

Registration No. 333- _____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PRICELINE.COM INCORPORATED
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

06-1528493
(I.R.S. Employer
Identification No.)

800 Connecticut Avenue
Norwalk, Connecticut 06854
(Address of Principal Executive Offices) (Zip Code)

1999 Omnibus Plan, As Amended
2000 Employee Stock Option Plan
Stock Options and Restricted Stock Granted Pursuant to
Agreement with Mr. Robert Mylod
(Full Titles of the Plans)

Copies to:

Peter J. Millones, Esq.
priceline.com Incorporated
Acting General Counsel
800 Connecticut Avenue
Norwalk, Connecticut 06854
(203) 299-8000

William P. Rogers, Esq.
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825 Eighth Avenue
New York, New York 10019
(212) 474-1000

(Name, Address and Telephone Number, Including Area Code, of Agent for Service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	=====			
	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee

Common Stock, par value	5,368,200	\$ 2.75	\$ 14,762,550.00	\$ 3,690.64
\$0.008 per share.....	69,400	1.56	108,472.20	27.12
	562,400	2.75	1,546,600.00	386.65
	4,050,000	1.53	6,201,360.00	1,550.34
	4,750,000	2.44	11,578,125.00	2,894.53
	155,000	4.50	697,500.00	174.38
	7,500	5.19	38,906.25	9.73
	38,000	5.56	211,375.00	52.84
	10,000	5.63	56,250.00	14.06
	14,500	5.75	83,375.00	20.84
	1,500	6.19	9,281.25	2.32
	11,500	6.50	74,750.00	18.69
	1,500	10.88	16,312.50	4.08

10,000	23.63	236,250.00	59.06
5,000	24.56	122,812.50	30.70
7,500	24.75	185,625.00	46.41
93,500	25.50	2,384,250.00	596.06
5,154,940	25.63	132,095,337.50	33,023.83
23,000	26.69	613,812.50	153.45
50,000	26.50	1,325,000.00	331.25
1,616,560	2.75	4,445,540.00	1,111.39
1,200,000	2.43	2,925,000.00	731.25

23,200,000		\$179,718,484.70	\$44,929.62
=====			

(1) This registration statement covers shares of common stock, par value \$0.008 per share, of priceline.com consisting of the aggregate number of shares which may be sold upon the exercise of options or the vesting of restricted stock which have been granted and/or may

hereafter be granted under the 2000 Employee Stock Option Plan, the 1999 Omnibus Plan, as amended, and that certain agreement, dated November 20, 2000, by and between priceline.com and Mr. Robert Mylod (collectively, the "Plans"). The maximum number of shares which may be sold upon the exercise of such options and the vesting of restricted stock granted under the Plans are subject to adjustment in accordance with certain anti-dilution and other provisions of the Plans. Accordingly, pursuant to Rule 416 under the Securities Act of 1933, this registration statement includes, in addition to the number of shares stated above, an indeterminate number of shares which may be subject to grant or otherwise issuable after the operation of any such anti-dilution and other provisions.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(h) under the Securities Act of 1933 as follows: (i) in the case of shares of common stock which may be purchased upon exercise of outstanding options or the vesting of restricted stock, the fee is calculated on the basis of the price at which the options may be exercised or the restricted stock was granted; and (ii) in the case of shares of common stock for which options have not yet been granted and the option price of which is therefore unknown, the fee is calculated on the basis of the average of the high and low sale prices per share of common stock as quoted on The Nasdaq National Market on February 9, 2001 (within 5 business days prior to filing this registration statement).

PART I

EXPLANATORY NOTE

This registration statement registers shares of common stock, par value \$0.008 per share (the "common stock"), of priceline.com Incorporated ("priceline.com") consisting of shares which may be sold upon the exercise of options or the vesting of restricted stock which have been granted and/or may hereafter be granted under priceline.com's 1999 Omnibus Plan, as amended, 2000 Employee Stock Option Plan and that certain agreement, dated November 20, 2000, by and between priceline.com and Mr. Robert Mylod (collectively, the "Plans").

This registration statement contains two parts. The first part contains a "reoffer" prospectus prepared in accordance with Part I of Form S-3 (in accordance with Instruction C of the General Instructions to Form S-8). The second part contains information required in the registration statement pursuant to Part II of Form S-8. Pursuant to the Note to Part I of Form S-8, the plan information specified by Part I of Form S-8 is not required to be filed with the Securities and Exchange Commission. Priceline.com will provide without charge to any person, upon written or oral request of such person, a copy of each document incorporated by reference in Item 3 of Part II of this registration statement (which documents are incorporated by reference in the Section 10(a) prospectus as set forth in Form S-8), the other documents required to be delivered to eligible employees pursuant to Rule 428(b) under the Securities Act, and additional information about the Plans. Requests should be directed to Peter J. Millones, Esq. at priceline.com Incorporated, 800 Connecticut Avenue, Norwalk, Connecticut 06854. Priceline.com's telephone number is (203) 299-8000.

REOFFER PROSPECTUS

5,350,000 SHARES OF COMMON STOCK

PRICELINE.COM INCORPORATED

The shares of common stock, par value \$0.008 per share, of priceline.com Incorporated ("priceline.com") covered by this reoffer prospectus may be offered and sold to the public by certain stockholders of priceline.com (collectively, the "Selling Securityholders"). The shares have been granted to the Selling Securityholders under priceline.com's 1999 Omnibus Plan, as amended and, in one instance, that certain agreement, dated November 20, 2000, by and between priceline.com Incorporated and Mr. Robert Mylod (together, the "Stock Plans").

Our common stock is quoted on the Nasdaq National Market under the symbol "PCLN." On February 9, 2001, the closing price of a share of our common stock on the Nasdaq National Market was \$2.75 per share. The Selling Securityholders may sell their shares directly or indirectly in one or more transactions on the Nasdaq National Market or on any stock exchange on which the shares may be listed at the time of sale, in privately negotiated transactions, or through a combination of such methods. These sales may be at fixed prices (which may be changed), at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

To the knowledge of priceline.com, other than the opportunity that will be provided to each Selling Securityholder to enter into a sales plan with a broker for the purpose of establishing a trading plan that complies with the requirements of Rule 10b5-1(c)(1) of the Securities Act of 1933, as amended (the "Securities Act") the Selling Securityholders have no arrangements with any brokerage firms regarding the sale of their shares.

The Selling Securityholders may sell shares through one or more agents, brokers or dealers or directly to purchasers. Such brokers or dealers may receive compensation in the form of commissions, discounts or concessions from the Selling Securityholders and/or purchases of the shares, or both (which compensation as to a particular broker or dealer may be in excess of customary commissions). In connection with such sales, the Selling Securityholders and any participating broker or dealer may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions they receive and the proceeds of any sale of shares may be deemed to be underwriting discounts and commissions under the Securities Act.

Priceline.com will not receive any proceeds from the sale of the shares by the Selling Securityholders.

This investment involves a high degree of risk. Please see "Risk Factors" beginning on page 8.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this reoffer prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this reoffer prospectus is February 14, 2001

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You should rely only on the information contained in this reoffer prospectus or any supplement. No one is authorized to provide you with information different from that which is contained in or incorporated by reference into this reoffer prospectus. Shares of common stock are being offered and sold only in jurisdictions where offers and sales are permitted. The information contained in this reoffer prospectus is accurate only as of the date of this reoffer prospectus, regardless of the time of delivery of this reoffer prospectus or of any sale of the common stock.

ADDITIONAL INFORMATION

Priceline.com has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-8 under the Securities Act with respect to the shares of common stock offered hereby. This reoffer prospectus does not contain all of the information set forth or incorporated by reference in the registration statement and the exhibits thereto. For further information with respect to priceline.com and the common stock offered hereby, reference is made to the registration statement and the exhibits thereto. Statements contained in this reoffer prospectus regarding the contents of any contract or any other document to which reference is made are not necessarily complete, and, in each instance where a copy of such contract or other document has been filed as an exhibit to the registration statement, reference is made to the copy so filed, each such statement being qualified in all respects by such reference.

Priceline.com is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports and other information with the Commission. The registration statement, including exhibits, and the reports and other information filed by priceline.com can be inspected without charge at the public reference facilities maintained by the Commission at the Commission's principal office at 450 Fifth Street, N.W., Room 1024, Washington, D.C., 20549, and at the Regional Offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048, and Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661. Copies of such material can be obtained from such offices at fees prescribed by the Commission. The public may obtain information on the operation of the Public Reference room by calling the Commission at 1-800-SEC-0330. The Commission maintains a World Wide Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of this site is <http://www.sec.gov>. Priceline.com shares are quoted on the Nasdaq National Market under the symbol "PCLN."

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Incorporation of Certain Documents by Reference

The following documents, which have been filed by priceline.com with the Commission, are incorporated by reference herein:

- (a) Priceline.com's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 filed with the Commission on March 30, 2000;
- (b) Priceline.com's Amendment to Annual Report on Form 10-K/A, dated September 15, 2000;
- (c) Priceline.com's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2000, June 30, 2000 and September 30, 2000;
- (d) Priceline.com's Current Reports on Form 8-K, dated June 30, 2000,

July 26, 2000, November 6, 2000, November 22, 2000, December 8, 2000, December 19, 2000, December 29, 2000 and February 8, 2001; and

- (e) The description of priceline.com's common stock contained in priceline.com's Registration Statement on Form 8-A filed on March 18, 1999 pursuant to Section 12(g) of the Exchange Act, including any amendment or reports filed for the purpose of updating such description.

All documents filed by priceline.com pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to and subsequent to the date hereof shall be deemed to be incorporated by reference into this reoffer prospectus and to be a part hereof from the date of filing of such documents with the Commission. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this reoffer prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Priceline.com will provide without charge to any person to whom this reoffer prospectus is delivered, upon written or oral request of such person, a copy of each document incorporated by reference in the registration statement (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into this reoffer prospectus). Requests should be directed to Peter J. Millones, Esq. at priceline.com Incorporated, 800 Connecticut Avenue, Norwalk, Connecticut 06854. Priceline.com's telephone number is (203) 299-8000 and its Web site is located at www.priceline.com. Information on priceline.com's Web site is not incorporated by reference into this reoffer prospectus.

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THE COMPANY

General

We have pioneered a unique e-commerce pricing system known as a "demand collection system" that enables consumers to use the Internet to save money on a wide range of products and services while enabling sellers to generate incremental revenue. Using a simple and compelling consumer proposition - Name Your Own PriceSM - we collect consumer demand, in the form of individual customer offers guaranteed by a credit card, for a particular product or service at a price set by the customer. We then communicate that demand directly to participating sellers or access participating sellers' private databases to determine whether we can fulfill the customer's offer. Consumers agree to hold their offers open for a specified period of time and, once fulfilled, offers cannot be canceled. We benefit consumers by enabling them to save money, while at the same time benefiting sellers by providing them with an effective revenue management tool capable of identifying and capturing incremental revenues. By requiring consumers to be flexible with respect to brands, sellers and product features, we enable sellers to generate incremental revenue without disrupting their existing distribution channels or retail pricing structures.

Our business model and brand are currently, through us or independent licensees, supporting several products and service offerings, including the following:

- o leisure airline tickets, provided by 10 domestic and 26 international airline participants;
- o hotel rooms, in substantially all major United States markets with more than 25 national hotel chains as participants;
- o rental cars, in substantially all major United States markets with five leading rental car chains as participants;
- o new automobiles, in substantially all major United States markets;
- o home financing services, in substantially all major United States markets, which includes home mortgage services, home equity loans and refinancing services;

- o long distance telephone calling, provided by three carriers, in substantially all United States markets; and
- o travel insurance, provided in connection with our airline product and offered through an agreement with member companies of American International Group, Inc.

