













The Priceline Group Reports Financial Results for 2nd Quarter 2017

NORWALK, CT – August 8, 2017. . . The Priceline Group Inc. (NASDAQ: PCLN) today reported its 2nd quarter 2017 financial results. Second quarter gross travel bookings for The Priceline Group (the "Company," the "Group," "we," "our" or "us"), which refers to the total dollar value, generally inclusive of taxes and fees, of all travel services booked by its customers, net of cancellations, were \$20.8 billion, an increase of 16% over a year ago (approximately 19% on a constant-currency basis).

The Group's gross profit for the 2nd quarter was \$3.0 billion, a 21% increase from the prior year (approximately 24% on a constant-currency basis). International operations contributed gross profit in the 2nd quarter of \$2.6 billion, a 24% increase versus a year ago (approximately 26% on a constant-currency basis). Net income in the 2nd quarter was \$720 million, a 24% increase versus the prior year. Net income was \$14.39 per diluted share, a 24% increase as compared to the prior year.

Non-GAAP net income in the 2nd quarter was \$758 million, a 20% increase versus the prior year. Non-GAAP net income was \$15.14 per diluted share, a 20% increase compared to \$12.59 per diluted share a year ago. Adjusted EBITDA for the 2nd quarter 2017 was \$974 million, a 20% increase versus a year ago. The section below entitled "*Non-GAAP Financial Measures*" provides definitions and information about the use of non-GAAP financial measures in this press release, and the attached financial and statistical supplement reconciles non-GAAP financial information with the Group's financial results under GAAP.

"The Priceline Group achieved strong results for the second quarter," said Glenn Fogel, Chief Executive Officer of the Priceline Group. "Globally, our accommodation business booked 170 million room nights in the quarter, up 21% over the same period last year." Looking forward, Mr. Fogel said, "We are pleased with the performance of the business and will continue to build our franchise by adding properties to the platform and by investing in technology, customer experience and content expansion."

The Group's guidance for the 3rd quarter of 2017 is as follows:

	Guidance Ranges			
(U.S. Dollars in millions, except per share amounts)	Low		High	
Metrics				
Year over year growth - Room nights booked	11%		16%	
Year over year growth - Total gross travel bookings	11%		16%	
Year over year growth - Total gross travel bookings (constant currency)	9%		14%	
GAAP				
Year over year growth - Gross profit	15.5%		20.5%	
Year over year growth - Gross profit (constant currency)	12.5%		17.5%	
Net income	\$ 1,590	\$	1,670	
Net income per diluted share ⁽¹⁾	\$ 31.70	\$	33.40	
Non-GAAP				
Non-GAAP Net income	\$ 1,625	\$	1,705	
Non-GAAP Net income per diluted share ⁽¹⁾	\$ 32.40	\$	34.10	
Adjusted EBITDA	\$ 2,030	\$	2,130	

⁽¹⁾ Assumes a fully diluted share count of approximately 50.1 million shares.

Non-GAAP adjustments for amortization expense of intangible assets, non-cash interest expense related to the amortization of debt discount and the tax impact of these non-GAAP adjustments are expected to increase non-GAAP net income over GAAP net income by approximately \$35 million in the 3rd quarter.

Adjusted EBITDA excludes depreciation and amortization expense, interest income, interest expense and income tax expense. These adjustments are estimated to increase adjusted EBITDA over GAAP net income by approximately \$440 million - \$460 million in the 3rd quarter.

Non-GAAP Financial Measures

The Unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and all normal and recurring adjustments that management of the Company considers necessary for a fair presentation of its financial position and operating results.

To supplement the Unaudited Consolidated Financial Statements, the Group uses the following non-GAAP financial measures: Adjusted EBITDA, non-GAAP net income and non-GAAP net income per share. The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

The Group uses non-GAAP financial measures for financial and operational decision-making and as a basis to evaluate performance and set targets for employee compensation programs. The Group believes that these non-GAAP financial measures are useful for analysts and investors to evaluate the Group's ongoing operating performance because they facilitate comparison of the Group's results for the current period and projected next-period results to those of prior periods and to those of its competitors (though other companies may calculate similar non-GAAP financial measures differently than those calculated by the Group). These non-GAAP financial measures, in particular adjusted EBITDA and non-GAAP net income, are not intended to represent funds available for the Group's discretionary use and are not intended to represent or to be used as a substitute for operating income, net income or cash flow from operations as measured under GAAP. The items excluded from these non-GAAP measures, but included in the calculation of their closest GAAP equivalent, are significant components of our consolidated statements of operations and cash flows and must be considered in performing a comprehensive assessment of overall financial performance.

Non-GAAP net income is net income with the following adjustments:

- excludes the impact, if any, of significant charges or benefits associated with judgments, rulings and/or settlements related to travel transaction tax (e.g., hotel occupancy taxes, excise taxes, sales taxes, etc.) proceedings,
- excludes amortization expense of intangibles assets,
- excludes the impact, if any, of significant charges related to the impairment of goodwill, such as the \$941 million non-cash goodwill impairment charge recorded in the 3rd quarter of 2016,
- excludes non-cash interest expense related to the amortization of debt discount and gains or losses on early extinguishment of debt, if any, related to our convertible debt,
- excludes the impact, if any, of significant gains or losses on the sale of cost-method investments and significant charges related to other-than-temporary impairments of such investments, and
- the tax impact of the non-GAAP adjustments mentioned above.

In addition to the adjustments listed above regarding non-GAAP net income, adjusted EBITDA excludes depreciation expense, interest income, interest expense and income tax expense and includes the impact of foreign currency transactions and other expenses.

We evaluate certain operating and financial measures on both an as-reported and constant-currency basis. We calculate constant currency by converting our current-year period results for transactions recorded in currencies other than U.S. Dollars using the corresponding prior-year period monthly average exchange rates rather than the current-year period monthly average exchange rates.

