

2009 ARN Revenue Conference & Exhibition

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jetBlue
AIRWAYS®





Our Flight Plan for Today

- 1. Introduction to Contingency Planning**
- 2. JetBlue's JFK T6 Concessions Redevelopment: 2001-2008**
- 3. JetBlue's JFK T5 Concessions Innovation: 2008 & Beyond**
- 4. If JetBlue Slows the Growth**
- 5. Contingency Planning at JetBlue: What to do if the forecast does not materialize**

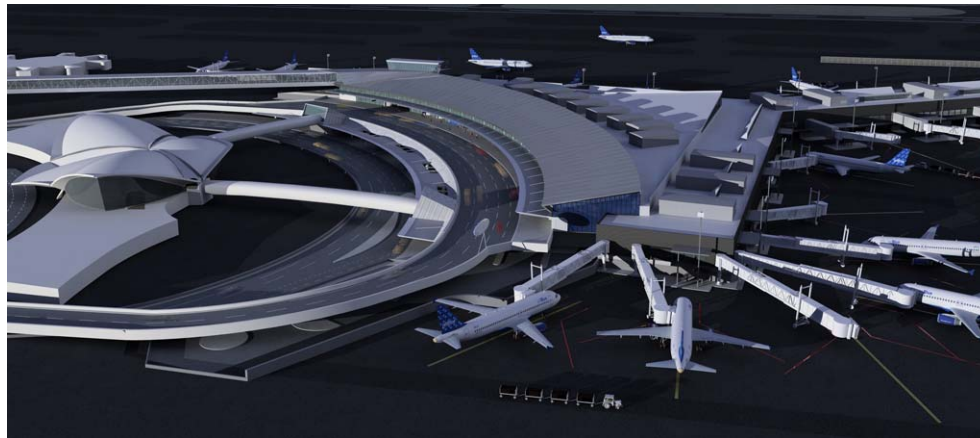


Introduction to Contingency Planning

Total Terminal Revenue = Sales per Enplanement x Enplanements

IF Enplanements **Decrease**, THEN Sales per Enplanement must **Increase** to maintain Total Terminal Revenue

A Contingency Plan is a strategy to **Increase** Sales per Enplanement through creative and new product and service concepts.



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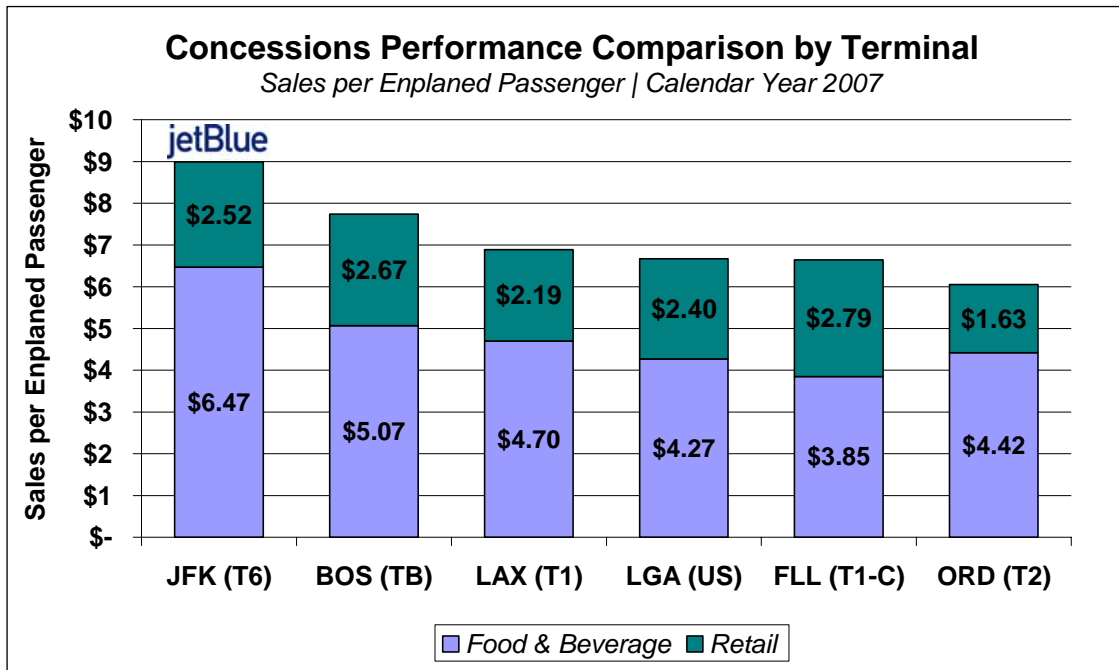
T6 – Enhancing the retail, food & beverage and services experience in a 40 year old terminal using minimal capital





