

Groupon, Inc.
Summary Consolidated and Segment Results
(dollars in thousands, except share and per share data)
(unaudited)

	Three Months Ended September 30,		Y/Y % Growth	Y/Y % Growth excluding FX ⁽¹⁾	Nine Months Ended September 30,		Y/Y % Growth	Y/Y % Growth excluding FX ⁽¹⁾
	2011	2012			2011	2012		
Revenue								
North America	\$ 161,525	\$ 291,603	80.5 %	80.7 %	\$ 455,342	\$ 790,349	73.6 %	73.8 %
International	268,636	276,949	3.1 %	12.7 %	662,924	905,821	36.6 %	46.9 %
Consolidated revenue	<u>\$ 430,161</u>	<u>\$ 568,552</u>	32.2 %	38.2 %	<u>\$ 1,118,266</u>	<u>\$ 1,696,170</u>	51.7 %	57.9 %
Operating (loss) income	\$ (239)	\$ 25,438	N/A	N/A	\$ (218,414)	\$ 111,562	N/A	N/A
Net (loss) income attributable to common stockholders	\$ (54,229)	\$ (2,979)	94.5 %	87.1 %	\$ (308,115)	\$ 13,712	N/A	N/A
Net (loss) earnings per share								
Basic	\$ (0.18)	\$ (0.00)			\$ (1.01)	\$ 0.02		
Diluted	\$ (0.18)	\$ (0.00)			\$ (1.01)	\$ 0.02		
Weighted average basic shares outstanding	307,605,060	653,223,610			305,288,502	648,021,943		
Weighted average diluted shares outstanding	307,605,060	653,223,610			305,288,502	663,557,250		

(1) Represents change in financial measures that would have resulted had average exchange rates in the reported period been the same as those in effect in the three and nine months ended September 30, 2011.

Groupon, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2012	2011	2012
Operating activities				
Net (loss) income	\$ (14,416)	\$ (940)	\$ (238,083)	\$ 29,016
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization	7,058	15,310	22,754	39,836
Stock-based compensation	3,340	22,619	60,922	77,706
Deferred income taxes	2,839	(3,389)	602	9,608
Excess tax benefits on stock-based compensation	(7,791)	(2,870)	(11,323)	(24,620)
Loss on equity method investees	11,211	138	19,974	8,694
Acquisition-related (benefit) expense, net	(4,793)	2,431	(4,793)	744
Gain on redemption of common stock	(4,916)	-	(4,916)	-
Gain on E-Commerce transaction	-	-	-	(56,032)
Change in assets and liabilities, net of acquisitions:				
Restricted cash	(7,116)	973	(8,141)	(1,855)
Accounts receivable	(16,618)	(10,274)	(69,690)	(2,189)
Prepaid expenses and other current assets	(23,802)	(3,192)	(41,023)	(24,937)
Accounts payable	(7,550)	(5,094)	(21,924)	13,174
Accrued merchant payables	98,002	21,868	314,872	53,889
Accrued expenses and other current liabilities	34,207	4,933	108,963	68,010
Other, net	(5,244)	(425)	(6,824)	10,073
Net cash provided by operating activities	64,411	42,088	121,370	201,117
Net cash used in investing activities	(43,048)	(35,629)	(112,526)	(142,226)
Net cash provided by financing activities	8,608	2,707	120,292	18,590
Effect of exchange rate changes on cash and cash equivalents	(11,129)	6,047	(4,034)	595
Net increase in cash and cash equivalents	18,842	15,213	125,102	78,076
Cash and cash equivalents, beginning of period	225,093	1,185,798	118,833	1,122,935
Cash and cash equivalents, end of the period	\$ 243,935	\$ 1,201,011	\$ 243,935	\$ 1,201,011