The attached financial and statistical supplement includes reconciliations of our financial results under GAAP to non-GAAP financial information for the three and six months ended June 30, 2017 and 2016.

Information About Forward-Looking Statements

This press release contains forward-looking statements. These forward-looking statements reflect the views of the Group's management regarding current expectations and projections about future events and are based on currently available information and current foreign currency exchange rates. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict; therefore, actual results may differ materially from those expressed, implied or forecasted in any such forward-looking statements. Expressions of future goals and similar expressions including, "may," "will," "should," "could," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," or "continue," reflecting something other than historical fact are intended to identify forward-looking statements.

The following factors, among others, could cause the Group's actual results to differ materially from those described in the forward-looking statements:

- -- adverse changes in general market conditions for travel services;
- -- the effects of increased competition;
- -- fluctuations in foreign exchange rates and other risks associated with doing business in multiple currencies;
- -- our ability to expand successfully in international markets;
- -- our performance advertising efficiency;
- -- any change by our search and meta-search partners in how they present travel search results or conduct their auctions for search placement in a manner that is competitively disadvantageous to us;
- -- our ability to respond to and keep up with the rapid pace of technological change;
- -- IT systems-related failures, data privacy risks and obligations, and/or security breaches;
- -- adverse changes in the Group's relationships with travel service providers and restaurants;
- -- the ability to attract and retain qualified personnel; and
- -- tax, legal and regulatory risks.

For a detailed discussion of these and other factors that could cause the Group's actual results to differ materially from those described in the forward-looking statements, please refer to the Group's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequently filed Quarterly Reports on Form 10-Q. Unless required by law, the Group undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

About The Priceline Group

<u>The Priceline Group</u> (NASDAQ: PCLN) is the world leader in online travel and related services, provided to customers and partners in over 220 countries through six primary brands - <u>Booking.com</u>, <u>priceline.com</u>, <u>KAYAK</u>, <u>agoda.com</u>, <u>Rentalcars.com</u>, and <u>OpenTable</u>. <u>The Priceline Group's</u> mission is to help people experience the world. For more information, visit <u>PricelineGroup.com</u> and follow us on Twitter @PricelineGroup.

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The Priceline Group Inc. UNAUDITED CONSOLIDATED BALANCE SHEETS (In thousands, except share and per share data)

	June 30, 2017	December 31, 2016		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,634,264	\$	2,081,075	
Short-term investments	3,721,825		2,218,880	
Accounts receivable, net of allowance for doubtful accounts of \$31,291 and \$25,565, respectively	1,230,602		860,115	
Prepaid expenses and other current assets	685,879		241,449	
Total current assets	8,272,570		5,401,519	
Property and equipment, net	425,100		347,017	
Intangible assets, net	1,914,767		1,993,885	
Goodwill	2,418,630		2,396,906	
Long-term investments	10,263,659		9,591,067	
Other assets	163,597		108,579	
Total assets	\$ 23,458,323	\$	19,838,973	
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	\$ 598,200	\$	419,108	
Accrued expenses and other current liabilities	1,073,632		857,467	
Deferred merchant bookings	1,185,639		614,361	
Convertible debt	899,484		967,734	
Total current liabilities	3,756,955		2,858,670	
Deferred income taxes	397,449		822,334	
Other long-term liabilities	134,537		138,767	
Long-term debt	7,564,636		6,170,522	
Total liabilities	11,853,577		9,990,293	
Convertible debt	15,077		28,538	
Stockholders' equity:				
Common stock, \$0.008 par value; authorized 1,000,000,000 shares, 62,560,183 and 62,379,247 shares issued, respectively	486		485	
Treasury stock, 13,503,447 and 13,190,929 shares, respectively	(7,411,392)		(6,855,164)	
Additional paid-in capital	5,633,659		5,482,653	
Retained earnings	12,793,001		11,326,852	
Accumulated other comprehensive income (loss)	573,915		(134,684)	
Total stockholders' equity	11,589,669		9,820,142	
Total liabilities and stockholders' equity	\$ 23,458,323	\$	19,838,973	

The Priceline Group Inc. UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands, except per share data)