T6 – Impressive Results from New Concessions

25,000 SF Program | \$40.2M F&B Sales | \$15.6M Retail Sales



Source: SH&E

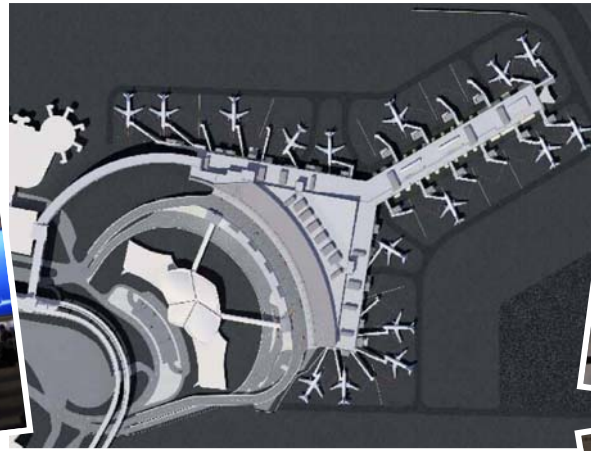
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TERMINAL FIVE JFK

T5

– JFK – October 22, 2008



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T5 – JetBlue's New Home at JFK

- ◆ 55,000 SF of leasable food and retail space – double that of T6
- ◆ 36 Different food locations
- ◆ 11 Specialty retail locations
- ◆ 6 Newsstands
- ◆ 1 Full-Service Pharmacy & Health Center
- ◆ 1 Duty Free-Duty Paid Location
- ◆ 1 Bookstore
- ◆ 4 ZoomSystems machines

Retail Brands:



Food & Beverage Brands:



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T5 – Local NYC Flavor

- ◆ JetBlue sought to provide restaurant and retail designs that are attractive to the airline's customers, complementary to the terminal's architecture, and reflective of NYC flavor
- ◆ Goal to develop a creative, leading-edge and nationally recognized program that provided a mix of local and national brands
- ◆ OTG Management was selected to operate Food and Beverage, including 9 sit-down restaurants
- ◆ Restaurants were designed and developed by well-known New York chefs, including Mark Ladner of del Posto and Roberto Santibanez of Rosa Mexicano



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OTG - Touch Screen Ordering in the Holdroom

management™

- ◆ Over 200 self-serve ordering stations, throughout the holdrooms of T5



- ◆ Touch screens allow customers to order meals, snacks and beverages using a credit card swipe



- ◆ Anticipated delivery time is indicated, and order is delivered to the station





