

JETBLUE AIRWAYS CORP

Form 424B5

June 05, 2009

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CALCULATION OF REGISTRATION FEE CHART

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Shares	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Common Stock, par value \$0.01	26,450,000	\$4.25	\$112,412,500	\$6,272.62

(1) Includes shares of Common Stock to be sold upon exercise of the underwriter's over-allotment option. See Underwriting.

(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-135545

PROSPECTUS SUPPLEMENT
(To Prospectus dated June 30, 2006)

23,000,000 Shares

COMMON STOCK

23,000,000 shares of common stock of JetBlue Airways Corporation are being offered by this prospectus supplement at a price of \$4.25 per share.

Our common stock is listed on the Nasdaq Global Select Market under the symbol JBLU. On June 3, 2009, the last reported sale price of our common stock on the Nasdaq Global Select Market was \$4.29 per share.

Investing in the common stock involves risks. See Risk Factors beginning on page S-6.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to JetBlue
<i>Per Share</i>	\$ 4.25	\$ 0.12793	\$ 4.12207
<i>Total</i>	\$ 97,750,000	\$ 2,942,390	\$ 94,807,610

We have granted the underwriter the right to purchase up to an additional 3,450,000 shares (less any shares purchased by Lufthansa pursuant to its option described below) at the price to public less underwriting discounts, within 30 days from the date of this prospectus supplement, to cover over-allotments.

At JetBlue's request, the underwriter has reserved for sale, at the public offering price, up to 15.6% of the shares offered in this prospectus supplement for Deutsche Lufthansa AG, or Lufthansa. The number of shares of common stock available for sale to the general public will be reduced to the extent Lufthansa purchases those reserved shares. In addition, we have granted Lufthansa an option to purchase up to 15.6% of the shares we would otherwise have provided to the underwriter as part of its over-allotment option, but only to the extent the underwriter exercises that option. In connection with this offering, Lufthansa has entered into the lock-up agreement described in the Underwriting section beginning on page S-21.

Concurrently with this offering of shares, we are offering, by means of a separate prospectus supplement and accompanying prospectus, \$100 million aggregate principal amount of our 6.75% convertible debentures due 2039 (Series A) or Series A debentures and \$75 million aggregate principal amount of our 6.75% convertible debentures due 2039 (Series B) or Series B debentures, which we refer to collectively as the convertible debentures, in an offering registered under the Securities Act. We have granted the underwriters in that offering an option to purchase up to an additional \$15,000,000 and \$11,250,000 aggregate principal amount of the Series A debentures and the Series B debentures, respectively, solely to cover over-allotments in respect of each series, if any. Neither this offering nor the convertible debentures offering is conditioned upon the consummation of the other.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares to purchasers on or about June 9, 2009.

MORGAN STANLEY

June 3, 2009.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This document may be used only where it is legal to sell these securities. You should not assume that the information in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement. Also, you should not assume that there has been no change in the affairs of JetBlue since the date of this prospectus supplement.

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ABOUT THIS PROSPECTUS SUPPLEMENT

These offering materials consist of two documents: (1) this prospectus supplement, which describes the specific terms of this offering, and (2) the accompanying prospectus, which provides general information about our securities, some of which may not apply to the common stock that we are currently offering. **The information in this prospectus supplement replaces any inconsistent information included in the accompanying prospectus.**

At varying places in this prospectus supplement and the prospectus, we refer you to other sections of the documents for additional information by indicating the caption heading of the other sections. The page on which each principal caption included in this prospectus supplement and the prospectus can be found is listed in the Table of Contents on the preceding page. All cross references in this prospectus supplement are to captions contained in this prospectus supplement and not in the prospectus, unless otherwise stated.

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Statements in this prospectus supplement and in the accompanying prospectus and other materials filed or to be filed with the Securities and Exchange Commission (the "SEC") (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 prospectus supplement and in the accompanying prospectus and in documents incorporated by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations, beliefs, intentions or future strategies that are signified by the words "expects," "anticipates," "intends," "believes," "plans" or similar language. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause our actual results and the timing of certain events to differ materially from those expressed in the forward-looking statements. 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. Although these expectations may change, we may not inform you if they do.

You should understand that many important factors, in addition to those discussed or incorporated by reference in this prospectus supplement or in the accompanying prospectus or other public communications, 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 prospectus supplement or in the accompanying prospectus or other public communications, those described in the "Risk Factors" section of this prospectus supplement and the accompanying prospectus. In light of these risks and uncertainties, the forward-looking events discussed in this prospectus supplement or the accompanying prospectus or other public communications might not occur.

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SUMMARY

This summary highlights selected information about our company and the offering of shares of our common stock. This summary is not complete and does not contain all of the information that may be important to you. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the Risk Factors section, and the other documents that we refer to and incorporate by reference herein for a more complete understanding of us and this offering. In particular, we incorporate by reference important business and financial information into this prospectus supplement and the accompanying prospectus. As used in this prospectus supplement and the accompanying prospectus, the terms JetBlue, we, us, our and similar terms refer to JetBlue Airways Corporation and its subsidiaries, unless the context indicates otherwise.

JetBlue Airways Corporation

JetBlue Airways Corporation is a passenger airline that we believe has established a new airline category a value airline based on service, style, and cost. We are known for our award-winning customer service and free TV as much as for our low fares, and we believe we offer our customers the best coach product in the markets we serve, with a strong core product and reasonably priced optional upgrades. JetBlue operates primarily on point-to-point routes with its fleet of 110 Airbus A320 Aircraft and 39 EMBRAER 190 aircraft the youngest and most fuel-efficient fleet of any major U.S. airline. We currently serve 55 cities with 600 daily flights in 19 states, Puerto Rico, Mexico and five countries in the Caribbean and Latin America. Most of our flights have, as an origin or destination, one of our focus cities: Boston, Fort Lauderdale, Los Angeles/Long Beach, New York/JFK, or Orlando. For the year ended December 31, 2008, JetBlue was the 7th largest passenger carrier in the United States based on revenue passenger miles as reported by those airlines.

Corporate Information

JetBlue was incorporated in Delaware in August 1998 and commenced service in February 11, 2000. Our principal executive offices are located at 118-29 Queens Boulevard, Forest Hills, New York 11375 and our telephone number is (718) 286-7900. Our website address is <http://investor.jetblue.com>. Information contained on our website is not a prospectus and does not constitute part of this prospectus supplement or the accompanying prospectus.

Recent Developments

On April 23, 2009, we reported our results for the first quarter of 2009. In that quarter, we had operating revenues of \$793 million, operating income of \$73 million, a pre-tax income of \$20 million and a net income of \$12 million. For additional information regarding our first quarter results, you should refer to our Quarterly Report on Form 10-Q, which we have filed with the SEC and which is incorporated by reference herein. See Where You Can Find More Information.

In June 2009, we purchased a variety of forward caps to hedge approximately 5% of our estimated fuel requirements for the period between fourth quarter of 2009 and the fourth quarter of 2010.

On June 2, 2009, we reported a 10% year over year decrease in preliminary passenger revenue per available seat mile (PRASM) for May 2009. We believe these results reflect the continued uncertainty in the economic environment and traveler concerns with the H1N1 virus, which have negatively impacted overall demand for air travel.

Concurrent Transaction

Concurrently with this offering of shares, we are offering, by means of a separate prospectus supplement and accompanying prospectus, \$100 million aggregate principal amount of our 6.75% convertible debentures due 2039 (Series A) and \$75 million aggregate principal amount of our 6.75% convertible debentures due 2039 (Series B), which we refer to collectively as the convertible debentures, in an offering registered under the Securities Act. We have granted the underwriters in that offering an option to purchase up to an additional \$15,000,000 and \$11,250,000 aggregate principal amount of the series A debentures and series B debentures, respectively, solely to cover over-allotments in respect of each series, if any. Neither this offering nor the convertible debentures offering is conditioned upon the consummation of the other. We intend to use the net proceeds of the offering of the convertible debentures for general corporate purposes.

