

Questions?

Thank You



About JetBlue

Management
JetBlue Airways Corporation
111 West 19th Street
New York, NY 10011-4208
Tel: 212 247-2000
www.jetblue.com

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Kevin Haber, Chase Boyle, Sean Crane

JetBlue Airways (IPO process)

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Industry

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What Actually Happened?

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Going Public

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Valuation

Our Conclusion
IPO Valuation: \$28.45
EBITDA Valuation: \$28.42
DCF Valuation: \$28.51
2007-1-28-07

Multiple Analysis

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DCF Analysis

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Problems

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About JetBlue

Background

- July 1999, David Neeleman announced plan to launch a new airline that would bring "humanity back to air travel"
- Hired an impressive new management team
 - David Barger, COO, former vice president of Continental Airlines
 - John Owen, CFO, former executive vice president and treasurer of Southwest Airlines
- Early 2002
 - 24 aircraft's, 108 flights per day, 17 destinations

JetBlue Strategy

- Fix everything that "sucked"
- Point-to-point service to large metropolitan areas or highly traveled markets that were under served
- Produced the lowest cost per available-seat mile of any major US airline in 2001
 - 6.98 cents vs industry average 10.08 cents
- Established brand identified as safe, reliable, low-fare airline that was focused on customer service

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