

## **Priceline.com Announces New Company To Bring Buyer-Driven e-Commerce to Australia and New Zealand**

**. . . Top Australian telecom veterans Frank Blount and Peter Shore to head new business**

**. . . MyPrice, powered by priceline.com, will offer broad range of name your own price(a) services**

NORWALK, Conn., and SYDNEY, Australia--(BUSINESS WIRE)--Feb. 29, 2000--

Priceline.com (Nasdaq: PCLN) said today that it will create a new company, called MyPrice, to introduce priceline.com's unique form of buyer-driven e-commerce to the 23 million residents of Australia and New Zealand. Priceline.com also announced today that MyPrice will be led by two of Australia's most senior telecommunications veterans -Frank Blount and Peter Shore, formerly with Telstra Corporation Limited, Australia's largest provider of telecommunications services with extensive Internet operations.

Priceline.com will share the investment in MyPrice with SFN Investments, a consortium of Australian and international business executives and investors. In addition, Telstra has indicated its intention to make a 5% equity investment in MyPrice. MyPrice expects to launch two Web sites later this year - MyPrice.com.au and MyPrice.co.nz (both powered by priceline.com). MyPrice will offer a variety of services empowering consumers to name their own price for the things they want. Initially, MyPrice will offer leisure airline tickets and intends to expand into other areas including hotels, rental cars, financial services, (including credit cards, loans and insurance), telecommunications and automotive sales.

Frank Blount, former CEO of Telstra, will serve as Chairman of MyPrice. Under the leadership of Mr. Blount, from 1992-99, revenues at Telstra increased over 54% to US\$11 Billion, its cost base was reduced significantly and its market capitalization increased almost five-fold to US\$72 Billion. In 1999, The Australian Financial Review, Australia's leading business publication, named Mr. Blount as its "businessman of the decade." Before joining Telstra, Mr. Blount was Group President of AT&T in the U.S.

Peter Shore, Telstra's former group managing director of commercial and consumer operations, has been named CEO of MyPrice. As group managing director at Telstra, Mr. Shore managed the company's largest business unit, which generates more than US\$4 billion in revenue and employs more than 20,000 employees.

Previously, Mr. Shore was managing director, international business, where he was responsible for Telstra's global corporate customers, overseas investments, and value-added multimedia services. Mr. Shore also served as a director of the pay television company FOXTEL; Telstra's BigPond Internet company (Australia's largest Internet Service Provider), and the publicly listed Australian Internet company Sausage Software.

"Frank Blount and Peter Shore represent a management dream team," said priceline.com Chairman and CEO Richard S. Braddock. "Frank Blount is a leading, blue-chip executive with a wealth of experience in the Australian market, while Peter Shore is one of the country's top experts in telecommunications and Internet marketing and infrastructures. Together, they have the knowledge, the experience and the business contacts to quickly establish and begin expanding this new company."

"I've been looking for the right opportunity to become involved with an Internet company and this is it," said Mr. Blount. "As I've watched the evolution of priceline.com in the States, I believe that this buyer-driven commerce model will be quickly and enthusiastically embraced in Australia and New Zealand. These are countries that know the Internet and the benefits it can deliver, and this is the service that consumers in Australia and New Zealand have been waiting for."

"I can't speak highly enough about the tremendous time I've had at Telstra," said Mr. Shore. "It was not an easy decision to leave, but the Internet is profoundly changing people's behavior. I have enjoyed being involved in Telstra's Internet businesses and MyPrice is a chance to team up with an e-commerce market leader and build a brand-new business in Australia and New Zealand. MyPrice will leverage the strength and resources of priceline.com's world-class e-commerce platform, including its existing supplier relationships and robust technology. This will enable MyPrice's management team to hit the ground running and quickly launch a superior consumer offering."

Priceline.com is the patented Name-Your-Own-Price(a) Internet pricing system that enables consumers to save money on a

wide range of products and services, including leisure airline tickets, hotel rooms, new cars, rental cars, home refinancing, and home equity loans. The Company also has announced that it will offer additional services this year for credit cards and long-distance calling. Priceline.com also announced recently that it was teaming up with Hutchison Whampoa Limited, one of Asia's largest owners of telecommunications and Internet infrastructures, to offer a range of services in Asia, including China and Hong Kong, India, Taiwan, Indonesia, Singapore, Thailand, Korea, Malaysia, the Philippines and Vietnam.

According to the market research firm Opinion Research Corporation International of Princeton, priceline.com is the Internet's second most-recognized e-commerce brand behind amazon.com. Two-thirds of all American adults have heard of priceline.com and its name-your-own-price commercial formula.

"The international market is a tremendous growth opportunity for us," added Mr. Braddock. "Our goal is to quickly develop international platforms for our multi-category demand collection system. MyPrice is an important component of that strategy and, together with our initiative with Hutchinson Whampoa, represents significant progress toward our goal."

Under the terms of the definitive agreement, MyPrice will be jointly funded by priceline.com and SFN Investments. Priceline.com will license its business model to the new company as well as contribute its expertise in technology, marketing and operations. The new company will pay priceline.com an annual licensing fee in respect of priceline.com's intellectual property. In addition, priceline.com will purchase a convertible note allowing priceline.com to take up to a 50% equity stake in the company under certain conditions. Until that note is converted, priceline.com will not hold an equity stake and financial results from the new company will not be included in priceline.com's financial statements. SFN Investments is purchasing equity securities in the new company. Completion of the transaction is subject to certain government approvals in Australia, which are expected in the next several weeks.

#### About priceline.com

Priceline.com is the patented Internet pricing system that enables consumers to achieve significant savings by naming their own price for goods and services. Priceline.com takes consumer offers and then presents them to sellers who can fill as much of that guaranteed demand as they wish at price points determined by buyers. Priceline.com's "virtual" business model allows for rapid scaling using the Internet. Because the Company electronically collects consumer demand, it can fill this demand directly with sellers or by using proprietary databases. Priceline.com does not maintain or warehouse inventories in any of its product lines.

Priceline.com is currently selling multiple services to its sellers across three distinct product categories: a travel service that offers leisure airline tickets, hotel rooms and rental cars, a personal finance service that offers home refinancing and home equity loans, and an automotive service that offers new cars. Recently, priceline.com announced that it would also offer new services for long-distance telephone calling and credit cards.

#### About SFN Investments

SFN Investments is a newly formed consortium of Australian and international business executives and investors including investment affiliates of Soros Private Equity Partners LLC, the private equity arm of Soros Fund Management LLC. MyPrice is Soros Private Equity Partners' first private equity investment in technology in Australia.

For press information, contact:

Brian Ek at priceline.com 203-299-8167 (brian.ek@priceline.com)

Mike Darcy at priceline.com 203-299-8168 (mike.darcy@priceline.com)

Ian Kortlang at Gavin Anderson & Kortlang Int + 612-9552-4499 (ikortlang@gak.com.au)

This press release may contain forward-looking statements which are made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Expressions of future goals and similar expressions including, without limitation, "may," "will," "believes," "should," "could," "hope," "expects," "expected," "does not currently expect," "anticipates," "predicts," "potential," and "forecast," reflecting something other than historical fact are intended to identify forward-looking

statements, but are not the exclusive means of identifying such statements. These forward-looking statements involve a number of risks and uncertainties, including the timely development and market acceptance of products and technologies and other factors described in the Company's filing with the Securities and Exchange Commission. The actual results may differ materially from any forward-looking statements due to such risks and uncertainties. The Company undertakes no obligations to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

CONTACT: [priceline.com](http://priceline.com)

Brian Ek, 203-299-8167 ([brian.ek@priceline.com](mailto:brian.ek@priceline.com))

or

Mike Darcy, 203-299-8168 ([mike.darcy@priceline.com](mailto:mike.darcy@priceline.com))

Gavin Anderson & Kortlang Int

Ian Kortlang, + 612-9552-4499 ([ikortlang@gak.com.au](mailto:ikortlang@gak.com.au))