

PRICELINE GROUP INC.

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

Filed 05/08/15

Address	800 CONNECTICUT AVE NORWALK, CT 06854
Telephone	203-299-8000
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Industry	Business Services
Sector	Services
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A (Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

[] Preliminary Proxy Statement [] Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e)(2))

[] Definitive Proxy Statement

[X] Definitive Additional Materials

[] Soliciting Material Pursuant to Rule 14a-12

The Priceline Group Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies: _____
(2) Aggregate number of securities to which transaction applies: _____
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

- _____
(4) Proposed maximum aggregate value of transaction: _____
(5) Total fee paid: _____

[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid: _____
(2) Form, Schedule or Registration Statement No.: _____
(3) Filing Party: _____
(4) Date Filed: _____
- =====



Corporate Governance Update | May 2015

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Priceline Group | 

Overview of The Priceline Group

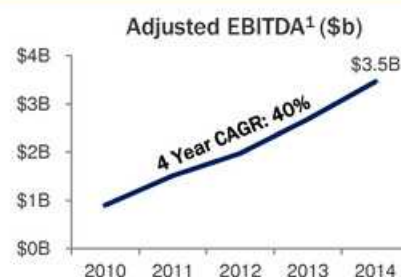
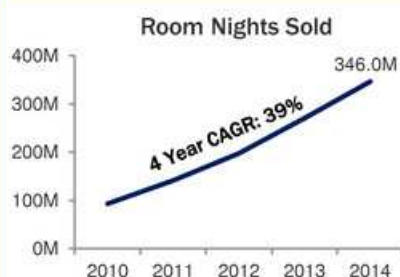
Business Description

- The Priceline Group is the global leader in online travel & related reservations and search services
- We connect consumers wishing to make travel and travel related reservations with providers around the world such as hotels, airlines, rental car companies and restaurants
- We have a diversified customer base:
 - Over 600,000 hotels and other accommodations in more than 200 countries and territories worldwide, serving millions of consumers in 42 languages

FY14 Key Facts & Figures

Ticker	PCLN (NASDAQ)
Market Capitalization	\$62.9 Billion (as of 7-May-15)
Global Room Nights	346.0 Million
Gross Bookings	\$50.3 Billion
Gross Profit	\$7.6 Billion
Adjusted EBITDA ¹	\$3.5 Billion
Employees	~ 13,000
Fiscal Year End	December 31, 2014

Strong Performance Record



¹ Adjusted EBITDA is a "Non-GAAP financial measure," as such term is defined by the SEC, and may differ from Non-GAAP financial measures used by other companies. See the appendix for a reconciliation of Adjusted EBITDA to Net Income.

