comprised of the points that were part of the air traffic liability balance at the beginning of the period as well as points that were issued during the period.

The table below presents the activity of the current and non-current air traffic liability for TrueBlue® points, and includes points earned and sold to participating companies (in millions):

Balance at December 31, 2018	\$ 580
TrueBlue® points redeemed	(100)
TrueBlue® points earned and sold	137
Balance at June 30, 2019	\$ 617
Balance at December 31, 2017	\$ 502
TrueBlue® points redeemed	(78)
TrueBlue® points earned and sold	112
Balance at June 30, 2018	\$ 536

The timing of our TrueBlue® point redemptions can vary; however, the majority of our points are redeemed within approximately three years of the date of issuance.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 3—Long-Term Debt, Short-Term Borrowings, and Finance Lease Obligations

During the six months ended June 30, 2019, we made scheduled principal payments of \$182 million on our outstanding long-term debt and finance lease obligations.

We had pledged aircraft, engines, other equipment and facilities with a net book value of \$2.8 billion at June 30, 2019 as security under various financing arrangements. At June 30, 2019, scheduled maturities of all of our long-term debt and finance lease obligations were \$128 million for the remainder of 2019, \$273 million in 2020, \$263 million in 2021, \$240 million in 2022, \$223 million in 2023, and \$365 million thereafter.

The carrying amounts and estimated fair values of our long-term debt, net of debt acquisition costs, at June 30, 2019 and December 31, 2018 were as follows (in millions):

	June 30, 2019		December 31, 2018	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Public Debt				
Fixed rate special facility bonds, due through 2036	\$ 42	\$ 45	\$ 42	\$ 44
Non-Public Debt				
Fixed rate enhanced equipment notes, due through 2023	140	147	151	153
Floating rate equipment notes, due through 2028	223	225	245	245
Fixed rate equipment notes, due through 2028	988	1,054	1,125	1,135
Total⁽¹⁾	\$ 1,393	\$ 1,471	\$ 1,563	\$ 1,577

(1) Total excludes finance lease obligations of \$99 million for June 30, 2019 and \$107 million for December 31, 2018.

The estimated fair values of our publicly held long-term debt are classified as Level 2 in the fair value hierarchy. The fair values of our enhanced equipment notes and our special facility bonds were based on quoted market prices in markets with low trading volumes. The fair value of our non-public debt was estimated using a discounted cash flow analysis based on our borrowing rates for instruments with similar terms and therefore classified as Level 3 in the fair value hierarchy. The fair values of our other financial instruments approximate their carrying values. Refer to Note 9 to our consolidated financial statements for an explanation of the fair value hierarchy structure.

We have financed certain aircraft with Enhanced Equipment Trust Certificates, or EETCs. One of the benefits of this structure is being able to finance several aircraft at one time, rather than individually. The structure of EETC financing is that we create pass-through trusts in order to issue pass-through certificates. The proceeds from the issuance of these certificates are then used to purchase equipment notes which are issued by us and are secured by our aircraft. These trusts meet the definition of a variable interest entity, or VIE, as defined in the *Consolidations* topic of the Codification, and must be considered for consolidation in our condensed consolidated financial statements. Our assessment of our EETCs considers both quantitative and qualitative factors including the purpose for which these trusts were established and the nature of the risks in each. The main purpose of the trust structure is to enhance the credit worthiness of our debt obligation through certain bankruptcy protection provisions, liquidity facilities and lower our total borrowing cost. We concluded that we are not the primary beneficiary in these trusts because our involvement in them is limited to principal and interest payments on the related notes, the trusts were not set up to pass along variability created by credit risk to us and the likelihood of our defaulting on the notes. Therefore, we have not consolidated these trusts in our condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS**JETBLUE AIRWAYS CORPORATION**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**Short-term Borrowings*****Citibank Line of Credit***

We have a revolving Credit and Guaranty Agreement with Citibank, N.A. as the administrative agent, for up to approximately \$425 million. The term of the facility runs through April 2021. Borrowings under the Credit and Guaranty Agreement bear interest at a variable rate equal to LIBOR, plus a margin. The Credit and Guaranty Agreement is secured by Slots at John F. Kennedy International Airport, LaGuardia Airport and Reagan National Airport as well as certain other assets. Slots are rights to take-off or land at a specific airport during a specific time period and are a means by which airport capacity and congestion can be managed. The Credit and Guaranty Agreement includes covenants that require us to maintain certain minimum balances in unrestricted cash, cash equivalents, and unused commitments available under revolving credit facilities. In addition, the covenants restrict our ability to, among other things, dispose of certain collateral, or merge, consolidate, or sell assets. As of and for the periods ended June 30, 2019 and December 31, 2018, we did not have a balance outstanding or any borrowings under this line of credit.

Morgan Stanley Line of Credit

We have a revolving line of credit with Morgan Stanley for up to approximately \$200 million. This line of credit is secured by a portion of our investment securities held by Morgan Stanley and the amount available to us under this line of credit may vary accordingly. This line of credit bears interest at a floating rate based upon LIBOR, plus a margin. As of and for the periods ended June 30, 2019 and December 31, 2018, we did not have a balance outstanding or any borrowings under this line of credit.

Note 4—Leases

As discussed in Note 1 to our consolidated financial statements, we adopted ASU 2016-02, *Leases (Topic 842)* of the Codification, as of January 1, 2019. The new standard requires leases with durations greater than twelve months to be recognized on the balance sheet. Our 2018 and 2017 financial statements have been recast to reflect the retrospective application of the new standard.

Operating lease assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Leases with a term of 12 months or less are not recorded on the balance sheet. Our lease agreements do not contain any residual value guarantees. For facility leases, we account for the lease and non-lease components as a single lease component.

The table below presents the lease-related assets and liabilities recorded on our consolidated balance sheets (in millions):

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Classification on Balance Sheet		June 30, 2019	December 31, 2018
Assets			
Operating lease assets	Operating lease assets	\$ 998	\$ 1,056
Finance lease assets	Property and equipment, net	174	181
Total lease assets		\$ 1,172	\$ 1,237
Liabilities			
Current:			
Operating lease liabilities	Current operating lease liabilities	\$ 133	\$ 133
Finance lease liabilities	Current maturities of long-term debt and finance leases	18	18
Long-term:			
Operating lease liabilities	Long-term operating lease liabilities	753	798
Finance lease liabilities	Long-term debt and finance lease obligations	81	89
Total lease liabilities		\$ 985	\$ 1,038
		June 30, 2019	December 31, 2018
Weighted-average remaining lease term (in years)			
Operating leases		11	11
Finance leases		3	4
Weighted-average discount rate			
Operating leases		5.96%	5.95%
Finance leases		4.79%	4.73%

Flight Equipment Leases

We operated a fleet of 254 aircraft as of June 30, 2019. Of our fleet, 42 aircraft were under operating leases and six aircraft were under finance leases. Our aircraft leases generally have long durations with remaining terms of three months to nine years.

The majority of aircraft operating leases can be renewed at rates based on fair market value at the end of the lease term for one or two years. None of our aircraft operating leases have variable rate rent payments. We have purchase options for 42 of our aircraft leases at the end of their lease term. These purchase options are at fair market value and have a one-time option during the term at fixed amounts that were expected to approximate the fair market value at lease inception.

Facility Leases

Our facility leases are primarily for space at the airports we serve. These leases are classified as operating leases and reflect our use of passenger terminal service facilities consisting of ticket counters, gate space, operations support area, and baggage service offices. We generally lease space directly or indirectly from the local airport authority on varying terms dependent on prevailing practices at each airport. The remaining terms of our airport leases vary from six months to 16 years. Our leases at certain airports contain provisions for periodic adjustments of rental rates based on the operating costs of the airports or the frequency of use of the facilities. Because of the variable nature of the rates, these leases are not recorded as operating lease assets and operating lease liabilities on our condensed consolidated balance sheets.

We also have leases for our corporate offices, training center, and various hangars and airport support facilities at our focus cities.

Other Ground Property and Equipment

We lease certain IT assets, ground support equipment, and various other pieces of equipment. The lease terms of our ground support equipment are less than 12 months, while the amount of other equipment we have is not significant.

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Lease Costs

The table below presents certain information related to our lease costs during the three and six months ended June 30, 2019 and 2018 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating lease cost	\$ 46	\$ 44	\$ 92	\$ 89
Short-term lease cost	1	1	1	1
Finance lease cost:				
Amortization of assets	2	2	4	4
Interest on lease liabilities	1	1	2	2
Variable lease cost	99	101	194	188
Sublease income	(4)	(4)	(7)	(7)
Total net lease cost	\$ 145	\$ 145	\$ 286	\$ 277

Other Information

The table below presents supplemental cash flow information related to leases during the three and six months ended June 30, 2019 and 2018 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows for operating leases	\$ 35	\$ 44	\$ 75	\$ 80
Operating cash flows for finance leases	1	1	3	3
Financing cash flows for finance leases	2	2	9	8

Lease Commitments

The table below presents scheduled future minimum lease payments for operating and finance leases recorded on our consolidated balance sheets, as of June 30, 2019 (in millions):

	As of June 30, 2019	
	Operating Leases	Finance Leases
2019	\$ 66	\$ 11
2020	132	35
2021	127	39
2022	118	10
2023	109	10
Thereafter	678	5
Total minimum lease payments	1,230	110
Less: amount of lease payments representing interest	(344)	(11)
Present value of future minimum lease payments	886	99
Less: current obligations under leases	(133)	(18)
Long-term lease obligations	\$ 753	\$ 81

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We do not have any lease commitments that have not yet commenced as of June 30, 2019.

Note 5—Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated similarly but includes potential dilution from restricted stock units, the Crewmember Stock Purchase Plan, and any other potentially dilutive instruments using the treasury stock method. There were no anti-dilutive common stock equivalents during the three and six months ended June 30, 2019. Anti-dilutive common stock equivalents excluded from the computation of diluted earnings per shares amounts were 1.4 million and 1.5 million for the three and six months ended June 30, 2018, respectively.

The following is a reconciliation of weighted average shares and a calculation of earnings per share (in millions, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income (loss)⁽¹⁾	\$ 179	\$ (121)	\$ 221	\$ (31)
Weighted average basic shares	300.3	315.0	303.1	318.0
Effect of dilutive securities	1.5	—	1.5	—
Weighted average diluted shares	301.8	315.0	304.6	318.0
Earnings per common share				
Basic	\$ 0.60	\$ (0.39)	\$ 0.73	\$ (0.10)
Diluted	0.59	(0.39)	0.73	(0.10)

(1) As discussed in Note 1 to our consolidated financial statements, we adopted ASC 842, *Leases*, as of January 1, 2019. The adoption of this standard impacted previously reported net income by approximately \$(1) million and \$1 million for the three and six months ended June 30, 2018.

