

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 19, 1999

priceline.com Incorporated

(Exact name of registrant as specified in its charter)

Delaware

0-25581

06-1528493

(State or other Jurisdiction (Commission File Number) (IRS Employer
of Incorporation) Identification No.)

Five High Ridge Park, Stamford, Connecticut 06905

(Address of principal office) (zip code)

(203) 705-3000

Registrant's telephone number, including area code

N/A

(Former name or former address, if changed since last report)

Item 5. Other Events.

Second Quarter 1999 Financial Results

On July 19, 1999, priceline.com Incorporated, a Delaware corporation ('priceline.com'), announced its financial results for the second quarter ended June 30, 1999. The information set forth in this paragraph is qualified in its entirety by reference to a press release issued by priceline.com on July 19, 1999, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Common Stock and Convertible Debt Offerings

On July 19, 1999, priceline.com separately announced that it intended to file a registration statement later that week covering the sale of \$250.0 million of convertible subordinated notes and six million shares of priceline.com common stock. The common stock offering will be comprised of 2.0 million shares of common stock to be issued by priceline.com and 4.0 million shares to be sold by certain selling stockholders. Priceline.com stated that it intends to use the proceeds of the offerings to invest in further growth of priceline.com's multiple product offerings. The information set forth in this paragraph is qualified in its entirety by reference to a press release issued by priceline.com on July 19, 1999, a copy of which is attached hereto as Exhibit 99.2 and incorporated herein by reference.

On July 19, 1999, priceline.com also separately announced that priceline.com and its underwriters in the initial public offering have agreed to release up to 1.1 million option shares held by priceline.com employees from the current 180-day post-initial public offering limitation on exercise, which otherwise would expire on September 26, 1999. Priceline.com employees holding options that were vested as of June 1, 1999 will be permitted to sell a portion of their option shares during a period commencing on July 20, 1999 and ending on July 30, 1999. Any employee choosing to exercise and sell options earlier than the 180-day post-initial public offering release date will be required to agree to enter into a "lock-up" agreement in a form similar to that signed by selling stockholders in the secondary common stock offering, which will prohibit additional option exercises or stock sales prior to 180 days from the completion of the secondary common stock offering. Priceline.com's Chairman, Vice Chairman, President and Chief Financial Officer have all indicated that they will not

exercise any options in this early option release program. The information set forth in this paragraph is qualified in its entirety by reference to a

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press release issued by priceline.com on July 19, 1999, a copy of which is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Press Release issued by priceline.com on July 19, 1999.

99.2 Press Release issued by priceline.com on July 19, 1999.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PRICELINE.COM INCORPORATED

By: /s/ Paul E. Francis

Name: Paul E. Francis
Title: Chief Financial Officer

Date: July 19, 1999

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EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release issued by priceline.com on July 19, 1999.
99.2	Press Release issued by priceline.com on July 19, 1999.

Priceline.com Reports
Second Quarter 1999 Financial Results

- . . . Revenues increase to \$111.6 million, a 126% increase over previous quarter
- . . . Gross profit increases to \$10.5 million, a 96% increase over previous quarter
- . . . Continental Airlines joins priceline.com's leisure airline ticket service
- . . . Over 2,000,000 unique customers use priceline.com's travel, home finance and automotive services in Company's first 15 months of operation

STAMFORD, Conn., July 19, 1999 . . . Priceline.com (Nasdaq: PCLN), the patented Internet pricing system that enables consumers to save money by naming their own price for a variety of travel, automotive and home finance products, today reported revenue of \$111.6 million for the second quarter ended June 30, 1999, a 126% increase over revenue of \$49.4 million for the first quarter ended March 31, 1999, and a 1,489% increase over revenue of \$7.0 million for the same period in 1998.

Gross profit for the second quarter of 1999 was \$10.5 million, a 96% increase over a gross profit of \$5.4 million for first quarter 1999. In the second quarter of 1998, the Company had a gross loss of \$0.9 million.

Operating loss for the second quarter of 1999 was \$16.2 million, compared to an operating loss of \$17.6 million for the first quarter of 1999. Net loss for the second quarter of 1999 was \$14.3 million, or \$.10 per common share outstanding, a 17% improvement from the net loss of \$17.2 million for the first quarter of 1999. Excluding in both periods the effect of non-cash supplier warrant charges, the net loss for the second quarter of 1999 was \$13.9 million, compared to a net loss of \$16.8 million for the first quarter of 1999.

	Quarter Ended June 30, 1999 -----	Quarter Ended March 31, 1999 -----
Revenues	\$111.6 million	\$49.4 million
Gross Profit	\$10.5 million	\$5.4 million
Operating Loss	\$(16.2) million	\$(17.6) million
Net Loss	\$(14.3) million	\$(17.2) million

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"This dramatic growth in the business further substantiates the appeal of the priceline.com concept among consumers and brand-name companies across a number of industries," said priceline.com Chairman and CEO Richard S. Braddock. "By giving consumers the ability to leverage their brand flexibility for savings, and giving businesses a new way to move inventory without disrupting retail sales channels, priceline.com offers a powerful new form of commerce that works."

Customer and Business Developments

In total, priceline.com collected approximately 1,030,000 guaranteed offers for its various products and services in the second quarter, excluding offers resubmitted for the same purchase. Approximately 852,000 new customers used priceline.com during the second quarter of 1999 based upon the number of unique credit card accounts submitted during the period. This represented a 60% increase over the 531,000 unique credit card submissions during the first quarter of 1999. In all, more than 2,000,000 unique customers have used one or more of priceline.com's travel, financial or automotive services in the Company's first 15 months of operation, based on the number of unique credit card accounts submitted during the period.

During the second quarter, the Company continued to add depth and experience to its management team. Daniel H. Schulman, formerly President of AT&T's \$22 billion Consumer Markets Division, agreed to join the Company as its President

and Chief Operating Officer. Maryann Keller, widely recognized as one of the country's premier automotive analysts and author of several books on the industry, agreed to join the Company as President of its automotive services unit.

Priceline.com experienced growth across all product offerings during the second quarter. Travel services sold approximately 440,000 leisure airline tickets during the second quarter, a 137% increase over the 186,000 leisure airline tickets sold in the previous quarter, and a 1,366% increase over the 30,000 leisure airline tickets sold in the same quarter 1998. Priceline's hotel service is now selling more than 10,000 room nights a week, roughly doubling its sales volumes from the previous quarter.

The Company made a major addition to its leisure airline ticket service by announcing today that Continental Airlines (NYSE:CALa) has agreed to join the priceline.com service. With the addition of Continental, the Company expects its domestic seat inventory to increase by more than 20%. Almost half of all the empty seats flown by major U.S. carriers now will be available to priceline.com customers on a name-your-price basis. The majority of the U.S.'s major full-service airlines now participate in the program.

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"The addition of Continental Airlines plays a strategic role in helping priceline.com leverage our rapidly growing market for name-your-price leisure airline tickets," said priceline.com Chairman and CEO Richard S. Braddock. "Just six months ago, priceline.com was selling an average of 5,000 to 7,000 tickets a week. Today, we sell six times that amount, or approximately 40,000 tickets a week. At peak times, we receive a ticket request every second. Demand continues to increase strongly and we believe even a more significant portion of reasonable ticket requests can be satisfied with more inventory. Continental will enable us to add seats to existing routes, expand to offer new routes, and fill more of our growing ticket demand."

As has been the case with all other major domestic airlines participating in the priceline.com service, the Company has issued warrants to Continental to purchase priceline.com stock at a future date at a purchase price equal to priceline.com's closing stock price on July 16th. Continental will receive 1 million warrants representing 0.5% of priceline.com's fully diluted shares. As required by GAAP accounting regulations, priceline.com will record a one-time, non-cash charge of approximately \$90 million in the third quarter 1999 to reflect the accounting cost of Continental's warrants.

About priceline.com

Priceline.com is the patented Internet pricing system that enables consumers to achieve significant savings by using their personal brand flexibility as a way to get goods and services at well below publicly advertised prices. Priceline.com takes consumers' price requests and then presents them to participating sellers, who can fill as much of that guaranteed demand as they wish at price points determined by the 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 customers across three distinct product categories: a travel service that offers leisure airline tickets and hotel rooms, a personal finance service that offers home mortgages, refinancing and home equity loans, and an automotive service that offers new cars on a test basis in the New York metro area.