Our principal executive offices are located at 800 Connecticut Avenue, Norwalk, Connecticut 06854, and our telephone number is (203) 299-8000. Our Web site is located at www.priceline.com

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RISK FACTORS

In addition to the other information in this reoffer prospectus, prospective investors should carefully consider the following risk factors in evaluating us, our business and an investment in the common stock. Unless specified otherwise as used herein, the terms "we," "us" or "our" refer to [priceline.com](http://www.priceline.com) Incorporated.

This reoffer prospectus contains forward-looking statements. These statements relate to future events or future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of such terms and other comparable terminology. These statements are only predictions. In evaluating these statements, you should specifically consider various factors, including the risks outlined below. These factors may cause our actual results to differ materially from any forward-looking statement. See "Special Note Regarding Forward-Looking Statements."

Our Limited Operating History Makes Evaluating Our Business Difficult

Priceline.com was formed in July 1997 and began operations on April 6, 1998. As a result, we have only a limited operating history on which you can base an evaluation of our business and prospects. Our prospects must be considered in the light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in their early stages of development, particularly companies in new and rapidly evolving markets, such as online commerce, using new and unproven business models. To address these risks and uncertainties, we must, among other things:

- o attract leading sellers and consumers to the priceline.com service;
- o maintain and enhance our brand, and expand our product and service offerings;
- o attract, integrate, retain and motivate qualified personnel; and
- o adapt to meet changes in our markets and competitive developments.

We may not be successful in accomplishing these objectives.

We Are Not Profitable and Will Continue to Incur Losses

As of September 30, 2000, we had an accumulated deficit of \$1.4 billion. We have not achieved profitability and will continue to incur losses.

A substantial portion of our revenues to date have been derived from airline, hotel and rental car products. Over time, as our business model evolves, we may introduce new products and services. With respect to both current and future product and service offerings, we may have to increase our operating expenses in order to increase our customer base, enhance our brand image and support our growing infrastructure. For us to make a profit, our revenues and gross profit margins will need to increase sufficiently to cover these and other future costs. Otherwise, we may never achieve profitability.

Potential Fluctuations in Our Financial Results Make Financial Forecasting

Difficult

We expect our revenues and operating results to vary significantly from quarter to quarter. As a result, quarter to quarter comparisons of our revenues and operating results may not be meaningful. In addition, due to our limited operating history and a business model that is still relatively new and unproven, it may be difficult to

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predict our future revenues or results of operations accurately. It is likely that in one or more future quarters our operating results will fall below the expectations of securities analysts and investors. If this happens, the trading price of our common stock would almost certainly be materially and adversely affected.

Our business has almost no backlog and almost all of our revenues for a particular quarter are derived from transactions that are both initiated and completed during that quarter. Our current and future expense levels are based largely on our investment plans and estimates of future revenues and are, to a large extent, fixed. Accordingly, we may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall, and any significant shortfall in revenues relative to our planned expenditures could have an immediate adverse effect on our business and results of operations.

Our limited operating history makes it difficult for us to assess the impact of seasonal factors on our business. Nevertheless, we believe that our business is subject to seasonal fluctuations, reflecting a combination of seasonality trends for the products and services offered by us and seasonality patterns affecting Internet use. For example, with regard to our travel products, demand for leisure travel may increase over summer vacations and holiday periods, while Internet usage may decline during the summer months. Our results also may be affected by seasonal fluctuations in the inventory made available to the priceline.com service by participating sellers. Airlines, for example, typically enjoy high demand for tickets through traditional distribution channels for travel during Thanksgiving and the year-end holiday period. As a result, during those periods, less excess airline ticket inventory would be available to priceline.com. Our business also may be subject to cyclical variations for the products and services offered; for example, leisure travel and home mortgage financing tend to decrease in economic downturns.

We Are Dependent On the Airline Industry and Certain Airlines

Our near term, and possibly long term, our prospects are significantly dependent upon our sale of leisure airline tickets. Sales of leisure airline tickets represented a substantial majority of total revenue for the year ended December 31, 1999 and the nine months ended September 30, 2000. Leisure travel, including the sale of leisure airline tickets, is dependent on personal discretionary spending levels. As a result, sales of leisure airline tickets and other leisure travel products tend to decline during general economic downturns and recessions. In addition, unforeseen events, such as political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities, travel-related accidents and unusual weather patterns also may adversely affect the leisure travel industry. As a result, our business also is likely to be affected by those events. Significantly reducing our dependence on the airline and travel industries is likely to take a long time and there can be no guarantee that we will succeed in reducing that dependence.

Sales of airline tickets from priceline.com's six largest airline suppliers accounted for approximately 93% and 84%, respectively, of airline ticket revenue for the year ended December 31, 1999 and the nine months ended September 30, 2000, respectively. As a result, currently we are substantially dependent upon the continued participation of these airlines in the priceline.com service in order to maintain and continue to grow our total airline ticket revenues and, as a consequence, our overall revenues. Our ticket sale revenues for the three months ended September 30, 2000, were 8% below our ticket sale revenue for the three months ended June 30, 2000. In addition, our October 2000 ticket sale revenues, which historically has been our strongest sales month of the fourth quarter, were approximately 20% below our September 2000 ticket sale revenues, which based on our historical experience we had expected to be our strongest sales month of the third quarter. As a result, we expect that our revenues for the three months ended December 31, 2000, will be

significantly less than our revenues for the three months ended September 30, 2000.

We currently have 36 participating airlines. However, our airline participation agreements:

- o do not require the airlines to make tickets available for any particular routes;

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- o do not require the airlines to provide any specific quantity of airline tickets;
- o do not require the airlines to provide particular prices or levels of discount;
- o do not require the airlines to deal exclusively with us in the public sale of discounted airline tickets; and
- o generally, can be terminated upon relatively short notice.

These agreements also outline the terms and conditions under which ticket inventory provided by the airlines may be sold.

Our agreement with Delta contains certain restrictions relating to the terms of participation in our service by other carriers and the circumstances under which we may transfer or license our intellectual property to other travel providers. It is possible that, as the priceline.com service grows and becomes a significant channel of distribution for airline tickets and as other carriers seek participation in the priceline.com service, these competitively restrictive provisions of the Delta agreement could raise issues under federal and state antitrust laws. If that happened, either a federal or state government agency or private party could initiate litigation seeking to enjoin us and Delta from enforcing these provisions or seeking to collect treble damages. The outcome of any such litigation would be uncertain. If, however, such a lawsuit resulted in an injunction or subjected us to damages, our business and financial condition could suffer.

Due to our dependence on the airline industry, we could be severely affected by changes in that industry, and, in many cases, we will have no control over such changes or their timing. For example, our revenues for the three months ended September 30, 2000 were 3.1% below our revenues for the three months ended June 30, 2000. We believe that the decline in revenues was attributable, in part, and in addition to other factors, to specific events in the airline industry, including a \$20 fuel surcharge imposed in early September by airlines due to increased fuel prices, a high level of flight cancellations that negatively affected supply and the introduction by certain airlines of their own special sale fares in September which contributed to lower average offer prices for tickets. In addition, given the concentration of the airline industry, particularly in the domestic market, major airlines that are not participating in the priceline.com service could exert pressure on other airlines not to supply us with tickets. Moreover, the airlines may attempt to establish their own buyer-driven commerce service or participate or invest in other similar services being established to compete with us. We also could be materially adversely affected by the bankruptcy, insolvency or other material adverse change in the business or financial condition of one or more of our airline participants.

Our Business Model is Relatively Novel and Unproven

The priceline.com service is based on a relatively novel and unproven business model. We will be successful only if consumers and sellers continue to actively use the priceline.com service. Prior to the launch of the priceline.com service, consumers and sellers had never bought and sold products and services through a demand collection system over the Internet. Therefore, it is impossible to predict the degree to which consumers and sellers will continue to use the priceline.com service over time.

Many of the factors influencing consumers' and sellers' willingness to use the priceline.com service are outside our control. For example, a labor dispute that disrupts airline service or an airline accident could make consumers unwilling to use a service like priceline.com that does not permit the customer

to designate the airline on which the customer purchases a ticket. In addition, a breach of security on the Internet, even if we were not involved, could make consumers unwilling to place orders online with a credit card. Also, recent adverse publicity surrounding our recent public announcements may affect consumers' willingness to use our service. Consequently,

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it is possible that consumers and sellers will never utilize the priceline.com service to the degree necessary for us to achieve profitability.

We May Not Be Able to Introduce New Products and Services

We are unlikely to make significant profits unless we make new or complementary products and services and a broader range of existing products and services available through the priceline.com service or through services provided by our licensees. Should we decide to introduce additional products, we may incur substantial expenses and use significant resources. However, we may not be able to attract sellers, other participants and licensees to provide such products and services or consumers to purchase such products and services through the priceline.com service. In addition, if we or our licensees launch new products or services that are not favorably received by consumers, our reputation and the value of the priceline.com brand could be damaged.

The great majority of our experience to date is in the travel industry. The travel industry is characterized by "expiring" inventories. For example, if not used by a specific date, an airline ticket, hotel room reservation or rental car reservation has no value. The expiring nature of the inventory creates incentives for airlines, hotels and rental car companies to sell seats, hotel room reservations or rental car reservations at reduced rates. Because we have only limited experience in selling "non-expiring" inventories on the priceline.com service, such as new cars or financial services, we cannot predict whether the priceline.com business model can be successfully applied to such products and services.

If We Lose Our Key Personnel or Cannot Recruit Additional Personnel, Our Business May Suffer

Competition for personnel with experience in Internet commerce is intense. We depend on the continued services and performance of our executive officers and other key personnel. We do not have "key person" life insurance policies. If we do not succeed in attracting new employees or retaining and motivating current and future employees or executive officers, our business could suffer significantly. Our ability to retain key employees could be materially adversely affected by recent developments concerning the Company and the decline in the market price of our common stock.

We Rely on Third-Party Systems

We rely on certain third-party computer systems and third-party service providers, including the computerized central reservation systems of the airline and hotel industries to satisfy demand for airline tickets and hotel room reservations. Any interruption in these third-party services systems or deterioration in their performance could be disruptive to our business. Our agreements with third-party service providers are terminable upon short notice. In the event our arrangement with any of such third parties is terminated, we may not be able to find an alternative source of systems support on a timely basis or on commercially reasonable terms and, as a result, our business and results of operations could be materially and adversely affected.

Intense Competition Could Reduce Our Market Share and Harm Our Financial Performance

We compete with both online and traditional sellers of the products and services offered on priceline.com. Current and new competitors can launch new sites at a relatively low cost. In addition, the traditional retail industry for the products and services we offer is intensely competitive.

We currently or potentially compete with a variety of companies with respect to each product or service we offer. With respect to travel products, these competitors include:

- o Internet travel agents such as Microsoft's Expedia;

- o traditional travel agencies;
- o consolidators and wholesalers of airline tickets and other travel products, including online consolidators such as Cheaptickets.com;
- o individual or groups of airlines, hotels, rental car companies, cruise operators and other travel service providers; and
- o operators of travel industry reservation databases such as Worldspan and Sabre.

Our current or potential competitors with respect to the arrangement and sale of new automobiles in the online marketplace, include, among others, Auto-by-Tel, Carsdirect.com, Autoweb.com, Greenlight.com and CarPoint.com. To some extent, we compete for new car shoppers' attention with retail new car dealers, many of which offer online shopping capabilities.

With respect to financial service products, our competitors include:

- o banks and other financial institutions;
- o online and traditional mortgage and insurance brokers, including Quicken Mortgage, E-Loan and iOwn, Inc.; and
- o insurance companies.

Our current or potential competitors with respect to rental cars include, among others, rental car companies and traditional and online travel agencies and travel service providers.

With respect to long distance services, our current or potential competitors include long distance providers, local exchange providers that may be entering the long distance market and Internet Protocol telephone services.

