

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

| | Three Months Ended June 30, | | Y/Y % Growth | FX Effect ⁽²⁾ | Y/Y % Growth excluding FX ⁽²⁾ | Six Months Ended June 30, | | Y/Y % Growth | FX Effect ⁽²⁾ | Y/Y % Growth excluding FX ⁽²⁾ |
|---|--------------------------------|--------------|-----------------|--------------------------|---|------------------------------|--------------|-----------------|--------------------------|---|
| | 2014 | 2013 | | | | 2014 | 2013 | | | |
| Gross Billings ⁽¹⁾: | | | | | | | | | | |
| North America | \$ 798,845 | \$ 712,205 | 12.2 % | \$ (650) | 12.3 % | \$ 1,580,614 | \$ 1,393,524 | 13.4 % | \$ (1,501) | 13.5 % |
| EMEA | 483,255 | 482,250 | 0.2 % | 21,215 | (4.2) % | 996,843 | 974,568 | 2.3 % | 36,442 | (1.5) % |
| Rest of World | 536,946 | 219,351 | 144.8 % | 9,424 | 140.5 % | 1,058,800 | 453,483 | 133.5 % | (15,222) | 136.8 % |
| Consolidated billings | \$ 1,819,046 | \$ 1,413,806 | 28.7 % | \$ 29,989 | 26.5 % | \$ 3,636,257 | \$ 2,821,575 | 28.9 % | \$ 19,719 | 28.2 % |
| Revenue: | | | | | | | | | | |
| North America | \$ 423,931 | \$ 377,182 | 12.4 % | \$ (214) | 12.5 % | \$ 854,993 | \$ 716,736 | 19.3 % | \$ (503) | 19.4 % |
| EMEA | 227,690 | 159,962 | 42.3 % | 10,221 | 36.0 % | 458,583 | 343,760 | 33.4 % | 17,090 | 28.4 % |
| Rest of World | 99,955 | 71,603 | 39.6 % | (2,994) | 43.8 % | 195,637 | 149,653 | 30.7 % | (12,442) | 39.0 % |
| Consolidated revenue | \$ 751,576 | \$ 608,747 | 23.5 % | \$ 7,013 | 22.3 % | \$ 1,509,213 | \$ 1,210,149 | 24.7 % | \$ 4,145 | 24.4 % |
| (Loss) income from operations | \$ (7,854) | \$ 27,412 | (128.7) % | \$ 1,209 | (133.1) % | \$ (27,807) | \$ 48,590 | (157.2) % | \$ 2,711 | (162.8) % |
| Net loss attributable to Groupon, Inc. | \$ (22,875) | \$ (7,574) | | | | \$ (60,670) | \$ (11,566) | | | |
| Net loss per share: | | | | | | | | | | |
| Basic | \$ (0.03) | \$ (0.01) | | | | \$ (0.09) | \$ (0.02) | | | |
| Diluted | \$ (0.03) | \$ (0.01) | | | | \$ (0.09) | \$ (0.02) | | | |
| Weighted average number of shares outstanding: | | | | | | | | | | |
| Basic | 675,538,392 | 662,361,436 | | | | 678,958,541 | 660,580,927 | | | |
| Diluted | 675,538,392 | 662,361,436 | | | | 678,958,541 | 660,580,927 | | | |

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

(2) Represents the change in financial measures that would have resulted had average exchange rates in the reporting periods been the same as those in effect during the three and six months ended June 30, 2013.

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

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|---------------------|-------------------|---------------------|
| | June 30, | | June 30, | |
| | 2014 | 2013 | 2014 | 2013 |
| Operating activities | | | | |
| Net loss | \$ (20,922) | \$ (5,551) | \$ (56,285) | \$ (8,793) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities: | | | | |
| Depreciation and amortization of property, equipment and software | 23,067 | 16,255 | 45,159 | 31,369 |
| Amortization of acquired intangible assets | 11,591 | 5,213 | 24,239 | 10,799 |
| Stock-based compensation | 31,655 | 32,446 | 55,384 | 62,353 |
| Deferred income taxes | (57) | (308) | 516 | (566) |
| Excess tax benefits on stock-based compensation | (4,077) | (2,936) | (9,932) | (3,768) |
| Loss on equity method investments | 420 | 14 | 368 | 33 |
| Net gain from changes in fair value of contingent consideration | - | (815) | (39) | (747) |
| Impairment of cost method investments | 191 | - | 588 | - |
| Change in assets and liabilities, net of acquisitions: | | | | |
| Restricted cash | (2,029) | 744 | 921 | 3,267 |
| Accounts receivable | (2,872) | 4,743 | (27,265) | (2,941) |
| Prepaid expenses and other current assets | (748) | 3,465 | (5,898) | 15,992 |
| Accounts payable | (12,468) | (3,225) | (5,153) | (22,831) |
| Accrued merchant and supplier payables | (18,296) | 1,442 | (41,945) | (37,975) |
| Accrued expenses and other current liabilities | (31,502) | (20,539) | (36,881) | (7,237) |
| Other, net | 3,300 | 12,354 | 12,759 | 13,107 |
| Net cash (used in) provided by operating activities | (22,747) | 43,302 | (43,464) | 52,062 |
| Net cash used in investing activities | (34,498) | (15,862) | (173,106) | (46,541) |
| Net cash used in financing activities | (114,753) | (7,941) | (156,245) | (17,283) |
| Effect of exchange rate changes on cash and cash equivalents | 1,262 | (3,138) | 431 | (15,516) |
| Net (decrease) increase in cash and cash equivalents | (170,736) | 16,361 | (372,384) | (27,278) |
| Cash and cash equivalents, beginning of period | 1,038,824 | 1,165,650 | 1,240,472 | 1,209,289 |
| Cash and cash equivalents, end of period | \$ 868,088 | \$ 1,182,011 | \$ 868,088 | \$ 1,182,011 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|------------------------------------|-------------------|----------------------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Revenue: | | | | |
| Third party and other | \$ 405,941 | \$ 418,871 | \$ 832,370 | \$ 857,979 |
| Direct | 345,635 | 189,876 | 676,843 | 352,170 |
| Total revenue | <u>751,576</u> | <u>608,747</u> | <u>1,509,213</u> | <u>1,210,149</u> |
| Cost of revenue: | | | | |
| Third party and other | 58,378 | 55,507 | 120,729 | 125,523 |
| Direct | 303,336 | 168,546 | 612,901 | 320,923 |
| Total cost of revenue | <u>361,714</u> | <u>224,053</u> | <u>733,630</u> | <u>446,446</u> |
| Gross profit | <u>389,862</u> | <u>384,694</u> | <u>775,583</u> | <u>763,703</u> |
| Operating expenses: | | | | |
| Marketing | 64,275 | 55,497 | 143,199 | 105,054 |
| Selling, general and administrative | 332,844 | 302,600 | 657,809 | 610,806 |
| Acquisition-related expense (benefit), net | 597 | (815) | 2,382 | (747) |
| Total operating expenses | <u>397,716</u> | <u>357,282</u> | <u>803,390</u> | <u>715,113</u> |
| (Loss) income from operations | <u>(7,854)</u> | <u>27,412</u> | <u>(27,807)</u> | <u>48,590</u> |
| Other expense, net | (1,023) | (5,579) | (1,863) | (10,662) |
| (Loss) income before provision for income taxes | <u>(8,877)</u> | <u>21,833</u> | <u>(29,670)</u> | <u>37,928</u> |
| Provision for income taxes | 12,045 | 27,384 | 26,615 | 46,721 |
| Net loss | <u>(20,922)</u> | <u>(5,551)</u> | <u>(56,285)</u> | <u>(8,793)</u> |
| Net income attributable to noncontrolling interests | (1,953) | (2,023) | (4,385) | (2,773) |
| Net loss attributable to Groupon, Inc. | <u>\$ (22,875)</u> | <u>\$ (7,574)</u> | <u>\$ (60,670)</u> | <u>\$ (11,566)</u> |
| Net loss per share | | | | |
| Basic | \$ (0.03) | \$ (0.01) | \$ (0.09) | \$ (0.02) |
| Diluted | \$ (0.03) | \$ (0.01) | \$ (0.09) | \$ (0.02) |
| Weighted average number of shares outstanding | | | | |
| Basic | 675,538,392 | 662,361,436 | 678,958,541 | 660,580,927 |
| Diluted | 675,538,392 | 662,361,436 | 678,958,541 | 660,580,927 |

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

| | <u>June 30, 2014</u> | <u>December 31, 2013</u> |
|--|----------------------|--------------------------|
| | <u>(unaudited)</u> | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 868,088 | \$ 1,240,472 |
| Accounts receivable, net | 134,127 | 83,673 |
| Deferred income taxes | 30,033 | 27,938 |
| Prepaid expenses and other current assets | 237,092 | 210,415 |
| Total current assets | 1,269,340 | 1,562,498 |
| Property, equipment and software, net | 173,403 | 134,423 |
| Goodwill | 460,972 | 220,827 |
| Intangible assets, net | 136,182 | 28,443 |
| Investments | 23,588 | 20,652 |
| Deferred income taxes, non-current | 45,062 | 35,941 |
| Other non-current assets | 28,892 | 39,226 |
| Total Assets | \$ 2,137,439 | \$ 2,042,010 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 31,002 | \$ 27,573 |
| Accrued merchant and supplier payables | 803,374 | 752,943 |
| Accrued expenses | 234,355 | 226,986 |
| Deferred income taxes | 48,915 | 47,558 |
| Other current liabilities | 127,434 | 132,718 |
| Total current liabilities | 1,245,080 | 1,187,778 |
| Deferred income taxes, non-current | 12,871 | 10,853 |
| Other non-current liabilities | 148,552 | 131,697 |
| Total Liabilities | 1,406,503 | 1,330,328 |
| Commitments and contingencies | | |
| Stockholders' Equity | | |
| Class A common stock, par value \$0.0001 per share, 2,000,000,000 shares authorized, 690,335,467 shares issued and 665,598,175 shares outstanding at June 30, 2014 and 670,149,976 shares issued and 665,717,176 shares outstanding at December 31, 2013 | 69 | 67 |
| Class B common stock, par value \$0.0001 per share, 10,000,000 shares authorized, 2,399,976 shares issued and outstanding at June 30, 2014 and December 31, 2013 | - | - |
| Common stock, par value \$0.0001 per share, 2,010,000,000 shares authorized, no shares issued and outstanding at June 30, 2014 and December 31, 2013 | - | - |
| Additional paid-in capital | 1,791,896 | 1,584,211 |
| Treasury stock, at cost, 24,737,292 shares at June 30, 2014 and 4,432,800 shares at December 31, 2013 | (182,046) | (46,587) |
| Accumulated deficit | (909,540) | (848,870) |
| Accumulated other comprehensive income | 32,712 | 24,830 |
| Total Groupon, Inc. Stockholders' Equity | 733,091 | 713,651 |
| Noncontrolling interests | (2,155) | (1,969) |
| Total Equity | 730,936 | 711,682 |
| Total Liabilities and Equity | \$ 2,137,439 | \$ 2,042,010 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-------------|---------------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| North America | | | | |
| Gross billings ⁽¹⁾ | \$ 798,845 | \$ 712,205 | \$ 1,580,614 | \$ 1,393,524 |
| Revenue | \$ 423,931 | \$ 377,182 | \$ 854,993 | \$ 716,736 |
| Segment cost of revenue and operating expenses ⁽²⁾ | 409,386 | 328,674 | 829,063 | 626,862 |
| Segment operating income ⁽²⁾ | \$ 14,545 | \$ 48,508 | \$ 25,930 | \$ 89,874 |
| <i>Segment operating income as a percent of segment gross billings</i> | 1.8 % | 6.8 % | 1.6 % | 6.4 % |
| <i>Segment operating income as a percent of segment revenue</i> | 3.4 % | 12.9 % | 3.0 % | 12.5 % |
| EMEA | | | | |
| Gross billings ⁽¹⁾ | \$ 483,255 | \$ 482,250 | \$ 996,843 | \$ 974,568 |
| Revenue | \$ 227,690 | \$ 159,962 | \$ 458,583 | \$ 343,760 |
| Segment cost of revenue and operating expenses ⁽²⁾ | 199,981 | 135,254 | 411,951 | 284,876 |
| Segment operating income ⁽²⁾ | \$ 27,709 | \$ 24,708 | \$ 46,632 | \$ 58,884 |
| <i>Segment operating income as a percent of segment gross billings</i> | 5.7 % | 5.1 % | 4.7 % | 6.0 % |
| <i>Segment operating income as a percent of segment revenue</i> | 12.2 % | 15.4 % | 10.2 % | 17.1 % |
| Rest of World | | | | |
| Gross billings ⁽¹⁾ | \$ 536,946 | \$ 219,351 | \$ 1,058,800 | \$ 453,483 |
| Revenue | \$ 99,955 | \$ 71,603 | \$ 195,637 | \$ 149,653 |
| Segment cost of revenue and operating expenses ⁽²⁾ | 117,811 | 85,776 | 238,240 | 188,215 |
| Segment operating loss ⁽²⁾ | \$ (17,856) | \$ (14,173) | \$ (42,603) | \$ (38,562) |
| <i>Segment operating loss as a percent of segment gross billings</i> | (3.3) % | (6.5) % | (4.0) % | (8.5) % |
| <i>Segment operating loss as a percent of segment revenue</i> | (17.9) % | (19.8) % | (21.8) % | (25.8) % |

