

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 24, 2017



JETBLUE AIRWAYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-49728
(Commission File Number)

87-0617894
(I.R.S. Employer Identification No.)

27-01 Queens Plaza North, Long Island City, New York
(Address of principal executive offices)

11101
(Zip Code)

(718) 286-7900
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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.

Item 2.02 Results of Operations and Financial Condition

On October 24, 2017 we issued a press release announcing our financial results for the third quarter ended September 30, 2017. A copy of the press release is attached to this report as Exhibit 99.1 and is incorporated herein by reference.

The information included under Item 2.02 of this report (including the exhibits) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Act of 1934, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 7.01 Regulation FD Disclosure.

On October 24, 2017, we provided an update for investors presenting information relating to our financial outlook for the fourth quarter ending December 31, 2017 and full year 2017, and other information regarding our business. The update and materials to be used in conjunction with the presentation are furnished herewith as Exhibit 99.2 and Exhibit 99.3 and are incorporated herein by reference.

The information included under Item 7.01 of this report (including the exhibits) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Act of 1934, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933.

The information furnished in this Item 7.01 shall not be deemed “filed” for purposes of section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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; volatility in fuel prices, maintenance costs and interest rates; our ability to implement our growth strategy; our significant fixed obligations and substantial indebtedness; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on high daily aircraft utilization; our dependence on the New York 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 reliance on a limited number of suppliers; our presence in some international emerging markets that may experience political or economic instability or may subject us to legal risk; reputational and business risk from information security breaches or cyber-attacks; changes in or additional domestic or foreign government regulation; 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 press release, 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 press release, those described in Item 1A of our 2016 Form 10-K under “Risks Related to JetBlue” and

"Risks Associated with the Airline Industry". In light of these risks and uncertainties, the forward-looking events discussed in this press release might not occur.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press Release dated October 24, 2017 of JetBlue Airways Corporation announcing financial results for the third quarter ended September 30, 2017.
99.2	Investor Update dated October 24, 2017 of JetBlue Airways Corporation.
99.3	Earnings Presentation dated October 24, 2017.

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: October 24, 2017

/s/ Alexander Chatkewitz

By: _____
Vice President, Controller, and Chief Accounting Officer (Principal Accounting Officer)

JETBLUE ANNOUNCES THIRD QUARTER 2017 RESULTS

NEW YORK (October 24, 2017) -- JetBlue Airways Corporation (NASDAQ: JBLU) today reported its results for the third quarter 2017:

- Operating income of \$310 million, a decrease of 12.4% from the third quarter of 2016.
- Pre-tax income of \$293 million, a decrease of 11.2% from the third quarter of 2016.
- Third quarter net income of \$179 million, or \$0.55 per diluted share. This compares to JetBlue's third quarter 2016 net income of \$199 million, or \$0.58 per diluted share.

Financial Performance

JetBlue reported third quarter operating revenues of \$1.8 billion. Revenue passenger miles for the third quarter increased 2.3% to 12.2 billion on a capacity increase of 3.7%, resulting in a third quarter load factor of 85.1%, a 1.2 point decrease year over year.

Yield per passenger mile in the third quarter was 13.32 cents, up 1.0% compared to the third quarter of 2016. Passenger revenue per available seat mile (PRASM) for the third quarter of 2017 decreased 0.4% year over year to 11.34 cents and operating revenue per available seat mile (RASM) increased 0.9% year over year to 12.67 cents.

Compared with last year, operating expenses for the quarter increased 9.1%, or \$125 million. Interest expense for the quarter declined 18.5%, or \$5 million, as JetBlue continued to reduce its debt. JetBlue's operating expense per available seat mile (CASM) for the third quarter increased 5.2% year over year to 10.50 cents. Excluding fuel, third quarter CASM¹ increased 2.7% to 8.07 cents.

"Our third quarter results were impacted by two hurricanes that reduced our EPS by approximately 6 cents. We are confident that the adjustments we are making to our network will limit any ongoing financial impact in 2018. Despite the short-term challenges, we remain focused on our long-term margin commitments to our shareholders. I'd like to thank our 21,000 Crewmembers in our operation and support centers, who successfully managed the unprecedented challenge of over 30 consecutive days of irregular operations," said Robin Hayes, JetBlue's President and CEO.

Fuel Expense and Hedging

In the third quarter of 2017 JetBlue had hedges in place for approximately 10% of its fuel consumption. The realized fuel price in the quarter was \$1.69 per gallon, a 14.6% increase versus third quarter 2016 realized fuel price of \$1.48.

JetBlue has hedged approximately 10% of its fourth quarter of 2017 fuel consumption using jet fuel swaps. Based on the fuel curve as of October 13th, JetBlue expects an average price per gallon of fuel, including the impact of hedges and fuel taxes, of \$1.83 in the fourth quarter of 2017.

Liquidity and Cash Flow

JetBlue ended the quarter with approximately \$814 million in unrestricted cash and short term investments, or about 12% of trailing twelve month revenue. In addition, JetBlue maintains approximately \$625 million in undrawn lines of credit.