We potentially face competition from a number of large Internet companies and services that have expertise in developing online commerce and in facilitating Internet traffic, including Amazon.com, America Online, Microsoft and Yahoo!, who could choose to compete with us either directly or indirectly through affiliations with other e-commerce or off-line companies. Other large companies with strong brand recognition, technical expertise and experience in Internet commerce could also seek to compete with us. A number of airlines intend to invest in and offer discount airfares and travel services through a site or sites to be established, including Orbitz, and a number of airlines have agreed to participate in and receive an equity stake from Hotwire, a website which offers discounted fares on opaque inventory. Similar steps may be under consideration by certain hotel companies and travel service providers. Competition from these and other sources could have a material adverse effect on our business, results of operations and financial condition.

Many of our current and potential competitors, including Internet directories and search engines and large traditional retailers, have longer operating histories, larger customer bases, greater brand recognition and significantly greater financial, marketing, technical and other resources than we have. Some of these competitors may be able to secure products and services on more favorable terms than we can. In addition, many of these competitors may be able to devote significantly greater resources to: (1) marketing and promotional campaigns, (2) attracting traffic to their Web sites, (3) attracting and retaining key employees, (4) securing vendors and inventory and (5) Web site and systems development.

Increased competition could result in reduced operating margins and loss of market share and could damage our brand. There can be no assurance that we will be able to compete successfully against current and future competitors or that competition will not have a material adverse effect on our business,

results of operations and financial condition.

Our Success Depends on Our Ability to Protect Our Intellectual Property

We regard our intellectual property as critical to our success, and we rely on trademark, copyright and patent law, trade secret protection and confidentiality and/or license agreements with our employees, customers, partners and others to protect our proprietary rights. If we are not successful in protecting our intellectual property, there could be a material adverse effect on our business.

While we believe that our issued patents and pending patent applications help to protect our business, there can be no assurance that:

- o any patent can be successfully defended against challenges by third parties;
- o pending patent applications will result in the issuance of patents;
- o competitors or potential competitors of priceline.com will not devise new methods of competing with us that are not covered by our patents or patent applications;
- o because of variations in the application of our business model to each of our products and services, our patents will be effective in preventing one or more third parties from utilizing a copycat business model to offer the same product or service in one or more categories;
- o new prior art will not be discovered which may diminish the value of or invalidate an issued patent; or
- o a third party will not have or obtain one or more patents that prevent us from practicing features of our business or will require us to pay for a license to use those features.

There has been recent discussion in the press regarding the examination and issuance of so called "business-method" patents. As a result, the United States Patent and Trademark Office has indicated that it intends to intensify the review process applicable to such patent applications. The new procedures are not expected to have a direct effect on patents already granted. We cannot anticipate what effect, if any, the new process will have on our pending patent applications.

We pursue the registration of our trademarks and service marks in the U.S. and internationally. However, effective trademark, service mark, copyright and trade secret protection may not be available in every country in which our services are made available online. We have licensed in the past, and expect to license in the future, certain of our proprietary rights, such as trademarks or copyrighted material, to third parties. These licensees may take actions that might diminish the value of our proprietary rights or harm our reputation.

Pending Litigation

On January 6, 1999, we received notice that a third party patent applicant and patent attorney, Thomas G. Woolston, purportedly had filed in December 1998 with the United States Patent and Trademark Office a request to declare an interference between a patent application filed by Woolston and our U.S. Patent 5,794,207. We are currently awaiting information from the Patent Office regarding whether it will initiate an interference proceeding.

On January 19, 1999, Marketel International Inc. (Marketel), a California corporation, filed a lawsuit against priceline.com, among others. On February 22, 1999, Marketel filed an amended and supplemental complaint. On March 15, 1999, Marketel filed a second amended complaint. On May 9, 2000, Marketel filed a third amended complaint against priceline.com and Priceline Travel, Inc. The third amended complaint alleges causes of action for misappropriation of trade secrets, conversion, false advertising and for correction of inventorship of U.S. Patent 5,794,207. In its third amended complaint, Marketel alleges, among other things, that the defendants conspired to misappropriate Marketel's

business model, which allegedly was provided in confidence approximately ten years ago. The third amended complaint also alleges that four former Marketel employees are the actual sole inventors or co-inventors of U.S. Patent 5,794,207, which was issued on August 11, 1998 and has been assigned to us. Marketel asks that the patent's inventorship be corrected accordingly.

On February 5, February 10 and March 31, 1999, we filed answers respectively, to the complaint, amended complaint and second amended complaint, in which we denied the material allegations of liability. On May 19, 2000, we filed a motion to dismiss the third amended complaint for failure to state a complaint upon which relief can be granted. We strongly disputed the material legal and factual allegations contained in Marketel's third amended complaint and believe that the amended complaint is without merit. In addition, on July 13, 2000, we filed a motion for summary judgment alleging that Marketel has not identified legally protectable trade secrets and is not entitled to correction of inventorship of U.S. Patent 5,794,207. On February 1, 2001, the United States District Court for the District of California entered final judgment in favor of priceline, dismissing all of Marketel's claims with prejudice.

Judge Legge granted priceline's motion for summary judgment with respect to Marketel's theft of trade secret and patent inventorship claims, and he ruled that there were triable issues of fact as to Marketel's false advertising claims, although he volunteered that it was unlikely that Marketel could establish damages and suggested that these claims should be voluntarily dismissed. The false advertising claims were subsequently dismissed by stipulation. Marketel has until March 5, 2001 to file its Notice of Appeal. We intend to continue defending vigorously against the action if necessary. Pursuant to the indemnification obligations contained in the Purchase and Intercompany Services Agreement with Walker Digital, Walker Digital has agreed to indemnify, defend and hold us harmless for damages, liabilities and legal expenses incurred in connection with the Marketel litigation. However, Walker Digital currently is experiencing financial difficulties and is not honoring its indemnification obligation. We are paying for the defense of this action and have paid approximately \$2 million of costs, in arrears, subject to a reservation of all rights to recover these amounts from Walker Digital.

Subsequent to our announcement on September 27, 2000 that revenues for the third quarter 2000 would not meet expectations, we were served with the following purported class action complaints:

- o Mathis Weingarten, et al v priceline.com Incorporated and Jay S. Walker, 300 CV 1901 (District of Connecticut).
- o Randall Twardy, et al v priceline.com Incorporated, Jay Walker, R. Braddock, and D. Schulman 300 CV 1884 (District of Connecticut).
- o Natalie Berdakina, et al v priceline.com Incorporated, Jay Walker, R. Braddock, and D. Schulman 300 CV 1902 (District of Connecticut).
- o Samuel Mayer et al v priceline.com Incorporated, Jay Walker, R. Braddock, and D. Schulman 300 CV 1923 (District of Connecticut).

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- o Anthony Mazzo, et al v priceline.com Incorporated, Jay Walker, R. Braddock, and D. Schulman 300 CV 1924 (District of Connecticut).
- o Mark Fialkov, et al v priceline.com Incorporated, Jay Walker, R. Braddock, and D. Schulman 300 CV 1954 (District of Connecticut).
- o Jeremy Licht, et al v priceline.com Incorporated and Jay Walker 300 CV 2049 (District of Connecticut).
- o Jim M. Ayach & Sarah Sontag, et al v priceline.com Incorporated, Jay Walker, R. Braddock, and D. Schulman 300 CV 2062 (District of Connecticut).

- o Michael Cerelli, et al v priceline.com Incorporated,
Jay Walker, R. Braddock, and D. Schulman
300 CV 1918 (District of Connecticut).
- o Howard Guntz Profit Sharing Plan, et al v. priceline.com
Incorporated, R. Braddock, D.
Schulman, and Jay S. Walker
300 CV 1917 (District of Connecticut).
- o Thomas Atkin, et al v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 1994 (District of Connecticut).
- o Hyacinth S. Anish, et al v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 1048 (District of Connecticut).
- o Jerry Krim, et al v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 2083 (District of Connecticut).
- o Scott Lyon, et al v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 2066 (District of Connecticut).
- o Johnny Kwan, et al v. priceline.com Incorporated
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 2069 (District of Connecticut).
- o Muhammed Zia, v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 1994 (District of Connecticut).
- o Monica R. Mazzo v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker

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300 CV 1968 (District of Connecticut).

- o Rajiv Bazag v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 2122 (District of Connecticut).
- o Sherman Breier v. priceline.com Incorporated
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 2146 (District of Connecticut).
- o Dr. Ramin Farzam, Jay Jaskolski, Todd Haskell, Peter Makhlouf
and Bryan Koster, v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 2176 (District of Connecticut).
- o Jack A. Caswell v. priceline.com Incorporated,
R. Braddock, D. Schulman, and Jay S. Walker
300 CV 2169 (District of Connecticut).

All of these cases have been consolidated before Judge Dominick J. Squatrito, and two groups have filed motions requesting to be appointed as lead plaintiff and lead counsel. By agreement of counsel, once the lead plaintiff and lead counsel have been appointed, such lead plaintiff and counsel shall have forty-five days to file an amended and consolidated complaint, and we will thereafter have forty-five days to respond to the amended and consolidated complaint. We intend to defend vigorously against these actions.

In addition, we have been served with a complaint that purports to be a shareholder derivative action against our Board of Directors and certain of our current executive officers, as well as us (as a nominal defendant). The complaint alleges breach of fiduciary duty. The action is captioned Mark Zimmerman, et al v priceline.com Incorporated, Jay Walker, R. Braddock, D. Schulman, P. Allaire, R. Bahna, P. Blackney, W. Ford, M. Loeb, N. Nicholas, N. Peretsman, 18473-NC, (Court of Chancery of Delaware, County of New Castle, State of Delaware). On February 6, 2001, all defendants moved to dismiss the complaint

for failure to state a cause of action upon which relief can be granted. We intend to defend vigorously against this action.

We are cooperating with the Connecticut Attorney General's office concerning complaints by customers received by the Attorney General's office and intend to continue our cooperation.

From time to time, we have been and expect to continue to be subject to legal proceedings and claims in the ordinary course of business, including claims of alleged infringement of third party intellectual property rights by it. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources and could adversely affect our stock price.

The Success of Our Business Will Depend on Continued Growth of Internet Commerce

The market for the purchase of products and services over the Internet is a new and emerging market. As an Internet commerce business, our future revenues and profits are substantially dependent upon the widespread acceptance and use of the Internet and other online services as a medium for commerce by consumers and sellers. If widespread acceptance and growth of Internet use does not occur, our business and financial performance will suffer. Rapid growth in the use of and interest in the Internet and other online services is a recent phenomenon. This growth may not continue. A sufficiently broad base of consumers may not adopt, or continue to use, the

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Internet as a medium of commerce. Demand for and market acceptance of recently introduced products and services over the Internet are subject to a high level of uncertainty, and there are few proven products and services. For us to grow, consumers who historically have purchased through traditional means of commerce, such as a travel agent for airline tickets or a branch of a bank for home financings, will need to elect to purchase online products and services. Sellers of products and services will need to adopt or expand use of the Internet as a channel of distribution.

The Internet has experienced, and is expected to continue to experience, significant growth in the number of users and amount of traffic. Our success will depend upon the development and maintenance of the Internet's infrastructure to cope with this increased traffic. This will require a reliable network backbone with the necessary speed, data capacity and security, and the timely development of complementary products, such as high-speed modems, for providing reliable Internet access and services.

The Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure and could face such outages and delays in the future. Outages and delays are likely to affect the level of Internet usage generally, as well as the processing of transactions on the priceline.com Web site. It is unlikely that the level of orders lost in those circumstances could be made up by increased phone orders. In addition, the Internet could lose its viability due to delays in the development or adoption of new standards to handle increased levels of activity or due to increased government regulation. The adoption of new standards or government regulation may, however, require us to incur substantial compliance costs.

Capacity Constraints and System Failures Could Harm Our Business

If our systems cannot be expanded to cope with increased demand or fail to perform, we could experience:

- o unanticipated disruptions in service;
- o slower response times;
- o decreased customer service and customer satisfaction; or
- o delays in the introduction of new products and services;

any of which could impair our reputation, damage the priceline.com brand and materially and adversely affect our revenues. Publicity about a service disruption also could cause a material decline in our stock price.