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THE OFFERING

Issuer	JetBlue Airways Corporation
Shares of Common Stock Offered	23,000,000 shares
Option to Purchase Additional Shares	We have granted the underwriters a 30-day option to purchase up to an additional 3,450,000 shares of common stock (less any shares purchased by Lufthansa pursuant to its option described below) solely to cover over-allotments, if any.
Directed Shares	At JetBlue's request, the underwriter has reserved for sale, at the public offering price, up to 15.6% of the shares offered in this prospectus supplement for Lufthansa. The number of shares of common stock available for sale to the general public will be reduced to the extent Lufthansa purchases those reserved shares. In addition, we have granted Lufthansa an option to purchase up to 15.6% of the shares we would otherwise have provided to the underwriter as part of its over-allotment option, but only to the extent the underwriter exercises that option. In connection with this offering, Lufthansa has entered into the lock-up agreement described in the Underwriting section beginning on page S-21.
Shares of Common Stock Outstanding Following this Offering ⁽¹⁾	296,542,431 shares (299,992,431 shares if the underwriters exercise their over-allotment option in full).
Use of Proceeds	We intend to use the net proceeds from this offering for general corporate purposes. See Use of Proceeds.
Dividends	We have not declared or paid any dividends on our common stock. We currently intend to retain our future earnings, if any, to finance the expansion of our business.
Nasdaq Global Select Market Symbol	JBLU
Risk Factors	You should carefully consider the information set forth in the Risk Factors section of this prospectus supplement and accompanying prospectus as well as the other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether to invest in our common stock.

(1) As of April 30, 2009. Excludes the following at April 30, 2009:

26,601,113 shares subject to issued and outstanding options;

3,247,470 shares subject to outstanding restricted stock units;

70,000 shares subject to outstanding deferred stock units;

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29,141,865 shares reserved for issuance under our amended and restated 2002 Stock Incentive Plan;

22,872,632 shares reserved for issuance under our crewmembers stock purchase plan; and

37,801,474 shares reserved for our obligations under our convertible notes issued in 2003, 2005 and 2008.

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The following tables set forth our summary consolidated financial information. We derived the statements of operations data and other financial data for the three years ended December 31, 2008 and the three months ended March 31, 2008 and 2009, and balance sheet data as of such dates from our consolidated financial statements incorporated by reference into this prospectus supplement. This information should be read in conjunction with the consolidated financial statements and related notes thereto incorporated by reference into this prospectus supplement.

	Three Months		Year Ended December 31,		
	Ended March 31,	2008	2008	2007	2006
	2009				
	(in millions, except per share data)				
Statement of Operations Data:					
Operating revenues	\$ 793	\$ 816	\$ 3,388	\$ 2,842	\$ 2,363
Operating expenses:					
Aircraft fuel	214	308	1,352	929	752
Salaries, wages and benefits	185	178	694	648	553
Landing fees and other rents	50	51	199	180	158
Depreciation and amortization ⁽¹⁾	55	45	205	176	151
Aircraft rent	32	32	129	124	103
Sales and marketing	37	39	151	121	104
Maintenance materials and repairs	37	33	127	106	87
Other operating expenses ⁽²⁾	110	113	422	389	328
Total operating expenses	720	799	3,279	2,673	2,236
Operating income	73	17	109	169	127
Other income (expense) ⁽³⁾⁽⁵⁾	(53)	(33)	(199)	(138)	(128)
Income (loss) before income taxes	20	(16)	(90)	31	(1)
Income tax expense (benefit) ⁽⁵⁾	8	(6)	(5)	19	6
Net income (loss)	\$ 12	\$ (10)	\$ (85)	\$ 12	\$ (7)
Earnings (loss) per common share:					
Basic	\$ 0.05	\$ (0.05)	\$ (0.37)	\$ 0.06	\$ (0.04)
Diluted	\$ 0.05	\$ (0.05)	\$ (0.37)	\$ 0.06	\$ (0.04)
Other Financial Data:					
Operating margin	9.3%	2.2%	3.2%	6.0%	5.4%
Pre-tax margin	2.5%	(1.9)%	(2.7)%	1.1%	(0.1)%
Ratio of earnings to fixed charges ⁽⁴⁾	1.24				
Net cash provided by operating activities	\$ 124	\$ 49	\$ (17)	\$ 358	\$ 274
Net cash provided by investing activities	(146)	57	(247)	(734)	(1,307)
Net cash provided by financing activities	95	417	635	556	1,037