During the third quarter, JetBlue repaid \$53 million in regularly scheduled debt and capital lease obligations. JetBlue anticipates paying approximately \$57 million in regularly scheduled debt and capital lease obligations in the fourth quarter 2017 and approximately \$194 million for the full year 2017. In the third quarter, JetBlue completed a \$130 million accelerated share repurchase program and has completed \$380 million in share repurchases to date in 2017.

“Despite unprecedented ATC challenges, repeated hurricane events, and a competitive industry pricing environment, we’ve been able to sustain solid margins, make progress towards our long-term margin commitments and return capital to our shareholders,” said Steve Priest, JetBlue’s EVP Chief Financial Officer.

Fourth Quarter and Full Year Outlook

For further details see the Investor Update and the Third Quarter 2017 Earnings Presentation available via the internet at <http://investor.jetblue.com>.

Capacity is expected to increase between 4.5% and 5.5% year over year in the fourth quarter 2017. For the full year 2017, JetBlue expects capacity to increase between 4.0% and 5.0%.

RASM growth is expected to range between (3.0%) and 0% for the fourth quarter 2017 compared to the same period in 2016.

CASM excluding fuel is expected to grow between 5.0% and 7.0% for the fourth quarter of 2017. For the full year 2017, JetBlue expects year over year CASM excluding fuel to grow between 4.0% and 5.0%.

JetBlue will conduct a conference call to discuss its quarterly earnings today, October 24, at 10:00 a.m. Eastern Time. A live broadcast of the conference call will also be available via the internet at <http://investor.jetblue.com>.

About JetBlue

JetBlue is New York's Hometown Airline®, and a leading carrier in Boston, Fort Lauderdale - Hollywood, Los Angeles (Long Beach), Orlando, and San Juan. JetBlue carries more than 38 million customers a year to 101 cities in the U.S., Caribbean, and Latin America with an average of 1,000 daily flights. For more information please visit www.jetblue.com.

Notes

- (1) Consolidated operating cost per available seat mile, excluding fuel and related taxes, and operating expenses related to other non-airline expenses (CASM Ex-Fuel) is a non-GAAP financial measure that we use to measure our core performance. Note A provides a reconciliation of non-GAAP financial measures used in this release and provides the reasons management uses those measures.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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; volatility in fuel prices, maintenance costs and interest rates; our ability to implement our growth strategy; our significant fixed obligations and substantial indebtedness; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on high daily aircraft utilization; our dependence on the New York 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 reliance on a limited number of suppliers; our presence in some international emerging markets that may experience political or economic instability or may subject us to legal risk; reputational and business risk from information security breaches or cyber-attacks; changes in or additional domestic or foreign government regulation; 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 press release, 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 press release, those described in Item 1A of our 2016 Form 10-K under “Risks Related to JetBlue” and “Risks Associated with the Airline Industry”. In light of these risks and uncertainties, the forward-looking events discussed in this press release might not occur.

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts)
(unaudited)

	Three Months Ended			Percent	Nine Months Ended			Percent
	September 30,				September 30,			
	2017	2016	Change		2017	2016	Change	
OPERATING REVENUES								
Passenger	\$ 1,623	\$ 1,571	3.3		\$ 4,724	\$ 4,536	4.2	
Other	190	161	18.2		535	455	17.4	
Total operating revenues	<u>1,813</u>	<u>1,732</u>	4.7		<u>5,259</u>	<u>4,991</u>	5.4	
OPERATING EXPENSES								
Aircraft fuel and related taxes	347	293	18.3		994	782	27.1	
Salaries, wages and benefits	466	421	10.9		1,397	1,270	10.0	
Landing fees and other rents	104	98	5.4		301	276	9.1	
Depreciation and amortization	114	102	11.8		328	289	13.2	
Aircraft rent	26	28	(9.5)		75	84	(9.9)	
Sales and marketing	68	60	13.2		195	197	(0.8)	
Maintenance, materials and repairs	149	153	(2.4)		467	427	9.3	
Other operating expenses	229	223	2.9		691	650	6.3	
Total operating expenses	<u>1,503</u>	<u>1,378</u>	9.1		<u>4,448</u>	<u>3,975</u>	11.9	
OPERATING INCOME								
	310	354	(12.4)		881	1,016	(20.2)	
Operating margin	17.1 %	20.5 %	(3.4) pts.		15.4 %	20.4 %	(5.0) pts.	
OTHER INCOME (EXPENSE)								
Interest expense	(23)	(28)	(18.5)		(72)	(85)	(15.7)	
Capitalized interest	3	2	21.8		7	6	26.0	
Interest income and other	3	2	62.5		5	5	(6.1)	
Total other income (expense)	<u>(17)</u>	<u>(24)</u>	(28.3)		<u>(60)</u>	<u>(74)</u>	(19.8)	
INCOME BEFORE INCOME TAXES								
	293	330	(11.2)		751	942	(20.2)	
Pre-tax margin	16.2 %	19.1 %	(2.9) pts.		14.3 %	18.9 %	(4.6) pts.	
Income tax expense	114	131	(12.7)		276	355	(22.2)	
NET INCOME								
	<u>\$ 179</u>	<u>\$ 199</u>	(10.2)		<u>\$ 475</u>	<u>\$ 587</u>	(19.1)	
EARNINGS PER COMMON SHARE:								
Basic	<u>\$ 0.55</u>	<u>\$ 0.61</u>			<u>\$ 1.44</u>	<u>\$ 1.81</u>		
Diluted	<u>\$ 0.55</u>	<u>\$ 0.58</u>			<u>\$ 1.43</u>	<u>\$ 1.72</u>		
WEIGHTED AVERAGE SHARES OUTSTANDING:								
Basic	326.1	323.7			330.8	322.8		
Diluted	327.8	343.2			332.4	342.6		