We use internally developed systems to operate the priceline.com service, including transaction processing and order management systems that were designed to be scaleable. However, if the number of users of the priceline.com service increases substantially, we will need to significantly expand and upgrade our technology, transaction processing systems and network infrastructure. We do not know whether we will be able to accurately project the rate or timing of any such increases, or expand and upgrade our systems and infrastructure to accommodate such increases in a timely manner.

Our ability to facilitate transactions successfully and provide high quality customer service also depends on the efficient and uninterrupted operation of our computer and communications hardware systems. The priceline.com service has experienced periodic system interruptions, which we believe will continue to occur from time to time. Our systems and operations also are vulnerable to damage or interruption from human error, natural disasters, power loss, telecommunication failures, break-ins, sabotage, computer viruses, intentional acts of vandalism and similar events. While we currently maintain redundant servers at our Stamford, Connecticut premises to provide limited service during system disruptions, we do not have fully redundant systems, a formal

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disaster recovery plan or alternative providers of hosting services. In addition, we do not carry sufficient business interruption insurance to compensate for losses that could occur. Any system failure that causes an interruption in service or decreases the responsiveness of the priceline.com service could impair our reputation, damage our brand name and materially adversely affect our revenues.

We May Not Be Able to Keep Up with Rapid Technological and Other Changes

The markets in which we compete are characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing consumer demands. We may not be able to keep up with these rapid changes. In addition, these market characteristics are heightened by the emerging nature of the Internet and the apparent need of companies from many industries to offer Internet-based products and services. As a result, our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our services to evolving industry standards and to continually improve the performance, features and reliability of our service in response to competitive service and product offerings and the evolving demands of the marketplace. In addition, the widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require us to incur substantial expenditures to modify or adapt our services or infrastructure.

Online Security Breaches Could Harm Our Business

The secure transmission of confidential information over the Internet is essential in maintaining consumer and supplier confidence in the priceline.com service. Substantial or ongoing security breaches on our system or other Internet-based systems could significantly harm our business. We currently require buyers to guarantee their offers with their credit card, either online or through our toll-free telephone service. We rely on licensed encryption and authentication technology to effect secure transmission of confidential information, including credit card numbers. It is possible that advances in computer capabilities, new discoveries or other developments could result in a compromise or breach of the technology used by us to protect customer transaction data.

We incur substantial expense to protect against and remedy security breaches and their consequences. However, we cannot guarantee that our security measures will prevent security breaches. A party that is able to circumvent our security systems could steal proprietary information or cause significant interruptions in our operations. For instance, several major Web sites have experienced significant interruptions as a result of improper direction of excess traffic to those sites, and computer viruses have substantially disrupted e-mail and other functionality in a number of countries, including the United States. Security breaches also could damage our reputation and expose us to a risk of loss or litigation and possible liability. Our insurance policies carry low coverage limits, which may not be adequate to reimburse us for losses caused by security breaches.

We also face risks associated with security breaches affecting third parties conducting business over the Internet. Consumers generally are concerned with security and privacy on the Internet and any publicized security problems could inhibit the growth of the Internet and, therefore, the priceline.com service as a means of conducting commercial transactions.

New Businesses We May Enter May Not Be Successful

We have entered into, and may enter into in the future, licensing arrangements with third parties in connection with expansion of the priceline.com service. For example, we licensed our name and business model to Alliance Capital Partners in connection with our home financing services and to other third parties in connection with other products. These new businesses typically incur start-up costs and operating losses and may not be successful. If these new businesses are not favorably received by consumers or are unsuccessful, the association of our brand name and business model with these new entities may adversely affect our business and reputation and may dilute the value of our brand name. Further, to the extent that these new businesses are not successful, we may

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not be able to recover our costs associated with their development. Priceline WebHouse Club, Inc. and Priceline Perfect Yardsale, Inc., both privately held licensees of ours, separately announced in October 2000 that they would be ceasing their operations.

To the extent that we need to service these licensees, our core business may suffer. Moreover, expansion of our core business model will expose us to additional risks not currently applicable to our existing operations. The additional risks associated with the expansion of our core business could have a material adverse effect on our business generally. In addition, as we expand our business model to other areas of e-commerce, these new businesses will face competition from established providers in those areas.

Our Stock Price is Highly Volatile

The market price of our common stock is highly volatile and is likely to continue to be subject to wide fluctuations in response to factors such as the following, some of which are beyond our control:

- o quarterly variations in our operating results;
- o operating results that vary from the expectations of securities analysts and investors;
- o changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- o changes in our capital structure;
- o changes in market valuations of other Internet or online service companies;
- o announcements of technological innovations or new services by us or our competitors;
- o announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- o loss of a major seller participant, such as an airline or hotel chain;
- o changes in the status of our intellectual property rights;
- o lack of success in the expansion of our business model horizontally or geographically;
- o adverse publicity surrounding recent announcements concerning the Company;

- o announcements by third parties of significant claims or proceedings against us or adverse developments in pending proceedings;
- o additions or departures of key personnel; and
- o stock market price and volume fluctuations.

Sales of a substantial number of shares of our common stock could adversely affect the market price of our common stock by introducing a large number of sellers to the market. Given the volatility that exists for our shares, such sales could cause the market price of our common stock to decline.

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In addition, the trading prices of Internet stocks in general, including ours, have experienced extreme price and volume fluctuations. To the extent that the public's perception of the prospects of Internet or e-commerce companies is negative, our stock price could decline further regardless of our results. Other broad market and industry factors may decrease the market price of our common stock, regardless of our operating performance. Market fluctuations, as well as general political and economic conditions, such as a recession or interest rate or currency rate fluctuations, also may decrease the market price of our common stock. The market value of e-commerce stocks has declined dramatically over recent months based on profitability and other concerns. The recent declines in the value of our common stock and market conditions could adversely affect our ability to raise additional capital.

We are currently the subject of a number of securities class action litigations. In the past, securities class action litigation often has been brought against a company following periods of volatility in the market price of their securities. To the extent our stock price declines or is volatile, we may in the future be the target of additional litigation. Securities litigation could result in substantial costs and divert management's attention and resources.

Our Business is Subject to Tax Uncertainties

Potential Federal Air Transportation Tax on Airline Ticket Sales. A Federal transportation tax is imposed upon the sale of airline tickets. The tax is based on a percentage of the cost of transportation, which was 9% for periods prior to October 1, 1998, 8% for the period October 1, 1998 through September 30, 1999 and 7.5% thereafter. We have historically interpreted the tax regulations as requiring that the tax be computed based on the amount charged by the airline to us for the airline ticket and participating airlines have collected and remitted the tax based on this amount. We applied for a ruling from the Internal Revenue Service confirming this interpretation. In December 1999, the Internal Revenue Service indicated to us that it was unlikely that a favorable ruling would be issued. We subsequently withdrew our ruling request because of the uncertainty of the outcome. Because we anticipated the possibility of an adverse ruling on this issue, we accrued approximately \$1.9 million relating to the balance of the tax liability for tickets sold prior to that date. We believe this accrual to be adequate, but there can be no assurance as to the final outcome because a formal ruling has not been issued by the Internal Revenue Service.

State Taxes. We file tax returns in such states as required by law based on principles applicable to traditional businesses. In addition, we do not collect sales or other similar taxes in respect of transactions conducted through the priceline.com service (other than the federal air transportation tax referred to above). However, one or more states could seek to impose additional income tax obligations or sales tax collection obligations on out-of-state companies, such as ours, which engage in or facilitate online commerce. A number of proposals have been made at state and local levels that could impose such taxes on the sale of products and services through the Internet or the income derived from such sales. Such proposals, if adopted, could substantially impair the growth of e-commerce and adversely affect our opportunity to become profitable.

Legislation limiting the ability of the states to impose taxes on Internet-based transactions has been enacted by the United States Congress. However, this legislation, known as the Internet Tax Freedom Act, imposes only a

three-year moratorium, which commenced October 1, 1998 and ends on October 21, 2001, on state and local taxes on (1) electronic commerce where such taxes are discriminatory and (2) Internet access unless such taxes were generally imposed and actually enforced prior to October 1, 1998. It is possible that the tax moratorium could fail to be renewed prior to October 21, 2001. Failure to renew this legislation would allow various states to impose taxes on Internet-based commerce. The imposition of such taxes could adversely affect our ability to become profitable.

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Regulatory and Legal Uncertainties Could Harm Our Business

The products and services we offer through the priceline.com service are regulated by federal and state governments. Our ability to provide such products and services is and will continue to be affected by such regulations. The implementation of unfavorable regulations or unfavorable interpretations of existing regulations by courts or regulatory bodies could require us to incur significant compliance costs, cause the development of the affected markets to become impractical and otherwise adversely affect our financial performance.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Some of the statements under "The Company" and "Risk Factors" and elsewhere in this reoffer prospectus may constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such 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 our actual results to differ materially from those described in the forward-looking statements: inability to successfully expand our business model both horizontally and geographically; adverse changes in our relationships with airlines and other product and service providers; systems-related failures; our ability to protect our intellectual property rights; the effects of increased competition; losses by us and our licensees; any adverse impact from negative publicity and negative customer reaction relating to recent announcements concerning us; legal and regulatory risks and the ability to attract and retain qualified personnel. These factors and others are described in more detail above in "Risk Factors."

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USE OF PROCEEDS

Priceline.com will not receive any proceeds from the sale of shares which may be sold pursuant to this reoffer prospectus for the respective accounts of the Selling Securityholders. All such proceeds, net of brokerage commissions, if any, will be received by the Selling Securityholders. See "Selling Securityholders" and "Plan of Distribution."

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SELLING SECURITY HOLDERS

The following table sets forth information with respect to the beneficial ownership of the Selling Securityholders based upon the corporate records of priceline.com as of February 9, 2001. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, is based upon 176,596,577 shares outstanding as of February 9, 2001 and generally includes voting or investment power with respect to securities. Shares of common stock options that are currently exercisable or exercisable within 60 days of February 9, 2001 are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage

ownership of such person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Shares of restricted common stock, whether vested or unvested, are deemed to be outstanding and to be beneficially owned by the person holding such restricted stock for the purpose of computing the percentage ownership of such person and are treated as outstanding for the purpose of computing the percentage ownership of each other person.

The inclusion in the table of the individuals named therein shall not be deemed to be an admission that any such individuals are "affiliates" of priceline.com.

Name of Securityholder	Number of Shares Beneficially Owned Prior to Offering	Number of Shares that may be Offered Hereby	Number of Shares To be Beneficially Owned if All Shares Offered Hereby are Sold	% of Outstanding Shares To Be Owned if ALL Shares Offered Hereby are Sold
Jeffery H. Boyd	1,400,000 (1)	1,400,000	-0-	*
Richard S. Braddock	17,843,145 (2)	750,000	17,093,145	9.77%
Robert Mylod	700,000 (3)	700,000	-0-	*
Daniel Schulman	2,500,000 (4)	2,500,000	-0-	*

* Represents beneficial ownership of less than one percent.

- (1) Includes 1,400,000 restricted shares that have not vested. Mr. Boyd was Executive Vice President, General Counsel and Secretary of priceline.com from January 2000 through October 2000 and has been Executive Vice President, Chief Operating Officer and Secretary of priceline.com since October 2000.
- (2) Includes (1) 750,000 restricted shares that have not vested; (2) 120,000 shares owned by the Richard and Susan Braddock Family Foundation Inc. and to which Mr. Braddock expressly disclaims beneficial ownership; (3) 5,000,000 shares owned by Mr. Braddock as Trustee of The Richard S. Braddock 1999 Annuity Trust; and (4) 1,000 shares owned by Mr. Braddock's immediate family member and to which Mr. Braddock expressly disclaims beneficial ownership. Includes outstanding options to purchase 6,005,350 shares that are vested and exercisable. Mr. Braddock was Chief Executive Officer of priceline.com from August 1998 to April 2000 and has been Chairman of the Board of Directors of priceline.com since April 2000.
- (3) Includes 700,000 restricted shares that have not vested. Excludes 500,000 shares subject to options that are not vested or exercisable within 60 days of February 9, 2001. Mr. Mylod was Senior Vice President Finance from January 1999 to May 2000. Mr. Mylod has been Chief Financial Officer of priceline.com since November 2000.
- (4) Includes 2,500,000 restricted shares that have not vested. Mr. Schulman was President and Chief Operating Officer of priceline.com from July 1999 to May 2000 and has been Chief Executive

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Officer of priceline.com since May 2000.