On June 13, 2019, JetBlue entered into an accelerated share repurchase agreement, or ASR, paying \$125 million for an initial delivery of 5.2 million shares. The term of the ASR is expected to be completed by the end of the third quarter of 2019, and the final number of shares to be received or returned will be determined.

On March 11, 2019, JetBlue entered into an ASR paying \$125 million for an initial delivery of 6.1 million shares. The term of the ASR concluded on May 21, 2019 with delivery of 1.3 million additional shares to JetBlue on May 22, 2019. A total of 7.4 million shares, at an average price of \$16.93 per share, were repurchased under the agreement.

On May 24, 2018, JetBlue entered into an ASR paying \$125 million for an initial delivery of 5.3 million shares. The term of the ASR concluded on July 23, 2018 with delivery of 1.3 million additional shares to JetBlue on July 25, 2018. A total of 6.6 million shares, at an average price of \$18.85 per share, were repurchased under the agreement.

On March 1, 2018, JetBlue entered into an ASR paying \$125 million for an initial delivery of 4.7 million shares. The term of the ASR concluded on March 23, 2018 with delivery of 1.1 million additional shares to JetBlue on March 26, 2018. A total of 5.8 million shares, at an average price of \$21.49 per share, were repurchased under the agreement.

Note 6—Crewmember Retirement Plan

We sponsor a retirement savings 401(k) defined contribution plan, or the Plan, covering all of our Crewmembers where we match 100% of our Crewmembers' contributions up to 5% of their eligible wages. The contributions vest over three years and are measured from a Crewmember's hire date. Crewmembers are immediately vested in their voluntary contributions.

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Another component of the Plan is a Company discretionary contribution of 5% of eligible non-management Crewmember compensation, which we refer to as *Retirement Plus*. *Retirement Plus* contributions vest over three years and are measured from a Crewmember's hire date.

Certain Federal Aviation Administration, or FAA, licensed Crewmembers receive an additional contribution of 3% of eligible compensation, which we refer to as *Retirement Advantage*.

Effective August 1, 2018, JetBlue pilots receive a non-elective Company contribution of 15% of eligible pilot compensation per the terms of the finalized collective bargaining agreement between JetBlue and the Air Line Pilots Association, or ALPA, in lieu of the above 401(k) Company matching contribution, *Retirement Plus*, and *Retirement Advantage* contributions. Refer to Note 11 to our consolidated financial statements for additional information. The Company's non-elective contribution of 15% of eligible pilot compensation vests after three years of service.

Our non-management Crewmembers are eligible to receive profit sharing, calculated as 10% of adjusted pre-tax income before profit sharing and special items up to a pre-tax margin of 18% with the result reduced by *Retirement Plus* contributions and the equivalent of *Retirement Plus* contributions for pilots. If JetBlue's resulting pre-tax margin exceeds 18%, non-management Crewmembers will receive 20% profit sharing above an 18% pre-tax margin.

Total 401(k) company match, *Retirement Plus*, *Retirement Advantage*, pilot retirement contribution, and profit sharing expensed for the three months ended June 30, 2019 and 2018 was \$49 million and \$37 million, respectively, while the total amount expensed for the six months ended June 30, 2019 and 2018 was \$98 million and \$78 million, respectively.

Note 7—Commitments and Contingencies**Flight Equipment Commitments**

In April 2019, we announced our intention to launch multiple daily flights from John F. Kennedy International Airport and Boston Logan International Airport to London in 2021. In connection with our plans to launch flights to London, we amended our purchase agreement with Airbus to convert 13 A321 new engine option (A321neo) deliveries into A321 Long Range (A321LR) deliveries.

In June 2019, we further amended our purchase agreement with Airbus to convert an additional 13 A321neo deliveries into A321 Xtra Long Range (A321XLR) deliveries. In addition, we also converted 10 of our options for the Airbus A220-300 aircraft into firm orders.

As of June 30, 2019, our firm aircraft orders consisted of 84 Airbus A321neo aircraft and 70 Airbus A220 aircraft, all scheduled for delivery through 2026.

Expenditures for these aircraft and related flight equipment and engines, including estimated amounts for contractual price escalations and predelivery deposits, will be approximately \$871 million for the remainder of 2019, \$1.2 billion in 2020, \$1.4 billion in 2021, \$1.3 billion in 2022, \$1.7 billion in 2023, and \$2.2 billion thereafter.

The amount of committed expenditures stated above represents the current delivery schedule set forth in our Airbus order book as of June 30, 2019. In October 2018 and May 2019, we received notice from Airbus of anticipated delivery delays for the A321neo aircraft. We expect a delivery of a maximum of six A321neo aircraft in 2019 as a result of the delays.

Other Commitments

We utilize several credit card processors to process our ticket sales. Our agreements with these processors do not contain covenants, but do generally allow the processor to withhold cash reserves to protect the processor from potential liability for tickets purchased, but not yet used for travel. While we currently do not have any collateral requirements related to our credit card processors, we may be required to issue collateral to our credit card processors, or other key business partners, in the future.

As of June 30, 2019, we had approximately \$27 million in assets serving as collateral for letters of credit relating to a certain number of our leases. These are included in restricted cash and expire at the end of the related lease terms. Additionally, we had approximately \$33 million in assets pledged related to our workers compensation insurance policies and other business partner agreements which will expire according to the terms of the related policies or agreements.

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In April 2014, ALPA was certified by the National Mediation Board, or NMB, as the representative body for JetBlue pilots after winning a representation election. We reached a final agreement for our first collective bargaining agreement which was ratified by the pilots in July 2018. The agreement is a four-year, renewable contract, which became effective August 1, 2018 and included compensation, benefits, work rules, and other policies.

In April 2018, JetBlue inflight Crewmembers elected to be solely represented by the Transport Workers Union of America, or TWU. The NMB certified the TWU as the representative body for JetBlue inflight Crewmembers and we are working with the TWU to reach a collective bargaining agreement.

Except as noted above, our Crewmembers do not have third party representation.

Legal Matters

Occasionally, we are involved in various claims, lawsuits, regulatory examinations, investigations and other legal matters arising, for the most part, in the ordinary course of business. The outcome of litigation and other legal matters is always uncertain. The Company believes it has valid defenses to the legal matters currently pending against it, is defending itself vigorously and has recorded accruals determined in accordance with GAAP, where appropriate. In making a determination regarding accruals, using available information, we evaluate the likelihood of an unfavorable outcome in legal or regulatory proceedings to which we are a party and record a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. These subjective determinations are based on the status of such legal or regulatory proceedings, the merits of our defenses and consultation with legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from our current estimates. It is possible that resolution of one or more of the legal matters currently pending or threatened could result in losses material to our consolidated results of operations, liquidity or financial condition.

To date, none of these types of litigation matters, most of which are typically covered by insurance, has had a material impact on our operations or financial condition. We have insured and continue to insure against most of these types of claims. A judgment on any claim not covered by, or in excess of, our insurance coverage could materially adversely affect our financial condition or results of operations.

Note 8—Financial Derivative Instruments and Risk Management

As part of our risk management techniques, we periodically purchase over the counter energy derivative instruments and enter into fixed forward price agreements, or FFPs, to manage our exposure to the effect of changes in the price of aircraft fuel. Prices for the underlying commodities have historically been highly correlated to aircraft fuel, making derivatives of them effective at providing short-term protection against sharp increases in average fuel prices. We also periodically enter into jet fuel basis swaps for the differential between heating oil and jet fuel, to further limit the variability in fuel prices at various locations. We do not hold or issue any derivative financial instruments for trading purposes.

Aircraft Fuel Derivatives

We attempt to obtain cash flow hedge accounting treatment for each fuel derivative that we enter into. This treatment is provided for under the *Derivatives and Hedging* topic of the Codification which allows for gains and losses on the effective portion of qualifying hedges to be deferred until the underlying planned jet fuel consumption occurs, rather than recognizing the gains and losses on these instruments into earnings during each period they are outstanding. The effective portion of realized fuel hedging derivative gains and losses is recognized in aircraft fuel expense in the period during which the underlying fuel is consumed.

Ineffectiveness occurs, in certain circumstances, when the change in the total fair value of the derivative instrument differs from the change in the value of our expected future cash outlays for the purchase of aircraft fuel. ASU 2017-12 *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* eliminated the requirement for companies to separately measure and record ineffectiveness after initial qualification. If a hedge does not qualify for hedge accounting, the periodic changes in its fair value are also recognized in interest income and other. When aircraft fuel is consumed and the related derivative contract settles, any gain or loss previously recorded in other comprehensive income is recognized in aircraft fuel expense. All cash flows related to our fuel hedging derivatives are classified as operating cash flows.

Our current approach to fuel hedging is to enter into hedges on a discretionary basis without a specific target of hedge percentage needs. We view our hedge portfolio as a form of insurance to help mitigate the impact of price volatility and protect us against severe spikes in oil prices, when possible.

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The following table illustrates the approximate hedged percentages of our projected fuel usage by quarter as of June 30, 2019 related to our outstanding fuel hedging contracts that were designated as cash flow hedges for accounting purposes.

	Jet fuel call option spread agreements	Total
Third Quarter 2019	—%	—%
Fourth Quarter 2019	10%	10%
First Quarter 2020	10%	10%
Second Quarter 2020	10%	10%

The table below reflects quantitative information related to our derivative instruments and where these amounts are recorded in our financial statements (dollar amounts in millions):

Fuel derivatives	June 30, 2019	December 31, 2018
Asset fair value recorded in prepaid expense and other ⁽¹⁾	\$ 5	\$ —
Longest remaining term (months)	12	6
Hedged volume (barrels, in thousands)	1,572	756
Estimated amount of existing (gains) losses expected to be reclassified into earnings in the next 12 months	\$ (1)	\$ 4

Fuel derivatives	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Hedge effectiveness (gains) losses recognized in aircraft fuel expense	\$ 2	\$ —	\$ 4	\$ —
Hedge (gains) losses on derivatives recognized in comprehensive income	(1)	—	(1)	—
Percentage of actual consumption economically hedged	7%	—%	7%	—%

(1) Gross asset of each contract prior to consideration of offsetting positions with each counterparty and prior to the impact of collateral paid.

