JetBlue Announces $13 Million Net Income for First Quarter 2002; Fifth Consecutive Profitable Quarter

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NEW YORK, Apr 25, 2002 (BUSINESS WIRE) -- JetBlue Airways Corporation (Nasdaq: JBLU), New York's low-fare airline, today reported its results for the first quarter of 2002:

- Net income for the quarter was $13.0 million, or $0.34 per diluted share, compared to 2001 net income of $6.7 million, or $0.21 per diluted share.
- Operating income was $23.4 million resulting in a 17.5% operating margin compared to operating income of $7.5 million and an 11.8% operating margin in 2001.

"We are pleased with our financial performance for the first quarter of 2002, especially in light of the challenging industry environment," said David Neeleman, chief executive officer. "We attained our highest ever load factor of 80.8% for the quarter, which is quite an accomplishment given that our capacity increased 117% over the first quarter of 2001 and 18% over the fourth quarter of 2001."
Commenting on the Company's operational performance, Dave Barger, president and chief operating officer, said, "During the first quarter of 2002, we completed 99.9% of our scheduled flights compared to 99.5% in 2001. We increased our on-time performance to 85.2% for the first three months of 2002 compared to 79.8% in 2001 during a quarter when our load factor was the highest in the U.S. airline industry. Our continued strong performance demonstrates the commitment of our Crewmembers to provide our Customers with the best flying experience possible each and every day."

Operating revenues for the quarter were $133.4 million, up 109% from the first quarter of 2001, while revenue passenger miles increased 117% from the prior year. Yield per passenger mile was 9.90 cents, down 4.1% compared to 2001 on a 21% increase in average stage length. Operating revenue per available seat mile (ASM) decreased 3.5% year-over-year to 8.26 cents. Operating expenses for the quarter were $110.0 million, up 95% from the first quarter of 2001. Operating expense per ASM for the first quarter 2002 decreased 9.8% year-over-year to 6.81 cents. Excluding aircraft fuel, operating expense per ASM for the first quarter 2002 was 6.01 cents, a decrease of 6.2% over 2001.

John Owen, executive vice president and chief financial officer, said, "JetBlue was profitable in each month during the first quarter of 2002 and attained a record quarterly operating margin of 17.5%. This is usually a strong quarter for our airline. Because the first quarter of 2002 was aided by seasonal traffic related to both Easter and Passover, we expect our second quarter operating margin will be lower than the first quarter. We ended the first quarter with $92.5 million in cash and cash equivalents, which excludes the $167.9 million net proceeds from our initial public offering of 6,746,667 shares of common stock."

JetBlue is a low-fare, low-cost passenger airline, which provides high-quality customer service primarily on point-to-point routes. From its base at New York City's John F. Kennedy International Airport, JetBlue flies to: Fort Lauderdale, Tampa, Orlando, Fort Myers and West Palm Beach, FL; Buffalo, Rochester and Syracuse, NY; Long Beach, Ontario and Oakland, CA; Burlington, VT; New Orleans, LA; Denver, CO; Salt Lake City, UT; and Seattle, WA. The airline also operates between Washington, DC and Fort Lauderdale. JetBlue is scheduled to add twice-daily service between Washington DC and both Oakland and Long Beach starting May 1, and three daily round-trip flights between JFK and San Juan, Puerto Rico, commencing May 30.

With JetBlue, all seats are assigned, all travel is ticketless, all fares are one-way, and a Saturday night stay is never required. The airline is offering $5 each way off all fares booked through its web site, www.jetblue.com, through May 31. For more information, schedules and fares, please visit www.jetblue.com or call JetBlue reservations at 1-800-JETBLUE (538-2583).