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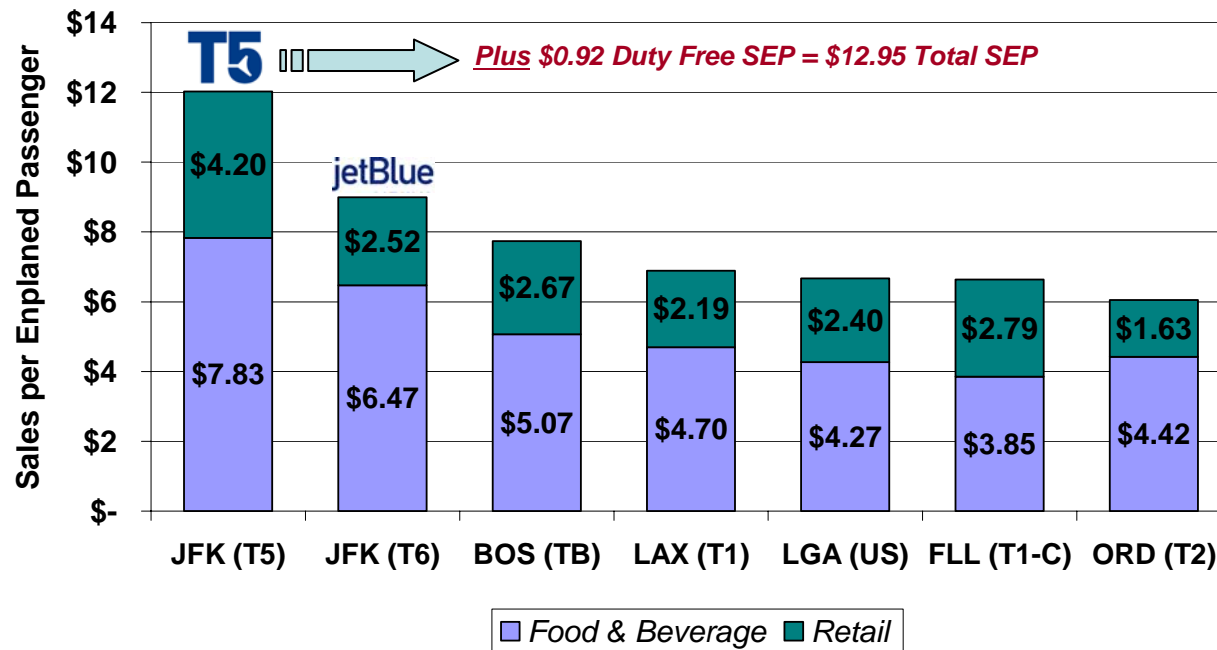


– Enhanced Results from an Innovative Program

55,000 SF Program | 40,000 SF F&B | 15,000 SF Retail

Concessions Performance Comparison by Terminal

Sales per Enplaned Passenger | Calendar Year 2007



Source: SH&E and OTG

T5 F&B sales are 46% higher than the average of the top-20 US airports



Recipe for SEP Excellence

- ◆ **JetBlue's unique business model**
 - Expectation setting with customers – communicating limited onboard food & beverage offerings at booking and before departure
 - Pre-marketing of T6 and T5 concession options in JetBlue E-tinerary messages and at jetblue.com – terminal concessions are an extension of the JetBlue Experience
 - Average stage length in excess of 1,000 miles motivates customers to purchase a full meal before departure – often two

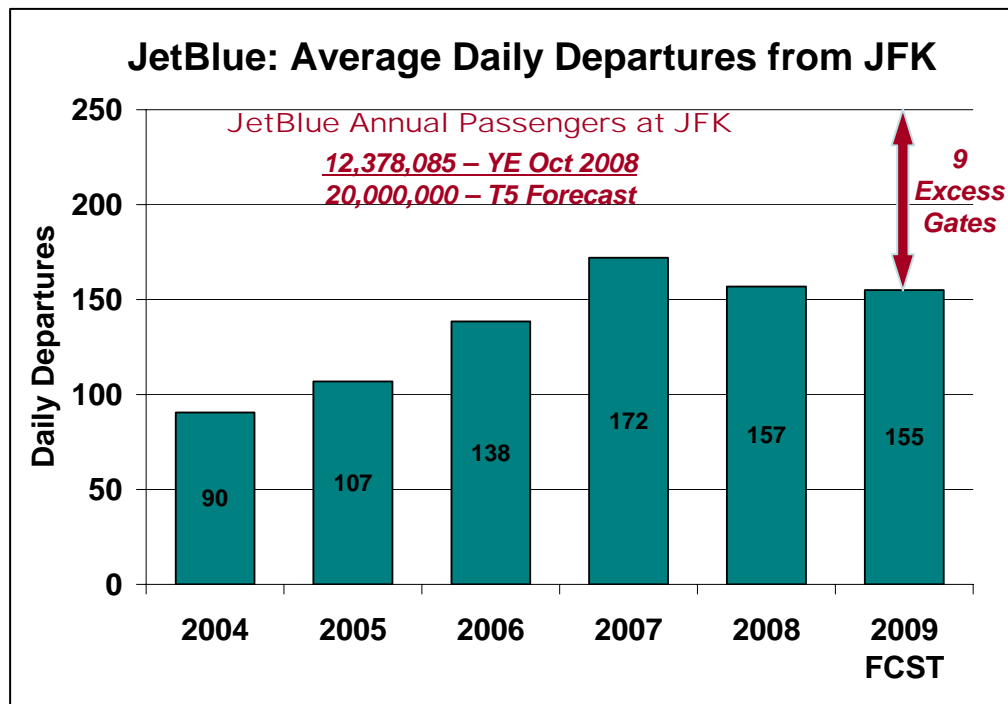
- ◆ **OTG's emphasis on offering surprising and unique food concepts that customers expect on Main Street, but not at the airport**
 - Regional NYC themes
 - Specialty foods (e.g. Kosher, organic and health foods)
 - Cibo Express “grab ‘n go”, salad bars, full-service Boars Head Deli, Deep Blue Sushi
 - All business partners are eager to experiment with new and creative concepts