Any outstanding derivative instrument exposes us to credit loss in connection with our fuel contracts in the event of nonperformance by the counterparties to our agreements, but we do not expect that any of our counterparties will fail to meet their obligations. The amount of such credit exposure is generally the fair value of our outstanding contracts for which we are in a receivable position. To manage credit risks we select counterparties based on credit assessments, limit our overall exposure to any single counterparty and monitor the market position with each counterparty. Some of our agreements require cash deposits from either JetBlue or our counterparty if market risk exposure exceeds a specified threshold amount.

We have master netting arrangements with our counterparties allowing us the right of offset to mitigate credit risk in derivative transactions. The financial derivative instrument agreements we have with our counterparties may require us to fund all, or a portion of, outstanding loss positions related to these contracts prior to their scheduled maturities. The amount of collateral posted, if any, is periodically adjusted based on the fair value of the hedge contracts. Our policy is to offset the liabilities represented by these contracts with any cash collateral paid to the counterparties.

There were no offsetting derivative instruments as of June 30, 2019 and December 31, 2018.

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Note 9—Fair Value

Under the *Fair Value Measurements and Disclosures* topic of the Codification, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1 quoted prices in active markets for identical assets or liabilities;

Level 2 quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or

Level 3 unobservable inputs for the asset or liability, such as discounted cash flow models or valuations.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a listing of our assets and liabilities required to be measured at fair value on a recurring basis and where they are classified within the fair value hierarchy as of June 30, 2019 and December 31, 2018 (in millions):

Assets	June 30, 2019			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 136	\$ —	\$ —	\$ 136
Available-for-sale investment securities	—	297	—	297
Aircraft fuel derivatives	—	5	—	5

Assets	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 198	\$ —	\$ —	\$ 198
Available-for-sale investment securities	39	197	—	236
Aircraft fuel derivatives	—	—	—	—

Refer to Note 3 to our consolidated financial statements for fair value information related to our outstanding debt obligations as of June 30, 2019 and December 31, 2018.

Cash Equivalents

Our cash equivalents include money market securities and commercial paper which are readily convertible into cash, have maturities of 90 days or less when purchased and are considered to be highly liquid and easily tradable. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy.

Available-For-Sale Investment Securities

Included in our available-for-sale investment securities are U.S. Treasury bills, time deposits, commercial paper and debt securities. The U.S. Treasury bills are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within the fair value hierarchy. The fair values of the remaining instruments are based on observable inputs in non-active markets, which are therefore classified as Level 2 in the hierarchy. We did not record any material gains or losses on these securities during the three and six months ended June 30, 2019 and 2018.

Aircraft Fuel Derivatives

Our aircraft fuel derivatives include call option spreads and call options which are not traded on public exchanges. Their fair values are determined using a market approach based on inputs that are readily available from public markets for commodities and energy trading activities; therefore, they are classified as Level 2 in the hierarchy. The data inputs are combined into quantitative models and processes to generate forward curves and volatilities related to the specific terms of the underlying hedge contracts.

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Note 10—Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) includes changes in fair value of our aircraft fuel derivatives which qualify for hedge accounting. A rollforward of the amounts included in the accumulated other comprehensive income (loss), net of taxes for the three months ended June 30, 2019 and 2018 are as follows (in millions):

	Aircraft Fuel Derivatives ⁽¹⁾	Total
Balance of accumulated (losses) at March 31, 2019	\$ (1)	\$ (1)
Reclassifications into earnings, net of tax benefit \$1	1	1
Change in fair value, net of tax benefit \$0	1	1
Balance of accumulated income at June 30, 2019	\$ 1	\$ 1
Balance of accumulated income at March 31, 2018	\$ —	\$ —
Reclassifications into earnings, net of tax benefit \$0	—	—
Change in fair value, net of tax benefit of \$0	—	—
Balance of accumulated income at June 30, 2018	\$ —	\$ —

(1) Reclassified to aircraft fuel expense

A rollforward of the amounts included in the accumulated other comprehensive income (loss), net of taxes for the six months ended June 30, 2019 and 2018 are as follows (in millions):

	Aircraft Fuel Derivatives ⁽¹⁾	Total
Balance of accumulated (losses) at December 31, 2018	\$ (3)	\$ (3)
Reclassifications into earnings, net of tax benefit \$1	3	3
Change in fair value, net of tax benefit \$0	1	1
Balance of accumulated income at June 30, 2019	\$ 1	\$ 1
Balance of accumulated income at December 31, 2017	\$ —	\$ —
Reclassifications into earnings, net of tax benefit \$0	—	—
Change in fair value, net of tax benefit \$0	—	—
Balance of accumulated income at June 30, 2018	\$ —	\$ —

(1) Reclassified to aircraft fuel expense

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Note 11—Special Items

The following is a listing of special items presented on our consolidated statements of operations (in millions):

Special Items	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Embraer E190 fleet transition costs ⁽¹⁾	\$ —	\$ 319	\$ 9	\$ 319
Union contract costs ⁽²⁾	2	—	5	—
Total	\$ 2	\$ 319	\$ 14	\$ 319

(1) In July 2018, we announced our decision to exit the Embraer E190 fleet and order 60 Airbus A220-300 aircraft, formerly known as the Bombardier CS300, for expected deliveries beginning in 2020 with the option for 60 additional aircraft. As discussed in Note 7, we exercised our option in June 2019 and converted 10 additional A220-300 aircraft into firm deliveries. We expect to transition Embraer E190 aircraft starting in 2020, and we expect the transition to be completed through 2025. Fleet transition costs for the six months ended June 30, 2019, include certain contract termination costs associated with the transition. For the three and six months ended June 30, 2018, fleet transition costs include a \$319 million impairment charge of flight equipment and other property and equipment related to our fleet review. Additional expenses may be recorded in future periods as we continue to work through the transition of our Embraer E190 fleet.

(2) In April 2014, ALPA was certified by NMB as the representative body for JetBlue pilots after winning a representation election. We reached a final agreement for our first collective bargaining agreement which was ratified by the pilots in July 2018. The agreement is a four-year renewable contract effective August 1, 2018 which included changes to compensation, benefits, work rules, and other policies. For the three and six months ended June 30, 2019, union contract costs primarily include various one-time costs incurred to implement the provisions of the collective bargaining agreement into our IT systems.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****OVERVIEW****Second Quarter 2019 Results**

- We had a \$177 million increase in revenue compared to the second quarter of 2018 primarily due to a 5.9% increase in capacity and an increase in average fares.
- Operating revenue per available seat mile (RASM) for the three months ended June 30, 2019 increased by 3.1% to 13.14 cents.
- Operating expense and operating expense per available seat mile (CASM) for the three months ended June 30, 2019 decreased by 10.8% to \$1.9 billion and by 15.7% to 11.58 cents, respectively. Our operating expense for the three months ended June 30, 2018 included a \$319 million impairment charge related to our decision to transition the Embraer E190 fleet which contributed 2.11 cents to our unit cost in the prior year. Excluding fuel and related taxes, special items, as well as operating expenses related to our non-airline businesses, our cost per available seat mile (CASM ex-fuel)⁽¹⁾ increased by 1.8% to 8.46 cents.
- Our reported earnings per diluted share for the second quarter of 2019 were \$0.59. Special items, principally related to one-time costs incurred to implement the provisions of the collective bargaining agreement into our systems, reduced our reported earnings per share by \$0.01.
- We generated \$968 million in cash from operations and \$498 million in free cash flow for the six months ended June 30, 2019.

Balance Sheet

We ended the second quarter of 2019 with unrestricted cash, cash equivalents and short-term investments of \$909 million and undrawn lines of credit of approximately \$625 million. Our unrestricted cash, cash equivalents and short-term investments are approximately 11% of trailing twelve months revenue.

Network

In April 2019, we announced our intention to launch multiple daily flights from John F. Kennedy International Airport and Boston Logan International Airport to London in 2021. We expect London to be our first European destination.

Fleet

In connection with our plans to launch flights to London, we amended our purchase agreement with Airbus in April 2019 to convert 13 Airbus A321neo deliveries into A321LR deliveries.

In June 2019, we further amended our purchase agreement with Airbus to convert an additional 13 Airbus A321neo deliveries into the A321XLR. The range of the Airbus A321XLR will allow us to expand our relevance in Boston and New York, by adding destinations in Europe. In addition, we also converted 10 of our options for the Airbus A220-300 aircraft into firm orders.

We took delivery of our first Airbus A321neo aircraft in June and expect it to enter into service this fall.

Outlook for 2019

For the third quarter of 2019, cost per available seat mile, excluding fuel⁽¹⁾ is expected to increase between 0.5% and 2.5% over the comparable 2018 period. In addition, we expect revenue per available seat mile to range between 0.5% and 3.5% on an operating capacity increase between 3.0% and 5.0% over the comparable 2018 period.

For full year 2019, cost per available seat mile, excluding fuel⁽¹⁾ is expected to range between 0.5% and 1.5% over the comparable 2018 period. In addition, we expect operating capacity to increase between 5.5% and 6.5% over the comparable 2018 period.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

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RESULTS OF OPERATIONS
Three Months Ended June 30, 2019 vs. 2018
Overview

We reported net income of \$179 million, operating income of \$250 million and an operating margin of 11.9% for the three months ended June 30, 2019. This compares to a net loss of \$121 million, an operating loss of \$152 million and an operating margin of (7.9)% for the three months ended June 30, 2018. Diluted earnings (losses) per share were \$0.59 for the second quarter of 2019 compared to \$(0.39) for the same period in 2018.

Our reported results for the three months ended June 30, 2019 and 2018 included the effects of special items. Adjusting for these one-time items⁽¹⁾, our adjusted net income was \$180 million, operating income was \$252 million, and our adjusted operating margin was 12.0% for the second quarter of 2019. This compares to adjusted net income of \$119 million, operating income of \$167 million, and operating margin of 8.7% for the second quarter of 2018. Excluding one-time items⁽¹⁾, diluted earnings per share were \$0.60 and \$0.37 for the second quarter of 2019 and 2018, respectively.

On-time performance, as defined by the Department of Transportation, or DOT, is arrival within 14 minutes of scheduled arrival time. In the second quarter of 2019, our systemwide on-time performance was 74.8% compared to 72.2% for the same period in 2018. Our on-time performance remains challenged by our concentration of operations in the northeast of the U.S., one of the world's most congested airspaces. Our completion factor increased by 0.3 points to 99.3% in the second quarter of 2019 from 99.0% in the same period in 2018, despite runway closures in several of our focus cities during 2019.

Operating Revenues

	Three Months Ended June 30,		Year-over-Year Change	
	2019	2018	\$	%
(Revenues in millions; percent changes based on unrounded numbers)				
Passenger revenue	\$ 2,031	\$ 1,858	\$ 173	9.3
Other revenue	74	70	4	5.3
Total operating revenues	\$ 2,105	\$ 1,928	\$ 177	9.2
Average Fare	\$ 184.24	\$ 170.08	\$ 14.16	8.3
Yield per passenger mile (cents)	14.74	14.24	0.50	3.5
Passenger revenue per ASM (cents)	12.68	12.27	0.41	3.3
Operating revenue per ASM (cents)	13.14	12.74	0.40	3.1
Average stage length (miles)	1,147	1,088	59	5.4
Revenue passengers (thousands)	11,026	10,923	103	0.9
Revenue passenger miles (millions)	13,782	13,043	739	5.7
Available Seat Miles (ASMs) (millions)	16,029	15,138	891	5.9
Load Factor	86.0%	86.2%		(0.2) pts.

Passenger revenue is our primary source of revenue, which includes seat revenue as well as revenue from our ancillary product offerings such as EvenMore[®] Space. The increase in passenger revenue of \$173 million, or 9.3%, for the three months ended June 30, 2019 compared to the same period in 2018, was primarily attributable to an 8.3% increase in average fare and a 0.9% increase in revenue passengers.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Operating Expenses

In detail, our operating costs per available seat mile, or ASM, were as follows:

<i>(in millions; per ASM data in cents; percent changes based on unrounded numbers)</i>	Three Months Ended June 30,		Year-over-Year Change		Cents per ASM		
	2019	2018	\$	%	2019	2018	% Change
Aircraft fuel and related taxes	\$ 484	\$ 491	\$ (7)	(1.4)%	3.02	3.24	(6.9)%
Salaries, wages and benefits	576	486	90	18.5	3.59	3.21	11.9
Landing fees and other rents	121	122	(1)	(0.6)	0.75	0.80	(6.2)
Depreciation and amortization	127	114	13	11.3	0.79	0.76	5.1
Aircraft rent	25	24	1	4.8	0.16	0.16	(1.1)
Sales and marketing	75	75	—	(0.4)	0.47	0.50	(5.9)
Maintenance materials and repairs	168	188	(20)	(10.1)	1.05	1.24	(15.1)
Other operating expenses	277	261	16	6.1	1.74	1.72	0.2
Special items	2	319	(317)	(99.3)	0.01	2.11	(99.3)
Total operating expenses	\$ 1,855	\$ 2,080	\$ (225)	(10.8)%	11.58	13.74	(15.7)%
Total operating expenses excluding special items⁽¹⁾	\$ 1,853	\$ 1,761	\$ 92	5.3 %	11.57	11.63	(0.6)%

Aircraft Fuel and Related Taxes

Aircraft fuel and related taxes decreased by \$7 million, or 1.4%, for the three months ended June 30, 2019 compared to the same period in 2018. The average fuel price for the three months ended June 30, 2019 decreased by 5.5% to \$2.16 per gallon. Our fuel consumption increased by 4.3%, or 9 million gallons, due to an increase in the average number of aircraft operating during the three months ended June 30, 2019 as compared to the same period in 2018.

Salaries, Wages and Benefits

Salaries, wages and benefits increased \$90 million, or 18.5%, for the three months ended June 30, 2019 compared to the same period in 2018, primarily driven by the incremental costs of the new pilots' collective bargaining agreement which became effective on August 1, 2018, and a higher number of full-time equivalent Crewmembers.

Depreciation and Amortization

Depreciation and amortization increased \$13 million, or 11.3%, for the three months ended June 30, 2019 compared to the same period in 2018, primarily driven by a 3.1% increase in the average number of aircraft operating during the second quarter of 2019 as compared to the same period in 2018.

Maintenance Materials and Repairs

Maintenance materials and repairs decreased \$20 million, or 10.1%, for the three months ended June 30, 2019 compared to the same period in 2018, primarily driven by the timing of heavy maintenance visits and engine maintenance.

Other Operating Expenses

Other operating expenses increased \$16 million, or 6.1%, for the three months ended June 30, 2019 compared to the same period in 2018, primarily due to an increase in airport services resulting from an increased number of departures and passengers flown.

Special Items

Special items for the three months ended June 30, 2019 include \$2 million of one-time costs related to the implementation of our pilots' collective bargaining agreement. For the three months ended June 30, 2018, special items include a \$319 million impairment charge related to our decision to transition the Embraer E190 fleet.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Six Months Ended June 30, 2019 vs. 2018
Overview

We reported net income of \$221 million, operating income of \$325 million and an operating margin of 8.2% for the six months ended June 30, 2019. This compares to net loss of \$31 million, an operating loss of \$27 million and an operating margin of (0.7)% for the six months ended June 30, 2018. Diluted earnings (losses) per share were \$0.73 for the six months ended June 30, 2019 compared to \$(0.10) for the same period in 2018.

Our reported results for the six months ended June 30, 2019 and 2018 included the effects of special items and the implementation of new tax reform legislation. Adjusting for these one-time items⁽¹⁾, our adjusted net income was \$232 million, operating income was \$339 million, and our adjusted operating margin was 8.5% for the six months ended June 30, 2019. This compares to adjusted net income of \$202 million, operating income of \$292 million, and adjusted operating margin of 7.9% for the six months ended June 30, 2018. Excluding one-time items⁽¹⁾, diluted earnings per share were \$0.76 and \$0.63 for the six months ended June 30, 2019 and 2018, respectively.

Operating Revenues

(Revenues in millions; percent changes based on unrounded numbers)	Six Months Ended June 30,		Year-over-Year Change	
	2019	2018	\$	%
Passenger revenue	\$ 3,833	\$ 3,549	\$ 284	8.0
Other revenue	144	133	11	8.3
Total operating revenues	\$ 3,977	\$ 3,682	\$ 295	8.0
Average Fare	\$ 180.89	\$ 170.61	\$ 10.28	6.0
Yield per passenger mile (cents)	14.46	14.25	0.21	1.5
Passenger revenue per ASM (cents)	12.18	12.17	0.01	0.1
Operating revenue per ASM (cents)	12.64	12.63	0.01	0.1
Average stage length (miles)	1,150	1,093	57	5.2
Revenue passengers (thousands)	21,191	20,804	387	1.9
Revenue passenger miles (millions)	26,516	24,909	1,607	6.5
Available Seat Miles (ASMs) (millions)	31,466	29,162	2,304	7.9
Load Factor	84.3%	85.4%	(1.1)	pts.

The increase in passenger revenue of \$284 million, or 8.0%, for the six months ended June 30, 2019 compared to the same period in 2018, was primarily attributable to a 6.0% increase in average fare and a 1.9% increase in revenue passengers.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

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Operating Expenses

In detail, our operating costs per available seat mile, or ASM, were as follows:

(in millions; per ASM data in cents; percent changes based on unrounded numbers)	Six Months Ended June 30,		Year-over-Year Change		Cents per ASM		
	2019	2018	\$	%	2019	2018	% Change
Aircraft fuel and related taxes	\$ 921	\$ 908	\$ 13	1.5 %	2.93	3.11	(6.0)%
Salaries, wages and benefits	1,151	985	166	16.8	3.66	3.38	8.3
Landing fees and other rents	237	230	7	2.6	0.75	0.79	(4.9)
Depreciation and amortization	251	226	25	11.4	0.80	0.77	3.2
Aircraft rent	50	48	2	3.1	0.16	0.17	(4.5)
Sales and marketing	141	142	(1)	(1.0)	0.45	0.49	(8.3)
Maintenance materials and repairs	324	329	(5)	(1.8)	1.03	1.13	(9.0)
Other operating expenses	563	522	41	8.1	1.78	1.78	0.2
Special items	14	319	(305)	(95.6)	0.04	1.10	(95.9)
Total operating expenses	\$ 3,652	\$ 3,709	\$ (57)	(1.6)%	11.60	12.72	(8.8)%
Total operating expenses excluding special items⁽¹⁾	\$ 3,638	\$ 3,390	\$ 248	7.3 %	11.56	11.62	(0.6)%

Aircraft Fuel and Related Taxes

Aircraft fuel and related taxes increased by \$13 million, or 1.5%, for the six months ended June 30, 2019 compared to the same period in 2018. The average fuel price for the six months ended June 30, 2019 decreased by 3.9% to \$2.10 per gallon. Our fuel consumption increased by 5.6%, or 24 million gallons, due to increases in the average number of operating aircraft and departures during the six months ended June 30, 2019 as compared to the same period in 2018.

Salaries, Wages and Benefits

Salaries, wages and benefits increased by \$166 million, or 16.8%, for the six months ended June 30, 2019 compared to the same period in 2018, primarily driven by the incremental costs of the new pilots' collective bargaining agreement which became effective on August 1, 2018, and a higher number of full-time equivalent Crewmembers.

Depreciation and Amortization

Depreciation and amortization increased \$25 million, or 11.4%, for the six months ended June 30, 2019 compared to the same period in 2018, primarily driven by a 3.4% increase in the average number of aircraft operating during the six months ended June 30, 2019 as compared to the same period in 2018. We added seven aircraft to our fleet since June 30, 2018.

Other Operating Expenses

Other operating expenses increased \$41 million, or 8.1%, for the six months ended June 30, 2019 compared to the same period in 2018, primarily due to an increase in airport services resulting from an increased number of departures and passengers flown.