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PLAN OF DISTRIBUTION

Shares offered hereby may be sold from time to time directly by or on behalf of the Selling Securityholders in one or more transactions on the Nasdaq National Market or on any stock exchange on which the common stock may be listed at the time of sale, in privately negotiated transactions, or through a combination of such methods, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at fixed prices (which may be changed) or at negotiated prices. The Selling Securityholders may sell shares through one or more agents, brokers or dealers or directly to purchasers. Such

brokers or dealers may receive compensation in the form of commissions, discounts or concessions from the Selling Securityholders and/or purchasers of the shares or both (which compensation as to a particular broker or dealer may be in excess of customary commissions).

To the knowledge of priceline.com, other than the opportunity that will be provided to each Securityholder to enter into a sales plan with a broker for the purpose of establishing a trading plan that complies with the requirements of Rule 10b5-1(c)(1) of the Securities Act, the Selling Securityholders have no arrangements with any brokerage firms.

In connection with such sales, the Selling Securityholders and any participating broker or dealer may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions they receive and the proceeds of any sale of shares may be deemed to be underwriting discounts and commissions under the Securities Act.

In order to comply with certain state securities laws, if applicable, the shares may be sold in such jurisdictions only through registered or licensed brokers or dealers. In certain states, the shares may not be sold unless the shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with. Sales of shares must also be made by the Selling Securityholders in compliance with all other applicable state securities laws and regulations.

In addition to any shares sold hereunder, Selling Securityholders may, at the same time, sell any shares of common stock, including the shares, owned by them in compliance with all of the requirements of Rule 144, regardless of whether such shares are covered by this reoffer prospectus.

There can be no assurance that any of the Selling Securityholders will sell any or all of the shares offered by them hereby.

Priceline.com will pay all expenses of the registration of the shares and will not receive any proceeds from the sale of any shares by the Selling Securityholders.

Priceline.com has notified the Selling Securityholders of the need to deliver a copy of this prospectus in connection with any sale of the shares.

LEGAL MATTERS

The validity of the shares being offered hereby has been passed upon for priceline.com by Peter J. Millones, Esq., Acting General Counsel of priceline.com.

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EXPERTS

The financial statements incorporated in this reoffer prospectus by reference from priceline.com's Annual Report on Form 10-K for the year ended December 31, 1999, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report dated January 27, 2000 (March 17, 2000 as to Note 15), which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in auditing and accounting.

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PART II INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, which have been filed by priceline.com with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are incorporated by reference in this registration statement as of their respective dates:

(a) Priceline.com's Annual Report on Form 10-K for the fiscal year ended

December 31, 1999 filed with the Commission on March 30, 2000;

- (b) Priceline.com's Amendment to Annual Report on Form 10-K/A, dated September 15, 2000;
- (c) Priceline.com's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2000, June 30, 2000 and September 30, 2000;
- (d) Priceline.com's Current Reports on Form 8-K, dated June 30, 2000, July 26, 2000, November 6, 2000, November 22, 2000, December 8, 2000, December 19, 2000, December 29, 2000 and February 8, 2001; and
- (e) The description of priceline.com's common stock contained in priceline.com's Registration Statement on Form 8-A filed on March 18, 1999 pursuant to Section 12(g) of the Exchange Act, including any amendment or reports filed for the purpose of updating such description.

All documents filed or subsequently filed by priceline.com pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this registration statement and prior to the filing of a post-effective amendment which indicates that all securities described herein have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing of such documents with the Commission. Any statement in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

The validity of the shares being offered hereby has been passed upon for priceline.com by Peter J. Millones, Acting General Counsel of priceline.com.

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Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act.

As permitted by Delaware law, Article Seventh of priceline.com's certificate of incorporation provides that (1) priceline.com is required to indemnify its directors and officers to the fullest extent permitted by Delaware law, subject to certain very limited exceptions; (2) priceline.com is permitted to indemnify its other employees to the extent that it indemnifies its officers and directors, unless otherwise required by law, its certificate of incorporation, its by-laws or agreements; (3) priceline.com is required to advance expenses, as incurred, to its directors and officers in connection with a legal proceeding to the fullest extent permitted by Delaware law, subject to certain very limited exceptions; and (4) the rights conferred in the certificate of incorporation are not exclusive.

As permitted by Delaware law, priceline.com's certificate of incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to priceline.com or its stockholders; (2) for acts of omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (3) under Section 174 of Delaware General Corporation Law regarding payments of dividends, stock purchases or redemptions which are unlawful; or (4) for any transaction from which the director derived an improper personal benefit. This provision in the

certificate of incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to priceline.com for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

As permitted by Delaware law, priceline.com has purchased insurance covering the company's directors and officers against liability asserted against them in their capacity as such.

Item 7. Exemption from Registration Claimed.

The shares which may be sold pursuant to the reoffer prospectus for the respective accounts of the Selling Securityholders were issued to the Selling Securityholders by priceline.com Incorporated in reliance upon the exemption provided by Section 4(2) of the Securities Act.

Item 8. Exhibits.

The Exhibits to this registration statement are listed in the Exhibit Index on page 32.

Item 9. Undertakings.

(a) The undersigned hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

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(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high and of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the priceline.com pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of priceline.com's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act, (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of priceline.com pursuant to the foregoing provisions, or otherwise, priceline.com has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by priceline.com of expenses incurred or paid by a director, officer or controlling person of priceline.com in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, priceline.com will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Norwalk, State of Connecticut, on the 14th day of February, 2001.

PRICELINE.COM INCORPORATED

By: /s/ Daniel H. Schulman

Daniel H. Schulman
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Jeffery H. Boyd, and Thomas P. D'Angelo, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof. This power of attorney may be executed in counterparts.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature

Title

Date

-----	-----	-----
/s/ Richard S. Braddock ----- Richard S. Braddock	Chairman	February 14, 2001
/s/ Daniel H. Schulman ----- Daniel H. Schulman	President, Chief Executive Officer and Director (Principal Executive Officer)	February 14, 2001
/s/ Thomas P. D'Angelo ----- Thomas P. D'Angelo	Vice President, Finance and Controller (Principal Accounting Officer)	February 14, 2001

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Signature -----	Title -----	Date -----
/s/ Robert Mylod ----- Robert Mylod	Chief Financial Officer) (Principal Accounting Officer)	February 14, 2001
/s/ Paul A. Allaire ----- Paul A. Allaire	Director	February 14, 2001
/s/ Ralph M. Bahna ----- Ralph M. Bahna	Director	February 14, 2001
/s/ Paul J. Blackney ----- Paul J. Blackney	Director	February 14, 2001
/s/ William E. Ford ----- William E. Ford	Director	February 14, 2001
/s/ Marshall Loeb ----- Marshall Loeb	Director	February 14, 2001
/s/ N. J. Nicholas, Jr. ----- N. J. Nicholas, Jr.	Director	February 14, 2001
/s/ Nancy B. Peretsman ----- Nancy B. Peretsman	Director	February 14, 2001

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EXHIBIT INDEX

Exhibit Number -----	Description -----
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- 5.1 Opinion of Peter J. Millones, Esq., Acting General Counsel of priceline.com.
- 10.1.3* Priceline.com 1999 Omnibus Plan, as amended.
- 10.41 Priceline.com 2000 Employee Stock Option Plan.
- 10.42 Agreement, dated November 20, 200, between priceline.com Incorporated and Robert Mylod.
- 23.1 Consent of Deloitte & Touche LLP.
- 23.2 Consent of Peter J. Millones, Esq. (contained in the opinion filed as Exhibit 5.1 hereto).
- 24.1 Power of Attorney (included on Signature Page).
- * Incorporated by reference to priceline.com's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2000.

February 14, 2001

Board of Directors
Priceline.com Incorporated
Five High Ridge Park
Stamford, Connecticut 06905

Re: Priceline.com Incorporated Registration Statement on Form S-8

Ladies and Gentlemen:

I am Vice President, Acting General Counsel and Assistant Secretary of Priceline.com Incorporated, a Delaware corporation (the "Company"), and have acted as counsel to the Company in connection with the registration under the Securities Act of 1933, as amended (the "Securities Act"), of the shares of the Company's Common stock, par value \$0.008 per share (the "Common Stock"), to be issued pursuant to or reserved for issuance under priceline.com's 1999 Omnibus Plan, as amended, the priceline.com 2000 Employee Stock Option Plan and that certain Agreement, dated November 20, 2000, by and between the Company and Mr. Robert Mylod (together, the "Plans").

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

In connection with this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Registration Statement on Form S-8 to be filed with the Securities and Exchange Commission (the "Commission") (such Registration Statement, as so amended or supplemented, being hereinafter referred to as the "Registration Statement"); (ii) the Plans; (iii) the Amended and Restated Certificate of Incorporation and the By-Laws of the Company, each as currently in effect; and (iv) certain resolutions of the Board of Directors of the Company relating to the approval and adoption of the Plans, the issuance of the Common Stock and certain related matters. I also have examined originals or copies, certified or otherwise identified to my satisfaction, of such records of the Company and such agreements, certificates of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I have deemed necessary or appropriate as a basis for the opinions set forth herein.

In my examination, I have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by such parties of such documents and the validity and binding effect thereof on such parties. As to any facts material to the opinions expressed herein which I have not independently established or verified, I have relied upon statements and representations of officers and other representatives of the Company and others.

I am admitted to the bar in the State of New York and I do not express any opinion as to the laws of any other jurisdiction other than the General Corporation Law of the State of Delaware, and I do not express any opinion as to the effect of any other laws on the opinion stated herein.

Based upon and subject to the foregoing, I am of the opinion that the Company has the full power and authority under the General Corporation Law of the State of Delaware, and under its Amended and Restated Certificate of Incorporation and By-Laws, to issue the Common Stock reserved for issuance under the Plans, and that such shares of Common Stock are validly authorized shares of Common Stock and when issued and delivered against payment therefor in accordance with the terms of the Plans, will be validly issued, fully paid and nonassessable.

I hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. I also consent to the reference to me in Item 5, Interests of Named Experts and Counsel, of the Registration Statement. In giving such consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations promulgated thereunder.

Very truly yours,

/s/ Peter J. Millones

Peter J. Millones

2000 Employee Stock Option Plan

1. Establishment and Purpose.

There is hereby adopted the priceline.com Incorporated 2000 Employee Stock Option Plan (the "Plan"). The Plan is intended to promote the interests of priceline.com Incorporated (the "Company") by providing employees of the Company with appropriate incentives and rewards to encourage them to enter into and continue in the employ of the Company and to acquire a proprietary interest in the long-term success of the Company; and to reward the performance of employees and consultants in fulfilling their responsibilities for long-range achievements.