Groupon, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2012	2011	2012
Revenue:				
Third party and other revenue	\$ 422,989	\$ 423,564	\$ 1,111,094	\$ 1,466,602
Direct revenue	7,172	144,988	7,172	229,568
Total revenue	430,161	568,552	1,118,266	1,696,170
Cost of revenue:				
Third party and other revenue	62,339	54,173	156,907	233,834
Direct revenue	5,707	127,613	5,707	202,634
Total cost of revenue	68,046	181,786	162,614	436,468
Operating expenses:				
Marketing	170,349	70,919	613,173	275,941
Selling, general and administrative	196,798	287,978	565,686	871,455
Acquisition-related (benefit) expense, net	(4,793)	2,431	(4,793)	744
Total operating expenses	362,354	361,328	1,174,066	1,148,140
(Loss) income from operations	(239)	25,438	(218,414)	111,562
Interest and other income, net	8,269	617	9,808	54,445
Loss on equity method investees	(11,211)	(138)	(19,974)	(8,694)
(Loss) income before provision for income taxes	(3,181)	25,917	(228,580)	157,313
Provision for income taxes	11,235	26,857	9,503	128,297
Net (loss) income	(14,416)	(940)	(238,083)	29,016
Less: Net loss (income) attributable to noncontrolling interests	3,843	(706)	23,602	(2,806)
Net (loss) income attributable to Groupon, Inc.	(10,573)	(1,646)	(214,481)	26,210
Redemption of preferred stock in excess of carrying value	-	-	(34,327)	-
Adjustment of redeemable noncontrolling interests to redemption value	(43,656)	(1,333)	(59,307)	(12,498)
Net (loss) income attributable to common stockholders	\$ (54,229)	\$ (2,979)	\$ (308,115)	\$ 13,712
Net (loss) earnings per share				
Basic	\$ (0.18)	\$ (0.00)	\$ (1.01)	\$ 0.02
Diluted	\$ (0.18)	\$ (0.00)	\$ (1.01)	\$ 0.02
Weighted average number of shares outstanding				
Basic	307,605,060	653,223,610	305,288,502	648,021,943
Diluted	307,605,060	653,223,610	305,288,502	663,557,250

Groupon, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2011	September 30, 2012 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,122,935	\$ 1,201,011
Accounts receivable, net	108,747	110,058
Prepaid expenses and other current assets	91,645	121,338
Total current assets	1,323,327	1,432,407
Property and equipment, net of accumulated depreciation of \$14,627 and \$37,564, respectively	51,800	103,876
Goodwill	166,903	196,978
Intangible assets, net	45,667	51,447
Investments in equity interests	50,604	131,039
Deferred income taxes, non-current	46,104	48,753
Other non-current assets	90,071	68,314
Total Assets	\$ 1,774,476	\$ 2,032,814
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 40,918	\$ 60,016
Accrued merchant payables	520,723	573,477
Accrued expenses	212,007	245,083
Deferred income taxes, current	76,841	75,203
Other current liabilities	144,673	171,422
Total current liabilities	995,162	1,125,201
Deferred income taxes, non-current	7,428	28,585
Other non-current liabilities	70,766	74,643
Total Liabilities	1,073,356	1,228,429
Commitments and contingencies		
Redeemable noncontrolling interests	1,653	7,190
Stockholders' Equity		
Class A common stock, par value \$0.0001 per share, 2,000,000,000 shares authorized, 641,745,225 shares issued and outstanding at December 31, 2011; 2,000,000,000 shares authorized, 652,501,880 shares issued and outstanding at September 30, 2012	64	65
Class B common stock, par value \$0.0001 per share, 10,000,000 shares authorized, 2,399,976 shares issued and outstanding at December 31, 2011 and September 30, 2012	-	-
Common stock, par value \$0.0001 per share, 2,010,000,000 shares authorized, no shares issued and outstanding at December 31, 2011 and September 30, 2012	-	-
Additional paid-in capital	1,388,253	1,459,485
Accumulated deficit	(698,704)	(672,494)
Accumulated other comprehensive income	12,928	11,956
Total Groupon, Inc. Stockholders' Equity	702,541	799,012
Noncontrolling interests	(3,074)	(1,817)
Total Equity	699,467	797,195
Total Liabilities and Equity	\$ 1,774,476	\$ 2,032,814

Groupon, Inc.
Segment Information
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2012	2011	2012
North America				
Gross Billings ⁽¹⁾	\$ 400,978	\$ 552,369	\$ 1,086,119	\$ 1,654,201
Revenue	\$ 161,525	\$ 291,603	\$ 455,342	\$ 790,349
Segment operating expenses ⁽²⁾	142,689	252,510	468,785	667,655
Segment operating income (loss)	\$ 18,836	\$ 39,093	\$ (13,443)	\$ 122,694
Segment income (loss) as a percent of segment revenue	11.7 %	13.4 %	(3.0) %	15.5 %
International				
Gross Billings ⁽¹⁾	\$ 756,232	\$ 665,887	\$ 1,668,514	\$ 2,205,531
Revenue	\$ 268,636	\$ 276,949	\$ 662,924	\$ 905,821
Segment operating expenses ⁽²⁾	289,164	265,554	811,766	838,503
Segment operating (loss) income	\$ (20,528)	\$ 11,395	\$ (148,842)	\$ 67,318
Segment (loss) income as a percent of segment revenue	(7.6) %	4.1 %	(22.5) %	7.4 %
Consolidated				
Gross Billings ⁽¹⁾	\$ 1,157,210	\$ 1,218,256	\$ 2,754,633	\$ 3,859,732
Revenue	\$ 430,161	\$ 568,552	\$ 1,118,266	\$ 1,696,170
Segment operating expenses ⁽²⁾	431,853	518,064	1,280,551	1,506,158
Segment operating (loss) income	\$ (1,692)	\$ 50,488	\$ (162,285)	\$ 190,012
Segment (loss) income as a percent of segment revenue	(0.4) %	8.9 %	(14.5) %	11.2 %
Stock-based compensation	3,340	22,619	60,922	77,706
Acquisition-related (benefit) expense, net	(4,793)	2,431	(4,793)	744
Operating (loss) income	(239)	25,438	(218,414)	111,562
Interest and other income, net	(8,269)	(617)	(9,808)	(54,445)
Loss on equity method investees	11,211	138	19,974	8,694
(Loss) income before provision for income taxes	(3,181)	25,917	(228,580)	157,313
Provision (benefit) for income taxes	11,235	26,857	9,503	128,297
Net (loss) income	\$ (14,416)	\$ (940)	\$ (238,083)	\$ 29,016

(1) Represents the total dollar value of customer purchases of goods and services, excluding any applicable taxes and net of estimated refunds.

(2) Represents cost of revenue and operating expenses, excluding stock-based compensation and acquisition-related (benefit) expense, net, which are not allocated to segments.

Foreign Exchange Rate Neutral Operating Results
(in thousands)
(unaudited)

The effect on the Company's consolidated statements of operations from changes in exchange rates versus the U.S. Dollar for the three months ended September 30, 2012 are as follows:

	Three Months Ended September 30, 2012			Three Months Ended September 30, 2012		
	At Avg. Q3 2011 Rates ⁽¹⁾	Exchange Rate Effect ⁽²⁾	As Reported	At Avg. Q2 2012 Rates ⁽³⁾	Exchange Rate Effect ⁽²⁾	As Reported
Revenue	\$ 594,551	\$ (25,999)	\$ 568,552	\$ 571,154	\$ (2,602)	\$ 568,552
Income from operations	\$ 22,589	\$ 2,849	\$ 25,438	\$ 25,030	\$ 408	\$ 25,438

The effect on the Company's consolidated statements of operations from changes in exchange rates versus the U.S. Dollar for the nine months ended September 30, 2012 are as follows:

	Nine Months Ended September 30, 2012			Nine Months Ended September 30, 2012		
	At Avg. YTD Q3 2011 Rates ⁽¹⁾	Exchange Rate Effect ⁽²⁾	As Reported	At Avg. Q4'11 - Q2'12 Rates ⁽³⁾	Exchange Rate Effect ⁽²⁾	As Reported
Revenue	\$ 1,765,476	\$ (69,306)	\$ 1,696,170	\$ 1,719,681	\$ (23,511)	\$ 1,696,170
Income from operations	\$ 110,767	\$ 795	\$ 111,562	\$ 110,526	\$ 1,036	\$ 111,562

(1) Represents the outcome that would have resulted had average exchange rates in the reported period been the same as those in effect during the three and nine months ended September 30, 2011.