Special Items

Special items for the six months ended June 30, 2019 include \$9 million of one-time costs related to the Embraer E190 fleet transition and \$5 million of one-time costs related to the implementation of our pilots' collective bargaining agreement. Special items for the same period in 2018 include a \$319 million impairment charge related to our decision to transition the Embraer E190 fleet.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table sets forth our operating statistics for the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Year-over-Year Change	Six Months Ended June 30,		Year-over-Year Change
(percent changes based on unrounded numbers)	2019	2018	%	2019	2018	%
Operational Statistics						
Revenue passengers (thousands)	11,026	10,923	0.9	21,191	20,804	1.9
Revenue passenger miles (RPMs) (millions)	13,782	13,043	5.7	26,516	24,909	6.5
Available seat miles (ASMs) (millions)	16,029	15,138	5.9	31,466	29,162	7.9
Load factor	86.0%	86.2%	(0.2) pts	84.3%	85.4%	(1.1) pts
Aircraft utilization (hours per day)	12.1	12.1	—	11.9	11.7	1.7
Average fare	\$ 184.24	\$ 170.08	8.3	\$ 180.89	\$ 170.61	6.0
Yield per passenger mile (cents)	14.74	14.24	3.5	14.46	14.25	1.5
Passenger revenue per ASM (cents)	12.68	12.27	3.3	12.18	12.17	0.1
Operating revenue per ASM (cents)	13.14	12.74	3.1	12.64	12.63	0.1
Operating expense per ASM (cents)	11.58	13.74	(15.7)	11.60	12.72	(8.8)
Operating expense per ASM, excluding fuel ⁽¹⁾	8.46	8.32	1.8	8.56	8.44	1.4
Departures	93,040	93,688	(0.7)	182,276	179,734	1.4
Average stage length (miles)	1,147	1,088	5.4	1,150	1,093	5.2
Average number of operating aircraft during period	253.0	245.5	3.1	253.0	244.7	3.4
Average fuel cost per gallon, including fuel taxes	\$ 2.16	\$ 2.28	(5.5)	\$ 2.10	\$ 2.19	(3.9)
Fuel gallons consumed (millions)	224	215	4.3	438	414	5.6
Average number of full-time equivalent crewmembers				18,454	17,677	

Historical revenue trends may not continue. Runway closures in several of our focus cities may have an adverse impact on our operation in 2019. Except for uncertainty related to the cost of aircraft fuel, we expect our expenses to continue to increase as we acquire additional aircraft, as our fleet ages, and as we expand the frequency of flights in existing markets as well as enter into new markets. In addition, we expect our operating results to significantly fluctuate from quarter-to-quarter in the future as a result of various factors, many of which are outside of our control. Consequently, we believe quarter-to-quarter comparisons of our operating results may not necessarily be meaningful; you should not rely on our results for any one quarter as an indication of our future performance.

LIQUIDITY AND CAPITAL RESOURCES

The airline business is capital intensive. Our ability to successfully execute our growth plans is largely dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business depends on maintaining sufficient liquidity. We believe we have adequate resources from a combination of cash and cash equivalents, investment securities on hand, and two available lines of credit.

We believe a healthy liquidity position is crucial to our ability to weather any part of the economic cycle while continuing to execute on our plans for profitable growth and increased returns. Our goal is to continue to be diligent with our liquidity and to maintain financial flexibility to allow for prudent capital spending.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

As of June 30, 2019, we had unrestricted cash and cash equivalents of \$461 million and short-term investments of \$448 million. We believe our current level of unrestricted cash, cash equivalents and short-term investments of approximately 11% of trailing twelve months revenue, combined with our available lines of credit and portfolio of unencumbered assets provides us with a strong liquidity position and the potential for higher returns on cash deployment.

Analysis of Cash Flows***Operating Activities***

We rely primarily on operating cash flows to provide working capital for current and future operations. Cash flows from operating activities were \$968 million and \$722 million for the six months ended June 30, 2019 and 2018, respectively. Higher earnings, principally driven by higher operating revenues, partially offset by an increase in salaries, wages and benefits, contributed to the increase in operating cash flows.

Investing Activities

During the six months ended June 30, 2019, capital expenditures related to our purchase of flight equipment included \$139 million related to the purchase of one Airbus A321neo aircraft and several spare engines, \$91 million in work-in-progress relating to flight equipment, \$35 million for spare part purchases, and \$142 million for flight equipment deposits. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$63 million. Investing activities also included the net purchase of \$103 million in investment securities.

During the six months ended June 30, 2018, capital expenditures related to our purchase of flight equipment included \$200 million related to the purchase of four Airbus A321 aircraft and one Airbus A321 lease buyout, \$77 million for spare part purchases, \$55 million in work-in-progress relating to flight equipment, \$38 million for flight equipment deposits. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$36 million. Investing activities also included the net proceeds of \$76 million from investment securities.

Financing Activities

Financing activities for the six months ended June 30, 2019 primarily consisted of the acquisitions of treasury shares of \$256 million, of which \$250 million related to our accelerated share repurchases, and scheduled maturities of \$182 million relating to debt and finance lease obligations, partially offset by \$27 million of proceeds from the issuance of common stock.

Financing activities for the six months ended June 30, 2018 primarily consisted of acquisitions of treasury shares of \$257 million, of which \$250 million related to our accelerated share repurchases, and scheduled maturities of \$124 million relating to debt and capital lease obligations, partially offset by the issuance of \$279 million of debt and \$24 million of proceeds from the issuance of common stock.

In March 2019, we filed an automatic shelf registration statement with the SEC. Under this shelf registration statement, we may offer and sell from time to time common stock, preferred stock, debt securities, depositary shares, warrants, stock purchase contracts, stock purchase units, subscription rights, and pass-through certificates. Through to June 30, 2019, we had not issued any securities under this registration statement. We may utilize this shelf registration statement, or a replacement filed with the SEC, in the future to raise capital to fund the continued development of our products and services, the commercialization of our products and services, or for other general corporate purposes.

Working Capital

We had a working capital deficit of \$1.4 billion and \$1.1 billion at June 30, 2019 and December 31, 2018, respectively. Working capital deficits can be customary in the airline industry because a significant portion of air traffic liability is classified as a current liability. Our working capital deficit increased by \$0.3 billion due to several factors, including an overall increase in our air traffic liability.

We expect to meet our obligations as they become due through available cash, investment securities, and internally generated funds, supplemented, as necessary, by financing activities which may be available to us. We expect to generate positive working capital through our operations. However, we cannot predict what the effect on our business might be from the extremely competitive environment in which we operate or from events beyond our control, such as volatile fuel prices, economic conditions, weather-related disruptions, airport infrastructure challenges, the spread of infectious diseases, the impact of other airline bankruptcies, restructurings or consolidations, U.S. military actions or acts of terrorism. We believe the working capital available to us will be sufficient to meet our cash requirements for at least the next 12 months.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

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As part of our efforts to effectively manage our balance sheet and improve Return on Invested Capital, or ROIC, we expect to continue to actively manage our debt balances. Our approach to debt management includes managing the mix of fixed and floating rate debt, annual maturities of debt and the weighted average cost of debt. Additionally, our unencumbered assets allow some flexibility in managing our cost of debt and capital requirements.

Contractual Obligations

Our contractual obligations at June 30, 2019 include the following (in millions):

	Payments due in						
	Total	2019	2020	2021	2022	2023	Thereafter
Debt and finance lease obligations ^(a)	\$ 1,723	\$ 159	\$ 327	\$ 305	\$ 272	\$ 245	\$ 415
Operating lease obligations	1,230	66	132	127	118	109	678
Flight equipment purchase obligations	8,715	871	1,196	1,433	1,289	1,694	2,232
Other obligations ^(b)	2,853	250	314	341	324	325	1,299
Total	\$ 14,521	\$ 1,346	\$ 1,969	\$ 2,206	\$ 2,003	\$ 2,373	\$ 4,624

(a) Includes actual interest and estimated interest for floating-rate debt based on June 30, 2019 rates

(b) Amounts include noncancelable commitments for the purchase of goods and services

As of June 30, 2019, we believe we are in compliance with the covenants of our debt and lease agreements. We have approximately \$27 million of restricted cash pledged under standby letters of credit related to certain leases that will expire at the end of the related lease terms.

In April 2019, we announced our intention to launch multiple daily flights from John F. Kennedy International Airport and Boston Logan International Airport to London in 2021. In connection with our plans to launch flights to London, we amended our purchase agreement with Airbus to convert 13 Airbus A321neo deliveries into A321LR deliveries.

In June 2019, we further amended our purchase agreement with Airbus to convert an additional 13 A321neo deliveries into A321XLR deliveries. The range of the Airbus A321XLR will allow us to expand our relevance in Boston and New York, by adding more destinations in Europe. In addition, we also converted 10 of our options for the Airbus A220-300 aircraft into firm orders.

As of June 30, 2019, we operated a fleet of 130 Airbus A320 aircraft, 64 Airbus A321 aircraft and 60 Embraer E190 aircraft. Of our fleet, 206 are owned by us, 42 are leased under operating leases and six are leased under finance leases. As of June 30, 2019, the average age of our operating fleet was 10.3 years and our future aircraft order book was as follows:

Year	Airbus A220	Airbus A321neo	Total
2019	—	12	12
2020	1	14	15
2021	6	17	23
2022	8	15	23
2023	19	14	33
2024	22	12	34
2025	12	—	12
2026	2	—	2
Total	70	84	154

In October 2018 and May 2019, we received notice from Airbus of anticipated delivery delays for the A321neo aircraft. The table above represents the current delivery schedule set forth in our Airbus order book as of June 30, 2019. However, due to delays, we expect a delivery of a maximum of six Airbus A321neo aircraft in 2019.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

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Expenditures for our aircraft and spare engines include estimated amounts for contractual price escalations and predelivery deposits. We expect to meet our predelivery deposit requirements for our aircraft by paying cash or by using short-term borrowing facilities for deposits required six to 24 months prior to delivery. Any predelivery deposits paid by the issuance of notes are fully repaid at the time of delivery of the related aircraft.

Depending on market conditions, we anticipate using a mix of cash and debt financing for aircraft scheduled for delivery in 2019. For deliveries after 2019, although we believe debt and/or lease financing should be available to us, we cannot give any assurance that we will be able to secure financing on attractive terms, if at all. While these financings may or may not result in an increase in liabilities on our balance sheet, our fixed costs will increase regardless of the financing method ultimately chosen. To the extent we cannot secure financing on terms we deem attractive, we may be required to pay in cash, further modify our aircraft acquisition plans or incur higher than anticipated financing costs.

Capital expenditures for non-aircraft such as facility improvements and various infrastructure refreshes are expected to be between approximately \$150 million and \$200 million for full year 2019.

Off-Balance Sheet Arrangements

Although some of our aircraft lease arrangements are with variable interest entities, as defined by the *Consolidations* topic of the Codification, none of them require consolidation in our financial statements. Our decision to finance these aircraft through operating leases rather than through debt was based on an analysis of the cash flows and tax consequences of each financing alternative and a consideration of liquidity implications. We are responsible for all maintenance, insurance and other costs associated with operating these aircraft; however, we have not made any residual value or other guarantees to our lessors.

We have determined that we hold a variable interest in, but are not the primary beneficiary of, certain pass-through trusts. The beneficiaries of these pass-through trusts are the purchasers of equipment notes issued by us to finance the acquisition of aircraft. They maintain liquidity facilities whereby a third party agrees to make payments sufficient to pay up to 18 months of interest on the applicable certificates if a payment default occurs.