JETBLUE AIRWAYS CORPORATION
COMPARATIVE OPERATING STATISTICS
(unaudited)

	Three Months Ended			Percent Change	Nine Months Ended			Percent Change
	September 30,				September 30,			
	2017	2016			2017	2016		
Revenue passengers (thousands)	10,227	9,953		2.8	30,251	28,731	5.3	
Revenue passenger miles (millions)	12,180	11,905		2.3	35,712	34,434	3.7	
Available seat miles (ASMs) (millions)	14,306	13,796		3.7	42,131	40,421	4.2	
Load factor	85.1 %	86.3 %		(1.2) pts.	84.8 %	85.2 %	(0.4) pts.	
Aircraft utilization (hours per day)	11.8	12.2		(3.3)	11.9	12.2	(2.2)	
Average fare	\$ 158.68	\$ 157.87		0.5	\$ 156.17	\$ 157.88	(1.1)	
Yield per passenger mile (cents)	13.32	13.20		1.0	13.23	13.17	0.4	
Passenger revenue per ASM (cents)	11.34	11.39		(0.4)	11.21	11.22	(0.1)	
Revenue per ASM (cents)	12.67	12.55		0.9	12.48	12.35	1.1	
Operating expense per ASM (cents)	10.50	9.99		5.2	10.56	9.83	7.4	
Operating expense per ASM, excluding fuel (cents) ⁽¹⁾	8.07	7.86		2.7	8.19	7.89	3.7	
Departures	90,021	86,801		3.7	265,980	253,325	5.0	
Average stage length (miles)	1,069	1,091		(2.0)	1,072	1,099	(2.5)	
Average number of operating aircraft during period	234.3	219.6		6.7	231.7	217.8	6.4	
Average fuel cost per gallon, including fuel taxes	\$ 1.69	\$ 1.48		14.6	\$ 1.66	\$ 1.37	21.9	
Fuel gallons consumed (millions)	205	198		3.3	598	573	4.3	
Average number of full-time equivalent crewmembers					17,051	15,521	9.9	

(1) Refer to Note A, Consolidated operating cost per available seat mile, excluding fuel (CASM Ex-Fuel) at the end of our Earnings Release for more information on this non-GAAP measure. CASM Ex-Fuel excludes fuel and related taxes, and operating expenses related to other non-airline expenses.

JETBLUE AIRWAYS CORPORATION
SELECTED CONSOLIDATED BALANCE SHEET DATA
(in millions)

	September 30,		December 31,	
	2017		2016	
	(unaudited)			
Cash and cash equivalents	\$	394	\$	433
Total investment securities		420		628
Total assets		9,596		9,323
Total debt		1,255		1,384
Stockholders' equity		4,139		4,013

SOURCE: JetBlue Airways Corporation

Note A - Non-GAAP Financial Measures

JetBlue sometimes uses non-GAAP measures that are derived from the Consolidated Financial Statements, but that are not presented in accordance with generally accepted accounting principles ("GAAP"). JetBlue believes these metrics provide a meaningful comparison of our results to others in the airline industry and our prior year results. Under the U.S. Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. The table below shows a reconciliation of non-GAAP financial measures used in this press release to the most directly comparable GAAP financial measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

Consolidated operating cost per available seat mile, excluding fuel and related taxes, and operating expenses ("CASM Ex-Fuel"). CASM is a common metric used in the airline industry. We exclude aircraft fuel and related taxes and operating expenses related to other non-airline expenses, such as JetBlue Technology Ventures, from operating cost per available seat mile to determine CASM Ex-Fuel. We believe 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 expenses related to other non-airline expenses. We believe this measure is more indicative of our ability to manage costs and is more comparable to measures reported by other major airlines.