- (1) In 2008, we wrote-off \$8 million related to our temporary terminal facility at JFK.
- (2) In 2008, 2007, and 2006, we sold nine, three, and five Airbus A320 aircraft, respectively, which resulted in gains of \$23 million, \$7 million, and \$12 million, respectively.
- (3) In 2008, we recorded \$13 million in additional interest expense related to the early conversion of a portion of our 5.50% convertible debentures due 2038 and \$14 million in interest income related to the gain on extinguishment of debt. In December 2008, we recorded an other-than-temporary impairment of \$53 million related to the write-down of the value of our auction rate securities.

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- (4) Earnings were inadequate to cover fixed charges by \$136 million, \$11 million, and \$27 million for the years ended December 31, 2008, 2007 and 2006, respectively and \$30 million for the three months ended March 31, 2008.
- (5) Includes the impact of adopting Financial Accounting Standards Board Staff Position APB 14-1, Accounting for convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement).

	March 31,		December 31,		
	2009	2008	2008	2007	2006
	(in millions)		(in millions)		
Balance Sheet Data:					
Cash and cash equivalents	\$ 634	\$ 713	\$ 561	\$ 190	\$ 10
Investment securities	209	325	254	644	689
Total assets	6,158	6,046	6,020	5,595	4,840
Total debt	3,224	3,074	3,144	3,022	2,804
Common stockholders equity	1,312	1,341	1,266	1,050	972

	Three Months Ended		Year Ended December 31,		
	March 31,		2008	2007	2006
	2009	2008			
Operating Statistics (unaudited):					
Revenue passengers (thousands)	5,291	5,518	21,920	21,387	18,565
Revenue passenger miles (millions)	6,040	6,563	26,071	25,737	23,320
Available seats miles (ASMs)(millions)	7,942	8,395	32,442	31,904	28,594
Load factor	76.0%	78.2%	80.4%	80.7%	81.6%
Breakeven load factor ⁽¹⁾	75.6%	82.2%	84.2%	80.7%	81.4%
Aircraft utilization (hours per day)	12.0	12.9	12.1	12.8	12.7
Average fare	\$ 133.39	\$ 135.64	\$ 139.40	\$ 123.23	\$ 119.73
Yield per passenger mile (cents)	11.69	11.40	11.72	10.24	9.53
Passenger revenue per ASM (cents)	8.89	8.92	9.42	8.26	7.77
Operating revenue per ASM (cents)	9.98	9.72	10.44	8.91	8.26
Operating expense per ASM (cents)	9.06	9.51	10.11	8.38	7.82
Operating expense per ASM, excluding fuel (cents)	6.36	5.84	5.94	5.47	5.19
Airline operating expense per ASM (cents) ⁽¹⁾	8.83	9.37	9.87	8.27	7.76
Departures	53,014	52,265	205,389	196,594	159,152
Average stage length (miles)	1,064	1,131	1,120	1,129	1,186
Average number of operating aircraft during period	142.3	136.3	1		