2. Definitions.

As used in the Plan, the following definitions apply to the terms indicated below:

- (a) "Affiliate" means an affiliate of the Company, as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act.
- (b) "Agreement" shall mean the agreement, whether written or in electronic form, between the Company and a Participant evidencing an Award.
- (c) "Award" means any Option granted under the Plan.
- (d) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.
- (e) "Board" shall mean the Board of Directors of the Company.
- (f) "Cause" shall mean (1) the willful and continued failure by the Participant substantially to perform his or her duties and obligations to the Company (other than any such failure resulting from his or her incapacity due to physical or mental illness); (2) the willful engaging by the Participant in misconduct which is materially injurious to the Company; (3) the commission by the Participant of a felony; or (4) the commission by the Participant of a crime against the Company which is materially injurious to the Company. For purposes of this Section 2(f), no act, or failure to act, on a Participant's part shall be considered "willful" unless done, or omitted to be done, by the Participant in bad faith and without reasonable belief that his or her action or omission was in the best interest of the Company. Determination of Cause shall be made by the Committee in its sole discretion.
- (g) "Change in Control" means the occurrence of any one of the following events:
 - (i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company's then outstanding voting securities;
 - (ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least

two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended;

- (iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person, directly or indirectly, acquired 25% or more of the combined voting power of the Company's then outstanding securities (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its Affiliates); or
 - (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.
- (h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.
 - (i) "Committee" means a committee established by the Board, which committee shall be intended to consist of two or more non-employee directors, each of whom shall be a "non-employee director" as defined in Rule 16b-3 of the Exchange Act.
 - (j) "Company" means priceline.com Incorporated, a corporation organized under the laws of the State of Delaware, or any successor corporation.
 - (k) "Disability" shall mean: (1) any physical or mental condition that would qualify a Participant for a disability benefit under the long-term disability plan maintained by the Company and applicable to him or her; or (2) such other condition as may be determined in the sole discretion of the Committee to constitute Disability.
 - (l) "Effective Date" shall mean the effective date of the Initial Public Offering, provided that the Plan had been approved by the stockholders of the Company prior to the Initial Public Offering.
 - (m) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.
 - (n) The "Fair Market Value" of a share of Stock as of a particular date shall mean the closing sales price per share of Stock on the national securities exchange on which the Stock is principally traded, for the last preceding date on which there was a sale of such Stock on such exchange.
 - (o) "Initial Public Offering" shall mean the initial public offering of shares of Stock of the Company, as more fully described in the preliminary Registration Statement on Form S-1 filed with the Securities and Exchange Commission on December 23, 1998, as such Registration Statement may be amended from time to time.

- (p) "Option" shall mean an option to purchase a number of shares of Stock granted pursuant to Section 7.
- (q) "Partial Exercise" shall mean an exercise of an Award for less than the full extent permitted at the time of such exercise.
- (r) "Participant" shall mean (1) an employee or consultant of the Company to whom an Award is granted hereunder and (2) any such persons successors, heirs, executors and administrators, as the case may be, in such capacity.
- (s) "Person" shall have the meaning set forth in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) the Company, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (3) an underwriter temporarily holding securities pursuant to an offering of such securities or (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of shares of Stock of the Company.
- (t) "Plan" means the priceline.com 2000 Employee Stock Option Plan, as amended from time to time.
- (u) "Reload Option" shall mean an Option granted pursuant to Section 7(c)(5).
- (v) "Rule 16b-3" shall mean the Rule 16b-3 promulgated under the Exchange Act, as amended from time to time.
- (w) "Securities Act" shall mean the Securities Act of 1933, as amended from time to time.
- (x) "Stock" means shares of the common stock, par value \$.01 per share, of the Company.
- (y) "Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Company if, at the time of granting of an Award, each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

3. Stock Subject to the Plan.

The maximum number of shares of Stock reserved for the grant or settlement of Awards under the Plan shall be six million (6,000,000) shares, subject to adjustment as provided herein. Such shares may, in whole or in part, be authorized but unissued shares or shares that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. If any shares subject to an Award are forfeited, canceled, exchanged or surrendered or if an Award otherwise terminates or expires without a distribution of shares to the holder of such Award, the shares of Stock with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, termination or expiration, again be available for Awards under the Plan.

Except as provided in an Award Agreement, in the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, Stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of holders of Awards under the Plan, then the Committee shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of shares of Stock or other property (including cash) that may thereafter be issued in connection with Awards, (ii) the number and kind of shares of Stock or other property (including cash) issued or issuable in respect of outstanding Awards, and (iii) the exercise price, grant

price, or purchase price relating to any Award.

4. Administration of the Plan.

The Plan shall be administered by the Committee. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the persons to whom and the time or times at which Awards shall be granted; to determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate and the terms, conditions and restrictions relating to any Award; to determine whether, to what extent, and under what circumstances an Award may be settled, canceled, forfeited, exchanged, or surrendered; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of Agreements; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may, in its absolute discretion, without amendment to the Plan, (a) accelerate the date on which any Option granted under the Plan becomes exercisable, waive or amend the operation of Plan provisions respecting exercise after termination of employment or otherwise adjust any of the terms of such Option, and (b) otherwise adjust any of the terms applicable to any Award; provided, however, in each case, that in the event of the occurrence of a Change in Control, the provisions of Section 10 hereof shall govern vesting and exercisability schedule of any Award granted hereunder.

No member of the Committee shall be liable for any action, omission or determination relating to the Plan, and the Company shall indemnify (to the extent permitted under Delaware law) and hold harmless each member of the Committee and each other director or employee of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been delegated against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Committee) arising out of any action, omission or determination relating to the Plan, unless, in either case, such action, omission or determination was taken or made by such member, director or employee in bad faith and without reasonable belief that it was in the best interests of the Company.

5. Eligibility.

Awards may be granted to independent contractors and employees of the Company or of any of its Subsidiaries and Affiliates.

6. Awards Under the Plan

(a) Grants. The Committee may grant Options to Participants in such amounts and on such terms and conditions, not inconsistent with the Plan, as the Committee shall determine in its sole and absolute discretion.

(b) Agreements. Each Award granted under the Plan shall be evidenced by an Agreement that shall contain such provisions as the Committee may, in its sole and absolute discretion, deem necessary or desirable. By accepting an Award, a Participant thereby agrees that the Award shall be subject to all terms and provisions of the Plan and the applicable Agreement.

7. Options.

(a) Identification of Options. Each Option shall be clearly identified in the applicable Agreement as an Option that is not intended to be an "incentive stock option" within the meaning of Section 422 of the Code.

(b) Exercise Price. Each Agreement with respect to an Option shall set forth the exercise price per share of Stock payable by the grantee to the Company upon exercise of the Option. The exercise price per share of Stock shall be determined by the Committee; provided, however, that in no

case shall an Option have an exercise price per share of Stock that is less than the Fair Market Value of a share of Stock on the date the Option is granted.

(c) Term and Exercise of Options.

- (1) Unless the applicable Agreement provides otherwise, an Option shall become cumulatively exercisable as to 33 1/3% percent of the shares of Stock covered thereby on each of the first, second and third anniversaries of the date of grant. The Committee shall determine the expiration date of each Option; provided, however, that no Option shall be exercisable more than 10 years after the date of grant. Unless the applicable Agreement provides otherwise and except in the event of a Change in Control, no Option shall be exercisable prior to the first anniversary of the date of grant.
- (2) An Option may be exercised for all or any portion of the Stock as to which it is exercisable, provided that no Partial Exercise of an Option shall be for an aggregate exercise price of less than \$100.00. The Partial Exercise of an Option shall not cause the expiration, termination or cancellation of the remaining portion thereof.
- (3) An Option shall be exercised by delivering notice to the Company's principal office, to the attention of its Secretary. Such notice shall be accompanied by the applicable Agreement, shall specify the number of shares of Stock with respect to which the Option is being exercised and the effective date of the proposed exercise and shall be signed by the Participant or other person then having the right to exercise the Option. Payment for Stock purchased upon the exercise of an Option shall be made on the effective date of such exercise by one or a combination of the following means: (i) in cash or by personal check, certified check, bank cashier's check or wire transfer; (ii) subject to the approval of the Committee, in Stock owned by the Participant for at least six months prior to the date of exercise and valued at their Fair Market Value on the effective date of such exercise; or (iii) subject to the approval of the Committee, by such other provision as the Committee may from time to time authorize.
- (4) Certificates for Stock purchased upon the exercise of an Option shall be issued in the name of the Participant or other person entitled to receive such Stock, and delivered to the Participant or such other person as soon as practicable following the effective date on which the Option is exercised.
- (5) The Committee shall have the authority to specify, at the time of grant or, at or after the time of grant, that a Participant shall be granted a new Option (a "Reload Option") for a number of shares of Stock equal to the number of shares of Stock surrendered by the Participant upon exercise of all or a part of an Option in the manner described in Section 7(c) (3) (ii) above, subject to the availability of Stock under the Plan at the time of such exercise. Reload Options shall be subject to such conditions as may be specified by the Committee in its discretion, subject to the terms of the Plan.

(d) Effect of Termination of Employment.

- (1) Unless the applicable Agreement provides otherwise, in the event that the employment or consultancy (together, hereinafter referred to as "employment") of a Participant with the Company

shall terminate for any reason other than Cause, Disability or death, (i) Options granted to such Participant, to the extent that they are exercisable at the time of such termination, shall remain exercisable until the date that is 90 days after such termination, on which date they shall expire, and (ii)

Options granted to such Participant, to the extent that they were not exercisable at the time of such termination, shall expire at the close of business on the date of such termination. The 90 day period described in this Section 7(d)(1) shall be extended to one year from such termination, in the event of the Participant's death during such 90 day period. Notwithstanding the foregoing, no Option shall be exercisable after the expiration of its term.

- (2) Unless the applicable Agreement provides otherwise, in the event that the employment of a Participant with the Company shall terminate on account of the Disability or death of the Participant, (i) Options granted to such Participant, to the extent that they were exercisable at the time of such termination, shall remain exercisable until the first anniversary of such termination, on which date they shall expire, and (ii) Options granted to such Participant, to the extent that they were not exercisable at the time of such termination, shall expire at the close of business on the date of such termination; provided, however, that no Option shall be exercisable after the expiration of its term.
- (3) In the event of the termination of a Participant's employment for Cause, all outstanding Options granted to such Participant shall expire as of the commencement of business on the date of such termination.

8. Change in Control.

Notwithstanding anything in the Plan to the contrary, upon the occurrence of a Change in Control, any Award shall become fully exercisable and vested on the date that is six (6) months from the date of the Change in Control; provided that the Participant is (a) employed by the Company on the date of the Change in Control and (b) employed by the Company on the date that is six (6) months from the date of the Change in Control. In the event that a Participant is terminated by the Company without Cause (a) in anticipation of a Change in Control, or (b) within six (6) months following a Change in Control, such Participant's Awards shall become fully exercisable and vested and shall remain exercisable until the date that is six (6) months after such termination, on which date they shall expire. Notwithstanding anything in the Plan to the contrary, upon the occurrence of a Change in Control, the purchaser(s) of the Company's assets or Stock may, in his, her, or its discretion, deliver to the holder of an Award the same kind of consideration that is delivered to the stockholders of the Company as a result of such sale, conveyance or Change in Control, or the Board may cancel all outstanding Options in exchange for consideration in cash or in kind which consideration in both cases shall be equal in value to the higher of (i) the Fair Market Value of those shares of Stock or other securities the holder of such Option would have received had the Option been exercised and no disposition of the shares acquired upon such exercise been made prior to such sale, conveyance or Change in Control, less the exercise price there for, and (ii) the Fair Market Value of those shares of Stock or other securities the holder of the Option would have received had the Option been exercised and no disposition of the shares acquired upon such exercise been made immediately following such sale, conveyance or Change in Control, less the exercise price therefor.

Upon dissolution or liquidation of the Company, all Options granted under this Plan shall terminate, but each holder of an Option shall have the right, immediately prior to such dissolution or liquidation, to exercise his or her Option to the extent then exercisable.

9. Rights as a Stockholder.

No person shall have any rights as a stockholder with respect to any shares of Stock covered by or relating to any Award until the date of issuance of a certificate with respect to such shares of Stock. Except as otherwise expressly provided in Section 3, no adjustment to any Award shall be made for dividends or other rights prior to the date such certificate is issued.