NON-GAAP FINANCIAL MEASURE

RECONCILIATION OF OPERATING EXPENSE PER ASM, EXCLUDING FUEL

(in millions, per ASM data in cents)

(unaudited)

	Three Months Ended				Nine Months Ended			
	September 30,				September 30,			
	2017		2016		2017		2016	
	\$	per ASM	\$	per ASM	\$	per ASM	\$	per ASM
Total operating expenses	\$ 1,503	\$ 10.50	\$ 1,378	\$ 9.99	\$ 4,448	\$ 10.56	\$ 3,975	\$ 9.83
Less:								
Aircraft fuel and related taxes	347	2.42	293	2.13	994	2.36	782	1.94
Other non-airline expenses	1	0.01	—	—	3	0.01	1	—
Operating expenses, excluding fuel and related taxes	\$ 1,155	\$ 8.07	\$ 1,085	\$ 7.86	\$ 3,451	\$ 8.19	\$ 3,192	\$ 7.89

CONTACTS

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Investor Update: October 24, 2017

This update provides JetBlue's investor guidance for the fourth quarter ending December 31, 2017 and full year 2017.

Recent Announcements

JetBlue has announced service between the following city pairs:

City Pair	Frequency	Start Date
New York (JFK) - Palm Springs (PSP) - Mint conversion (seasonal)	1x Daily seasonal	Dec 21, 2017
Boston (BOS) - Syracuse (SYR)	1x Daily	Jan 4, 2018
New York (JFK) - Atlanta (ATL)	2x Daily	March 8, 2018
Fort Lauderdale/Hollywood (FLL) - Atlanta (ATL)	2x Daily	March 8, 2018
Orlando (MCO) - Atlanta (ATL)	1x Daily	March 8, 2018
Boston (BOS) - Minneapolis-Saint Paul (MSP)	3x Daily	May 3, 2018

Capacity

Fourth quarter 2017 available seat miles (ASMs) are estimated to increase 4.5% to 5.5% year-over-year, including a negative impact from hurricanes of approximately 2.9 points. Full year 2017 ASMs are estimated to increase 4.0% to 5.0% year-over-year, including a negative impact from hurricanes of approximately 1.4 points.

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

Fourth Quarter 2017				Full Year 2017			
A320	A321 All-Core	A321 Mint	E190	A320	A321 All-Core	A321 Mint	E190
58%	14%	16%	12%	61%	14%	13%	12%

Average stage length is projected to decrease year-over-year by approximately 0.7% for the fourth quarter 2017 and decrease by approximately 2.0% year-over-year for the full year 2017.

Operational Outlook

	Fourth Quarter 2017	Full Year 2017
Operating Expense Year-Over-Year Percentage Change		
Unit Operating Expense Excluding Fuel (CASM Ex-Fuel) ⁽¹⁾⁽²⁾	5.0 - 7.0%	4.0 - 5.0%
	<i>Prior guidance issued July 25, 2017</i>	2.0 - 3.5%

¹ CASM Ex-Fuel excludes fuel and related taxes, and operating expenses related to other non-airline expenses. With respect to JetBlue's CASM Ex-Fuel and guidance, JetBlue is not able to provide a reconciliation of the non-GAAP financial measure to GAAP because the excluded items have not yet occurred and cannot be reasonably predicted. The reconciling information that is unavailable would include a forward-looking range of financial performance measures beyond our control, such as fuel costs, which are subject to many economic and political factors beyond our control.

² CASM Ex-Fuel includes estimated storm impact: 4Q 2017: Approx. 2.5 points; Full year 2017: Approx. 1.5 points.

	Fourth Quarter 2017	Full Year 2017
Fuel Expense		
Estimated Consumption (gallons)	194 million	791 million
Estimated Fuel Price per Gallon, Net of Hedges ¹	\$1.83	²

¹Includes fuel taxes.

²JetBlue utilizes the forward Brent crude curve and the forward Brent crude to heating oil crack spread to calculate the unhedged portion of its prompt quarter. As of October 13, 2017, the forward Brent crude per barrel price was \$57 and the crack spread averaged \$18 per barrel for the fourth quarter of 2017.

Fuel Hedges

As of October 13, 2017 JetBlue's advanced fuel derivative contracts are as follows:

	Gallons	Estimated Percentage of Consumption	Price
4Q17	20 million	10%	• 10% in USGC jet fuel swaps at an average of \$1.38/gal

Other Income (Expense)

JetBlue estimates total Other Income (Expense) to be between (\$15) and (\$20) million in the fourth quarter and between (\$75) and (\$80) million for the full year.

Tax Rate

JetBlue expects an effective annual tax rate equal to 37%. However, the actual tax rate in the fourth quarter and full year 2017 could differ due to a number of factors.

Capital Expenditures

(In millions)

Fourth Quarter 2017			Full Year 2017		
Aircraft	Non-aircraft	Total	Aircraft	Non-aircraft	Total
\$330 - \$380	\$40 - \$60	\$370 - \$440	\$1,060 - \$1,110	\$100 - \$120	\$1,160 - \$1,230

Aircraft Delivery Schedule

As of September 30, 2017 JetBlue's fleet was comprised of 130 Airbus A320 aircraft, 21 Airbus A321 All-Core aircraft, 25 Airbus A321 Mint aircraft, and 60 EMBRAER 190 aircraft.