Powerful Brands

 World's leading brand for **booking accommodations**

 North America's leading **discount online travel brand**

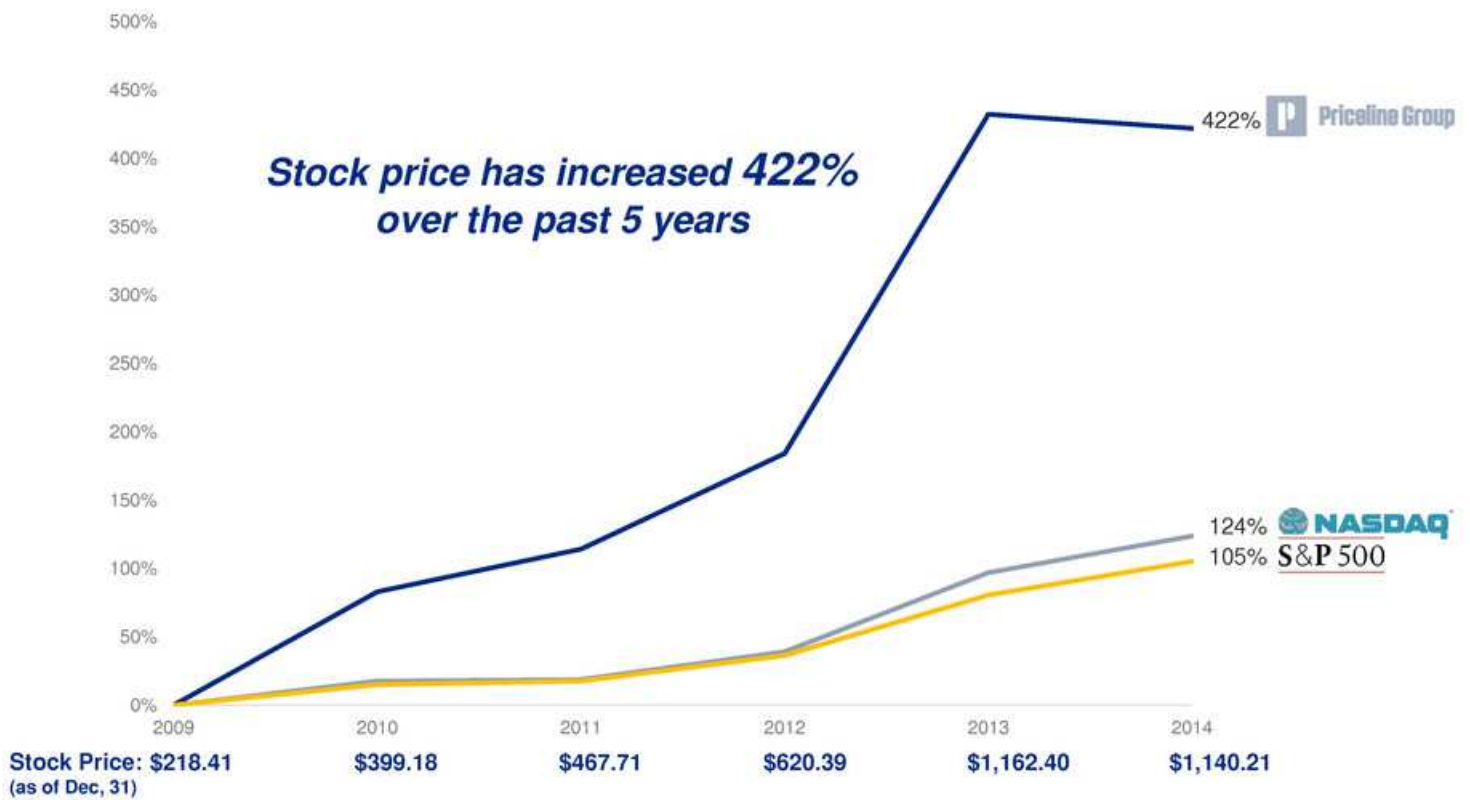
 A leading brand for online **Asian market accommodations**

 A leading travel **meta-search brand**

 A leading brand for **booking rental cars**

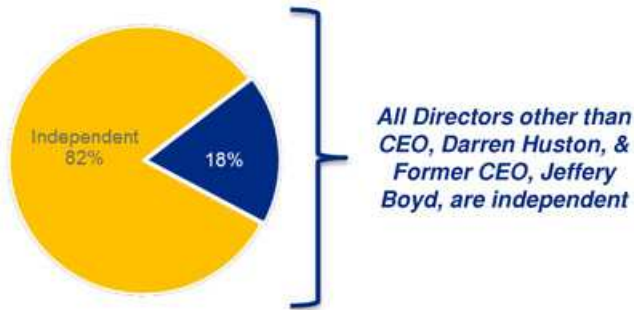
 OpenTable A leading brand for **dining reservations**