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For investor relations information, contact:
Raya Papp 203-705-3048 (investorrelations@priceline.com)

For press information, contact:
 Brian Ek 203-705-3026 (brian.ek@priceline.com)
 Mike Darcy 203-705-3331 (mike.darcy@priceline.com)

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 Company's filing with the Securities and Exchange Commission. The actual results may differ materially from any forward-looking statements due to such risks and uncertainties. The Company undertakes 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.

priceline.com Incorporated
 CONDENSED STATEMENTS OF OPERATIONS
 (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30, 1998	June 30, 1999	June 30, 1998	June 30, 1999
Revenues	\$ 7,021,639	\$ 111,563,849	\$ 7,021,639	\$ 160,974,391
Cost of Revenues:				
Product costs	7,942,840	100,664,343	7,942,840	144,323,527
Supplier warrant costs	--	380,759	--	761,518
Total cost of revenues	7,942,840	101,045,102	7,942,840	145,085,045
Gross profit	(921,201)	10,518,747	(921,201)	15,889,346
Expenses:				
Sales and marketing	6,635,069	17,732,941	7,764,477	34,871,086
General and administrative	3,101,635	5,503,254	4,798,876	9,169,878
Systems and business development	3,442,161	3,468,512	5,368,214	5,652,423
Total expenses	13,178,865	26,704,707	17,931,567	49,693,387
Operating loss	(14,100,066)	(16,185,960)	(18,852,768)	(33,804,041)
Interest income, net	112,690	1,929,332	162,331	2,387,104
Net loss	(13,987,376)	(14,256,628)	(18,690,437)	(31,416,937)
Accretion on preferred stock				(8,353,973)
Net loss applicable to common shareholders	\$ (13,987,376)	\$ (14,256,628)	\$ (18,690,437)	\$ (39,770,910)
Basic and diluted loss per common share	\$ (0.17)	\$ (0.10)	\$ (0.27)	\$ (0.29)
Weighted average common shares outstanding	81,297,098	142,320,427	69,738,365	137,436,399

Priceline.com Incorporated
 CONDENSED BALANCE SHEETS
 (UNAUDITED)

ASSETS	December 31, 1998	June 30, 1999
CURRENT ASSETS:		
Cash and cash equivalents	\$ 53,593,026	\$ 142,803,134
Short term investments		9,307,474

Accounts receivable, net of allowance for uncollectible accounts of \$290,823 and \$1,173,243 at December 31, 1998 and June 30, 1999, respectively	4,176,980	22,683,987
Related party receivable	--	1,383,592
Prepaid expenses and other current assets	2,433,542	7,338,897
	-----	-----
Total current assets	60,203,548	183,517,084
PROPERTY AND EQUIPMENT - net	5,926,877	15,311,214
OTHER ASSETS	442,060	5,966,594
	-----	-----
TOTAL ASSETS	\$ 66,572,485	\$ 204,794,892
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,268,430	\$ 26,933,608
Related party payable	32,447	--
Accrued expenses	4,258,641	6,403,716
Other current liabilities	722,030	136,109
	-----	-----
Total current liabilities	10,281,548	33,473,433
LONG-TERM DEBT - net	989,018	--
CAPITAL LEASE OBLIGATIONS	26,074	12,248
	-----	-----
Total liabilities	11,296,640	33,485,681
	-----	-----
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock	311,262	--
Common stock	745,802	1,138,564
Additional paid-in capital	171,158,186	326,880,953
Accumulated deficit	(116,939,405)	(156,710,306)
	-----	-----
Total stockholders' equity	55,275,845	171,309,211
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 66,572,485	\$ 204,794,892
	=====	=====

Priceline.com Plans Convertible Debt
and Stock Offerings

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The Company and its underwriters in the IPO have agreed to release up to 1.1 million option shares held by priceline.com employees from the current 180-day post-IPO limitation on exercise, which otherwise would expire on September 26, 1999. Priceline.com employees holding options that were vested as of June 1, 1999 will be permitted to sell a portion of their option shares during a period commencing Tuesday July 20 and ending the following Friday July 30.

Any employee choosing to exercise and sell options earlier than the 180-day post-IPO release date will be required to agree to enter into a "lock-up" agreement in the same form as that signed by selling shareholders in the secondary offering, which will prohibit additional option exercises or stock sales prior to 180 days from the completion of the secondary offering. The Company's Chairman, Vice Chairman, President and Chief Financial Officer have all indicated that they will not exercise any options in this early option release program.

This announcement does not constitute an offering of securities of the Company. The offering will be made only by means of a prospectus.

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