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

(2) Segment cost of revenue and operating expenses and segment operating income (loss) exclude stock-based compensation and acquisition-related expense (benefit), net.

Groupon, Inc.
Non-GAAP Reconciliation Schedules
(in thousands, except share and per share amounts)
(unaudited)

Adjusted EBITDA and earnings (loss) per share excluding stock-based compensation, amortization of acquired intangible assets and acquisition-related (benefit) expense, net of tax, are non-GAAP financial measures. The Company reconciles Adjusted EBITDA to the most comparable U.S. GAAP financial measure, "Net loss," for the periods presented and the Company reconciles earnings (loss) per share excluding stock-based compensation, amortization of acquired intangible assets and acquisition-related (benefit) expense, net to the most comparable U.S. GAAP financial measure, "Diluted net earnings (loss) per share," for the periods presented.

The following is a quarterly reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP financial measure, "Net loss."

| | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 |
|--|------------|------------|-------------|-------------|-------------|
| Net loss | \$ (5,551) | \$ (1,292) | \$ (78,861) | \$ (35,363) | \$ (20,922) |
| Adjustments: | | | | | |
| Stock-based compensation | 32,446 | 26,870 | 32,239 | 23,729 | 31,655 |
| Acquisition-related (benefit) expense, net | (815) | (1,529) | 2,265 | 1,785 | 597 |
| Depreciation and amortization | 21,468 | 23,149 | 24,132 | 34,740 | 34,658 |
| Other expense (income), net | 5,579 | (832) | 84,833 | 840 | 1,023 |
| Provision for income taxes | 27,384 | 15,936 | 7,380 | 14,570 | 12,045 |
| Total adjustments | 86,062 | 63,594 | 150,849 | 75,664 | 79,978 |
| Adjusted EBITDA | \$ 80,511 | \$ 62,302 | \$ 71,988 | \$ 40,301 | \$ 59,056 |

The following is a reconciliation of diluted net loss per share to diluted earnings (loss) per share excluding stock-based compensation, amortization of acquired intangible assets and acquisition-related expense, net for the three and six months ended June 30, 2014:

| | Three Months Ended June 30, 2014 | Six Months Ended June 30, 2014 |
|---|-------------------------------------|-----------------------------------|
| Net loss attributable to Groupon, Inc. | \$ (22,875) | \$ (60,670) |
| Stock-based compensation | 31,655 | 55,384 |
| Amortization of acquired intangible assets | 11,591 | 24,239 |
| Acquisition-related expense, net | 597 | 2,382 |
| Income tax effect of adjustments | (15,348) | (23,726) |
| Net earnings (loss) attributable to common stockholders excluding stock-based compensation, amortization of acquired intangible assets and acquisition-related expense, net | \$ 5,620 | \$ (2,391) |
| Diluted shares | 675,538,392 | 678,958,541 |
| Incremental diluted shares ⁽¹⁾ | 8,823,049 | - |
| Adjusted diluted shares | 684,361,441 | 678,958,541 |
| Diluted net loss per share | \$ (0.03) | \$ (0.09) |
| Impact of stock-based compensation, amortization of acquired intangible assets and acquisition-related expense, net | 0.04 | 0.09 |
| Diluted earnings (loss) per share excluding stock-based compensation, amortization of acquired intangible assets and acquisition-related expense, net | \$ 0.01 | \$ (0.00) |

(1) Outstanding equity awards are not reflected in the calculation for the six months ended June 30, 2014 because the effect would be antidilutive.

Foreign exchange rate neutral operating results are non-GAAP financial measures. The Company reconciles foreign exchange rate neutral operating results to the most comparable U.S. GAAP financial measures, "Gross billings," "Revenue" and "(Loss) income from operations," respectively, for the periods presented. The Company reconciles "foreign exchange rate neutral Gross billings growth" and "foreign exchange rate neutral Revenue growth" to year-over-year growth rates for the most comparable U.S. GAAP financial measures, "Gross billings growth" and "Revenue growth," respectively, for the periods presented.

The effect on the Company's gross billings, revenue and (loss) income from operations from changes in exchange rates versus the U.S. Dollar for the three months ended June 30, 2014 was as follows:

| | Three Months Ended June 30, 2014 | | | Three Months Ended June 30, 2014 | | |
|-------------------------------|--|---|----------------|--|---|----------------|
| | At Avg. Q2 2013 Rates ⁽¹⁾ | Exchange Rate Effect ⁽²⁾ | As Reported | At Avg. Q1 2014 Rates ⁽³⁾ | Exchange Rate Effect ⁽²⁾ | As Reported |
| Gross billings | \$ 1,789,057 | \$ 29,989 | \$ 1,819,046 | \$ 1,801,262 | \$ 17,784 | \$ 1,819,046 |
| Revenue | \$ 744,563 | \$ 7,013 | \$ 751,576 | \$ 748,425 | \$ 3,151 | \$ 751,576 |
| (Loss) income from operations | \$ (9,063) | \$ 1,209 | \$ (7,854) | \$ (7,216) | \$ (638) | \$ (7,854) |

The effect on the Company's gross billings, revenue and (loss) income from operations from changes in exchange rates versus the U.S. Dollar for the six months ended June 30, 2014 was as follows:

| | Six Months Ended June 30, 2014 | | | Six Months Ended June 30, 2014 | | |
|-------------------------------|--|---|----------------|--|---|----------------|
| | At Avg. Q2 2013 YTD Rates ⁽¹⁾ | Exchange Rate Effect ⁽²⁾ | As Reported | At Avg. Q4'13 - Q1'14 Rates ⁽³⁾ | Exchange Rate Effect ⁽²⁾ | As Reported |
| Gross billings | \$ 3,616,538 | \$ 19,719 | \$ 3,636,257 | \$ 3,627,234 | \$ 9,023 | \$ 3,636,257 |
| Revenue | \$ 1,505,068 | \$ 4,145 | \$ 1,509,213 | \$ 1,508,271 | \$ 942 | \$ 1,509,213 |
| (Loss) income from operations | \$ (30,518) | \$ 2,711 | \$ (27,807) | \$ (28,063) | \$ 256 | \$ (27,807) |

(1) Represents the financial statement balances that would have resulted had average exchange rates in the reporting period been the same as those in effect during the three and six months ended June 30, 2013.

(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 financial statement balances that would have resulted had average exchange rates in the reporting periods been the same as those in effect during the three and six months ended March 31, 2014.

The following is a quarterly reconciliation of foreign exchange rate neutral Gross billings growth from the comparable quarterly periods of the prior year to reported Gross billings growth from the comparable quarterly periods of the prior year.

| | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 |
|---|---------|---------|---------|---------|---------|
| EMEA Gross billings growth, excluding FX | 4 % | 9 % | 3 % | 1 % | (4) % |
| FX Effect | - % | 3 % | 3 % | 3 % | 4 % |
| EMEA Gross billings growth | 4 % | 12 % | 6 % | 4 % | - % |
| Rest of World Gross billings growth, excluding FX | (16) % | (4) % | (2) % | 133 % | 141 % |
| FX Effect | (5) % | (9) % | (9) % | (10) % | 4 % |
| Rest of World Gross billings growth | (21) % | (13) % | (11) % | 123 % | 145 % |
| Consolidated Gross billings growth, excluding FX | 11 % | 11 % | 5 % | 30 % | 27 % |
| FX Effect | (1) % | (1) % | - % | (1) % | 2 % |
| Consolidated Gross billings growth | 10 % | 10 % | 5 % | 29 % | 29 % |

The following is a quarterly reconciliation of foreign exchange rate neutral Revenue growth from the comparable quarterly periods of the prior year to reported Revenue growth from the comparable quarterly periods of the prior year.

| | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 |
|--|---------|---------|---------|---------|---------|
| EMEA Revenue growth, excluding FX | (25) % | (23) % | 38 % | 22 % | 36 % |
| FX Effect | 1 % | 2 % | 5 % | 4 % | 6 % |
| EMEA Revenue growth | (24) % | (21) % | 43 % | 26 % | 42 % |
| Rest of World Revenue growth, excluding FX | (21) % | 7 % | (6) % | 35 % | 44 % |
| FX Effect | (5) % | (11) % | (9) % | (12) % | (4) % |
| Rest of World Revenue growth | (26) % | (4) % | (15) % | 23 % | 40 % |
| Consolidated Revenue growth, excluding FX | 8 % | 6 % | 20 % | 26 % | 22 % |
| FX Effect | (1) % | (1) % | - % | - % | 2 % |
| Consolidated Revenue growth | 7 % | 5 % | 20 % | 26 % | 24 % |

Groupon, Inc.
Supplemental Financial Information and Business Metrics⁽⁹⁾
(financial data in thousands, except per share data; active customers in millions)
(unaudited)

| | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 |
|--|--------------|--------------|--------------|--------------|--------------|
| Segments | | | | | |
| North America Segment | | | | | |
| Gross Billings ⁽¹⁾ | | | | | |
| Local ⁽²⁾ Gross Billings | \$ 453,030 | \$ 405,913 | \$ 439,131 | \$ 456,952 | \$ 461,366 |
| Goods Gross Billings | 196,878 | 194,565 | 286,039 | 242,896 | 247,618 |
| Travel ⁽²⁾ Gross Billings | 62,297 | 64,521 | 63,551 | 81,921 | 89,861 |
| Total Gross Billings | \$ 712,205 | \$ 664,999 | \$ 788,721 | \$ 781,769 | \$ 798,845 |
| Year-over-year growth | 30 % | 20 % | 10 % | 15 % | 12 % |
| % Third Party and Other | 74 % | 72 % | 67 % | 70 % | 70 % |
| % Direct | 26 % | 28 % | 33 % | 30 % | 30 % |
| Gross Billings Trailing Twelve Months (TTM) | \$ 2,664,845 | \$ 2,777,475 | \$ 2,847,244 | \$ 2,947,694 | \$ 3,034,334 |
| Revenue ⁽³⁾ | | | | | |
| Local Revenue | \$ 177,377 | \$ 162,346 | \$ 161,601 | \$ 177,247 | \$ 164,500 |
| Goods Revenue | 186,028 | 185,914 | 268,281 | 237,435 | 241,626 |
| Travel Revenue | 13,777 | 12,578 | 13,902 | 16,380 | 17,805 |
| Total Revenue | \$ 377,182 | \$ 360,838 | \$ 443,784 | \$ 431,062 | \$ 423,931 |
| Year-over-year growth | 45 % | 24 % | 18 % | 27 % | 12 % |
| % Third Party and Other | 52 % | 49 % | 41 % | 45 % | 43 % |
| % Direct | 48 % | 51 % | 59 % | 55 % | 57 % |
| Revenue TTM | \$ 1,383,690 | \$ 1,452,925 | \$ 1,521,358 | \$ 1,612,866 | \$ 1,659,615 |
| Gross Profit ⁽⁴⁾ | | | | | |
| Local Gross Profit | \$ 155,728 | \$ 138,890 | \$ 140,944 | \$ 152,622 | \$ 142,674 |
| % of North America Total Local Gross Billings | 34.4 % | 34.2 % | 32.1 % | 33.4 % | 30.9 % |
| Goods Gross Profit | 26,977 | 21,609 | 21,030 | 12,604 | 22,961 |
| % of North America Total Goods Gross Billings | 13.7 % | 11.1 % | 7.4 % | 5.2 % | 9.3 % |