We have also made certain guarantees and indemnities to other unrelated parties that are not reflected on our balance sheet, which we believe will not have a significant impact on our results of operations, financial condition or cash flows. We have no other off-balance sheet arrangements.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies and Estimates included in our 2018 Form 10-K.

Forward-Looking Information

Forward-Looking Information Statements in this Report (or otherwise made by JetBlue or on JetBlue's behalf) contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which represent our management's beliefs and assumptions concerning future events. When used in this document and in documents incorporated herein by reference, 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; our significant fixed obligations and substantial indebtedness; volatility in fuel prices, maintenance costs and interest rates; our reliance on high daily aircraft utilization; our ability to implement our growth strategy; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on a limited number of suppliers, including for aircraft, aircraft engines and parts and vulnerability to delays by those suppliers; our dependence on the New York and Boston metropolitan markets and the effect of increased congestion in these markets; our reliance on automated systems and technology; our being subject to potential unionization, work stoppages, slowdowns or increased labor costs; 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 or cyber-attacks; changes in or additional domestic or foreign government regulation, including new or

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

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increased tariffs; changes in our industry due to other airlines' financial condition; acts of war or terrorism; global economic conditions or an economic downturn leading to a continuing or accelerated decrease in demand for air travel; the spread of infectious diseases; adverse weather conditions or natural disasters; and external geopolitical events and conditions. It is routine for our internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections, beliefs and assumptions upon which we base our expectations may change prior to the end of each quarter or year.

Given the risks and uncertainties surrounding forward-looking statements, you should not place undue reliance on these statements. You should understand that many important factors, in addition to those discussed or incorporated by reference in this Report, could cause our results to differ materially from those expressed in the forward-looking statements. Potential factors that could affect our results include, in addition to others not described in this Report, those described in Item 1A of our 2018 Form 10-K under "Risks Related to JetBlue" and "Risks Associated with the Airline Industry" and our other filings with the SEC. In light of these risks and uncertainties, the forward-looking events discussed in this Report might not occur. Our forward-looking statements speak only as of the date of this Report. Other than as required by law, we undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

Where You Can Find Other Information

Our website is www.jetblue.com. Information contained on our website is not part of this Report. Information we furnish or file with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to or exhibits included in these reports are available for download, free of charge, on our website soon after such reports are filed with or furnished to the SEC. Our SEC filings, including exhibits filed therewith, are also available at the SEC's website at www.sec.gov.

⁽¹⁾ Refer to our "Regulation G Reconciliation" at the end of this section for more information on this non-GAAP measure.

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REGULATION G RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

We sometimes use non-GAAP measures that are derived from the consolidated financial statements, but that are not presented in accordance with generally accepted accounting principles in the U.S., or GAAP. We believe these non-GAAP measures provide a meaningful comparison of our results to others in the airline industry and our prior year results. 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. Further, our non-GAAP information may be different from the non-GAAP information provided by other companies. We believe certain charges included in our operating expenses on a GAAP basis make it difficult to compare our current period results to prior periods as well as future periods and guidance. The tables below show a reconciliation of non-GAAP financial measures used in this filing to the most directly comparable GAAP financial measures.

Operating Expenses per Available Seat Mile, excluding fuel

Operating expenses per available seat mile, or CASM, is a common metric used in the airline industry. Our CASM for the periods are summarized in the table below. We exclude aircraft fuel and related taxes, operating expenses related to other non-airline businesses, such as JetBlue Technology Ventures and JetBlue Travel Products, and special items from operating expenses to determine CASM ex-fuel. During the periods presented below, special items include one-time transition costs related to the Embraer E190 fleet exit as well as one-time costs related to the implementation of our pilots' collective bargaining agreement. We believe that CASM ex-fuel provides investors the ability to measure financial performance excluding items beyond our control, such as fuel costs which are subject to many economic and political factors beyond our control, or not related to the generation of an available seat mile, such as operating expense related to other non-airline businesses. We believe this non-GAAP measure is more indicative of our ability to manage airline costs and is more comparable to measures reported by other major airlines.

	Reconciliation of Operating Expense per ASM, excluding fuel							
	Three Months Ended June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
	\$	per ASM	\$	per ASM	\$	per ASM	\$	per ASM
<i>(in millions; per ASM data in cents; percentages based on unrounded numbers)</i>								
Total operating expenses	\$ 1,855	\$ 11.58	\$ 2,080	\$ 13.74	\$ 3,652	\$ 11.60	\$ 3,709	\$ 12.72
Less:								
Aircraft fuel and related taxes	484	3.02	491	3.24	921	2.93	908	3.11
Other non-airline expenses	12	0.09	11	0.07	23	0.07	20	0.07
Special items	2	0.01	319	2.11	14	0.04	319	1.10
Operating expenses, excluding fuel	\$ 1,357	\$ 8.46	\$ 1,259	\$ 8.32	\$ 2,694	\$ 8.56	\$ 2,462	\$ 8.44

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Operating Expense, Income before Taxes, Net Income and Earnings per Share, excluding special items and impact of tax reform

Our GAAP results in the applicable periods include the impacts of the 2017 tax reform and charges that are deemed special items which we believe make our results difficult to compare to prior periods as well as future periods and guidance. During the periods presented below, special items include one-time transition costs related to the Embraer E190 fleet exit as well as one-time costs related to the implementation of our pilots' collective bargaining agreement. We believe the impacts of the 2017 tax reform and special items distort our overall trends and that our metrics and results are enhanced with the presentation of our results excluding the impact of these items. The table below provides a reconciliation of our GAAP reported amounts to the non-GAAP amounts excluding the impacts of the 2017 tax reform and special items.

Reconciliation of Operating Expenses, Income before taxes, Net Income and Earnings Per Common Share excluding special items and impact of tax reform

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<i>(in millions except per share amounts)</i>				
Total operating expenses	\$ 1,855	\$ 2,080	\$ 3,652	\$ 3,709
Less: Special items	2	319	14	319
Total operating expenses excluding special items	<u>\$ 1,853</u>	<u>\$ 1,761</u>	<u>\$ 3,638</u>	<u>\$ 3,390</u>
Operating income (loss)	\$ 250	\$ (152)	\$ 325	\$ (27)
Add back: Special items	2	319	14	319
Operating income excluding special items	<u>\$ 252</u>	<u>\$ 167</u>	<u>\$ 339</u>	<u>\$ 292</u>
Income (loss) before income taxes	\$ 236	\$ (162)	\$ 294	\$ (49)
Add back: Special items	2	319	14	319
Income before income taxes excluding special items	<u>\$ 238</u>	<u>\$ 157</u>	<u>\$ 308</u>	<u>\$ 270</u>
Income before income taxes excluding special items	\$ 238	\$ 157	\$ 308	\$ 270
Less: Income tax expense (benefit)	57	(41)	73	(18)
Less: Income tax related to special items	1	79	3	79
Less: Tax reform impact	—	—	—	7
Net Income excluding special items and tax reform impact	<u>\$ 180</u>	<u>\$ 119</u>	<u>\$ 232</u>	<u>\$ 202</u>
Earnings Per Common Share:				
Basic	\$ 0.60	\$ (0.39)	\$ 0.73	\$ (0.10)
Add back: Special items, net of tax	—	0.77	0.03	0.75
Less: Tax reform impact	—	—	—	0.02
Basic excluding special items and tax reform impact	<u>\$ 0.60</u>	<u>\$ 0.38</u>	<u>\$ 0.76</u>	<u>\$ 0.63</u>
Diluted	\$ 0.59	\$ (0.39)	\$ 0.73	\$ (0.10)
Add back: Special items, net of tax	0.01	0.76	0.03	0.75
Less: Tax reform impact	—	—	—	0.02
Diluted excluding special items and tax reform impact	<u>\$ 0.60</u>	<u>\$ 0.37</u>	<u>\$ 0.76</u>	<u>\$ 0.63</u>

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*****Free Cash Flow***

The table below reconciles cash provided by operations determined in accordance with GAAP to Free Cash Flow, a non-GAAP measure. Management believes that Free Cash Flow is a relevant metric in measuring our financial strength and is useful in assessing our ability to fund future capital commitments and other obligations. Investors should consider this non-GAAP financial measure in addition to, and not as a substitute for, our financial measures prepared in accordance with GAAP.

<i>(in millions)</i>	Reconciliation of Free Cash Flow	
	Six Months Ended June 30,	
	2019	2018
Net cash provided by operating activities	\$ 968	\$ 722
Less: Capital expenditures	(328)	(368)
Less: Predelivery deposits for flight equipment	(142)	(38)
Free Cash Flow	\$ 498	\$ 316

PART I. FINANCIAL INFORMATION**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes in market risks from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk included in our 2018 Form 10-K.

Aircraft Fuel

Our results of operations are affected by changes in the price and availability of aircraft fuel. Market risk is estimated as a hypothetical 10% increase in the June 30, 2019 cost per gallon of fuel. Based on projected fuel consumption for the next 12 months, including the impact of our hedging position, such an increase would result in an increase to aircraft fuel expense of approximately \$185 million. As of June 30, 2019, we had hedged approximately 5% of our projected fuel requirement for the remainder of 2019. All hedge contracts existing at June 30, 2019 settle by June 30, 2020. The financial derivative instrument agreements we have with our counterparties may require us to fund all, or a portion of, outstanding loss positions related to these contracts prior to their scheduled maturities. The amount of collateral posted, if any, is periodically adjusted based on the fair value of the hedge contracts. Refer to Note 8 to our consolidated financial statements, included in Part I, Item 1 of this Quarterly Report on Form 10-Q, for additional information.

Interest

Our earnings are affected by changes in interest rates due to the impact those changes have on interest expense from variable-rate debt instruments and on interest income generated from our cash and investment balances. The interest rate is fixed for \$1.2 billion of our debt and finance lease obligations, with the remaining \$0.2 billion having floating interest rates. As of June 30, 2019, if interest rates were on average 100 basis points higher in 2019 our annual interest expense would increase by approximately \$2 million. This is determined by considering the impact of the hypothetical change in interest rates on our variable rate debt and finance leases.

If interest rates were to average 100 basis points lower in 2019 than they did during 2018, our interest income from cash and investment balances would remain relatively constant. These amounts are determined by considering the impact of the hypothetical interest rates on our cash equivalents and investment securities balances for the trailing twelve month period.