Foreign currency transactions and other $(6,021)$ $1,997$ $(11,148)$ $(10,931)$ Impairment of cost-method investments $ (12,858)$ $ (63,208)$		Three Months Ended June 30,		Six Mont June		
Merchant revenues 498,133 517,867 940,178 987,899 Advertising and other revenues 194,052 185,074 386,098 363,132 Total revenues 3,024,556 2,555,902 544,900 4,704,021 Cost of revenues 2,951,81 26,908 52,855,902 544,900 4,449,268 Gross profit 2,951,81 2,928,81 52,808 32,808 4,449,268 Operating expenses: 2 2,951,81 112,321 194,199 182,166 Sales and marketing 121,187 112,321 194,199 182,166 Sales and marketing 313,734 105,522 245,707 197,855 Personnel, including stock-based compensation of \$66,879 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 47,072 145,873 Depreciation and amortization 85,875 1,7712 169,302 15,853 Total operating expense		2017	2016	2017	2016	
Advertising and other revenues 194,052 185,074 386,098 363,132 Total revenues 3,024,556 2,555,902 5,443,000 4,704,021 Cots of revenues 72,742 126,084 157,911 254,753 Gross profit 2,951,814 2,429,818 5,286,049 4,449,208 Operating expenses: 81,147,589 202,763 2,128,362 1,700,672 Brand advertising 121,187 113,231 194,199 182,666 Sales and marketing 131,734 105,522 245,770 197,845 Personnel, including stock-based compensation of \$66,879 385,708 332,564 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,79 84,772 169,302 136,833 Operaciation and amortization 85,872 77,712 169,302 136,833 Total operating expenses 2,058,555 1,697,411 3,836,238 316,543 Operaciating income 36,821	Agency revenues	\$ 2,332,371	\$ 1,852,961	\$ 4,117,684	\$ 3,352,990	
Total revenues 3,024,556 2,55,900 5,443,960 4,704,21 Cost of revenues 72,742 126,084 157,911 254,753 Gross profit 2,951,814 2,429,818 5,286,049 4,449,268 Operating expenses: ************************************	Merchant revenues	498,133	517,867	940,178	987,899	
Cost of revenues 72,742 126,084 157,911 254,753 Gross profit 2,951,814 2,429,818 5,286,049 4,449,268 Operating expenses: 8 2,951,814 2,429,818 5,286,049 4,449,268 Performance advertising 1,147,589 920,763 2,128,362 1,700,672 Brand advertising 121,187 110,522 245,770 197,865 Sales and marketing 131,734 105,522 245,770 197,865 Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,858 Depreciation and amortization 85,872 77,712 169,302 150,858 Total operating expenses 2,058,55 1,697,411 3,836,328 316,654 Operating income 893,259 73,240 1,449,721 1,282,725 Other income	Advertising and other revenues	194,052	185,074	386,098	363,132	
Gross profit 2,951,814 2,429,818 5,286,049 4,449,268 Operating expenses: Performance advertising 1,147,589 920,763 2,128,362 1,700,672 Brand advertising 121,187 112,321 194,199 182,166 Sales and marketing 131,734 105,522 245,770 197,845 Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,855 Depreciation and amortization 85,872 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 31,66,543 Operating income 893,259 732,407 1,449,721 1,282,755 Other income (expense): (60,942) 50,290 161,6659 9,71,844 Foreign currency transactions and other (60,942) 1,997 (11,148)	Total revenues	3,024,556	2,555,902	5,443,960	4,704,021	
Operating expenses: Performance advertising 1,147,589 920,763 2,128,362 1,700,672 Brand advertising 121,187 112,221 194,199 182,166 Sales and marketing 131,734 105,522 245,770 197,845 Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,855 Depreciation and amortization 85,872 77,712 169,302 150,838 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): (60,942) 1,099 1,114,939 1,144,939 1,149,739 1,144,939 1,149,939 1,149,939 1,149,939 1,149,939 1,149,939 1,149,939 1,149,939 1,149,939 1,149,939 1,149,939	Cost of revenues	72,742	126,084	157,911	254,753	
Performance advertising 1,147,589 920,763 2,128,362 1,700,672 Brand advertising 121,187 112,321 194,199 182,166 Sales and marketing 131,734 105,522 245,770 197,845 Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,585 Depreciation and amortization 85,827 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,295 732,407 1,449,721 1,282,725 Other income (expense): 1 1,697,411 3,836,328 3,166,543 Interest income 36,821 21,292 68,813 41,639 Foreign currency transactions and other (60,942) (50,290) (111,659) (19,7184) Impairment	Gross profit	2,951,814	2,429,818	5,286,049	4,449,268	
Brand advertising 121,187 112,321 194,199 182,166 Sales and marketing 131,734 105,522 245,770 197,845 Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,855 Depreciation and amortization 85,827 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): 1 1,697,411 3,836,328 3,166,543 Interest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (111,659) (97,184) Foreign currency transactions and other (60,921) 1,997 (11,148) (10,931) Impairment of cost-meth	Operating expenses:					
Sales and marketing 131,734 105,522 245,770 197,845 Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,585 Depreciation and amortization 85,872 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): 36,821 21,292 68,813 41,639 Interest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (11,659) 97,184 Foreign currency transactions and other (60,912) 1,997 (11,148) (10,931) Impairment of cost-method investments - (12,858) - (63,208) Earnings before inco	Performance advertising	1,147,589	920,763	2,128,362	1,700,672	
Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,585 Depreciation and amortization 85,872 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): 1 1,497,21 1,282,725 Interest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (60,21) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes	Brand advertising	121,187	112,321	194,199	182,166	
\$54,976, \$125,827 and \$120,976, respectively 385,708 332,654 736,738 641,005 General and administrative 141,634 112,642 277,181 225,687 Information technology 44,831 35,797 84,776 68,585 Depreciation and amortization 85,872 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): Interest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income	Sales and marketing	131,734	105,522	245,770	197,845	
Information technology 44,831 35,797 84,776 68,585 Depreciation and amortization 85,872 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): 36,821 21,292 68,813 41,639 Interest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (60,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income \$720,209 \$580,638 \$1,175,832 \$95,062 Weighted-average number of basic common shares outstanding 49,131 49,604 </td <td>Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively</td> <td>385,708</td> <td>332,654</td> <td>736,738</td> <td>641,005</td>	Personnel, including stock-based compensation of \$66,879, \$54,976, \$125,827 and \$120,976, respectively	385,708	332,654	736,738	641,005	
Depreciation and amortization 85,872 77,712 169,302 150,583 Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): Uniterest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense 30,142 (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income applicable to common stockholders per basic common share 720,209 580,638 1,175,832 955,062 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161	General and administrative	141,634	112,642	277,181	225,687	
Total operating expenses 2,058,555 1,697,411 3,836,328 3,166,543 Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income applicable to common stockholders per basic common share \$14.66 11.71 \$23.92 \$19.25 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$14.39 \$11.60 \$23.49 \$19.06 <td>Information technology</td> <td>44,831</td> <td>35,797</td> <td>84,776</td> <td>68,585</td>	Information technology	44,831	35,797	84,776	68,585	
Operating income 893,259 732,407 1,449,721 1,282,725 Other income (expense): 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income applicable to common stockholders per basic common share \$720,209 \$580,638 \$1,175,832 \$955,062 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$14.39 \$11.60 \$23.49 \$19.06	Depreciation and amortization	85,872	77,712	169,302	150,583	
Other income (expense): Interest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income applicable to common stockholders per basic common share \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Total operating expenses	2,058,555	1,697,411	3,836,328	3,166,543	
Interest income 36,821 21,292 68,813 41,639 Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income applicable to common stockholders per basic common share \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share 14.39 11.60 \$ 23.49 \$ 19.06	Operating income	893,259	732,407	1,449,721	1,282,725	
Interest expense (60,942) (50,290) (116,659) (97,184) Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Other income (expense):					
Foreign currency transactions and other (6,021) 1,997 (11,148) (10,931) Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Interest income	36,821	21,292	68,813	41,639	
Impairment of cost-method investments — (12,858) — (63,208) Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income \$720,209 \$580,638 \$1,175,832 \$955,062 Net income applicable to common stockholders per basic common share \$14.66 \$11.71 \$23.92 \$19.25 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$14.39 \$11.60 \$23.49 \$19.06	Interest expense	(60,942)	(50,290)	(116,659)	(97,184)	
Total other expense (30,142) (39,859) (58,994) (129,684) Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Net income applicable to common stockholders per basic common share \$ 14.66 \$ 11.71 \$ 23.92 \$ 19.25 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Foreign currency transactions and other	(6,021)	1,997	(11,148)	(10,931)	
Earnings before income taxes 863,117 692,548 1,390,727 1,153,041 Income tax expense 142,908 111,910 214,895 197,979 Net income \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Net income applicable to common stockholders per basic common share \$ 14.66 \$ 11.71 \$ 23.92 \$ 19.25 Weighted-average number of basic common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Impairment of cost-method investments	_	(12,858)	_	(63,208)	
Income tax expense 142,908 111,910 214,895 197,979 Net income \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Net income applicable to common stockholders per basic common share \$ 14.66 \$ 11.71 \$ 23.92 \$ 19.25 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Total other expense	(30,142)	(39,859)	(58,994)	(129,684)	
Net income \$ 720,209 \$ 580,638 \$ 1,175,832 \$ 955,062 Net income applicable to common share \$ 14.66 \$ 11.71 \$ 23.92 \$ 19.25 Weighted-average number of basic common shares outstanding 49,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Earnings before income taxes	863,117	692,548	1,390,727	1,153,041	
Net income applicable to common stockholders per basic common share \$ 14.66 \$ 11.71 \$ 23.92 \$ 19.25 \$ Weighted-average number of basic common shares outstanding \$ 49,131 \$ 49,604 \$ 49,161 \$ 49,617 \$ Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Income tax expense	142,908	111,910	214,895	197,979	
share \$ 14.66 \$ 11.71 \$ 23.92 \$ 19.25 Weighted-average number of basic common shares outstanding A9,131 49,604 49,161 49,617 Net income applicable to common stockholders per diluted common share \$ 14.39 \$ 11.60 \$ 23.49 \$ 19.06	Net income	\$ 720,209	\$ 580,638	\$ 1,175,832	\$ 955,062	
Net income applicable to common stockholders per diluted common \$\\ \\$ 14.39 \\ \\$ 11.60 \\ \\$ 23.49 \\ \\$ 19.06		\$ 14.66	\$ 11.71	\$ 23.92	\$ 19.25	
share \$ 14.39 \ \\$ 11.60 \ \\$ 23.49 \ \\$ 19.06	Weighted-average number of basic common shares outstanding	49,131	49,604	49,161	49,617	
Weighted-average number of diluted common shares outstanding 50,056 50,059 50,049 50,105		\$ 14.39	\$ 11.60	\$ 23.49	\$ 19.06	
	Weighted-average number of diluted common shares outstanding	50,056	50,059	50,049	50,105	