This press release contains statements of a forward-looking nature relating to future events or future financial results of JetBlue that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in the forward-looking statements due to many factors, including without limitation, the rapidly changing industry and regulatory environment following recent terrorist attacks, our limited operating history, our ability to implement our growth strategy, our fixed obligations, our dependence on the New York market, our ability to renew or replace gate leases, our competitive environment, problems with our aircraft, economic and other conditions in markets in which we operate, governmental regulation, increases in maintenance costs, fuel prices and insurance premiums and cyclical and seasonal fluctuations in our operating results. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to, the Company's registration statement on Form S-1, as amended. We undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

JETBLUE AIRWAYS CORPORATION
CONDENSED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,		Percent
	2002	2001	Change
OPERATING REVENUES			
Passenger	$129,091	$61,961	108.3%
Other	4,278	1,889	126.5
Total operating revenues	133,369	63,850	108.9
OPERATING EXPENSES			
Salaries, wages and benefits	33,561	15,917	110.9
Aircraft fuel	12,984	8,532	52.2
Aircraft rent	9,491	5,610	69.2
Sales and marketing	9,850	5,691	73.1
Landing fees and other rents	9,939	5,739	73.2
Depreciation and amortization	4,712	2,130	121.2
Maintenance materials and repairs	1,905	694	174.5
Other operating expenses	27,549	11,999	129.6
Total operating expenses	109,991	56,312	95.3
OPERATING INCOME	23,378	7,538	210.1
Operating margin	17.5 %	11.8 %	5.7 pts.
OTHER INCOME (EXPENSE)			
Interest expense	(4,187)	(3,627)	15.4
Capitalized interest	1,297	2,063	(37.1)
Interest income and other	1,802	775	132.5
Total other income (expense)	(1,088)	(789)	37.9
INCOME BEFORE INCOME TAXES	22,290	6,749	230.3
Income tax expense	9,286	-	-
NET INCOME	$13,004	$6,749	92.7
EARNINGS PER COMMON SHARE:			
Basic	$2.84	$1.43	98.6 %
Diluted	$0.34	$0.21	61.9 %
Weighted Average shares outstanding:			
Basic	2,811	1,972	
Diluted	38,313	32,216	

JETBLUE AIRWAYS CORPORATION

COMPARATIVE OPERATING STATISTICS

	Three Months Ended March 31,		Percent
	2002	2001	Change
Revenue passengers	1,180,917	644,419	83.3

Revenue passenger miles(000)	1,304,275	600,343	117.3
Available seat miles(000)	1,614,670	745,852	116.5
Load factor	80.8 %	80.5 %	0.3 pts.
Breakeven load factor	68.8 %	73.2 %	(4.4)pts.
Aircraft utilization (hours per day)	12.7	13.2	(3.6)
Average fare	$109.31	$96.15	13.7
Yield per passenger mile(cents)	9.90	10.32	(4.1)
Passenger revenue per available seat mile (cents)	7.99	8.31	(3.8)
Operating revenue per available seat mile (cents)	8.26	8.56	(3.5)
Operating expense per available seat mile (cents)	6.81	7.55	(9.8)
Departures	9,439	5,283	78.7
Average stage length (miles)	1,056	871	21.2
Average number of operating aircraft during period	22.2	10.5	111.6
Full-time equivalent employees at period end	2,479	1,350	83.6
Average fuel cost per gallon (cents)	62.02	86.03	(27.9)
Fuel gallons consumed (000)	20,934	9,917	111.1
Percent of sales through jetblue.com during period	55.1 %	37.6 %	17.5 pts.

SELECTED BALANCE SHEET DATA

		P r o	F o r m a
	March 31, 2002	December 31, 2001	March 31, 2002 (1)
Cash and cash equivalents	$92,536	$117,522	$260,445
Total assets	786,106	673,773	954,015
Total debt	456,355	374,431	456,355
Convertible redeemable preferred stock	215,450	210,441	-
Common stockholders' equity (deficit)	(23,773)	(32,167)	359,586

(1) The pro forma balance sheet data gives effect to the receipt of $167.9 million in estimated net proceeds from the sale of 6,746,667 shares of our common stock in the Company's initial public offering and the automatic conversion of all outstanding shares of our convertible redeemable preferred stock into 30,692,262 shares of common stock as if the conversion had occurred as of March 31, 2002.

SOURCE: JetBlue Airways Corporation

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