ITEM 4. CONTROLS AND PROCEDURES**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer, or CEO, and our Chief Financial Officer, or CFO, to allow timely decisions regarding required disclosure. Management, with the participation of our CEO and CFO, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2019. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2019.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our controls performed during the fiscal quarter ended June 30, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. FINANCIAL INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

In the ordinary course of our business we are party to various legal proceedings and claims which we believe are incidental to the operation of our business. Refer to Note 7 to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

ITEM 1A. RISK FACTORS

Part I, Item 1A "Risk Factors" of our 2018 Form 10-K, includes a discussion of our risk factors. There were no material changes from the risk factors associated with our business previously disclosed in Part I, Item 1A "Risk Factors" of our 2018 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On December 8, 2017, the Board of Directors approved a two year share repurchase authorization starting on January 1, 2018, of up to \$750 million worth of JetBlue common stock. The authorization can be executed through repurchases in open market transactions pursuant to Rules 10b-18 and/or 10b5-1 of the Securities Exchange Act of 1934, as amended, and/or one or more privately-negotiated accelerated stock repurchase transactions. We may adjust or change our share repurchase practices based on market conditions and other alternatives.

During the three months ended June 30, 2019, the following shares were repurchased under the program (in millions):

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
April 2019	—		—	\$ 250
May 2019	1.3	(1)	1.3	\$ 250
June 2019	5.2	(2)	5.2	\$ 125
Total	6.5		6.5	

(1) On March 11, 2019, JetBlue entered into an accelerated share repurchase agreement, or ASR, paying \$125 million for an initial delivery of 6.1 million shares. The term of the ASR concluded on May 21, 2019 with delivery of 1.3 million additional shares to JetBlue on May 22, 2019. A total of 7.4 million shares, at an average price of \$16.93 per share, were repurchased under the agreement.

(2) On June 13, 2019, JetBlue entered into ASR paying \$125 million for an initial delivery of 5.2 million shares. The term of the ASR is expected to be completed by the end of the third quarter of 2019. The total number of shares to ultimately be purchased by JetBlue will be based on the average volume weighted average prices of JetBlue's common stock during the term of the ASR, less a discount.

ITEM 6. EXHIBITS

See accompanying Exhibit Index included after the signature page of this Report for a list of the exhibits filed or furnished with this Report.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JETBLUE AIRWAYS CORPORATION

(Registrant)

Date: July 26, 2019

By: /s/ Alexander Chatkewitz

Vice President, Controller, and Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Exhibit
10.1*	Amendment No. 12 to Airbus Family Purchase Agreement, dated as of April 9, 2019, between Airbus S.A.S. and JetBlue Airways Corporation
10.2*	Amendment No. 13 to Airbus Family Purchase Agreement, dated as of June 20, 2019, between Airbus S.A.S. and JetBlue Airways Corporation
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer
32	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
* Information in this exhibit identified by brackets is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it (i) is not material and (ii) would likely cause competitive harm to the Company if publicly disclosed.	

INFORMATION IN THIS EXHIBIT IDENTIFIED BY [***] IS CONFIDENTIAL AND HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

AMENDMENT NO. 12

to the A320 Family Aircraft Purchase Agreement

Dated as of October 19, 2011

Between

AIRBUS S.A.S.

And

JETBLUE AIRWAYS CORPORATION

This Amendment No. 12 (hereinafter referred to as the “**Amendment**”) is entered into as of April 9, 2019 between Airbus S.A.S. a *société par actions simplifiée*, created and existing under French law, having its registered office at 2 Rond-Point Emile Dewoitine, 31700 Blagnac, France and registered with Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the “**Seller**”) and JetBlue Airways Corporation, a corporation organized under the laws of Delaware having its principal corporate offices at 27-01 Queens Plaza North, Long Island City, New York 11101 (formerly 118-29 Queens Boulevard, Forest Hills, New York 11375), United States of America (the “**Buyer**”).

WHEREAS, the Buyer and the Seller entered into an A320 Family Purchase Agreement dated as of October 19, 2011, relating to the sale by the Seller and the purchase by the Buyer of certain firmly ordered Airbus A320 family aircraft, which together with all amendments, exhibits, appendices, and letter agreements attached thereto is hereinafter called the “**Agreement**”.

WHEREAS, the Buyer and the Seller wish to amend the Agreement to reflect, among other things, the type conversion of certain Aircraft.

NOW THEREFORE, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN, IT IS AGREED AS FOLLOWS:

Capitalized terms used herein and not otherwise defined in this Amendment will have the meanings assigned to them in the Agreement. Except as used within quoted text, the terms “herein”, “hereof”, and “hereunder” and words of similar import refer to this Amendment.

1 SCOPE

- 1.1 The Buyer wishes to [***], to convert thirteen (13) Aircraft into thirteen (13) Converted A321 LR Aircraft.
- 1.2 [***]

2 DELIVERY

- 2.1 [***], the Buyer and the Seller hereby irrevocably convert six (6) 2018 Converted NEO Aircraft, two (2) Additional A321 NEO Aircraft and five (5) A321 NEO Aircraft; into thirteen (13) Converted A321 LR Aircraft as detailed in the following table:

CAC ID	Original Aircraft	Revised Aircraft	Original Scheduled Delivery Month / Quarter	Revised Scheduled Delivery Month / Quarter
402144	2018 Converted A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2020	[***] 2020
10054126	Additional A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2020	[***] 2021
10054127	Additional A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2021	[***] 2021
402151	2018 Converted A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2021	[***] 2021
402152	2018 Converted A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2021	[***] 2021
402156	2018 Converted A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2021	[***] 2021
402149	2018 Converted A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2022	[***] 2022
402150	2018 Converted A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2022	[***] 2022
10002765	A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2022	[***] 2022
10002768	A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2022	[***] 2022
10002773	A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2022	[***] 2022
10002774	A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2022	[***] 2022
402127	A321 NEO Aircraft	Converted A321 LR Aircraft	[***] 2022	[***] 2022

All terms and conditions governing the sale and purchase of A321 LR Aircraft under the Agreement will apply to the Converted A321 LR Aircraft.

- 2.2 Schedule 1 to the Agreement is deleted in its entirety and replaced by the Amended and Restated Schedule 1 (the “**Amended and Restated Schedule 1**”) attached hereto as Appendix 1.
- 2.3 It shall be the Buyer’s sole responsibility to ensure, without any intervention necessary from the Seller, that all of the BFE Suppliers are notified of and accept the rescheduling and conversion set forth in Clauses 2.1 to 2.2 above without the Seller incurring any costs, losses, expenses, additional obligations, penalties, damages or liabilities of any kind by reason of such rescheduling or conversion, and the

Buyer will indemnify and hold the Seller harmless against any and all of such costs, losses, expenses, additional obligations, penalties, damages or liabilities so incurred by the Seller unless such costs, losses, expenses, additional obligations, penalties, damages or liabilities are a result of the Seller's gross negligence or willful misconduct.

- 2.4 The Buyer shall enter into discussions directly with the relevant Propulsion System manufacturer to amend the relevant propulsion systems agreement(s) in order to reflect the rescheduling and conversion set out in Clauses 2.1 to 2.2 above and will indemnify and hold the Seller harmless against any and all costs, losses, expenses, additional obligations, penalties, damages or liabilities so incurred by the Seller in the event that the Buyer fails to perform its obligations as set out under this Clause 2.4 unless such costs, losses, expenses, additional obligations, penalties, damages or liabilities are a result of the Seller's gross negligence or willful misconduct.
- 2.5 Any and all Predelivery Payments [***] described in Clauses 2.1 to 2.2 herein [***].

Any and all Predelivery Payments [***] described in Clauses 2.1 to 2.2 herein [***].

3 A321 LR STANDARD SPECIFICATION AND DEFINITIONS

- 3.1 With respect to the A321 LR Aircraft, any reference made in the Agreement to A321 NEO Standard Specification shall be deemed to be a reference to the A321 NEO ACF standard specification number [***], a copy of which has been annexed hereto as Exhibit A.
- 3.2 The definition of "Aircraft" set out in Clause 0 of the Agreement shall be deleted in its entirety and replaced by the following quoted text:

QUOTE

Aircraft – individually or collectively, the Group 1 A320 Aircraft, the A320 Backlog Aircraft, the A320 NEO Aircraft, the A321 Backlog Aircraft, the A321 NEO Aircraft, the Converted A321 Backlog Aircraft, the Converted A321 NEO Aircraft, the Incremental A321 Aircraft, the Additional A321 Aircraft, the Incremental A321 NEO Aircraft, the Additional A321 NEO Aircraft, the 2018 Converted A321 NEO Aircraft, the Converted A321 LR Aircraft and the Converted A321 XLR Aircraft, as applicable.

UNQUOTE

- 3.3 The definition of "A321 LR Aircraft" set out in Clause 0 of the Agreement, as further described in Paragraph 1 of Amended and Restated Letter Agreement No. 3 to the Agreement, shall be deleted in its entirety and replaced by the following quoted text:

QUOTE

A321 LR Aircraft – an A321-200NX type aircraft with the A321LR Variant together with all components, equipment, parts and accessories installed in or on such aircraft and the A321 LR Propulsion System installed thereon [***].

UNQUOTE

- 3.4 The definition of “Converted A321 LR Aircraft” set out in Clause 0 of the Agreement, as further described in Paragraph 1 of Amended and Restated Letter Agreement No. 3 to the Agreement, shall be deleted in its entirety and replaced by the following quoted text:

QUOTE

Converted A321 LR Aircraft - any or all of the A321 LR Aircraft that have been converted from A321 NEO Aircraft and that are sold by the Seller and purchased by the Buyer pursuant to the Agreement together with all components, equipment, parts and accessories installed in or on such aircraft and the A321 LR Propulsion System installed thereon [***].

UNQUOTE

4 COMMERCIAL TERMS

- 4.1 The Base Price of the A321 LR Airframe shall be as set forth in Clauses 3.1.13 and 3.1.14 of the Agreement as further described in Paragraph 4 of Amended and Restated Letter Agreement No. 3 to the Agreement.
- 4.2 The Predelivery Payments for the Converted A321 LR Aircraft shall be as set forth in Clause 5.3 of the Agreement as modified by Paragraphs 1.7 and 2 of the Amended and Restated Letter Agreement No. 2 to the Agreement.
- 4.3 The purchase incentives applicable to the Converted A321 LR Aircraft shall be as set forth in Paragraph 12 of the Amended and Restated Letter Agreement No. 1 to the Agreement.
- 4.4 The Buyer hereby confirms that it [***].
- 4.5 [***]
- 4.6 [***]

5 EFFECT OF THE AMENDMENT

The Agreement will be deemed amended to the extent herein provided, and, except as specifically amended hereby, will continue in full force and effect in accordance with its original terms. This Amendment contains the entire agreement between the Buyer and the Seller with respect to the subject matter hereof and supersedes any previous understandings, commitments, or representations whatsoever, whether oral or written, related to the subject matter of this Amendment.

