

JETBLUE AIRWAYS CORP
Form 10-Q
July 29, 2016
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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, 2016
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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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As of June 30, 2016, there were 323,634,904 shares outstanding of the registrant's common stock, par value \$.01.

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PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited, in millions, except per share data)

	June 30, December 31,	
	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 935	\$ 318
Investment securities	575	558
Receivables, less allowance (2016-\$5; 2015-\$6)	153	136
Prepaid expenses and other	415	361
Total current assets	2,078	1,373
PROPERTY AND EQUIPMENT		
Flight equipment	7,334	7,079
Predelivery deposits for flight equipment	172	171
Total flight equipment and predelivery deposits, gross	7,506	7,250
Less accumulated depreciation	1,700	1,573
Total flight equipment and predelivery deposits, net	5,806	5,677
Other property and equipment	916	868
Less accumulated depreciation	319	293
Total other property and equipment, net	597	575
Assets constructed for others	561	561
Less accumulated depreciation	173	161
Total assets constructed for others, net	388	400
Total property and equipment	6,791	6,652
OTHER ASSETS		
Investment securities	30	49
Restricted cash	66	63
Other	493	507
Total other assets	589	619
TOTAL ASSETS	\$ 9,458	\$ 8,644

See accompanying notes to condensed consolidated financial statements.

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

	June 30, 2016	December 31, 2015
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$341	\$ 205
Air traffic liability	1,193	1,053
Accrued salaries, wages and benefits	297	302
Other accrued liabilities	336	267
Current maturities of long-term debt and capital leases	446	448
Total current liabilities	2,613	2,275
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS		
CONSTRUCTION OBLIGATION	465	472
DEFERRED TAXES AND OTHER LIABILITIES		
Deferred income taxes	1,341	1,218
Other	95	90
Total deferred taxes and other liabilities	1,436	1,308
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 25 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 900 shares authorized, 395 and 392 shares issued and 324 and 322 shares outstanding at June 30, 2016 and December 31, 2015, respectively	4	4
Treasury stock, at cost; 71 and 70 shares at June 30, 2016 and December 31, 2015, respectively	(380)	(366)
Additional paid-in capital	1,946	1,896
Retained earnings	2,058	1,679
Accumulated other comprehensive income (loss)	16	(3)
Total stockholders' equity	3,644	3,210
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$9,458	\$ 8,644

See accompanying notes to condensed consolidated financial statements.

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

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
	2016	2015	2016	2015
OPERATING REVENUES				
Passenger	\$1,487	\$1,496	\$2,965	\$2,904
Other	156	116	295	231
Total operating revenues	1,643	1,612	3,260	3,135
OPERATING EXPENSES				
Aircraft fuel and related taxes	274	371	489	706
Salaries, wages and benefits	415	375	850	750
Landing fees and other rents	92	90	177	