The Priceline Group Inc. UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands)

	Six	Months	Ended
		June 3	30,
_			

Adjustments to reconcile net income to net cash provided by operating activities: 85,123 65,157 Depreciation 84,179 85,426 Amortization 84,179 85,426 Provision for uncollectible accounts, net 26,127 16,117 Deferred income tax benefit (40,939) (79,862 Stock-based compensation expense and other stock-based payments 126,047 121,016 Amortization of debt issuance costs 4,509 3,744 Amortization of debt discount 35,386 34,188 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 61,206 Excess tax benefits on stock-based awards and other equity deductions — 61,476 Changes in assets and liabilities: — 63,208 Accounts receivable (333,545) (344,147 Prepaid expenses and other current lase stiff and counts payable, accrued expenses and other current liabilities 873,05 683,392 Other 3,024 (10,562 10,562 Net cash provided by operating activities (2,869,903) (2,710,662			June 30,				
Net income \$ 1,175,832 \$ 955,062 Adjustments to reconcile net income to net cash provided by operating activities: 85,123 65,157 Depreciation 85,123 65,157 Amortization 84,179 85,422 Provision for uncollectible accounts, net 26,127 16,117 Deferred income tax benefit (40,939) (79,862) Stock-based compensation expense and other stock-based payments 126,047 121,016 Amortization of debt issuance costs 4,509 3,744 Amortization of debt discount 35,386 34,180 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 63,200 Excess tax benefits on stock-based awards and other equity deductions — 63,200 Excess tax benefits on stock-based awards and other equity deductions — 63,200 Changes in assets and liabilities: — 438,641 (286,977 Accounts receivable (333,545) (344,147 Propaid expenses and other current liabilities 873,05 683,392 Other 3			2017		2016		
Adjustments to reconcile net income to net cash provided by operating activities: 85,123 65,157 Depreciation 85,123 65,157 48,479 85,426 Provision for uncollectible accounts, net 26,127 16,117 Deferred income tax benefit (40,939) (79,863 Stock-based compensation expense and other stock-based payments 126,047 121,016 37,44 Amortization of debt siscance costs 4,509 3,744 Amortization of debt discount 35,386 34,180 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 63,208 Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: 333,545 344,147 Accounts receivable (333,545) 344,147 Accounts payable, accrued expenses and other current liabilities 873,705 683,393 Other 3,024 10,563 Net cash provided by operating activities 873,705 683,393 Other (2,869,903) (2,701,662 Proceeds	OPERATING ACTIVITIES:						
Depreciation	Net income	\$	1,175,832	\$	955,062		
Amortization 84,179 85,220 Provision for uncollectible accounts, net 26,127 16,117 Deferred income tax benefit (40,939) 79,862 Stock-based compensation expense and other stock-based payments 126,047 121,016 Amortization of debt issuance costs 4,509 3,744 Amortization of debt discount 35,386 34,186 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 63,208 Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: — 632,08 Accounts receivable (333,545) (344,147 Prepaid expenses and other current assets (438,641) (286,976) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,562 Net cash provided by operating activities (2,869,903) (2,701,662 Net cash provided by operating activities (2,869,903) (2,701,662 Proceeds from sale of investments (2,869	, , , , , , , , , , , , , , , , , , ,						
Provision for uncollectible accounts, net 26,127 16,117 Deferred income tax benefit (40,939) (79,862 Stock-based compensation expense and other stock-based payments 126,047 121,016 Amortization of debt issuance costs 4,509 3,744 Amortization of debt discount 35,386 34,180 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 61,208 Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: — 61,470 Accounts receivable (333,545) (344,147 Prepaid expenses and other current assets (438,641) (286,976 Accounts payable, accrued expenses and other current liabilities 873,705 683,393 Other 3,024 (10,562 Net eash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: — — Purchase of investments (2,869,903) (2,701,662 Proceeds from sale of investments (4,90) (79<	Depreciation		85,123		65,157		
Deferred income tax benefit (40,939) (79,862) Stock-based compensation expense and other stock-based payments 126,047 121,016 Amortization of debt issuance costs 4,509 3,744 Amortization of debt discount 35,386 34,180 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 63,208 Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: — 61,470 Accounts receivable (333,545) (344,141 Prepaid expenses and other current assets (438,641) (286,976 Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,562 Net cash provided by operating activities 2(2,869,903) (2,701,662 INVESTING ACTIVITIES: — 1,480,236 2,176,862 Proceeds from sale of investments (2,869,903) (2,701,662 Additions to property and equipment (147,269) (113,699 Acquisitions and other investm	Amortization		84,179		85,426		
Stock-based compensation expense and other stock-based payments 126,047 121,016 Amortization of debt issuance costs 4,509 3,744 Amortization of debt discount 35,386 34,180 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 63,208 Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: — (333,545) (344,147) Prepaid expenses and other current assets (438,641) (286,976) Accounts receivable (333,545) (344,147) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,562 Net eash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: Purchase of investments (2,869,903) (2,701,662 Proceeds from sale of investments (1,472,699) (113,696) Additions to property and equipment (147,269) (113,696) Acquisitions and other investments, net of cash acquired 490 <t< td=""><td>Provision for uncollectible accounts, net</td><td></td><td>26,127</td><td></td><td>16,117</td></t<>	Provision for uncollectible accounts, net		26,127		16,117		
Amortization of debt issuance costs 4,509 3,744 Amortization of debt discount 35,386 34,180 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 63,208 Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: — 61,470 Accounts receivable (333,545) (344,147 Prepaid expenses and other current assets (438,641) (286,976 Accounts payable, accrued expenses and other current liabilities 873,005 683,392 Other 3,024 (10,562 Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: — Purchase of investments (2,869,903) (2,701,662 Proceeds from sale of investments, net of cash acquired (490) (795 Act cash used in investing activities (147,269) (113,695 FINANCING ACTIVITIES: — (1,537,426) (639,288 FINANCING ACTIVITIES: — 9 9 <	Deferred income tax benefit		(40,939)		(79,863)		
Amortization of debt discount 35,386 34,180 Loss on early extinguishment of debt 1,027 — Impairment of cost-method investments — 63,208 Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: — (333,545) (344,147) Prepaid expenses and other current assets (438,641) (286,976) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,562) Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: — Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments (147,269) (113,692) Additions to property and equipment (147,269) (113,692) Acquisitions and other investments, net of cash acquired (490) (792 Net cash used in investing activities (1,537,426) 639,288 FINANCING ACTIVITIES: — — Proceeds from the issuance of long-term debt 1,051,722	Stock-based compensation expense and other stock-based payments		126,047		121,016		