- ◆ **The strong partnership between JetBlue and all business partners**
 - Daily contact and feedback fosters mutual trust



Even If JetBlue Slows the Growth

T5 Capacity | 250 Daily Departures | 20M Annual Passengers



- ◆ Original plan anticipated full utilization of T5
- ◆ A concessions revenue plan is important to the JetBlue business plan
- ◆ JFK flight caps, combined with high fuel costs, a recession and a deferred aircraft delivery stream mean that T5 is underutilized and may fall below forecasted revenue expectations

Source: OAG & the Port Authority of NY & NJ



Contingency Planning at JetBlue: How To Deal With Change

- ◆ **To offset less than expected “traditional” revenue due to fewer passengers than planned, JetBlue is studying alternative sources of revenue at T5:**
 - Pay-per-use business centers, meetings rooms and lounges – based on customer demand for such services
 - Close-In Valet Parking in the T5 Parking Garage – in conjunction with the PANYNJ
 - Customized JetBlue ground transportation and baggage delivery upon arrival at JFK
 - Sub-lease of T5 facilities and ground handling services offered to other airlines



Contingency Planning at JetBlue: How To Deal With Change

- ◆ **Objective is to increase total revenue generated by T5 by offering additional services – and higher value products and services – to drive increased in-terminal sales per customer**
- ◆ **While in-terminal advertising revenue is an easy generator of incremental revenue, JetBlue is being cautious to prevent advertising “bombardment” of the customer**



Other Revenue Diversification Solutions

- ◆ There are a variety of areas where airport managers can take action to diversify revenue, many with short implementation timelines

- ◆ **Temporary Carts & Kiosks**
 - Outposting
 - Licensing Agreements
- ◆ **New Advertising Revenue Streams**
 - Naming Rights & Branding
 - Special Event Revenue Promotions
 - Signature Advertising Opportunities
 - Deploying new media formats
- ◆ **Vending and Automated Retail**
 - Luggage Carts
 - Business Products
 - Entertainment (e.g. ipod music vending)
- ◆ **Access and Exclusivity Fees**
- ◆ **Expanded Passenger Services**
 - Spas
 - Sleep/Nap Pods, Lounges, and Rooms

- ◆ **Passenger Related**
 - Pre-Marketing Opportunities
 - Loyalty Programs
 - Car Parking and Car Rental
 - Hotel and Conference Centers
- ◆ **Aviation Related**
 - Air Cargo
 - Aircraft Maintenance
 - Component Manufacture
- ◆ **Transportation Related**
 - Logistics & Distribution Centers
 - FTZ's
- ◆ **Business Related Land Use**
 - Industrial Parks
 - Retail and
 - Commercial Uses

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Creative and Innovative Concepts Drive Incremental In/Near-Terminal Revenue





Lessons Learned

- ◆ JetBlue views T5 as an extension of the JetBlue Experience
- ◆ “WOW” the customer with innovation
- ◆ Create a dynamic retail, food & beverage environment
- ◆ Offer high-value differentiated products and services – motivate the customer to spend more
- ◆ Address both passenger and non-passenger revenue sources
- ◆ Things don’t always go according to plan – have a contingency plan



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T5

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