

## Priceline.com Reports Record First Quarter Financial Results

- **Net loss per share excluding certain items is \$0.04 in 1st quarter 2000, compared to a net loss per share of \$0.12 in 1Q 1999 and \$0.06 in 4Q 1999**
- **Priceline.com adds a record 1.5 million new customers in 1st quarter, bringing its total customer base to 5.3 million**
- **830,000 repeat customers use priceline.com in 1st quarter, a 500% increase over 1Q 1999 and a 72% increase over 4Q 1999**
- **1st quarter revenues of \$313.8 million are 535% better than 1Q 1999 and 85% better than 4Q 1999; 1st quarter gross profit of \$49.0 million is 752% better than 1Q 1999 and 103% better than 4Q 1999**
- **1st quarter gross margin of 15.6% sets new record for priceline.com**

NORWALK, Conn.--(BUSINESS WIRE)--April 24, 2000--

Priceline.com (Nasdaq: PCLN), the Name Your Own Price(SM) Internet pricing system where customers set the price for travel, automotive, home finance, groceries and telecommunications products, today reported record first quarter financial results driven by the largest quarterly customer base increase in priceline.com's history and strong sequential momentum in both revenue and gross margin dollars.

Priceline.com reported that it added 1.5 million unique customers during the first quarter, bringing its total customer base to 5.3 million. Priceline.com's independent licensees, primarily Priceline WebHouse Club(SM), generated over 300,000 additional new customers during the quarter.

For the first quarter of 2000, the Company reported a net loss of \$0.04 per share, compared to a net loss of \$0.12 per share in the first quarter of 1999, and a net loss of \$0.06 per share in the fourth quarter of 1999. Net loss per share, net loss, operating loss, gross margin and gross margin percentages in this release exclude all net warrant costs, option payroll taxes, and certain other items as described in the notes to the table below.

Priceline.com reported revenue of \$313.8 million for the first quarter of 2000, a 535% increase over revenues of \$49.4 million in the first quarter of 1999 and an 85% increase over revenues of \$169.2 million in the fourth quarter of 1999. Priceline.com's gross profit grew even faster. Gross profit for the first quarter of 2000 was \$49.0 million, a 752% increase over first quarter 1999 gross profit of \$5.8 million and a 103% increase over fourth quarter 1999 gross profit of \$24.1 million. Gross margin for the first quarter of 2000 was 15.6%, the highest ever for priceline.com, compared to a first quarter 1999 gross margin of 11.6%. Operating expenses (excluding option payroll taxes) as a percent of revenue improved to 18.8%, a new low for priceline.com, compared to 46.5% for the first quarter of 1999.

Operating loss in the first quarter of 2000 was \$10.0 million, compared to an operating loss of \$17.2 million in first quarter 1999. Net loss in the first quarter of 2000 was \$7.3 million, compared to a net loss of \$16.8 million in the first quarter of 1999.

	Quarter Ended March 31, 2000(1)	Quarter Ended March 31, 1999(2)
Revenue	\$313.8 million	\$49.4 million

Gross Profit	\$49.0 million	\$5.8 million
Operating Loss	\$(10.0) million	\$(17.2) million
Net Loss	\$(7.3) million	\$(16.8) million
Net Loss Per Share	\$(0.04)	\$(0.12)
Unique Customers Added	1.52 million	0.50 million
Repeat Customer Offers	0.83 million	0.13 million

(1) Gross profit excludes \$381,000 in non-cash supplier warrant charges; operating and net loss and net loss per share also exclude \$5.9 million in option payroll taxes.

(2) Gross profit excludes \$381,000 in non-cash supplier warrant charges; net loss and net loss per share also exclude \$8.3 million in non-cash accretion on convertible preferred stock. Loss per share is based on quarter-end outstanding common shares of 142.3 million.

"Priceline.com's record-setting performance this quarter was anchored by several key metrics that underscore the uniqueness and scalability of our business, and the steady progress we continue to make toward profitability," said Richard S. Braddock, priceline.com's chairman and chief executive officer. "Our customer base grew by 1.5 million new customers and now stands at 5.3 million unique customers. Equally important is the fact that repeat use of our various services climbed 500 percent above levels achieved in the first quarter of 1999."

Braddock continued, "Recognizing the significant seasonal upside potential, we increased our advertising budget for the quarter and introduced our first-ever TV ads featuring William Shatner. These ads had an immediate impact and we were rewarded with record numbers of new customers. Priceline.com's travel products benefitted significantly from our first-time TV exposure and the fact that three of America's largest airlines - American Airlines, United Airlines and U.S. Airways - began selling significant quantities of leisure airline tickets through priceline.com in the first quarter. We also increased priceline.com's brand awareness to an estimated two-thirds of the entire U.S. adult population, placing priceline.com into a statistical dead-heat with Amazon.com as the most-recognized e-commerce brand in America according to independent consumer research. We believe that we paid back this new ad campaign in one quarter."

#### Business Highlights

During the first quarter, priceline.com made several key additions to its management team. Heidi Miller, former CFO of Citigroup, joined priceline.com as senior executive vice president, strategic planning and administration, and chief financial officer.

Jeffery H. Boyd, former EVP and general counsel for Oxford Health Plans, joined priceline.com as executive vice president and general counsel. Michael McCadden, former EVP of Gap, Inc. Direct, joined priceline.com as executive vice president and chief marketing officer.

"Priceline.com has assembled a management team deeply experienced in building and running large-scale businesses," said Daniel H. Schulman, president and chief operating officer of priceline.com. "These executives know how to scale businesses rapidly and manage for profitability. The experience of our team is already paying off. During the quarter, PricelineMortgage (SM) was launched nationwide and Priceline Auto Services(SM) was expanded to now cover 48 states. As a result of these initiatives, new car sales tripled in the quarter, while our loan demand nearly doubled. We also launched a new service for rental cars in the first quarter."