Management Team and Board are Committed to Creating Value For Our Shareholders



Highly Qualified Board with Diverse Expertise

Majority of Board Independent



Balance of Perspectives & Experience



Directors Have a Diverse and Relevant Skill Set



Board is Committed to Shareholder Friendly Governance

Corporate Governance Practices

- ✓ Separate Chair/CEO role
- ✓ Strong Lead Independent Director role
- ✓ Annually elected directors
- ✓ Majority vote to elect directors
- ✓ Proxy Access rights
- ✓ Shareholders have right to call special meeting at 25% threshold
- ✓ No super majority voting provisions
- ✓ Significant stock ownership guidelines for Directors and executive officers
- ✓ No poison pill
- ✓ Strong Board communication policies and procedures

Compensation Practices

- ✓ Annual say-on-pay vote
 - 96%+ support over past 3 years
- ✓ Strong pay for performance alignment
- ✓ Lowest 2014 stock-based compensation expense to year end market cap in compensation peer group
- ✓ Double trigger change in control agreements
- ✓ No change in control excise tax gross-ups
- ✓ Clawback policy
- ✓ Robust anti-hedging and anti-pledging policies
- ✓ Compensation Committee conducts annual risk assessment of executive compensation program

Board Proactively Adopted Proxy Access

After considering the views of our largest stockholders and market practices, the Board designed and implemented a proxy access by-law deemed most appropriate for The Priceline Group

Rationale For Adopted Thresholds

Proxy Access right should be given to long-term holders of a significant ownership stake

Right should be transparent to the Company and all shareholders

Right should be used to promote the best long-term interests of shareholders not short-term objectives

Right generally is to be used after shareholder(s) have engaged the company in discussions

Right should be proportional to ownership stake of nominating shareholder(s)

Right is meant as tool for addressing a board that is unresponsive, not as a means for change in control

Our Proxy Access By-Law Already in Place

Proxy access by-law:

- Our by-law provides that holders of 5% of shares continuously for 3 years (including a group of up to 20 shareholders) may place "proxy access" nominations directly on the company proxy card; nominating groups in aggregate may nominate up to 20% of the board

In order to ensure a sense of proportionality:

- A stockholder or group owning > 5% but < 10% of common stock for a 3 year period can nominate up to 10% of the numbers of directors then serving (but at least one)
- A stockholder or group owning > 10% of common stock for a 3 year period can nominate up to 20% of the number of directors then serving

The Board Urges Shareholders to Vote AGAINST the Shareholder Proposal for Proxy Access at 3%/3years

The Priceline Group Has Strong Shareholder Rights

<u>Best Practice</u>	Priceline	S&P 500	NASDAQ 100
Annual director elections	✓	89%	81%
Majority vote for director elections	✓	86%	81%
No Supermajority Charter / Bylaw Provisions	✓		
- For Charters		57%	66%
- For Bylaws		71%	72%
Special meeting rights	✓ (@ 25% threshold)	60%	56%
Written Consent	X	29%	38%
Written Consent Rights at Companies with Special Meeting Rights at $\leq 25\%$ thresholds		<p>The majority of companies with special meeting rights $\leq 25\%$ do not have written consent</p>	

The Board Urges Shareholders to Vote AGAINST the Shareholder Proposal for Written Consent as Not Necessary

Appendix: Reconciliation of GAAP Net Income to Adjusted EBITDA

(figures in thousands)

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA	Year Ended Dec 31, 2014
GAAP Net income applicable to common stockholders	\$ 2,421,753
(a) Stock-based employee compensation	186,425
(b) Depreciation and amortization	207,820
(c) Interest income	(13,933)
(c) Interest expense	88,353
(d) Loss on early extinguishment of debt	6,270
(e) Income tax expense	567,695
Adjusted EBITDA	\$ 3,464,383

- (a) Stock-based employee compensation is recorded in Personnel expense.
- (b) Depreciation and amortization are excluded from Net income to calculate Adjusted EBITDA.
- (c) Interest income and Interest expense are excluded from Net income to calculate Adjusted EBITDA.
- (d) Loss on early debt extinguishment is recorded in Foreign currency transactions and other.
- (e) Income tax expense is excluded from Net income to calculate Adjusted EBITDA.