Loss on early extinguishment of debt	Amortization of debt issuance costs		4,509		3,744		
Impairment of cost-method investments — 63,208 Excess tax benefits on stock-based awards and other equity deductions — 61,476 Changes in assets and liabilities: — 614,476 Accounts receivable (333,545) (344,147) Prepaid expenses and other current assets (438,641) (286,976) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,508 Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: — Purchase of investments (2,869,903) (2,701,662 Proceeds from sale of investments (2,869,903) (2,701,662 Proceeds from sale of investments (480,236) 2,176,868 Additions to property and equipment (147,269) (113,695 Acquisitions and other investments, net of cash acquired (490) (795 Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-te	Amortization of debt discount		35,386		34,180		
Excess tax benefits on stock-based awards and other equity deductions — 61,470 Changes in assets and liabilities: — (333,545) (344,147) Prepaid expenses and other current assets (438,641) (286,976) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,562) Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: — Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,696) Acquisitions and other investments, net of cash acquired (490) (793) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: — Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-term debt 1,051,722 994,703 Payments related to conversion of senior notes (83,473) — Payments for repurchase of common stock (5	Loss on early extinguishment of debt		1,027				
Changes in assets and liabilities: Accounts receivable (333,545) (344,147) Prepaid expenses and other current assets (438,641) (286,976) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,562) Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: 2 Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,699) Acquisitions and other investments, net of cash acquired (490) (795) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: 2 Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) — Payments for repurchase of common stock (555,250) (50,20,566) Proceeds from exercise of stock options 2,790 <	Impairment of cost-method investments				63,208		
Accounts receivable (333,545) (344,147) Prepaid expenses and other current assets (438,641) (286,976) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,562) Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: 2 Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,699 Acquisitions and other investments, net of cash acquired (490) (795 Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: *** Proceeds from short-term borrowing 4,599 Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 <tr< td=""><td>Excess tax benefits on stock-based awards and other equity deductions</td><td></td><td>_</td><td></td><td>61,470</td></tr<>	Excess tax benefits on stock-based awards and other equity deductions		_		61,470		
Prepaid expenses and other current assets (438,641) (286,976) Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,563 Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,696) Acquisitions and other investments, net of cash acquired (490) (795) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) — Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,906 Effect of exchange rate c	Changes in assets and liabilities:						
Accounts payable, accrued expenses and other current liabilities 873,705 683,395 Other 3,024 (10,563 Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: 2 Purchase of investments (2,869,903) (2,701,662 Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,699 Acquisitions and other investments, net of cash acquired (490) (795 Net cash used in investing activities (1,537,426) (639,288 FINANCING ACTIVITIES: 4,599 - Proceeds from short-term borrowing 4,599 - Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) - Payments for repurchase of common stock (555,250) (520,566 Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash	Accounts receivable		(333,545)		(344,147)		
Other 3,024 (10,563) Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,699) Acquisitions and other investments, net of cash acquired (490) (795) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) — Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash 553,366 1,216,470 Net increase in cash, cash equivalents and restricted cash 553,366 1,216,470	Prepaid expenses and other current assets		(438,641)		(286,976)		
Other 3,024 (10,563) Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,699) Acquisitions and other investments, net of cash acquired (490) (795) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) — Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash 553,366 1,216,470 Net increase in cash, cash equivalents and restricted cash 553,366 1,216,470	Accounts payable, accrued expenses and other current liabilities		873,705		683,395		
Net cash provided by operating activities 1,601,834 1,367,226 INVESTING ACTIVITIES: 2,869,903 (2,701,662 Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,699 Acquisitions and other investments, net of cash acquired (490) (795 Net cash used in investing activities (1,537,426) (639,288 FINANCING ACTIVITIES: *** Proceeds from short-term borrowing 4,599 - Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) - Payments for repurchase of common stock (555,250) (520,566 Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash 553,366 1,216,470 Cash, cash equivalents and restricted cash, beginning of period 2,082,007 1,478,071 Cash, cash equivalents and restricted cash, end of period 2,082,007 1,478,07					(10,563)		
Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,695) Acquisitions and other investments, net of cash acquired (490) (795) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: *** Proceeds from short-term borrowing 4,599 Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash 68,570 4,627 Net increase in cash, cash equivalents and restricted cash 553,366 1,216,470 Cash, cash equivalents and restricted cash, beginning of period 2,082,007 1,478,071 Cash, cash equivalents and restricted cash, end of period \$2,635,373 \$2,694,541 </td <td>Net cash provided by operating activities</td> <td></td> <td></td> <td></td> <td>1,367,226</td>	Net cash provided by operating activities				1,367,226		
Purchase of investments (2,869,903) (2,701,662) Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,695) Acquisitions and other investments, net of cash acquired (490) (795) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: *** Proceeds from short-term borrowing 4,599 Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash 68,570 4,627 Net increase in cash, cash equivalents and restricted cash 553,366 1,216,470 Cash, cash equivalents and restricted cash, beginning of period 2,082,007 1,478,071 Cash, cash equivalents and restricted cash, end of period \$2,635,373 \$2,694,541 </td <td>INVESTING ACTIVITIES</td> <td></td> <td></td> <td></td> <td></td>	INVESTING ACTIVITIES						
Proceeds from sale of investments 1,480,236 2,176,868 Additions to property and equipment (147,269) (113,695) Acquisitions and other investments, net of cash acquired (490) (795) Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) — Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash 68,570 4,627 Net increase in cash, cash equivalents and restricted cash 553,366 1,216,470 Cash, cash equivalents and restricted cash, beginning of period 2,082,007 1,478,071 Cash, cash equivalents and restricted cash, end of period \$2,635,373 \$2,694,541			(2.860.003)		(2.701.662)		
Additions to property and equipment Acquisitions and other investments, net of cash acquired Ret cash used in investing activities FINANCING ACTIVITIES: Proceeds from short-term borrowing Proceeds from the issuance of long-term debt Payments related to conversion of senior notes Fayments for repurchase of common stock Proceeds from exercise of stock options Proceeds from exercise of stock options Ret cash provided by financing activities Effect of exchange rate changes on cash, cash equivalents and restricted cash Ret increase in cash, cash equivalents and restricted cash Ret cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period Cash, cash equivalents and restricted cash, end of period (113,699 (113,699 (1490) (113,699 (1490) (1593) (639,288 (639,288 (639,288 (639,288 (639,288 (639,288 (555,250) (520,566 (520,566 (555,250) (520,566 (520,56							
Acquisitions and other investments, net of cash acquired Net cash used in investing activities FINANCING ACTIVITIES: Proceeds from short-term borrowing Proceeds from the issuance of long-term debt Payments related to conversion of senior notes Payments for repurchase of common stock Proceeds from exercise of stock options Net cash provided by financing activities Effect of exchange rate changes on cash, cash equivalents and restricted cash Net increase in cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period (490) (795 (639,288 (639,28 (639,288 (63,473) (639,288 (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288 (638,473) (639,288							
Net cash used in investing activities (1,537,426) (639,288) FINANCING ACTIVITIES: Proceeds from short-term borrowing 4,599 — Proceeds from the issuance of long-term debt 1,051,722 994,705 Payments related to conversion of senior notes (83,473) — Payments for repurchase of common stock (555,250) (520,566) Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash 553,366 1,216,476 Cash, cash equivalents and restricted cash, beginning of period 2,082,007 1,478,071 Cash, cash equivalents and restricted cash, end of period \$2,635,373 \$2,694,541							
FINANCING ACTIVITIES: Proceeds from short-term borrowing Proceeds from the issuance of long-term debt Payments related to conversion of senior notes Payments for repurchase of common stock Proceeds from exercise of stock options Net cash provided by financing activities Effect of exchange rate changes on cash, cash equivalents and restricted cash Net increase in cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period Proceeds from exercise of stock options 2,790 9,766 1,216,470 2,082,007 1,478,071 Cash, cash equivalents and restricted cash, end of period \$2,635,373 \$2,694,541	•			_			
Proceeds from short-term borrowing Proceeds from the issuance of long-term debt Payments related to conversion of senior notes Payments for repurchase of common stock Proceeds from exercise of stock options Proceeds from exercise of stock options Proceeds from exercise of stock options Perfect of exchange rate changes on cash, cash equivalents and restricted cash Proceeds in cash, cash equivalents and restricted cash Proceeds from exercise of stock options Proceeds from exercise of	Net cash used in investing activities	_	(1,537,426)		(639,288)		
Proceeds from the issuance of long-term debt Payments related to conversion of senior notes Payments for repurchase of common stock Proceeds from exercise of stock options Net cash provided by financing activities Effect of exchange rate changes on cash, cash equivalents and restricted cash Net increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period 1,051,722 994,705 (83,473)	FINANCING ACTIVITIES:						
Payments related to conversion of senior notes Payments for repurchase of common stock Proceeds from exercise of stock options Net cash provided by financing activities Effect of exchange rate changes on cash, cash equivalents and restricted cash Net increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period (83,473) (520,566) (520,	Proceeds from short-term borrowing		4,599				
Payments for repurchase of common stock Proceeds from exercise of stock options Net cash provided by financing activities Effect of exchange rate changes on cash, cash equivalents and restricted cash Net increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period Cash, cash equivalents and restricted cash, end of period \$2,082,007 1,478,071 \$2,635,373 \$2,694,541	Proceeds from the issuance of long-term debt		1,051,722		994,705		
Proceeds from exercise of stock options 2,790 9,766 Net cash provided by financing activities 420,388 483,905 Effect of exchange rate changes on cash, cash equivalents and restricted cash Net increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period 2,082,007 1,478,071 Cash, cash equivalents and restricted cash, end of period \$2,635,373 \$2,694,541	Payments related to conversion of senior notes		(83,473)		_		
Net cash provided by financing activities420,388483,905Effect of exchange rate changes on cash, cash equivalents and restricted cash68,5704,627Net increase in cash, cash equivalents and restricted cash553,3661,216,470Cash, cash equivalents and restricted cash, beginning of period2,082,0071,478,071Cash, cash equivalents and restricted cash, end of period\$ 2,635,373\$ 2,694,541	Payments for repurchase of common stock		(555,250)		(520,566)		
Effect of exchange rate changes on cash, cash equivalents and restricted cash Net increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period Solvent Science	Proceeds from exercise of stock options		2,790		9,766		
Net increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period Cash, cash equivalents and restricted cash, end of period \$2,082,007 \$2,635,373 \$2,694,541	Net cash provided by financing activities		420,388		483,905		
Net increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of period Cash, cash equivalents and restricted cash, end of period Cash, cash equivalents and restricted cash, end of period \$2,082,007 \$2,635,373 \$2,694,541	Effect of exchange rate changes on cash, cash equivalents and restricted cash		68,570		4,627		
Cash, cash equivalents and restricted cash, end of period \$ 2,635,373 \$ 2,694,541			553,366		1,216,470		
Cash, cash equivalents and restricted cash, end of period \$ 2,635,373 \$ 2,694,541	· •						
		\$		\$	2,694,541		
Cash paid during the period for income taxes \$ 577,247 \$ 496,403		\$	577.247	\$	496,403		
					43,727		
Non-cash financing activity \$ 1,000 \$ —				_			

The Priceline Group Inc. UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (In thousands, except per share data)

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA			Three Months Ended June 30,				Six Months Ended June 30,			
			2017		2016		2017		2016	
	Net income	\$	720,209	\$	580,638	\$1	,175,832	\$	955,062	
(a)	Depreciation and amortization		85,872		77,712		169,302		150,583	
(a)	Interest income		(36,821)		(21,292)		(68,813)		(41,639)	
(a)	Interest expense		60,942		50,290		116,659		97,184	
(c)	Loss on early extinguishment of debt		1,027				1,027			
(d)	Impairment of cost-method investments		_		12,858				63,208	
(a)	Income tax expense		142,908		111,910		214,895		197,979	
	Adjusted EBITDA	\$	974,137	\$	812,116	\$ 1	,608,902	\$ 1	1,422,377	
	GAAP Gross profit	\$ 2	2,951,814	\$2	2,429,818	\$ 5	5,286,049	\$ 4	1,449,268	
	Adjusted EBITDA as a % of GAAP Gross profit		33.0%		33.4%		30.4%		32.0%	
GA	CONCILIATION OF NET INCOME TO NON- AP NET INCOME AND NON-GAAP NET INCOME PER UTED COMMON SHARE		Three Moi Jun),		Six Mont June		,	
GA	AP NET INCOME AND NON-GAAP NET INCOME PER UTED COMMON SHARE	_	Jun 2017	e 30	2016	_	June 2017	30	2016	
GA	AP NET INCOME AND NON-GAAP NET INCOME PER	\$	Jun),	\$	June 2017		,	
GA	AP NET INCOME AND NON-GAAP NET INCOME PER UTED COMMON SHARE	\$	Jun 2017	e 30	2016	\$	June 2017	30	2016	
GA DII	AP NET INCOME AND NON-GAAP NET INCOME PER UTED COMMON SHARE Net income	\$	Jun 2017 720,209	e 30	2016 580,638	\$	June 2017 1,175,832	30	2016 955,062	
GA DII (b)	AP NET INCOME AND NON-GAAP NET INCOME PER UTED COMMON SHARE Net income Amortization of intangible assets	\$	Jun 2017 720,209 41,161	e 30	2016 580,638 43,041	\$	June 2017 1,175,832 84,179	30	2016 955,062 85,426	
(b) (c)	AP NET INCOME AND NON-GAAP NET INCOME PER LUTED COMMON SHARE Net income Amortization of intangible assets Debt discount amortization related to convertible debt	\$	Jun 2017 720,209 41,161 16,525	e 30	2016 580,638 43,041	\$	June 2017 1,175,832 84,179 33,019	30	2016 955,062 85,426	
(b) (c) (c)	AP NET INCOME AND NON-GAAP NET INCOME PER JUTED COMMON SHARE Net income Amortization of intangible assets Debt discount amortization related to convertible debt Loss on early extinguishment of debt	\$	Jun 2017 720,209 41,161 16,525	\$	2016 580,638 43,041 16,093	\$	June 2017 1,175,832 84,179 33,019 1,027 —	30	2016 955,062 85,426 32,055 — 63,208	
(b) (c) (c) (d)	AP NET INCOME AND NON-GAAP NET INCOME PER JUTED COMMON SHARE Net income Amortization of intangible assets Debt discount amortization related to convertible debt Loss on early extinguishment of debt Impairment of cost-method investments	\$	Jun 2017 720,209 41,161 16,525 1,027	\$	2016 580,638 43,041 16,093 — 12,858	\$	June 2017 1,175,832 84,179 33,019	30	2016 955,062 85,426 32,055 — 63,208	
(b) (c) (c) (d)	AP NET INCOME AND NON-GAAP NET INCOME PER LUTED COMMON SHARE Net income Amortization of intangible assets Debt discount amortization related to convertible debt Loss on early extinguishment of debt Impairment of cost-method investments Tax impact of Non-GAAP adjustments		Jun 2017 720,209 41,161 16,525 1,027 — (20,995)	\$	2016 580,638 43,041 16,093 — 12,858 (22,255)		33,019 1,027 (42,063)	\$	85,426 32,055 	
(b) (c) (c) (d)	AP NET INCOME AND NON-GAAP NET INCOME PER UTED COMMON SHARE Net income Amortization of intangible assets Debt discount amortization related to convertible debt Loss on early extinguishment of debt Impairment of cost-method investments Tax impact of Non-GAAP adjustments Non-GAAP Net income GAAP weighted-average number of diluted common shares		Jun 2017 720,209 41,161 16,525 1,027 — (20,995) 757,927	\$	2016 580,638 43,041 16,093 — 12,858 (22,255) 630,375		33,019 1,027 (42,063) 1,251,994	\$	85,426 32,055 	

Notes:

- (a) Amounts are excluded from Net income to calculate Adjusted EBITDA.
- (b) Amortization of intangible assets is recorded in Depreciation and amortization expense.
- (c) Non-cash interest expense related to the amortization of debt discount and loss on early extinguishment of debt are recorded in Interest expense and Foreign currency transactions and other, respectively. Loss on early extinguishment of debt is excluded from Net Income to calculate Non-GAAP Net Income and Adjusted EBITDA.
- (d) Impairments of cost-method investments principally related to our investment in Hotel Urbano are recorded in Foreign currency transactions and other and excluded from Net Income to calculate Non-GAAP Net Income and Adjusted EBITDA.
- (e) Reflects the tax impact of Non-GAAP adjustments.

For a more detailed discussion of the adjustments described above, please see the section in our press release entitled "Non-GAAP Financial Measures" which provides a definition and information about the use of non-GAAP financial measures.

The Priceline Group Inc.

Statistical Data In millions ⁽¹⁾ (Unaudited)

Gross Bookings (2)	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Agency	\$ 12,867	\$ 12,850	\$ 10,344	\$ 14,534	\$ 15,369	\$ 15,757	\$ 12,978	\$ 18,140	\$ 17,947
Merchant	2,094	1,928	1,670	2,119	2,494	2,703	2,134	2,546	2,850
Total	\$ 14,960	\$ 14,778	\$ 12,015	\$ 16,653	\$ 17,862	\$ 18,460	\$ 15,112	\$ 20,687	\$ 20,797
Year/Year Growth									
Agency	11.1%	8.7 %	15.3 %	22.1 %	19.4 %	22.6 %	25.5 %	24.8 %	16.8 %
Merchant	7.0%	(3.7)%	(0.9)%	13.5 %	19.1 %	40.2 %	27.8 %	20.2 %	14.3 %
Total	10.5%	6.9 %	12.7 %	20.9 %	19.4 %	24.9 %	25.8 %	24.2 %	16.4 %
Constant Currency	26%	22 %	24 %	26 %	21 %	26 %	28 %	27 %	19 %
Units Sold	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
D N' 14	112.1	115.6	99.1	126.5	140.7	149.6	120.7	172.0	170.2
Room Nights	113.1	115.6		136.5	140.7		129.7	173.9	170.2
Year/Year Growth	26.2%	22.0 %	26.6 %	30.5 %	24.4 %	29.4 %	31.0 %	27.4 %	21.0 %
Pantal Can Davia	17.2	16.0	12.2	16.2	18.5	18.0	14.0	18.6	20.7
Rental Car Days									
Year/Year Growth	20.1%	13.0 %	10.6 %	10.9 %	7.9 %	12.5 %	14.4 %	15.4 %	11.7 %
Airline Tickets	2.1	2.0	1.7	1.8	2.0	1.9	1.6	1.8	1.8
Year/Year Growth	0.3%	(1.1)%	(2.6)%	(7.2)%	(6.6)%	(2.5)%	(4.3)%	(2.1)%	(8.7)%
		(-)	((11)	(***)	()	()	(-)	()
	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Gross Profit	\$ 2,092.9	\$2,947.3	\$1,879.4	\$2,019.5	\$2,429.8	\$3,589.1	\$2,276.4	\$2,334.2	\$2,951.8
Year/Year Growth	11.1%	12.5 %	12.2 %	20.8 %	16.1 %	21.8 %	21.1 %	15.6 %	21.5 %
Constant Currency	26%	29 %	23 %	27 %	18 %	23 %	24 %	17 %	24 %

⁽¹⁾ Amounts may not total due to rounding.

⁽²⁾ Gross bookings is an operating and statistical metric that captures the total dollar value, generally inclusive of taxes and fees, of all travel services booked by our customers, net of cancellations.