(2) Represents the increase or decrease in reported amounts resulting from changes in exchange rates from those in effect in the comparable period.

(3) Represents the outcome that would have resulted had average exchange rates in the reported period been the same as those in effect during the three and nine months ended June 30, 2012.

Reconciliation of Non-GAAP Financial Measures
(in thousands)
(unaudited)

Free Cash Flow

The following is a reconciliation of free cash flow to the most comparable U.S. GAAP measure, "Net cash provided by operating activities," for the three and nine months ended September 30, 2011 and 2012:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2012	2011	2012
Net cash provided by operating activities	\$ 64,411	\$ 42,088	\$ 121,370	\$ 201,117
Purchases of property and equipment and software capitalization	(8,623)	(16,010)	(29,825)	(55,802)
Free cash flow	<u>\$ 55,788</u>	<u>\$ 26,078</u>	<u>\$ 91,545</u>	<u>\$ 145,315</u>
Net cash used in investing activities	\$ (43,048)	\$ (35,629)	\$ (112,526)	\$ (142,226)
Net cash provided by financing activities	\$ 8,608	\$ 2,707	\$ 120,292	\$ 18,590

Supplemental Financial Information and Business Metrics
(in thousands, except per share and headcount data and TTM
Gross Billings / Average Active Customer)
(unaudited)

