

JETBLUE AIRWAYS CORP
Form 10-Q/A
October 12, 2005
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2005**

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
(State or other jurisdiction of
incorporation or organization)
118-29 Queens Boulevard, Forest Hills, New
York
(Address of principal executive offices)

87-0617894
(I.R.S. Employer Identification No.)
11375
(Zip Code)

(718) 709-3026
(Registrant's telephone number, including area code)

(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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of March 31, 2005, there were 104,470,353 shares of the registrant's common stock, par value \$0.01, outstanding.

JetBlue Airways Corporation
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Amendment No. 1 Overview

JetBlue Airways Corporation is filing this Amendment No. 1 on Form 10-Q/A to our Form 10-Q for the three months ended March 31, 2005 to reflect the restatement of our previously issued financial statements and other information for 1) rent expense related to operating leases for certain airport properties containing provisions with minimum rent escalations, 2) depreciation expense related to leasehold improvements at certain airport locations and other facilities, and 3) the inadvertent recognition of passenger revenue related to unpaid ticket reservations. For further discussion of the restatement, see Note 1 to our condensed consolidated financial statements and Item 4 contained herein.

Except for the aforementioned adjustments, this Form 10-Q/A does not modify or update other disclosures in the original Form 10-Q, including the nature and character of such disclosure to reflect events occurring after April 25, 2005, the filing date of the Form 10-Q. Accordingly, this Form 10-Q/A should be read in conjunction with our filings made with the Securities and Exchange Commission, or the SEC.

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

JETBLUE AIRWAYS CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (unaudited, in thousands, except share data)
 (Restated)

| | March 31, 2005 (unaudited) | December 31, 2004 |
|---|----------------------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 54,957 | \$ 18,717 |
| Investment securities | 596,652 | 430,445 |
| Receivables, less allowance | 50,474 | 36,878 |
| Prepaid expenses and other | 30,561 | 27,647 |
| Total current assets | 732,644 | 513,687 |
| PROPERTY AND EQUIPMENT | | |
| Flight equipment | 2,002,083 | 1,835,267 |
| Predelivery deposits for flight equipment | 262,944 | 262,925 |
| | 2,265,027 | 2,098,192 |
| Less accumulated depreciation | 124,438 | 108,933 |
| | 2,140,589 | 1,989,259 |
| Other property and equipment | 250,160 | 182,713 |
| Less accumulated depreciation | 39,199 | 34,698 |
| | 210,961 | 148,015 |
| Total property and equipment | 2,351,550 | 2,137,274 |
| OTHER ASSETS | | |
| Purchased technology, net | 51,736 | 54,258 |
| Other | 97,396 | 91,451 |
| Total other assets | 149,132 | 145,709 |
| TOTAL ASSETS | \$ 3,233,326 | \$ 2,796,670 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 80,320 | \$ 70,934 |
| Air traffic liability | 219,179 | 174,062 |
| Accrued salaries, wages and benefits | 50,213 | 56,092 |
| Other accrued liabilities | 55,330 | 37,528 |
| Short-term borrowings | 31,960 | 43,578 |
| Current maturities of long-term debt | 118,142 | 105,295 |
| Total current liabilities | 555,144 | 487,489 |
| LONG-TERM DEBT | 1,747,155 | 1,395,939 |
| DEFERRED TAXES AND OTHER LIABILITIES | 161,782 | 159,119 |

STOCKHOLDERS' EQUITY

| | | |
|--|---------------------|---------------------|
| Common stock, 104,470,353 and 104,236,599 shares issued and outstanding in 2005 and 2004, respectively | 1,045 | 1,042 |
| Additional paid-in capital | 582,796 | 581,056 |
| Retained earnings | 171,511 | 165,079 |
| Unearned compensation | (5,252) | (5,713) |
| Accumulated other comprehensive income | 19,145 | 12,659 |
| Total stockholders' equity | 769,245 | 754,123 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 3,233,326 | \$ 2,796,670 |

See accompanying notes to condensed consolidated financial statements.

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

| | Three Months Ended March 31, | |
|-----------------------------------|---------------------------------|------------|
| | 2005 | 2004 |
| OPERATING REVENUES | | |
| Passenger | \$ 356,932 | \$ 279,616 |
| Other | 16,338 | 9,387 |
| Total operating revenues | 373,270 | 289,003 |
| OPERATING EXPENSES | | |
| Salaries, wages and benefits | 98,299 | 77,584 |
| Aircraft fuel | 86,620 | 49,245 |
| Landing fees and other rents | 26,091 | 21,642 |
| Depreciation and amortization | 24,426 | 16,065 |
| Aircraft rent | 17,813 | 17,255 |
| Sales and marketing | 19,457 | 13,424 |
| Maintenance materials and repairs | 13,540 | 12,497 |
| Other operating expenses | 62,254 | 48,501 |
| Total operating expenses | 348,500 | 256,213 |
| OPERATING INCOME | 24,770 | 32,790 |
| OTHER INCOME (EXPENSE) | | |
| Interest expense | (20,658) | (9,821) |
| Capitalized interest | 3,798 | 1,576 |
| Interest income and other | 3,004 | 1,345 |
| Total other income (expense) | (13,856) | (6,900) |
| INCOME BEFORE INCOME TAXES | 10,914 | 25,890 |

| | | | | |
|-----------------------------------|----|-------|----|--------|
| Income tax expense | | 4,482 | | 10,621 |
| NET INCOME | \$ | 6,432 | \$ | 15,269 |
| EARNINGS PER COMMON SHARE: | | | | |
| Basic | \$ | 0.06 | \$ | 0.15 |
| Diluted | \$ | 0.06 | \$ | 0.14 |

See accompanying notes to condensed consolidated financial statements.

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

| | Three Months Ended | |
|---|--------------------|------|
| | March 31, | |
| | 2005 | 2004 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | | |