Third Quarter 2012 Results

November 8, 2012

Forward-Looking Statements

GROUPON

The statements contained in this presentation that refer to plans and expectations for the next quarter or the future are forward- looking statements that involve a number of risks and uncertainties, and actual results could differ materially from those discussed. The risks and uncertainties that could cause our results to differ materially from those included in the forward-looking statements include, but are not limited to, our ability to continue to expand our business and continue revenue growth; risks related to our business strategy; our ability to manage the growth of our organization; responding to changes in the markets in which we compete for business; retaining existing merchant partners and adding new merchant partners; competing against smaller competitors and competitors with more financial resources than us; developing new product and service offerings that are appealing to customers; maintaining a strong brand; effectively dealing with challenges arising from our international operations; integrating our technology platforms; managing refund risks; retaining our executive team; litigation; regulations, including the CARD Act and regulation of the Internet; tax liabilities; tax legislation; maintaining our information technology infrastructure; security breaches; protecting our intellectual property; handling acquisitions, joint ventures and strategic investments effectively; seasonality; payment-related risks; customer and merchant partner fraud; global economic uncertainty; compliance with rules and regulations associated with being a public company; and our ability to raise capital if necessary. We urge you to refer to the factors included under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the company’s Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, copies of which may be obtained by visiting the company’s Investor Relations web site at http://investor.groupon.com or the SEC’s web site at www.sec.gov. Groupon’s actual results could differ materially from those predicted or implied and reported results should not be considered an indication of future performance.

You should not rely upon forward-looking statements as predictions of future events. Although Groupon believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither the company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. The forward-looking statements reflect Groupon’s expectations as of November 8, 2012. Groupon undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in its expectations.

Additional information relating to certain of our financial measures contained herein is available in our most recent earnings release and at our website at investor.groupon.com.

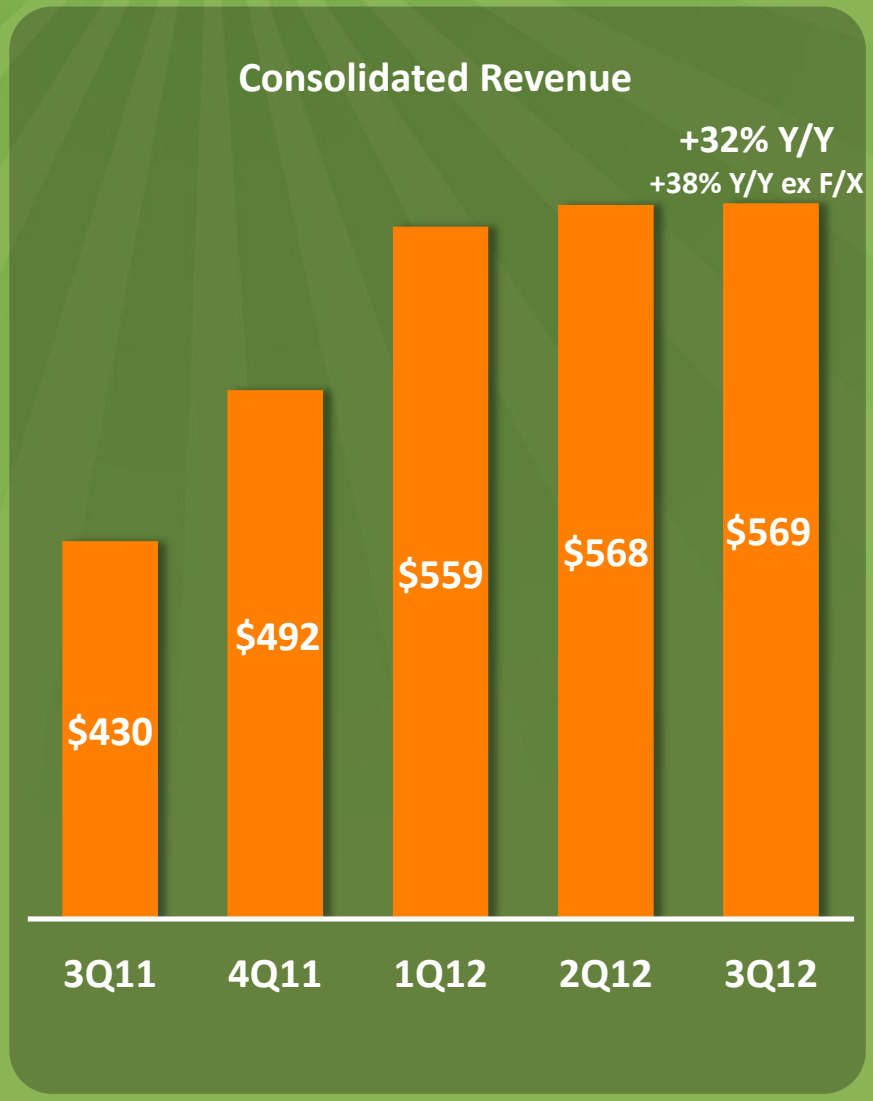
3Q12 Results

	3Q11	Prior 3Q12 Outlook[1]	3Q12
Gross Billings	$1,157M	–	$1,218M
Revenue	$430M	$580-$620M	$569M
Operating Income	($0)M	$15-$35M	$25M
Stock Based Compensation and Acquisition Related Expenses	($2)M	$30M	$25M
Net Income	($54)M	–	($3M)
EPS	($0.18)	–	$0.00
Basic Shares	307.6M	–	653.2M
Diluted Shares	307.6M	–	653.2M
Cash and Cash Equivalents			$1.2B

1 Third quarter 2012 outlook provided on August 13, 2012

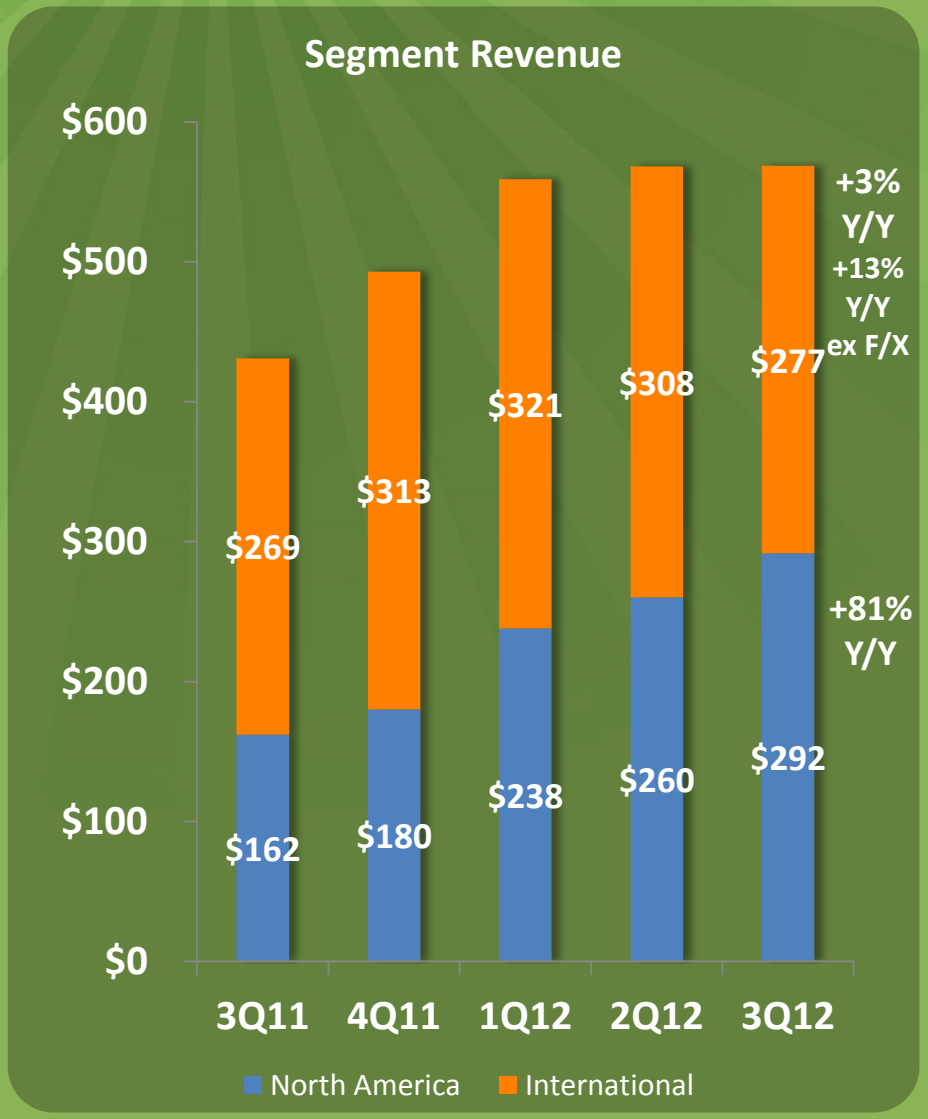
Consolidated Financials

In Millions



Segment Financials

In Millions



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