	Q1 2011 ⁽⁶⁾	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Segments							
North America Segment:							
Gross Billings ⁽¹⁾	\$ 315,152	\$ 369,990	\$ 400,978	\$ 475,807	\$ 553,557	\$ 548,275	\$ 552,369
Year-over-year growth	610	359	204	118	76	48	38
% of Consolidated Gross Billings	47 %	40 %	35 %	39 %	41 %	43 %	45 %
Gross Billings ⁽¹⁾ Trailing Twelve Months (TTM)	\$ 745,772	\$ 1,035,183	\$ 1,304,128	\$ 1,561,927	\$ 1,800,332	\$ 1,978,617	\$ 2,130,008
Revenue:							
Third Party and Other Revenue ⁽²⁾	\$ 136,612	\$ 157,205	\$ 161,525	\$ 179,638	\$ 230,984	\$ 207,119	\$ 158,545
Direct Revenue ⁽²⁾	-	-	-	-	7,581	53,062	133,058
Total Revenue	\$ 136,612	\$ 157,205	\$ 161,525	\$ 179,638	\$ 238,565	\$ 260,181	\$ 291,603
Year-over-year growth	574	341	102	103	75	66	81
% of Consolidated Revenue	46 %	40 %	38 %	36 %	43 %	46 %	51 %
Revenue TTM	\$ 316,752	\$ 438,305	\$ 543,705	\$ 634,980	\$ 736,933	\$ 839,909	\$ 969,987
Cost of Revenue:							
Third Party and Other Cost of Revenue ⁽³⁾	\$ 25,050	\$ 32,169	\$ 31,316	\$ 51,419	\$ 62,580	\$ 40,155	\$ 15,475
Direct Cost of Revenue ⁽³⁾	-	-	-	-	6,671	46,159	115,560
Total Cost of Revenue	\$ 25,050	\$ 32,169	\$ 31,316	\$ 51,419	\$ 69,251	\$ 86,314	\$ 131,035
% of North America Total Revenue	18 %	20 %	19 %	29 %	29 %	33 %	45 %
Operating (Loss) Income Excl Stock-Based Compensation (SBC), Acquisition-Related Expenses	\$ (21,778)	\$ (10,501)	\$ 18,836	\$ 18,239	\$ 40,172	\$ 43,429	\$ 39,093
Year-over-year growth	N/A	(2,678)	496	N/A	N/A	N/A	108
% of Consolidated Operating (Loss) Income Excl SBC, Acq-Related	22 %	17 %	112 %	102 %	59 %	60 %	77 %
Operating Margin Excl SBC, Acq-Related (% of North America Total revenue)	(15.9) %	(6.7) %	11.7 %	10.2 %	16.8 %	16.7 %	13.4 %
Year-over-year growth (bps)	(5,879)	(562)	603	3,494	3,278	2,337	170
Operating (Loss) Income TTM Excl SBC, Acq-Related	\$ (40,901)	\$ (51,024)	\$ (35,348)	\$ 4,796	\$ 66,746	\$ 120,676	\$ 140,933
Operating Margin TTM Excl SBC, Acq-Related (% of North America Total TTM revenue)	(12.9) %	(11.6) %	(6.5) %	0.8 %	9.1 %	14.4 %	14.5 %
Year-over-year growth (bps)	(3,604)	(2,266)	(1,467)	596	2,197	2,601	2,100
International Segment:							
Gross Billings ⁽¹⁾	\$ 353,022	\$ 559,259	\$ 756,232	\$ 755,061	\$ 801,243	\$ 738,401	\$ 665,887
Year-over-year growth	N/A	5,057	1,115	283	127	32	(12)
Year-over-year growth, excluding FX ⁽⁴⁾	N/A	4,587	1,021	287	138	45	(4)
% of Consolidated Gross Billings	53 %	60 %	65 %	61 %	59 %	57 %	55 %
Gross Billings ⁽¹⁾ TTM	\$ 623,367	\$ 1,171,781	\$ 1,865,774	\$ 2,423,574	\$ 2,871,795	\$ 3,050,937	\$ 2,960,592
Revenue:							
Third Party and Other Revenue ⁽²⁾	\$ 158,911	\$ 235,377	\$ 261,464	\$ 298,872	\$ 309,069	\$ 295,866	\$ 265,019
Direct Revenue ⁽²⁾	-	-	7,172	13,654	11,649	12,288	11,930
Total Revenue	\$ 158,911	\$ 235,377	\$ 268,636	\$ 312,526	\$ 320,718	\$ 308,154	\$ 276,949
Year-over-year growth	N/A	7,709	947	273	102	31	3
Year-over-year growth, excluding FX ⁽⁴⁾	N/A	7,013	868	276	112	44	13
% of Consolidated Revenue	54 %	60 %	62 %	64 %	57 %	54 %	49 %
Revenue TTM	\$ 271,440	\$ 503,803	\$ 746,785	\$ 975,450	\$ 1,137,257	\$ 1,210,034	\$ 1,218,347
Cost of Revenue:							
Third Party and Other Cost of Revenue ⁽³⁾	\$ 14,715	\$ 22,634	\$ 31,023	\$ 35,463	\$ 40,049	\$ 36,877	\$ 38,698
Direct Cost of Revenue ⁽³⁾	-	-	5,707	10,198	9,383	11,993	12,053
Total Cost of Revenue	\$ 14,715	\$ 22,634	\$ 36,730	\$ 44,846	\$ 50,247	\$ 48,870	\$ 50,751
% of International Total Revenue	9 %	10 %	14 %	14 %	16 %	16 %	18 %
Operating (Loss) Income Excl SBC, Acq-Related	\$ (76,506)	\$ (51,808)	\$ (20,528)	\$ (287)	\$ 27,418	\$ 28,505	\$ 11,395
Year-over-year growth	N/A	(125)	21	100	155	155	N/A
% of Consolidated Operating (Loss) Income Excl SBC, Acq-Related	78 %	83 %	(1,213)	(2)	41 %	40 %	23 %
Operating Margin Excl SBC, Acq-Related (% of International Total revenue)	(48.1) %	(22.0) %	(7.6) %	(0.1) %	8.5 %	9.3 %	4.1 %
Year-over-year growth (bps)	N/A	7,265	9,392	14,474	5,669	3,126	1,170
Operating (Loss) Income TTM Excl SBC, Acq-Related	\$ (247,063)	\$ (275,824)	\$ (270,298)	\$ (149,129)	\$ (45,205)	\$ 35,108	\$ 67,031
Operating Margin TTM Excl SBC, Acq-Related (% of International Total TTM revenue)	(91.0) %	(54.7) %	(36.2) %	(15.3) %	(4.0) %	2.9 %	5.5 %
Year-over-year growth (bps)	N/A	70,992	13,508	13,628	8,704	5,765	4,170
Consolidated Results of Operations							
Gross Billings ⁽¹⁾	\$ 668,174	\$ 929,249	\$ 1,157,210	\$ 1,230,868	\$ 1,354,800	\$ 1,286,676	\$ 1,218,256
Year-over-year growth	1,405	916	496	196	103	38	3
Year-over-year growth, excluding FX ⁽⁴⁾	1,378	859	465	198	108	47	5
Gross Billings ⁽¹⁾ (TTM)	\$ 1,369,139	\$ 2,206,964	\$ 3,169,902	\$ 3,985,501	\$ 4,672,127	\$ 5,029,554	\$ 5,090,600
Year-over-year growth	1,651	1,227	804	435	241	128	61
Revenue:							
Third Party and Other Revenue ⁽²⁾	\$ 295,523	\$ 392,582	\$ 422,989	\$ 478,510	\$ 540,053	\$ 502,985	\$ 423,564
Direct Revenue ⁽²⁾	-	-	7,172	13,654	19,230	65,350	144,988
Total Consolidated Revenue	\$ 295,523	\$ 392,582	\$ 430,161	\$ 492,164	\$ 559,283	\$ 568,335	\$ 568,552
Year-over-year growth	1,358	915	425	186	89	45	32
Year-over-year growth, excluding FX ⁽⁴⁾	1,332	858	401	188	95	53	38
Total Consolidated Revenue TTM	\$ 588,192	\$ 942,108	\$ 1,290,490	\$ 1,610,430	\$ 1,874,190	\$ 2,049,943	\$ 2,188,334
Year-over-year growth	1,594	1,205	761	415	219	118	70
Cost of Revenue:							
Third Party and Other Cost of Revenue ⁽³⁾	\$ 39,765	\$ 54,803	\$ 62,339	\$ 86,882	\$ 102,629	\$ 77,032	\$ 54,173
Direct Cost of Revenue ⁽³⁾	-	-	5,707	9,383	16,869	58,152	127,613
Total Consolidated Cost of Revenue	\$ 39,765	\$ 54,803	\$ 68,046	\$ 96,265	\$ 119,498	\$ 135,184	\$ 181,786
% of Total Consolidated Revenue	13 %	14 %	16 %	20 %	21 %	24 %	32 %
Operating (Loss) Income Excl SBC, Acq-Related	\$ (98,284)	\$ (62,309)	\$ (1,692)	\$ 17,952	\$ 67,590	\$ 71,934	\$ 50,488
Year-over-year growth	N/A	(166)	93	N/A	N/A	N/A	N/A
Operating Margin Excl SBC, Acq-Related (% of Total Consolidated revenue)	(33.3) %	(15.9) %	(0.4) %	3.6 %	12.1 %	12.7 %	8.9 %
Year-over-year growth (bps)	(7,611)	4,471	2,760	8,689	4,534	2,853	980
Operating (Loss) Income TTM Excl SBC, Acq-Related	\$ (287,964)	\$ (326,848)	\$ (305,646)	\$ (144,333)	\$ 21,541	\$ 155,784	\$ 207,964
Operating Margin TTM Excl SBC, Acq-Related (% of Total Consolidated TTM revenue)	(49.0) %	(34.7) %	(23.7) %	(9.0) %	1.1 %	7.6 %	9.5 %
Year-over-year growth (bps)	(7,208)	(1,333)	245	4,887	5,011	4,229	3,320
Operating (Loss) Income	\$ (117,148)	\$ (101,027)	\$ (239)	\$ (14,972)	\$ 39,639	\$ 46,485	\$ 25,438
Year-over-year growth	N/A	(134)	109	96	N/A	N/A	N/A
Operating Margin (% of Total Consolidated revenue)	(39.6) %	(25.7) %	(0.1) %	(3.0) %	7.1 %	8.2 %	4.5 %
Year-over-year growth (bps)	(8,192)	6,949	6,838	19,213	4,673	3,391	457
Operating (Loss) Income TTM	\$ (546,064)	\$ (610,272)	\$ (554,543)	\$ (233,386)	\$ (76,599)	\$ 70,913	\$ 96,590
Operating Margin TTM (% of Total Consolidated TTM revenue)	(92.8) %	(64.8) %	(43.0) %	(14.5) %	(4.1) %	3.5 %	4.4 %
Year-over-year growth (bps)	(11,533)	(2,457)	1,427	11,983	8,875	6,824	4,740
Net (Loss) Income Attributable to Common Stockholders	(146,480)	(107,406)	(54,229)	(65,379)	(11,695)	28,386	(2,979)
Weighted Average Basic Shares Outstanding	307,849	303,415	307,605	528,422	644,097	647,150	653,224
Weighted Average Diluted Shares Outstanding ⁽⁵⁾	307,849	303,415	307,605	528,422	644,097	663,123	653,224
Net (Loss) Earnings per Share							
Basic	\$ (0.48)	\$ (0.35)	\$ (0.18)	\$ (0.12)	\$ (0.02)	\$ 0.04	\$ (0.00)
Diluted	\$ (0.48)	\$ (0.35)	\$ (0.18)	\$ (0.12)	\$ (0.02)	\$ 0.04	\$ (0.00)