Both parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement and will be governed by its provisions, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

This Amendment will become effective upon its execution.

6 CONFIDENTIALITY

This Amendment is subject to the confidentiality provisions set forth in Clause 22.10 of the Agreement.

7 ASSIGNMENT

Notwithstanding any other provision of this Amendment or of the Agreement, this Amendment will not be assigned or transferred in any manner without the prior written consent of the other party, and any attempted assignment or transfer in contravention of the provisions of this Clause 7 will be void and of no force or effect.

8 COUNTERPARTS

This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

9 INTERPRETATION AND LAW

This Amendment is subject to the Interpretation and Law provisions set forth in Clause 22.6 of the Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment by their respective officers or agents as of the date first above written.

JETBLUE AIRWAYS CORPORATION AIRBUS S.A.S.

By: /s/ Steve Priest By: /s/ Benoit de Saint-Exupery

Its: Chief Financial Officer Its: Senior Vice President, Contracts

INFORMATION IN THIS EXHIBIT IDENTIFIED BY [***] IS CONFIDENTIAL AND HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

AMENDMENT NO. 13

to the A320 Family Aircraft Purchase Agreement

Dated as of October 19, 2011

Between

AIRBUS S.A.S.

And

JETBLUE AIRWAYS CORPORATION

This Amendment No. 13 (hereinafter referred to as the “**Amendment**”) is entered into as of June 20, 2019 between Airbus S.A.S. a *société par actions simplifiée*, created and existing under French law, having its registered office at 2 Rond-Point Emile Dewoitine, 31700 Blagnac, France and registered with Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the “**Seller**”) and JetBlue Airways Corporation, a corporation organized under the laws of Delaware having its principal corporate offices at 27-01 Queens Plaza North, Long Island City, New York 11101 (formerly 118-29 Queens Boulevard, Forest Hills, New York 11375), United States of America (the “**Buyer**”).

WHEREAS, the Buyer and the Seller entered into an A320 Family Purchase Agreement dated as of October 19, 2011, relating to the sale by the Seller and the purchase by the Buyer of certain firmly ordered Airbus A320 family aircraft, which together with all amendments, exhibits, appendices, and letter agreements attached thereto is hereinafter called the “**Agreement**”.

WHEREAS, the Buyer and the Seller wish to amend the Agreement to reflect, among other things, the type conversion of certain Aircraft.

NOW THEREFORE, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN, IT IS AGREED AS FOLLOWS:

Capitalized terms used herein and not otherwise defined in this Amendment will have the meanings assigned to them in the Agreement. Except as used within quoted text, the terms “herein”, “hereof”, and “hereunder” and words of similar import refer to this Amendment.

1 SCOPE

1.1 The Buyer wishes to [***], to convert thirteen (13) Aircraft into thirteen (13) Converted A321 XLR Aircraft.

1.2 [***]

2 DELIVERY

2.1 [***], the Buyer and the Seller hereby irrevocably convert two (2) Converted A321 NEO Aircraft, five (5) Incremental A321 NEO Aircraft, four (4) Additional A321 NEO Aircraft and two (2) 2018 Converted A321 NEO Aircraft; into thirteen (13) Converted A321 XLR Aircraft as detailed in the following table:

CAC ID	Original Aircraft	Revised Aircraft	Original Scheduled Delivery Quarter	Revised Scheduled Delivery Quarter
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402 132	Converted A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2023	[***/2023
10054137	Additional A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2023	[***/2023
10002779	Incremental A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2023	[***/2023
402 139	Converted A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2023	[***/2023
10002789	Incremental A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
10002790	Incremental A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
402 148	2018 Converted A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
10054131	Additional A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
402 159	2018 Converted A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
10002791	Incremental A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
10002793	Incremental A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
10054129	Additional A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024
10054132	Additional A321 NEO Aircraft	Converted A321 XLR Aircraft	[***/2024	[***/2024

All terms and conditions governing the sale and purchase of A321 XLR Aircraft under the Agreement will apply to the Converted A321 XLR Aircraft.

- 2.2 The scheduled delivery month of each Converted A321 XLR Aircraft [***].
- 2.3 Notwithstanding anything to the contrary in the Agreement, for the Converted A321 XLR Aircraft scheduled for delivery [***].
- 2.4 Schedule 1 to the Agreement is deleted in its entirety and replaced by the Amended and Restated Schedule 1 (the “**Amended and Restated Schedule 1**”) attached hereto as Appendix 1.
- 2.5 It shall be the Buyer’s sole responsibility to ensure, without any intervention necessary from the Seller, that all of the BFE Suppliers are notified of and accept the rescheduling and conversion set forth in Clauses 2.1 to 2.2 above without the Seller incurring any costs, losses, expenses, additional obligations, penalties, damages or liabilities of any kind by reason of such rescheduling or conversion, and the Buyer will indemnify and hold the Seller harmless against any and all of such costs, losses, expenses, additional obligations, penalties, damages or liabilities so incurred by the Seller unless such costs, losses, expenses, additional obligations, penalties, damages or liabilities are a result of the Seller’s gross negligence or willful misconduct.
- 2.6 The Buyer shall enter into discussions directly with the relevant Propulsion System manufacturer to amend the relevant propulsion systems agreement(s) in order to reflect the rescheduling and conversion set out in Clause 2.1 above and will indemnify and hold the Seller harmless against any and all costs, losses, expenses, additional obligations, penalties, damages or liabilities so incurred by the Seller in the event that the Buyer fails to perform its obligations as set out under this Clause 2.6 unless such costs, losses, expenses, additional obligations, penalties, damages or liabilities are a result of the Seller’s gross negligence or willful misconduct.
- 2.7 Any and all Predelivery Payments [***] described in Clause 2.1 herein [***].

Any and all Predelivery Payments [***] described in Clause 2.1 herein [***].

3 A321 XLR STANDARD SPECIFICATION AND DEFINITIONS

- 3.1 With respect to the A321 XLR Aircraft, any reference made in the Agreement to A321 NEO Standard Specification shall be deemed to be a reference to the A321 NEO ACF standard specification number [***], a copy of which has been annexed hereto as Exhibit A.

- 3.2 The definition of “A321 XLR Aircraft” set out in Clause 0 of the Agreement, as further described in Paragraph 1 of Amended and Restated Letter Agreement No. 3 to the Agreement, shall be deleted in its entirety and replaced by the following quoted text:

QUOTE

A321 XLR Aircraft – an A321-200NX type aircraft with the A321XLR Variant together with all components, equipment, parts and accessories installed in or on such aircraft and the A321 XLR Propulsion System installed thereon [***].

UNQUOTE

- 3.3 The definition of “[***]” set out in Clause 0 of the Agreement, as further described in Paragraph 1 of Amended and Restated Letter Agreement No. 3 to the Agreement, shall be deleted in its entirety and replaced by the following quoted text:

QUOTE

Converted A321 XLR Aircraft - any or all of the A321 XLR Aircraft that have been converted from A321 NEO Aircraft and that are sold by the Seller and purchased by the Buyer pursuant to the Agreement together with all components, equipment, parts and accessories installed in or on such aircraft and the A321 XLR Propulsion System installed thereon [***].

UNQUOTE

4 COMMERCIAL TERMS FOR CONVERTED A321 XLR AIRCRAFT

- 4.1 The Base Price of the A321 XLR Airframe shall be as set forth in Clauses 3.1.15, 3.1.16, 3.1.17 and 3.1.18 of the Agreement as further described in Paragraph 4.3 of Amended and Restated Letter Agreement No. 3 to the Agreement.
- 4.2 The Predelivery Payments for the Converted A321 XLR Aircraft shall be as set forth in Clause 5.3 of the Agreement as modified by Paragraphs 1.8 and 2 of the Amended and Restated Letter Agreement No. 2 to the Agreement.
- 4.3 The purchase incentives applicable to the Converted A321 XLR Aircraft shall be as set forth in Paragraph 13 of the Amended and Restated Letter Agreement No. 1 to the Agreement.
- 4.4 [***]
- 4.4 The Buyer hereby confirms that it [***].
- 4.5 [***]
- 4.6 [***]

5 ADDITIONAL COMMERCIAL TERMS

[***]

6 [***]

7 EFFECT OF THE AMENDMENT

7.1 [***]

- 7.2 The Agreement will be deemed amended to the extent herein provided, and, except as specifically amended hereby, will continue in full force and effect in accordance with its original terms. This Amendment contains the entire agreement between the Buyer and the Seller with respect to the subject matter hereof and supersedes any previous understandings, commitments, or representations whatsoever, whether oral or written, related to the subject matter of this Amendment.

7.3 Both parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement and will be governed by its provisions, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

7.4 This Amendment will become effective upon its execution [***].

8 CONFIDENTIALITY

This Amendment is subject to the confidentiality provisions set forth in Clause 22.10 of the Agreement.

9 ASSIGNMENT

Notwithstanding any other provision of this Amendment or of the Agreement, this Amendment will not be assigned or transferred in any manner without the prior written consent of the other party, and any attempted assignment or transfer in contravention of the provisions of this Clause 9 will be void and of no force or effect.

10 COUNTERPARTS

This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

11 INTERPRETATION AND LAW

This Amendment is subject to the Interpretation and Law provisions set forth in Clause 22.6 of the Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment by their respective officers or agents as of the date first above written.

JETBLUE AIRWAYS CORPORATION AIRBUS S.A.S.

By: /s/ Steve Priest By: /s/ Benoit de Saint-Exupery

Its: Chief Financial Officer Its: Senior Vice President, Contracts

Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer

I, Robin Hayes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2019

By: /s/ ROBIN HAYES

Chief Executive Officer

Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer

I, Steve Priest, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2019

By: /s/ STEVE PRIEST

Chief Financial Officer

JetBlue Airways Corporation**SECTION 1350 CERTIFICATIONS**

In connection with the Quarterly Report of JetBlue Airways Corporation on Form 10-Q for the period ended June 30, 2019, as filed with the Securities and Exchange Commission on July 26, 2019 (the "Report"), the undersigned, in the capacities and on the dates indicated below, each hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of JetBlue Airways Corporation.

Date: July 26, 2019

By: /s/ ROBIN HAYES

Chief Executive Officer

Date: July 26, 2019

By: /s/ STEVE PRIEST

Chief Financial Officer