10. No Special Employment Rights; No Right to Award.

Nothing contained in the Plan or any Agreement shall confer upon any

Participant any right with respect to the continuation of employment by the Company or interfere in any way with the right of the Company, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or to increase or decrease the compensation of the Participant.

No person shall have any claim or right to receive an Award hereunder. The Committee's granting of an Award to a participant at any time shall neither require the Committee to grant any other Award to such Participant or other person at any time or preclude the Committee from making subsequent grants to such Participant or any other person.

11. Securities Matters.

- (a) The Company shall be under no obligation to effect the registration pursuant to the Securities Act of any interests in the Plan or any Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing Stock pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Stock are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing shares of Stock pursuant to the terms hereof, that the recipient of such shares of Stock make such agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or desirable.
- (b) The transfer of any shares of Stock hereunder shall be effective only at such time as counsel to the Company shall have determined that the issuance and delivery of such shares of Stock is in compliance with all applicable laws, regulations of governmental authority, the requirements of any securities exchange on which shares of Stock are traded. The Committee may, in its sole discretion, defer the effectiveness of any transfer of Stock hereunder in order to allow the issuance of such Stock to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Participant in writing of its decision to defer the effectiveness of a transfer. During the period of such deferral in connection with the exercise of an Option, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

12. Withholding Taxes.

Whenever shares of Stock are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto. With the approval of the Committee, a Participant may satisfy the foregoing requirement by electing to have the Company withhold from delivery shares of Stock having a value equal to the amount of tax to be withheld. Such shares of Stock shall be valued at their Fair Market Value on the date of which the amount of tax to be withheld is determined (the "Tax Date"). Fractional shares of Stock amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the Stock to be delivered pursuant to an Award.

13. Amendment or Termination of the Plan.

The Board may, at any time, suspend or terminate the Plan or revise or amend it in any respect whatsoever; provided, however, that stockholder approval shall be required if and to the extent the Board determines that such approval is otherwise required by law or applicable stock exchange requirements. Awards may be granted under the Plan

prior to the receipt of such approval but each such grant shall be subject in its entirety to such approval and no award may be exercised, vested or otherwise

satisfied prior to the receipt of such approval. Nothing herein shall restrict the Committee's ability to exercise its discretionary authority pursuant to Section 4, which discretion may be exercised without amendment to the Plan. No action hereunder may, without the consent of a Participant, reduce the Participant's rights under any outstanding Award.

14. Transfers Upon Death; Nonassignability.

Upon the death of a Participant, outstanding Awards granted to such Participant may be exercised only by the executor or administrator of the Participant's estate or by a person who shall have acquired the right to such exercise by will or by the laws of descent and distribution. No transfer of an Award by will or the laws of descent and distribution shall be effective to bind the Company unless the Committee shall have been furnished with (a) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer and (b) an agreement by the transferee to comply with all the terms and conditions of the Award that are or would have been applicable to the Participant and to be bound by the acknowledgments made by the Participant in connection with the grant of the Award.

During a Participant's lifetime, the Committee may permit the transfer, assignment or other encumbrance of an outstanding Option. Subject to any conditions as the Committee may prescribe, a Participant may, upon providing written notice to the Secretary of the Company, elect to transfer any or all Options granted to such Participant pursuant to the Plan to members of his or her immediate family, including, but not limited to, children, grandchildren and spouse or to trusts for the benefit of such immediate family members or to partnerships in which such family members are the only partners; provided, however, that no such transfer by any Participant may be made in exchange for consideration.

15. Expenses and Receipts.

The expenses of the Plan shall be paid by the Company. Any proceeds received by the Company in connection with any Award will be used for general corporate purposes.

16. Failure to Comply.

In addition to the remedies of the Company elsewhere provided for herein, failure by a Participant (or beneficiary) to comply with any of the terms and conditions of the Plan or the applicable Agreement, unless such failure is remedied by such Participant (or beneficiary) within ten days after notice of such failure by the Committee, shall be grounds for the cancellation and forfeiture of such Award, in whole or in part, as the Committee, in its absolute discretion, may determine.

17. Effective Date and Term of Plan.

The Plan became effective on November 8, 2000 and, unless earlier terminated by the Board, the right to grant Awards under the Plan will terminate on the tenth anniversary of the Effective Date. Awards outstanding at Plan termination will remain in effect according to their terms and the provisions of the Plan.

18. Applicable Law.

Except to the extent preempted by any applicable federal law, the Plan will be construed and administered in accordance with the laws of the State of Delaware, without reference to its principles of conflicts of law.

19. Participant Rights.

No Participant shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment for Participants. Except as provided specifically herein, a Participant or a transferee of an Award

shall have no rights as a stockholder with respect to any shares of Stock covered by any award until the date of the issuance of a certificate or

certificates to him or her for such shares of Stock.

20. Unfunded Status of Awards.

The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company.

21. Beneficiary.

A Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the grantee's beneficiary.

22. Severability.

If any provision of the Plan is held to be invalid or unenforceable, the other provisions of the Plan shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in the Plan.

STOCK OPTION AND RESTRICTED STOCK AGREEMENT

THIS STOCK OPTION AND RESTRICTED STOCK AGREEMENT ("Agreement") made as of the 20th day of November by and between priceline.com Incorporated, a Delaware corporation, with its principal United States office at 800 Connecticut Avenue, Norwalk, Connecticut 06854 (the "Company"), and Mr. Robert Mylod ("Executive").

W I T N E S S E T H:

As an inducement to Executive to join the Company, the Board of Directors of the Company has authorized this Agreement. Executive has been granted on November 20, 2000 (the "Grant Date"), subject to execution of this Agreement, (a) a non-qualified stock option (the "Option") to purchase the number of shares of the Company's common stock, par value \$.01 per share (the "Shares"), set forth below and (b) the number of restricted Shares (the "Restricted Stock", and together with the Option, the "Grant") set forth below, pursuant to the terms of the Employment Agreement, dated as of November 20, 2000, by and between the Company and Executive (the "Employment Agreement"). Unless otherwise indicated, any capitalized term used herein, but not defined herein, shall have the meaning ascribed to such term in the Employment Agreement. References to the "Board" shall mean the Board of Directors of the Company and references to "Committee" shall mean the Compensation Committee of the Board.

1. The Grant

(a) Subject to the terms and conditions set forth herein, the Executive is granted (a) an Option to purchase five hundred thousand (500,000) Shares at a per Share exercise price of \$2.43750 and (b) seven hundred thousand (700,000) Shares of Restricted Stock. No part of the Option is intended to be an "incentive stock option" within the meaning of section 422 of the Internal Revenue Code of 1986, as amended.

(b) The term of the Option shall be ten (10) years from the Grant Date, subject to earlier termination as provided in Section 3 herein. Upon expiration of the Option, the Option shall be canceled and no longer exercisable.

(c) Subject to Section 3 hereof, the Option will vest and become exercisable, as to one-half (1/2) of the Shares subject to the Option on May 20, 2001 and as to the remaining one-half (1/2) of the Shares subject to the Option, pro rata on the 20th day of each month over the eighteen (18) month period immediately following May 20, 2001 (each such date hereinafter referred to as a "Vesting Date"); provided, that on each of such Vesting Dates, Executive has been continuously employed by the Company through such date. For avoidance of doubt, there shall be no proportionate or partial vesting in the periods prior to each Vesting Date and vesting shall occur only on the applicable Vesting Date pursuant to this Section 1(c). To the extent the Option has become vested and exercisable, the Option may thereafter be exercised by Executive, in whole or in part, at anytime or from time to time prior to the expiration of the Option as provided herein.

(d) Subject to Section 3 hereof, the Restricted Stock will vest as to one-half (1/2) of the Shares on May 20, 2001 and as to the remaining one-half (1/2) of the Shares pro rata on the 20th day of each month over the eighteen (18) month period immediately following May 20, 2001 (the "Second

Tranche"); provided, that on each such vesting date, Executive has been continuously employed by the Company through such date. For avoidance of doubt, there shall be no proportionate or partial vesting in the periods prior to each vesting date and vesting shall occur only on the applicable vesting date pursuant to this Section 1(d). In the event that the Company has positive Adjusted Net Income (as defined below) for any twelve month period ending on the last day of a calendar quarter, the Second Tranche of the Restricted Stock shall immediately vest. Upon satisfaction of the vesting requirements set forth in this Section 1(d), the restrictions on the vested Restricted Stock, as set forth in Section 4 of this Agreement, shall lapse. Adjusted Net Income means the net

income (loss) of the Company and its subsidiaries, on a consolidated basis, determined in accordance with GAAP, plus, to the extent deducted in computing net income (loss), (a) supplier warrant costs, (b) option payroll taxes, (c) stock compensation costs, (d) restructuring and other one-time charges and (e) preferred stock dividends.

(e) To the extent vested hereunder, the Option may be exercised by Executive by delivering notice to the Company's principal office, to the attention of its Secretary. Such notice shall be accompanied by this Agreement, shall specify the number of Shares with respect to which the Option is being exercised and the effective date of the proposed exercise and shall be signed by Executive or other person then having the right to exercise the Option. Payment for Shares purchased upon the exercise of the Option shall be made on or before the effective date of such exercise by one or a combination of the following methods: (i) in cash or by personal check, certified check, bank cashier's check or wire transfer; (ii) if the Shares are traded on a national securities exchange, the Nasdaq Stock Market, Inc. or quoted on a national quotation system sponsored by the National Association of Securities Dealers or a comparable National Market System (a "Public Market"), through a "cashless exercise" procedure whereby Executive delivers irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate exercise price; (iii) subject to the approval of the Committee, in Shares owned by Executive for at least six (6) months prior to the date of exercise (or such other period required by accounting standards to avoid a charge to Company earnings) and valued at their "Fair Market Value" on the effective date of such exercise; (iv) subject to the approval of the Committee, by such other provisions as the Committee may from time to time authorize; or (v) by any other method then generally available to holders of stock options issued under the Company's 1999 Omnibus Plan (the "Omnibus Plan"). For purposes of this Agreement, Fair Market Value shall have the same meaning as in the Omnibus Plan as in effect on the date hereof; provided, however, that, if Shares are no longer traded on a Public Market (which shall be deemed equivalent to being traded on a national securities exchange for purposes of the definition of Fair Market Value as used in the Omnibus Plan) at a time when their Fair Market Value is to be determined pursuant to this Agreement, then Fair Market Value shall mean as determined in good faith by the Committee without discount for being a minority interest.

(f) Subject to the terms in this Agreement, certificates for Shares purchased upon the exercise of an Option shall be issued in the name of Executive or other person entitled to receive such Shares, and delivered to Executive or such other person as soon as practicable following the effective date on which the Option is exercised.

2. Shares; Adjustment Upon Certain Events

(a) Shares to be issued under this Agreement shall be made available, at the discretion of the Board, either from authorized but unissued Shares, from issued Shares reacquired by the Company or from Shares purchased by the Company on the open market specifically for this purpose.

(b) The existence of this Agreement and the Option and Restricted Stock granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize

any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company or any affiliate, any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the Shares, the authorization or issuance of additional Shares, the dissolution or liquidation of the Company or any affiliate or sale or transfer of all or part of the assets or business of the Company or any affiliate, or any other corporate act or proceeding.

(c) In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Shares or other property), recapitalization, stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Executive under the Option, then the Committee shall make such equitable changes or adjustments as it deems necessary or appropriate to the Option's exercise price, to the number and kind of Shares, securities or other property (including

cash) issued or issuable upon exercise of the Option, and to other terms and conditions of the Option, provided that the Option shall in no respect be treated less favorably with respect to such changes and adjustments than any stock option issued heretofore under the Omnibus Plan. The determination of the Committee, if made in good faith, shall be final and binding on the Company and the Executive.