| Travel Gross Profit | 11,881 | 11,070 | 12,352 | 14,442 | 14,365 |
| % of North America Total Travel Gross Billings | 19.1 % | 17.2 % | 19.4 % | 17.6 % | 16.0 % |
| Total Gross Profit | \$ 194,586 | \$ 171,569 | \$ 174,326 | \$ 179,668 | \$ 180,000 |
| Year-over-year growth | 12 % | 7 % | 15 % | 4 % | (7) % |
| % Third Party and Other | 88 % | 90 % | 91 % | 94 % | 88 % |
| % Direct | 12 % | 10 % | 9 % | 6 % | 12 % |
| % of North America Total Gross Billings | 27.3 % | 25.8 % | 22.1 % | 23.0 % | 22.5 % |
| EMEA Segment | | | | | |
| Gross Billings | | | | | |
| Local Gross Billings | \$ 241,856 | \$ 207,803 | \$ 277,472 | \$ 262,141 | \$ 227,266 |
| Goods Gross Billings | 167,594 | 169,849 | 219,880 | 183,013 | 190,957 |
| Travel Gross Billings | 72,800 | 65,666 | 68,361 | 68,434 | 65,032 |
| Total Gross Billings | \$ 482,250 | \$ 443,318 | \$ 565,713 | \$ 513,588 | \$ 483,255 |
| Year-over-year growth | 4 % | 12 % | 6 % | 4 % | - % |
| Year-over-year growth, excluding FX ⁽⁵⁾ | 4 % | 9 % | 3 % | 1 % | (4) % |
| % Third Party and Other | 100 % | 98 % | 83 % | 83 % | 80 % |
| % Direct | - % | 2 % | 17 % | 17 % | 20 % |
| Gross Billings TTM | \$ 1,903,136 | \$ 1,950,367 | \$ 1,983,599 | \$ 2,004,869 | \$ 2,005,874 |
| Revenue | | | | | |
| Local Revenue | \$ 110,229 | \$ 92,141 | \$ 116,061 | \$ 109,120 | \$ 96,485 |
| Goods Revenue | 35,119 | 41,279 | 119,274 | 106,889 | 115,413 |
| Travel Revenue | 14,614 | 14,530 | 15,870 | 14,884 | 15,792 |
| Total Revenue | \$ 159,962 | \$ 147,950 | \$ 251,205 | \$ 230,893 | \$ 227,690 |
| Year-over-year growth | (24) % | (21) % | 43 % | 26 % | 42 % |
| Year-over-year growth, excluding FX | (25) % | (23) % | 38 % | 22 % | 36 % |
| % Third Party and Other | 99 % | 94 % | 61 % | 61 % | 57 % |
| % Direct | 1 % | 6 % | 39 % | 39 % | 43 % |
| Revenue TTM | \$ 707,325 | \$ 667,988 | \$ 742,915 | \$ 790,010 | \$ 857,738 |
| Gross Profit | | | | | |
| Local Gross Profit | \$ 99,318 | \$ 81,808 | \$ 105,210 | \$ 100,066 | \$ 90,373 |
| % of EMEA Total Local Gross Billings | 41.1 % | 39.4 % | 37.9 % | 38.2 % | 39.8 % |
| Goods Gross Profit | 27,108 | 28,943 | 33,526 | 27,302 | 35,432 |
| % of EMEA Total Goods Gross Billings | 16.2 % | 17.0 % | 15.2 % | 14.9 % | 18.6 % |
| Travel Gross Profit | 13,105 | 12,930 | 14,457 | 13,669 | 14,894 |
| % of EMEA Total Travel Gross Billings | 18.0 % | 19.7 % | 21.1 % | 20.0 % | 22.9 % |
| Total Gross Profit | \$ 139,531 | \$ 123,681 | \$ 153,193 | \$ 141,037 | \$ 140,699 |
| Year-over-year growth | (24) % | (24) % | 7 % | (8) % | 1 % |
| % Third Party and Other | 101 % | 99 % | 91 % | 92 % | 85 % |
| % Direct | (1) % | 1 % | 9 % | 8 % | 15 % |
| % of EMEA Total Gross Billings | 28.9 % | 27.9 % | 27.1 % | 27.5 % | 29.1 % |
| Rest of World Segment | | | | | |
| Gross Billings | | | | | |