	Airbus A320			Airbus A321			EMBRAER 190		
	Aircraft	Mortgage	Lease	Aircraft	Mortgage	Lease	Aircraft	Mortgage	Lease
4Q17	—	—	—	6	—	—	—	—	—
Total at Year End 2017	130	44	12	52	8	2	60	30	30

Order Book

As of September 30, 2017 JetBlue's firm aircraft order book beyond 2017:

Year	Airbus A320neo	Airbus A321	Airbus A321neo	EMBRAER 190	Total
2018	—	11	—	—	11
2019	—	—	13	—	13
2020	6	—	7	10	23
2021	16	—	4	7	27
2022	3	—	17	7	27
2023	—	—	14	—	14
2024	—	—	5	—	5
Total	25	11	60	24	120

Share Count

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

	Fourth Quarter 2017	Full Year 2017
Basic Share Count	321.6 million	328.7 million
Diluted Share Count	323.3 million	330.4 million

These share count estimates do not include any future share repurchases that may occur throughout the remainder of 2017. The number of shares used in JetBlue's actual earnings per share will likely be different than those stated above.

This Investor Update contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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; volatility in fuel prices, maintenance costs and interest rates; our ability to implement our growth strategy; our significant fixed obligations and substantial indebtedness; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on high daily aircraft utilization; our dependence on the New York 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 reliance on a limited number of suppliers; our presence in some international emerging markets that may experience political or economic instability or may subject us to legal risk; reputational and business risk from information security breaches or cyber-attacks; changes in or additional domestic or foreign government regulation; 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 Investor Update, 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 Investor Update, those described in Item 1A of our 2016 Form 10-K under "Risks Related to JetBlue" and "Risks Associated with the Airline Industry". In light of these risks and uncertainties, the forward-looking events discussed in this Investor Update might not occur.



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3Q 2017 EARNINGS PRESENTATION

OCTOBER 24, 2017

SAFE HARBOR

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, 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 financing or to raise funds through debt or equity issuances; volatility in fuel prices, maintenance costs and interest rates; our ability to implement our growth strategy; our significant fixed obligations and substantial indebtedness; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on high daily aircraft utilization; our dependence on the New York and Boston metropolitan markets and the Northeast Corridor of the United States 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 and/or increased labor costs; our reliance on a limited number of suppliers; our presence in some international emerging markets that may experience political or economic instability or may subject us to legal risk; reputational and business risk from information security breaches or cyber-attacks; changes in or additional government regulation; changes in our industry due to other airlines' financial condition; acts of war or terrorism; global economic conditions or economic downturns 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 and you should not place undue reliance on these statements. Further information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to, the Company's 2016 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. In light of these risks and uncertainties, the forward-looking events discussed in this presentation might not occur. We undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this presentation.

The following presentation also includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. We refer you to the reconciliations made available in our Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K (available on our website at jetblue.com and at sec.gov) and in our July 2017 second quarter earnings call, which reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

3Q 2017 EARNINGS UPDATE

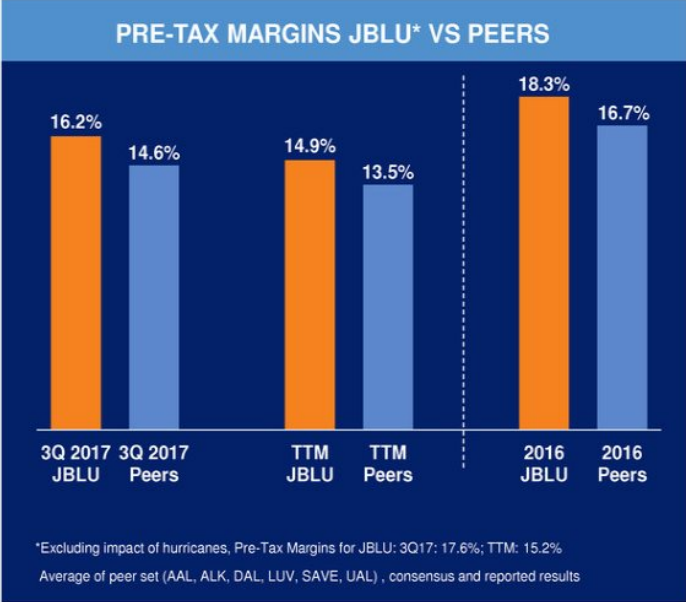
ROBIN HAYES
PRESIDENT & CEO

jetBlue

IMPACT SUMMARY OF HURRICANES IRMA AND MARIA

OPERATIONAL IMPACT	FINANCIAL IMPACT			
	3Q 2017	4Q 2017	2017	
<ul style="list-style-type: none"> • 2,500+ flights cancelled, net of 550+ extra flights dispatched • Operational disruption for over 30 consecutive days • Revenue impact 3Q: \$44 million; 4Q: \$70 - \$90 million • Operating income impact 3Q: \$33 million; 4Q: \$50 - \$70 million 	ASM	(2.7%)	(2.9%)	(1.4%)
	RASM	+0.3 pts	(1.0) – (2.0) pts	(0.25) – (0.50) pts
	CASM ex-Fuel	+2.75 pts	~ +2.5 pts	~ +1.5 pts
	Pre-Tax Margin	(1.4%)	(2.7%)	(1.0%)
	\$ EPS Impact	(6c)	(10c) – (13c)	(16c) – (19c)

CREATING SHAREHOLDER VALUE THROUGH MARGIN INITIATIVES DESPITE SHORT TERM CHALLENGES



- **Working to sustain above average pre-tax margin and towards goal of superior margins**
 - Targeted growth that builds market relevance in our Focus Cities and network diversification
 - Continued progress on structural cost initiatives
- **Managing operational risks through capacity adjustments**
 - Schedule changes to mitigate peak ATC challenges
 - Redeployments in the Caribbean

3Q 2017 HIGHLIGHTS

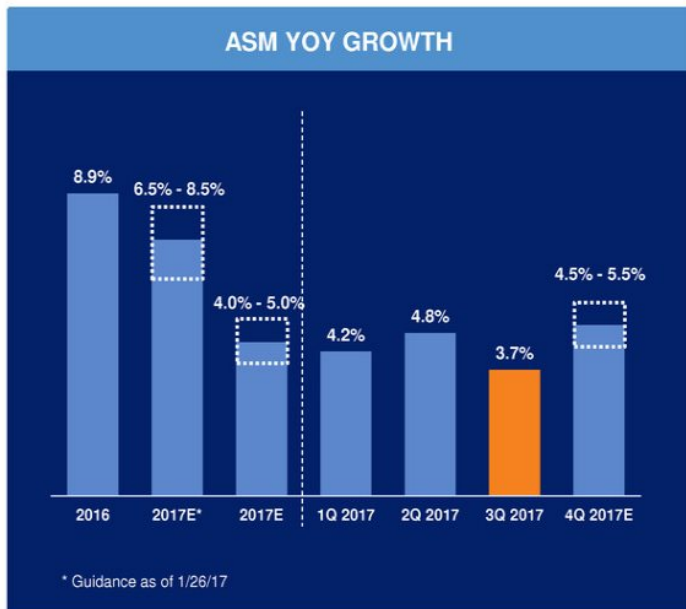
Commercial initiatives	<ul style="list-style-type: none">• Continue to see benefits of market relevance in Ft. Lauderdale• New Mint routes exceeding expectations in 3Q
Targeted growth	<ul style="list-style-type: none">• Boston continues to produce superior margins; growing business segment• Managing short term network challenges and investing in operation as needed
Structural cost initiatives	<ul style="list-style-type: none">• Progress on Tech Ops cost savings• Reducing dependence on third parties for distribution
STRATEGIC POSITIONING AND RESULTS	
Committed to delivering above-average industry margins	<ul style="list-style-type: none">• Balancing growth and returns with targeted expansion in existing Focus Cities

COMMERCIAL UPDATE & OUTLOOK

MARTY ST. GEORGE
EVP COMMERCIAL AND PLANNING

jetBlue

CAPACITY: TARGETED GROWTH CONTINUES



- **92% of growth remains in 3 Focus Cities in past five years**
 - Boston growing to 200 flights/day and Ft. Lauderdale growing to 140 flights/day over the next several years
 - Growth coming from Mint, up-gauging, new frequencies and added destinations
- **4Q 2017 capacity guidance considerations**
 - Includes 2.9 points in lost seat-miles from hurricanes
 - Previously-announced approx. (0.5) point reduction to mitigate ATC constraints

NETWORK UPDATE: BOSTON AND MINT CONTINUE TO OUTPERFORM

KEY DEVELOPMENTS IN 3Q 2017	
BOSTON	<ul style="list-style-type: none">✓ Margin-accretive leisure/business split; announced new service to Minneapolis further increasing relevance✓ Expect to up-gauge in Boston leisure markets with A321 All-Core fleet
FORT LAUDERDALE	<ul style="list-style-type: none">✓ RASM growth outperformed system in July, despite competitive fares, ex-Hurricane Irma✓ Expect demand levels to normalize by mid-fourth quarter
MINT	<ul style="list-style-type: none">✓ Solid pricing trends in Mint overall; approximately 60% growth in YoY Mint departures✓ New service to San Diego exceeding expectations; solid bookings to Las Vegas
NEW YORK	<ul style="list-style-type: none">✓ Largest Focus City also producing superior margins✓ Low fares continue in Newark/NYC to Florida markets; some signs of improvement
CARIBBEAN	<ul style="list-style-type: none">✓ Stabilizing operation, resuming commercial flights to Puerto Rico, and redeploying leisure flights✓ Monitoring trends in Caribbean destinations post hurricanes

UNIT REVENUE: MONITORING TRENDS INTO 4Q 2017



- **Continued solid demand environment in 3Q**
 - Strength in Boston business, Mint markets
 - Co-brand card continues to exceed expectations
- **3Q RASM within initial guidance ex-storm impact**
 - RASM growth ex-storms +0.6%, in line with original guidance of (0.5%) to +2.5%, and in top half of guidance from early September (1%) to +1%
- **4Q RASM growth of (3.0%) to 0.0%**
 - Ongoing storm impact: (1.0) to (2.0) points
 - Full quarter impact from competitive pricing