Supplemental Financial Information and Business Metrics
(in thousands, except per share and headcount data and TTM
Gross Billings / Average Active Customer
(unaudited)

	Q1 2011 ⁽⁶⁾	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Cash Flow							
Operating cash flow (TTM)	\$ 91,928	\$ 128,316	\$ 173,291	\$ 290,447	\$ 356,221	\$ 392,517	\$ 370,194
Purchases of Property and Equipment and Software Capitalization (TTM)	(24,780)	(31,949)	(38,414)	(43,811)	(45,932)	(62,401)	(69,788)
Free cash flow (TTM) ⁽⁷⁾	\$ 67,148	\$ 96,367	\$ 134,877	\$ 246,636	\$ 310,289	\$ 330,116	\$ 300,406
Other Metrics:							
Active Customers ⁽⁸⁾	15,376	23,037	28,906	33,742	36,850	38,046	39,525
TTM Gross Billings / Average Active Customer ⁽⁹⁾	\$ 169	\$ 174	\$ 189	\$ 187	\$ 179	\$ 165	\$ 149
Headcount							
Sales ⁽¹⁰⁾	3,556	4,850	4,853	5,196	5,735	5,587	5,087
% North America	19%	20%	21%	20%	21%	20%	24%
% International	81%	80%	79%	80%	79%	80%	76%
Other	3,551	4,775	5,565	6,275	6,813	7,233	6,779
Total Headcount	7,107	9,625	10,418	11,471	12,548	12,820	11,866

(1) Represents the total dollar value of customer purchases of goods and services, excluding any applicable taxes and net of estimated refunds.

(2) Third party revenue is related to sales for which the company acts as a marketing agent for the merchant. This revenue is recorded on a net basis. Direct revenue is related to the sale of products for which the Company is the merchant of record. These revenues are accounted for on a gross basis, with the cost of inventory included in cost of revenue.

(3) The third quarter 2012 marked the first time the Company disclosed direct cost of revenue which reflects the allocation of all variable costs related to the Direct business. As a result, third party and other cost of revenue and direct cost of revenue are presented separately.

(4) Represents change in financial measures that would have resulted had average exchange rates in the reported period been the same as those in effect in the prior year period.

(5) The weighted-average diluted shares outstanding is calculated using the weighted-average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and vesting of restricted stock units and restricted shares, as calculated using the treasury stock method.

(6) Year-over-year growth is unavailable for select international growth measures as Groupon did not commence international operations until the second quarter of 2010.

(7) Free cash flow is a non-GAAP financial measure. The Company reconciles this measure to the most comparable U.S. GAAP measure, "Net cash provided by operating activities," for the periods presented.

(8) Reflects the total number of unique accounts who have purchased Groupons during the trailing twelve months.

(9) Reflects the total gross billings generated in the trailing twelve months per average active customer over that period.

(10) Includes inside and outside merchant sales representatives, as well as sales support.