Priceline.com also announced plans to enter several new markets and businesses, including a variety of business-to-business services and long distance telephone calling services. Long distance calling was introduced on a "sneak-peek" basis late in the quarter.

Priceline.com independent licensee companies grew during the quarter. Priceline WebHouse Club(SM), a privately held

priceline.com licensee, significantly expanded its Name Your Own Price(SM) grocery service during the 1st quarter. After launching in the New York area, the service expanded during the quarter to cover the Philadelphia, Baltimore, Washington, DC, Boston and Detroit markets. By the end of the quarter, more than 400,000 families in total had become members of WebHouse Club(SM), purchasing over 20 million grocery items through over 3,000 participating major supermarkets. A second independent licensee, Priceline Perfect YardSale(SM), is conducting a market test in the greater Atlanta area. Perfect YardSale (SM) is a consumer-to-consumer Internet service that facilitates the local sale of quality used household items.

Internationally, priceline.com announced initiatives to launch Name Your Own Price(SM) services through independent licensees in Asia, Australia and New Zealand.

#### About priceline.com

Priceline.com Incorporated is the Name Your Own Price(SM) patented Internet pricing system. Priceline.com currently provides services across four broad product categories: a travel service that offers leisure airline tickets, hotel rooms and rental cars; a personal finance service that offers home mortgages, refinancing and home equity loans through an independent licensee; an automotive service that offers new cars, and a telecommunications service that offers long distance calling services. Priceline.com has agreed to license its business model to independent licensees, including Priceline WebHouse Club(SM), Inc., which offers a Name Your Own Price(SM) service for groceries; PricelineMortgage(SM); Priceline Perfect YardSale(SM), Inc., a local-market, consumer-to-consumer selling service; and certain international licensees. In these arrangements, priceline.com generally receives royalties for licensing its intellectual property. Priceline.com also holds securities carrying the right to purchase a significant equity stake in the licensees under certain conditions. Unless those rights are exercised, the results of licensee operations will not be included in priceline.com's financial statements.

#### Information about forward looking statements

This press release may contain forward-looking statements. Expressions of future goals and similar expressions including, without limitation, "may," "will," "should," "could," "expects," "does not currently expect," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," reflecting something other than historical fact are intended to identify forward-looking statements. The following factors, among others, could cause the Company's actual results to differ materially from those described in the forward-looking statements: inability to successfully expand the Company's business model both horizontally and geographically; management of the Company's rapid growth; adverse changes in the Company's relationships with airlines and other product and service providers; systems-related failures; the Company's ability to protect its intellectual property rights; the effects of increased competition; anticipated losses by the Company and its licensees; legal and regulatory risks and the ability to attract and retain qualified personnel. For a detailed discussion of these and other factors that could cause the Company's actual results to differ materially from those described in the forward-looking statements, please refer to the Company's most recent Form 10-Q and Form 10-K filings with the Securities and Exchange Commission. \*T

priceline.com Incorporated  
 CONDENSED STATEMENTS OF OPERATIONS  
 (In thousands, except per share data)  
 (UNAUDITED)

	Three Months Ended	
	March 31, 2000	March 31, 1999
Revenues	\$313,798	\$49,411
Cost of revenues:		
Product costs	264,771	43,659
Supplier warrant costs	381	381
Total cost of revenues	265,152	44,040
Gross profit	48,646	5,371
Operating expenses:		
Sales and marketing	40,449	17,138
General and administrative		

(including \$5,907 of option payroll taxes in 2000)	18,611	3,667
Systems and business development	5,868	2,184
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Total operating expenses	64,928	22,989
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Operating loss	(16,282)	(17,618)
Interest income, net	2,715	458
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Net loss	(13,567)	(17,160)
Accretion on preferred stock	-	(8,354)
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Net loss applicable to common stockholders	\$(13,567)	\$(25,514)
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Net loss applicable to common stockholders per basic and diluted common share	\$(0.08)	\$(0.27)
	=====	=====
Weighted average number of basic and diluted common shares outstanding	166,467	94,939
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priceline.com Incorporated  
CONDENSED BALANCE SHEETS  
(In thousands)  
(UNAUDITED)

ASSETS	March 31, 2000	December 31, 1999
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CURRENT ASSETS:		
Cash and cash equivalents	\$125,855	\$133,172
Short-term investments	23,625	38,771
Accounts receivable, net of allowance for doubtful accounts of \$3,075 and \$1,961 at March 31, 2000 and December 31, 1999, respectively	52,751	21,289
Related party receivables	108	508
Prepaid expenses and other current assets	15,782	17,999
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Total current assets	218,121	211,739
PROPERTY AND EQUIPMENT, net	37,130	28,006
WARRANTS TO PURCHASE COMMON STOCK OF PRICELINE WEBHOUSE CLUB, INC.	189,000	189,000
OTHER ASSETS	38,466	13,141
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TOTAL ASSETS	\$482,717	\$441,886
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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$59,411	\$24,302
Accrued expenses	13,766	13,695
Other current liabilities	4,280	1,253
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Total current liabilities	77,457	39,250
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Total liabilities	77,457	39,250
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STOCKHOLDERS' EQUITY		
Common stock	1,361	1,311
Additional paid-in capital	1,591,880	1,581,708
Accumulated other comprehensive income	5,969	-
Accumulated deficit	(1,193,950)	(1,180,383)
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Total stockholders' equity	405,260	402,636
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$482,717	\$441,886
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