3. Effect of Termination of Employment; Change in Control

(a) Upon Executive's Termination without Cause or Termination for Good Reason, the Grant will immediately vest and, in the case of the Option, become exercisable (to the extent not then vested and, in the case of the Option, exercisable) with respect to (i) fifty percent (50%) of the Shares if the termination takes place prior to May 20, 2001; (ii) eighty three point three three percent (83.33%) of the Shares if the termination takes place on or after May 20, 2001 and prior to May 20, 2002; and (iii) one hundred percent (100%) of the Shares if the termination takes place thereafter.

(b) Upon Executive's Termination of employment as the result of his death or a Termination for Disability, the Grant shall immediately vest as to fifty percent (50%) of Executive's then unvested Shares thereunder.

(c) In the event of a Change in Control while the Executive is employed by the Company, the Grant will fully vest and, in the case of the Option, become exercisable in full (to the extent not then vested and, in the case of the Option, exercisable) with respect to all Shares subject to the Grant (i) six (6) months after the Change in Control if the Executive is then employed by the Company or, (ii) if earlier, at, after or in connection with or anticipation of the Change in Control, upon a Termination without Cause, Termination for Good Reason, Termination as the result of death, Termination for Disability or, (iii) immediately prior to the Change in Control, if the Grant is not continued, assumed or substituted for upon a Change in Control. For this purpose, the Grant will not be considered substituted for unless the terms and conditions of the substitute Grant are no less favorable to the Executive than those of the Grant.

(d) Upon Executive's Termination for Cause or Termination without Good Reason, the unvested portion of the Grant shall be immediately forfeited and canceled.

(e) Upon Termination of Executive's employment with the Company, the portion of the Grant that is not, and does not become, vested in accordance with the terms hereof shall be immediately forfeited. The vested portion of the Option shall expire on the earlier of (i) the tenth (10th) anniversary of the Grant Date, or (ii) (A) eighteen (18) months after any such Termination if the Termination is as of the result of

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Executive's death, Termination for Disability, Termination without Cause, Termination for Good Reason, or non-extension of the Employment Term in accordance with Section 1 of the Employment Agreement as a result of notice from the Company, and (B) ninety (90) days after such Termination if such Termination is a result of Executive's Termination for Cause, voluntary Termination by Executive without Good Reason, or non-extension of the Employment Term in accordance with Section 1 of the Employment Agreement as a result of notice by Executive.

4. Nontransferability of Grant

Except as otherwise provided herein, neither the Option nor any other rights hereunder shall be transferable by Executive otherwise than by will or under applicable laws of descent and distribution. The Option shall be exercisable, during Executive's lifetime only by Executive or his Permitted Transferees (as defined below). In addition, neither the Option nor any other rights hereunder shall, except as otherwise provided herein, be assigned, negotiated, pledged, or hypothecated in any way or be subject to execution, attachment or similar process. Notwithstanding the foregoing, Executive may, upon providing written notice to the Company, elect to transfer all or any portion of the Option to members of his immediate family, including, but not limited to, children, grandchildren and spouse, or to trusts for the benefit of such immediate family members or to partnerships in which such family members are the only partners ("Permitted Transferees"), provided, however, that no such transfer by Executive may be made in exchange for consideration. Prior to the

vesting of any Restricted Stock, no transfer of Executive's rights with respect to such Restricted Stock, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Immediately upon any attempt to transfer such rights, such Restricted Stock, and all of the rights related thereto, shall be forfeited by Executive.

5. Rights as a Stockholder

Neither Executive nor his Permitted Transferees shall have any rights as a stockholder with respect to any Shares subject to the Option until Executive or his Permitted Transferees, as the case may be, shall have become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property or distributions or other rights in respect of any such Shares, except as otherwise specifically provided for herein.

6. Determinations

Each determination, interpretation or other action made or taken pursuant to the provisions of this Agreement by the Committee or the Board in good faith shall be final, conclusive and binding for all purposes and upon all persons, including, without limitation, the Executive and the Company, and their respective heirs, executors, administrators, personal representatives and other successors in interest.

7. Securities Representations

If the Committee or Board determines that the law so requires, the holder of the Restricted Stock granted hereunder and the holder of the Option granted hereunder shall, upon any exercise or conversion thereof, execute and deliver to the Company a written statement, in a form satisfactory to the Company, representing and warranting that:

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(a) the holder has been advised that holder may be an "affiliate" within the meaning of Rule 144 under the Securities Act of 1933 (the "Act") and in this connection the Company is relying in part on the holder's representations set forth in this Section;

(b) the holder understands that the Restricted Stock and Shares received on any exercise of the Option must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such Shares and the Company is under no obligation to register such Shares (or to file a "re-offer prospectus"), except as otherwise permitted herein;

(c) the holder understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Shares, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144, or any exemption therefrom are complied with and that any sale of the Restricted Stock or Shares acquired pursuant to the Option may be made only in limited amounts in accordance with such terms and conditions;

(d) Shares acquired pursuant to the Option and/or the Restricted Stock are for the holder's own account and not acquired or obtained with a view to, or for sale in connection with, the distribution thereof, nor with any present intention of distributing or selling any such Shares;

(e) in the event that the holder is permitted to sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Shares acquired pursuant to the Option or the Restricted Stock, the holder may only do so pursuant to a registration statement under the Act and qualification under applicable state securities laws or pursuant to an opinion of counsel satisfactory to the Company that such registration is not required, and that the transaction (if it involves a sale in the over-the-counter market or on a securities exchange) complies with the provisions of Rule 144 under the Act. A stop-transfer order will be placed on the books of the Company with respect to the certificates evidencing the Shares acquired pursuant to the Option or the Restricted Stock, and such certificates shall bear any required legends until such time as the Shares evidenced by such certificates shall have been registered under the Act or shall have been transferred in accordance with an opinion of counsel satisfactory to the Company that such registration is not required;

(f) the holder has been advised that holder may be subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 (the "Securities Act") and that the holder may be subject to insider trading restrictions and reporting requirements on the purchase and sale of securities of the Company imposed under the Securities Act.

8. Other Conditions

(a) Except as otherwise provided herein, the Company shall be under no obligation to effect the registration of the Restricted Stock or Option or any Shares acquired pursuant to the Option, pursuant to the Act or under any state laws, provided that, to the extent that stock options issued under the Omnibus Plan heretofore are then currently effectively registered on Form S-8 (or a successor form thereto), the Company shall use good faith efforts to similarly register the Option and the Shares acquired pursuant to the Option and the Restricted Stock and, if it cannot, shall (after consultation with Executive) use good faith efforts based in good faith consideration of other Company business activities and concerns and the available alternatives to take such other steps as are reasonably available to register the Restricted Stock and Shares acquired pursuant to the Option for resale by the Executive at such time as Executive wishes to sell them. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any

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certificates evidencing Restricted Stock and Shares acquired pursuant to the Option unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which Shares are traded.

(b) The transfer of any shares of Restricted Stock or Shares acquired pursuant to the Option shall be effective only at such time as counsel to the Company shall have determined that the issuance and delivery of such Shares is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which Shares are traded. The Committee, may in its good faith discretion, defer the effectiveness of any transfer of Shares hereunder in order to allow the issuance of such Shares to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Executive in writing of its decision to defer the effectiveness of a transfer. During the period of such deferral, Executive may, by written notice, withdraw the portion of the Option exercise subject to the deferral and obtain the refund of any amount paid with respect thereto.

9. Withholding Taxes

(a) Upon any exercise of the Option or vesting of the Restricted Stock, Executive will pay to the Company, or make arrangements satisfactory to the Company that are in compliance with applicable law regarding payment of, any U.S. federal, state or local taxes of any kind required by law to be withheld in respect of such exercise ("Tax Obligations"). If the Committee generally permits Tax Obligations with regard to stock options or restricted stock issued heretofore under the Omnibus Plan to be satisfied in a particular manner, to the extent legally permitted Executive may satisfy his Tax Obligations under this Section 9(a) in the same manner;

(b) The Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to Executive the amount of any Tax Obligations not timely satisfied pursuant to Section 9(a); and

(c) In the event that any Tax Obligations are not satisfied on a timely basis pursuant to Sections 9(a) or 9(b), the Company may, but shall not be required to, pay such required withholding and treat such amount as a demand loan to Executive at the maximum rate permitted by law, with such loan, at the Company's sole discretion and, provided the Company so notifies Executive within thirty (30) days of the making of the loan, secured by the Shares to which such Tax Obligations relate and any failure by Executive to pay the loan upon demand shall entitle the Company to all of the rights at law of a creditor secured by such Shares. The Company may hold as security any certificates representing such Shares and, upon demand of the Company, Executive shall deliver to the Company

any certificates in Executive's possession representing such Shares together with a stock power duly endorsed in blank.

10. Additional Terms Relating to Restricted Stock

(a) Issuance of Certificates.

(i) Reasonably promptly after the Grant Date, the Company shall cause to be issued a certificate, registered in the name of Executive, evidencing the Shares of Restricted Stock; provided that the Company shall not cause such a certificate to be issued unless it has received a power of attorney duly

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endorsed in blank with respect to such Shares of Restricted Stock. Each such certificate shall bear the following legend:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE STOCK REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS (INCLUDING FORFEITURE PROVISIONS AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE STOCK OPTION AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER OF SUCH STOCK AND PRICELINE.COM. A COPY OF THE STOCK OPTION AGREEMENT IS ON FILE WITH THE SECRETARY OF THE COMPANY.

Such legend shall not be removed until such Restricted Stock vests pursuant to the terms hereof.

(ii) Each certificate issued pursuant to this Section 10(a), together with the powers relating to the Restricted Stock evidenced by such certificate, shall be held by the Company unless the Committee determines otherwise.

(b) Consequences of Vesting. Upon the vesting of any Restricted Stock pursuant to the terms hereof, the restrictions of Section 4 shall lapse with respect to such Restricted Stock. Reasonably promptly after any Restricted Stock vests, the Company shall cause to be delivered to the Executive a certificate evidencing such Stock, free of the legend set forth in Section 10(a).

11. Miscellaneous

(a) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators, distributees, devisees and legatees. The Company shall assign to, and require, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree in writing to perform this Agreement. Notwithstanding the foregoing, this Agreement may not be assigned by the Executive.

(b) No modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

(c) This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one agreement.

(d) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(e) The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

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(f) The Company shall pay all fees and expenses necessarily incurred by

the Company in connection with this Agreement and will from time to time use its reasonable efforts to comply with all laws and regulations which, in the opinion of counsel to the Company, are applicable thereto.

(g) All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at the addresses set forth at the heading of this Agreement or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to its principal office, attention of the Executive Vice President and General Counsel.

(h) To the extent not inconsistent with this Agreement or the Employment Agreement, the provisions of the Omnibus Plan shall apply to the Restricted Stock and Options granted herein as if the grant was under such Omnibus Plan and the Committee shall have the right to interpret and administer the grants made herein in the same manner as grants made under such Omnibus Plan.

(i) This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the laws of the state of New York without reference to principles of conflict of laws.

(j) The Company represents and warrants that it is duly authorized by its Board of Directors and/or the Committee (and by any other person or body whose authorization is required) to enter into this Agreement, that there is no agreement or other legal restriction which would prevent it from entering into, and carrying out its obligations under, this Agreement, and that the officer signing this Agreement is duly authorized and empowered to sign this Agreement on behalf of the Company.

(k) Any dispute arising under, or relating to, this Agreement shall be resolved in accordance with Section 14 of the Employment Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

PRICELINE.COM INCORPORATED

By: /s/ Richard Braddock

Richard Braddock
Chairman of the Board
Priceline.com Incorporated

/s/ Robert Mylod

Robert Mylod

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Independent Auditors' Consent

We consent to the incorporation by reference in the Registration Statement of priceline.com on Form S-8 of our report dated January 27, 2000 (March 17, 2000 as to Note 15) appearing in the Annual Report on Form 10-K of priceline.com for the year ended December 31, 1999 and to the reference to Deloitte & Touche LLP under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche

DELOITTE & TOUCHE LLP
Stamford, Connecticut
February 14, 2001