Marketing Leverage & Customer Growth

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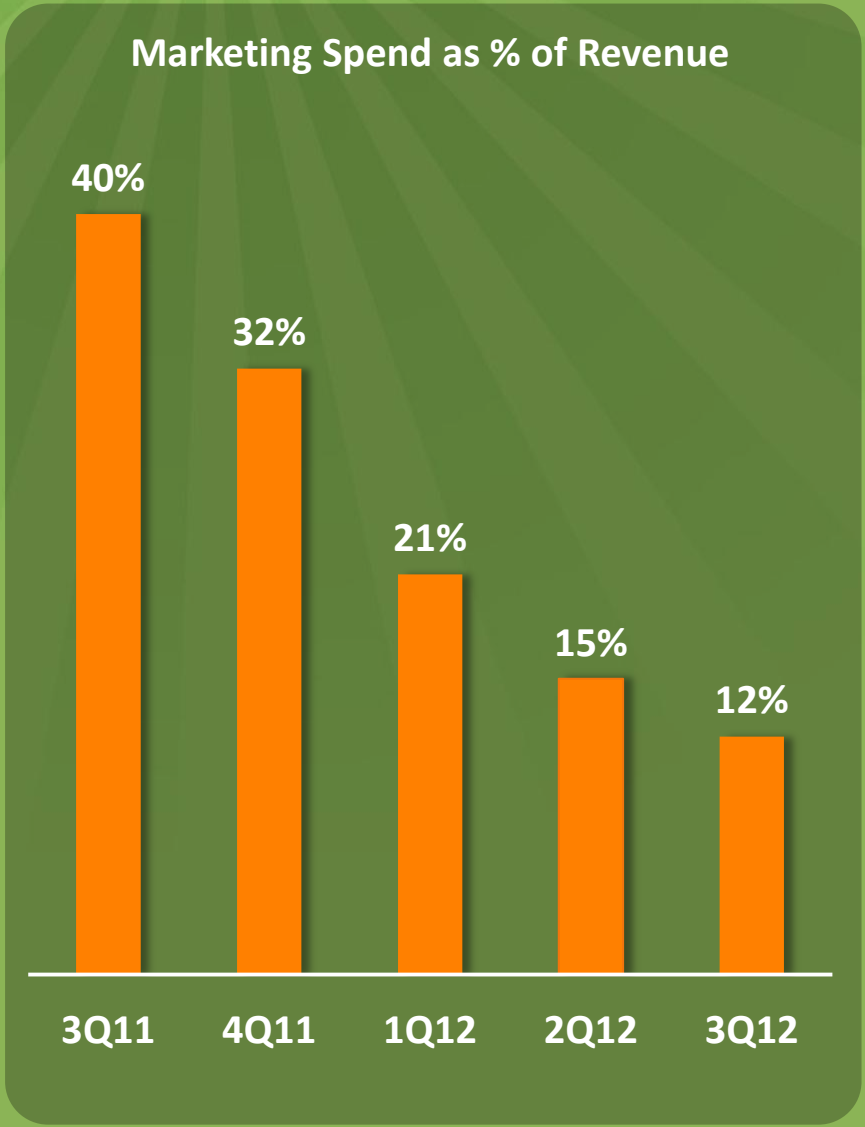
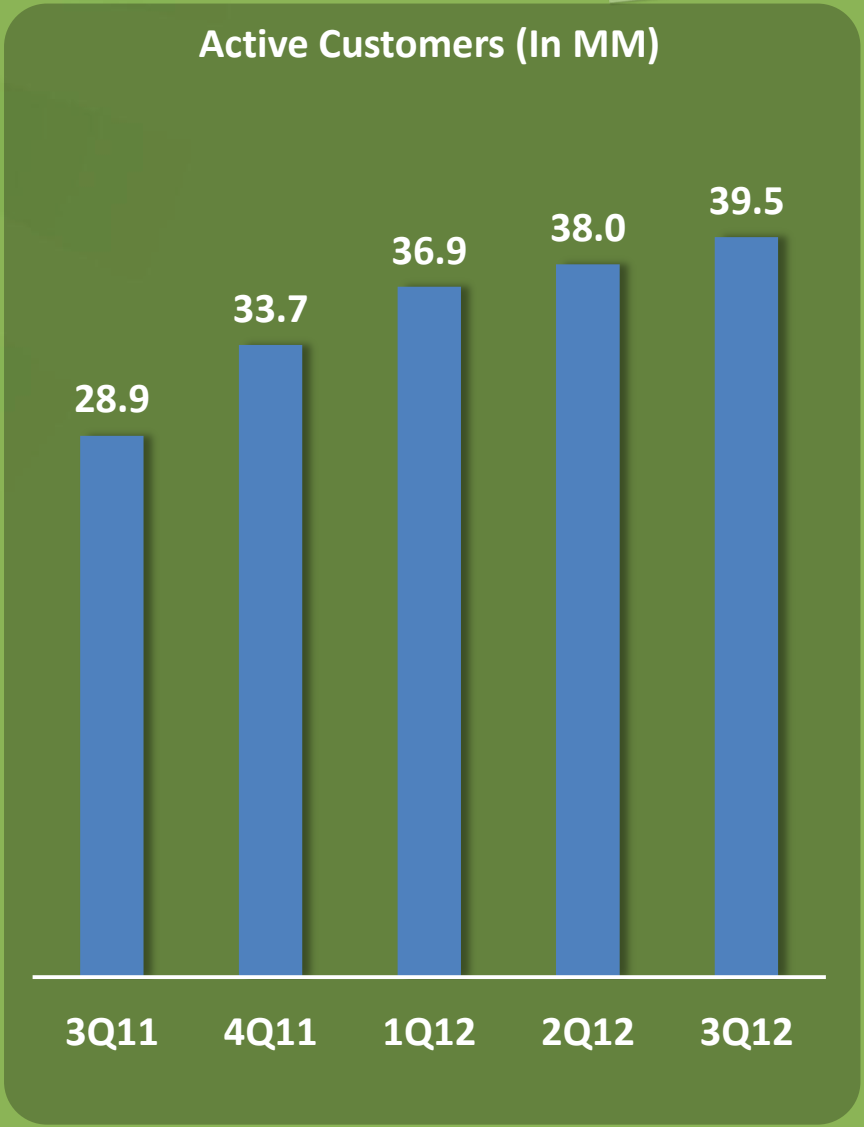
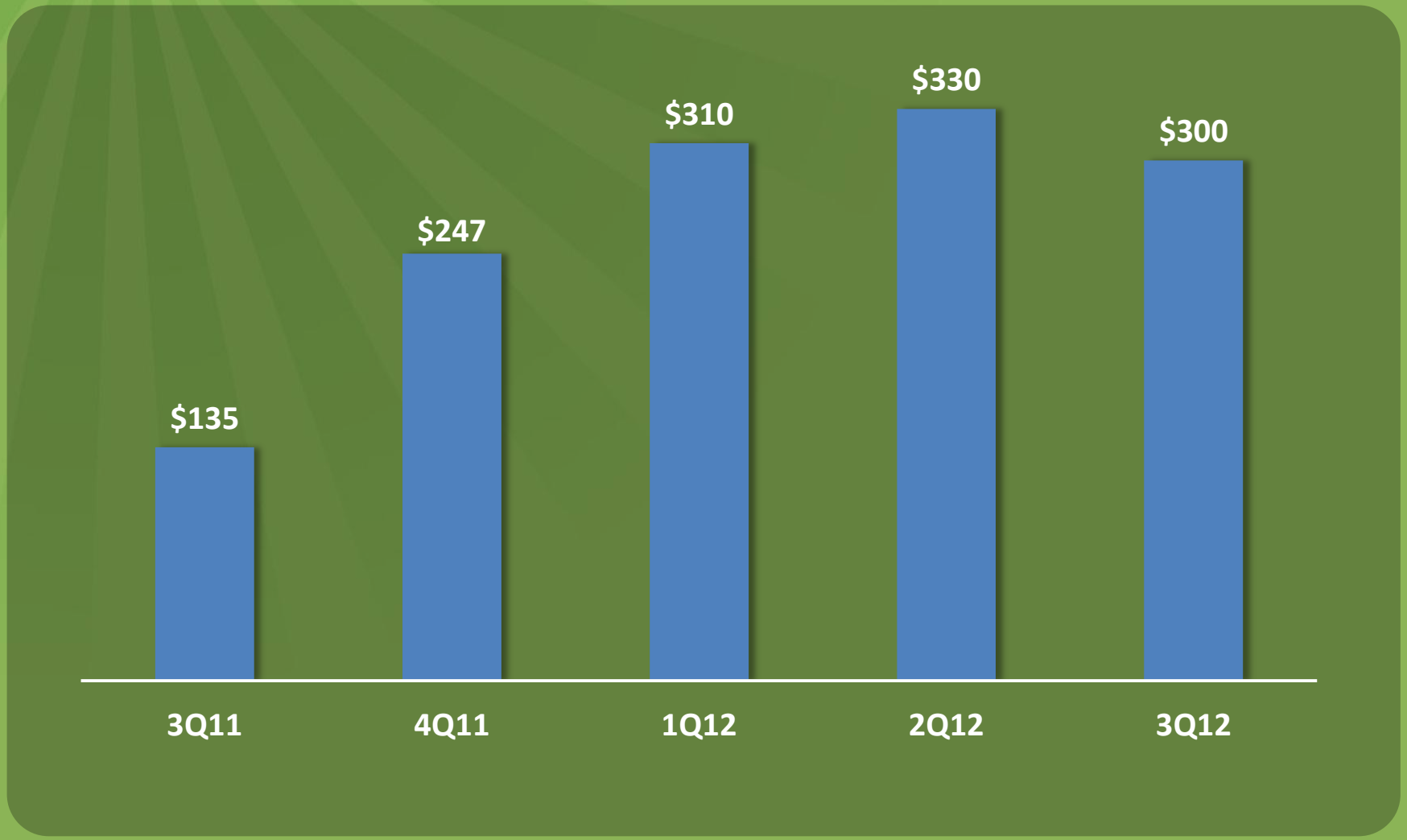