FINANCIAL UPDATE & OUTLOOK

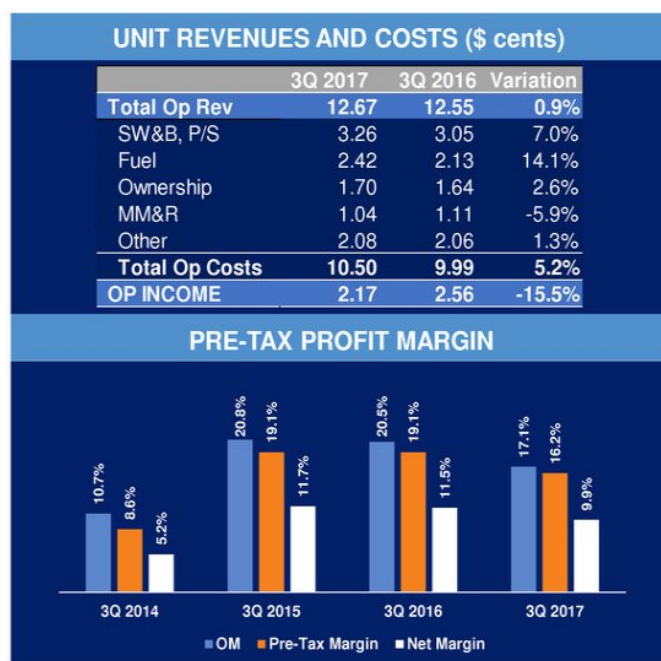
STEVE PRIEST
EVP CHIEF FINANCIAL OFFICER

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3Q 2017 RESULTS

INCOME STATEMENT (\$ billion)			
	3Q 2017	3Q 2016	Variation
Total Op Rev	1.81	1.73	4.7%
SW&B, P/S	0.47	0.42	10.9%
Fuel	0.35	0.29	18.3%
Ownership	0.24	0.23	6.4%
MM&R	0.15	0.15	-2.4%
Other	0.29	0.29	5.1%
Total Op Costs	1.50	1.38	9.1%
OP INCOME	0.31	0.35	-12.4%
Other Inc (Exp)	(0.02)	(0.02)	-28.3%
Inc Before Taxes	0.29	0.33	-11.2%
Inc Tax Exp	0.11	0.13	-12.7%
NET INCOME	0.18	0.20	-10.2%

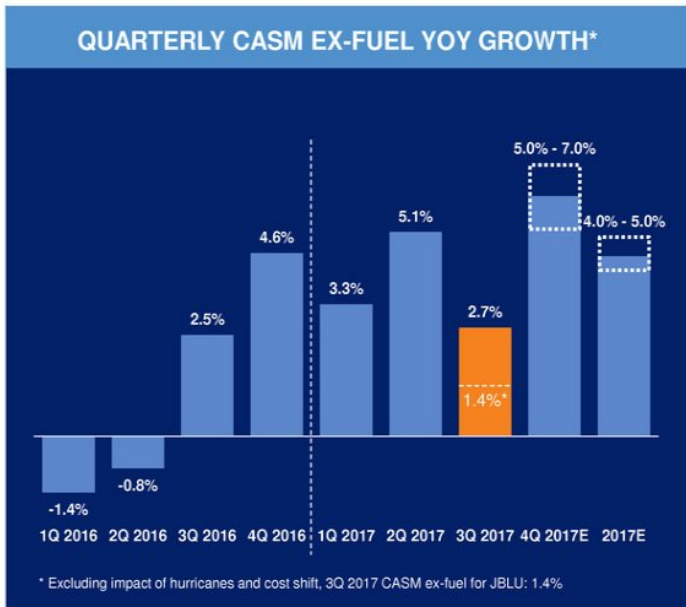
Operating Margin	17.1%	20.5%
Pre-Tax Margin	16.2%	19.1%
Net Margin	9.9%	11.5%
EPS (basic)	0.55	0.61
EPS (diluted)	0.55	0.58



*Excluding impact of hurricanes and cost shift, 3Q 2017 Pre-Tax Margin was 16.7%

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UNIT COSTS: MANAGING NEAR TERM HEADWINDS

