

Priceline.com, Travelocity.com Marketing Alliance Launches

- **Seamless access between Web sites means air travelers win two ways: Search for the lowest published fares through Travelocity.com or Name Your Own Price™ through priceline.com;**
- **Companies leverage largest total customer base and brand awareness in the Internet travel industry**

NORWALK, Conn. and FORT WORTH, Texas--(BUSINESS WIRE)--April 10, 2000--

Priceline.com (Nasdaq: PCLN) and Travelocity.com (Nasdaq: TVLY) today announced the launch of a broad-based marketing alliance that offers travelers seamless access to both companies' airline ticket services regardless of whether they visit priceline.com or Travelocity.com.

The alliance will make finding the best airline fares fast and easy. Travelers can go to either site for their air travel needs. If they prefer specific airlines and flight times, they can choose among the low Travelocity.com fares available to them. If travelers can't find a fare they like and are willing to be flexible with their flight times and airlines, they can make an offer for a ticket at their price through priceline.com. Priceline.com and Travelocity.com will generate incremental revenue each time they facilitate the sale of each other's products under certain conditions.

Under the alliance, the two companies will share the largest user base in the Internet travel industry, estimated at more than 22 million. In combination, the brands have the largest awareness among Internet travel providers, according to independent research. Last month, Travelocity.com and Previewtravel.com announced the completion of a planned merger under which the two companies will offer services through the Travelocity.com brand name.

"This powerful and seamless combination of Web sites will make it even easier for all air travelers, regardless of budget, to get the tickets they want at prices within their means," said Terrell B. Jones, president and chief executive officer of Travelocity.com.

"By leveraging the core competencies of our two companies, and utilizing technology to make the alliance seamless to our customers, priceline.com and Travelocity.com are demonstrating new ways in which the Internet can deliver even greater value to consumers," said Daniel H. Schulman, president and chief operating officer of priceline.com.

Now, travelers visiting Travelocity.com and priceline.com will see new, seamless connections of the two services. Travelers who look up flights and fares on Travelocity.com are now provided with an option to make an offer for a ticket through priceline.com. With a click of the mouse, the traveler automatically goes to priceline.com's airline ticket service. Travelocity.com is embedded in the priceline.com Web site as well, including the instruction page for new users and priceline.com's ticket order form pages. In addition, customer itinerary information can be easily transferred between the sites for those customers who wish to automatically pre-fill the ticket order form pages.

About priceline.com

Priceline.com is the patented Internet pricing system that enables consumers to achieve significant savings by naming their own price for goods and services. Priceline.com takes consumer offers and then presents them to sellers who can fill as much of that guaranteed demand as they wish at price points determined by buyers. Priceline.com's "virtual" business model allows for rapid scaling using the Internet.

Because the Company electronically collects consumer demand, it can fill this demand directly with sellers or by using proprietary databases. Priceline.com does not maintain or warehouse inventories in any of its product lines.

Priceline.com is currently selling multiple services to its sellers across three distinct product categories: a travel service that offers leisure airline tickets, hotel rooms and rental cars; an automobile service that offers new cars, and a personal finance service powered by pricelinemortgage (a licensee of priceline.com and a subsidiary of a federally chartered thrift) that offers home refinancing and home equity loans. Priceline.com has announced that it will also offer new services for long-distance telephone calling and credit cards.

Priceline.com has licensed its business model to two privately held companies - Priceline WebHouse Club Inc., which offers Name-Your-Own-Price* retail goods, beginning with groceries, and Priceline Perfect YardSale Inc., a local-market selling service for used household items. In return for granting licenses to the WebHouse Club and Perfect YardSale, priceline.com receives royalties and has also received warrants allowing it to purchase an equity stake in the companies under certain conditions. Prior to the exercise of those warrants, the results of WebHouse Club and Perfect YardSale operations will not be included in priceline.com's financial statements.

About Travelocity.com

Travelocity.com (Nasdaq: TVLY), the leading online travel Web site, provides reservations capabilities for 95 percent of all airline seats sold, more than 47,000 hotels, more than 50 car rental companies and more than 5,000 vacation and cruise packages. This reservations capability is paired with access to a vast database of destination and interest information. To date, Travelocity.com has more than 17 million members.

This press release may contain forward-looking statements which are made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Expressions of future goals and similar expressions including, without limitation, "may," "will," "believes," "should," "could," "hope," "expects," "expected," "does not currently expect," "anticipates," "predicts," "potential," and "forecast," reflecting something other than historical fact are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. These forward-looking statements involve a number of risks and uncertainties, including the timely development and market acceptance of products and technologies and other factors described in the Companies' filings with the Securities and Exchange Commission. The actual results may differ materially from any forward-looking statements due to such risks and uncertainties. The Companies undertake no obligations to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

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