TTM Free Cash Flow[1]

In Millions



1 Free cash flow, a non-GAAP financial measure, represents cash flow from operations minus purchases of property and equipment and software capitalization. For a reconciliation to cash flow from operations, see the Non-GAAP reconciliation table in the appendix of the earnings release, which is available at http://investor.groupon.com

Balance Sheet

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	12/31/11	9/30/12
Cash and Cash Equivalents	$1,123M	$1,201
Accounts Receivable, Net	$109M	$110M
Property and Equipment, Net	$52M	$104M
Goodwill and Other Intangibles, Net	$212M	$248M
Other Assets	$278M	$370M
Total Assets	**$1,774M**	**$2,033M**
Accounts Payable	$41M	$60M
Accrued Merchant Payable	$521M	$573M
Other Liabilities	$511M	$595M
Total Liabilities	**$1,073M**	**$1,228M**
Total Liabilities and Shareholders' Equity	**$1,774M**	**$2,033M**

3Q12 Outlook [1]

	4Q Outlook
Revenue	$625 - $675M
Operating Income	$0 - $20M
Stock-Based Compensation	$30M

[1] The Company's fourth quarter 2012 outlook was provided in connection with third quarter 2012 earnings, on November 8, 2012. Groupon undertakes no duty to update this guidance.