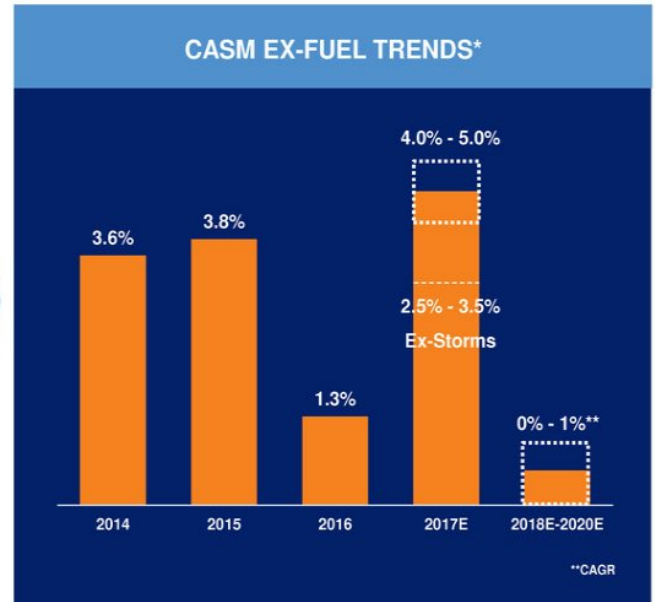


- **3Q CASM ex-fuel growth below original guidance**
 - +2.7 points from hurricanes
 - +0.5 points to mitigate operational risks from ATC (included in original guidance)
 - Maintenance and marketing costs shifted +1.4 points of CASM growth from 3Q into 4Q
- **4Q and full year 2017 cost guidance**
 - Ex storms, mid-point of full year guidance at top end of original 2017 guidance, despite 1.5 points slower capacity growth
- **2018 considerations**
 - Bias towards slower growth; exploring initiatives to limit costs of irregular operations

*Refer to Appendix A on Non-GAAP Financial Measures

COST CONTROL: THE PATH FROM GOOD TO GREAT MARGINS

STRUCTURAL COST SAVINGS PLAN (2018-2020)		ACHIEVEMENTS
Tech Ops	\$100-\$125m	<ul style="list-style-type: none"> ✓ Progress towards V2500 engine maintenance deal & RFP in 2018; NEO engine RFP underway
Corporate	\$75-\$90m	<ul style="list-style-type: none"> ✓ Reviewing business partner contracts ✓ Maximizing data storage infrastructure, software utilization
Airports	\$55-\$65m	<ul style="list-style-type: none"> ✓ 9/12 Airport lobbies completed ✓ Consolidating contracts
Distribution	~\$20m	<ul style="list-style-type: none"> ✓ Decreasing dependence on OTAs ✓ Lowering distribution costs
TOTAL	\$250-\$300m	



*Refer to Appendix A on Non-GAAP Financial Measures

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FLEET: ACCRETIVE FLEET GROWTH



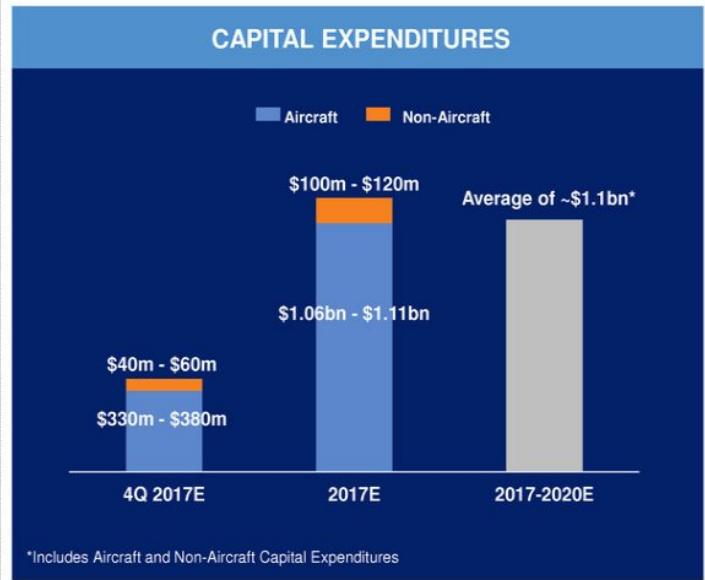
AIRBUS ORDER BOOK*

Year	A320neo	A321ceo	A321neo	Total
2018	-	11	-	11
2019	-	-	13	13
2020	6	-	7	13

- Flexibility in order book allows for selecting most margin-accretive configuration
- Expect a mix of Mint/All-Core-seat deliveries in 2018

*As of 10/24/17
CEO: Current Engine Option; NEO: New Engine Option

LEVERAGE AND CAPEX: BALANCED CAPITAL ALLOCATION



2017 GUIDANCE SUMMARY

	4Q 2017	2017
Capacity	4.5 – 5.5%	4.0 – 5.0%
RASM	(3.0) – 0.0%	N/A
CASM ex-Fuel	5.0 – 7.0%	4.0 – 5.0%
All-In Fuel Price	\$1.83	N/A
CAPEX (Aircraft)	\$330m – \$380m	\$1.06bn - \$1.11bn
CAPEX (Non-Aircraft)	\$40m – \$60m	\$100m - \$120m
Other Income / (Expense)	(\$15m - \$20m)	(\$75m - \$80m)



jetBlue | QUESTIONS

APPENDIX A: NOTE ON NON-GAAP FINANCIAL MEASURES

Consolidated operating cost per available seat mile, excludes fuel and related taxes, and operating expenses related to other non-airline expenses (CASM Ex-Fuel) is a non-GAAP financial measure that we use to measure our core performance. Note A within our quarterly earnings release provides a reconciliation of non-GAAP financial measures used in this presentation and provides the reasons management uses those measures.