| Local Gross Billings | \$ 115,156 | \$ 118,718 | \$ 116,824 | \$ 167,833 | \$ 170,237 |
| Goods Gross Billings | 72,399 | 78,973 | 89,451 | 283,091 | 281,300 |
| Travel Gross Billings | 31,796 | 36,640 | 32,398 | 70,930 | 85,409 |
| Total Gross Billings | \$ 219,351 | \$ 234,331 | \$ 238,673 | \$ 521,854 | \$ 536,946 |
| Year-over-year growth | (21) % | (13) % | (11) % | 123 % | 145 % |
| Year-over-year growth, excluding FX | (16) % | (4) % | (2) % | 133 % | 141 % |
| % Third Party and Other | 97 % | 97 % | 97 % | 99 % | 99 % |
| % Direct | 3 % | 3 % | 3 % | 1 % | 1 % |
| Gross Billings TTM | \$ 992,302 | \$ 956,833 | \$ 926,487 | \$ 1,214,209 | \$ 1,531,804 |
| Revenue | | | | | |
| Local Revenue | \$ 43,849 | \$ 51,900 | \$ 40,847 | \$ 43,814 | \$ 42,711 |
| Goods Revenue | 20,610 | 25,061 | 26,158 | 41,855 | 45,537 |
| Travel Revenue | 7,144 | 9,310 | 6,453 | 10,013 | 11,707 |
| Total Revenue | \$ 71,603 | \$ 86,271 | \$ 73,458 | \$ 95,682 | \$ 99,955 |
| Year-over-year growth | (26) % | (4) % | (15) % | 23 % | 40 % |
| Year-over-year growth, excluding FX | (21) % | 7 % | (6) % | 35 % | 44 % |
| % Third Party and Other | 92 % | 91 % | 90 % | 94 % | 93 % |
| % Direct | 8 % | 9 % | 10 % | 6 % | 7 % |
| Revenue TTM | \$ 325,988 | \$ 322,597 | \$ 309,382 | \$ 327,014 | \$ 355,366 |
| Gross Profit | | | | | |
| Local Gross Profit | \$ 35,885 | \$ 44,435 | \$ 33,596 | \$ 34,748 | \$ 35,618 |
| % of Rest of World Total Local Gross Billings | 31.2 % | 37.4 % | 28.8 % | 20.7 % | 20.9 % |
| Goods Gross Profit | 8,966 | 12,016 | 11,781 | 22,135 | 24,623 |
| % of Rest of World Total Goods Gross Billings | 12.4 % | 15.2 % | 13.2 % | 7.8 % | 8.8 % |
| Travel Gross Profit | 5,726 | 7,921 | 5,312 | 8,133 | 8,922 |
| % of Rest of World Total Travel Gross Billings | 18.0 % | 21.6 % | 16.4 % | 11.5 % | 10.4 % |
| Total Gross Profit | \$ 50,577 | \$ 64,372 | \$ 50,689 | \$ 65,016 | \$ 69,163 |
| Year-over-year growth | (33) % | 1 % | (16) % | 23 % | 37 % |
| % Third Party and Other | 101 % | 99 % | 101 % | 102 % | 100 % |
| % Direct | (1) % | 1 % | (1) % | (2) % | - % |
| % of Rest of World Total Gross Billings | 23.1 % | 27.5 % | 21.2 % | 12.5 % | 12.9 % |

| | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 |
|--|--------------|--------------|--------------|--------------|--------------|
| Consolidated Results of Operations | | | | | |
| Gross Billings | | | | | |
| Local Gross Billings | \$ 810,042 | \$ 732,434 | \$ 833,427 | \$ 886,926 | \$ 858,869 |
| Goods Gross Billings | 436,871 | 443,387 | 595,370 | 709,000 | 719,875 |
| Travel Gross Billings | 166,893 | 166,827 | 164,310 | 221,285 | 240,302 |
| Total Gross Billings | \$ 1,413,806 | \$ 1,342,648 | \$ 1,593,107 | \$ 1,817,211 | \$ 1,819,046 |
| Year-over-year growth | 10 % | 10 % | 5 % | 29 % | 29 % |
| Year-over-year growth, excluding FX | 11 % | 11 % | 5 % | 30 % | 27 % |
| % Third Party and Other | 87 % | 85 % | 77 % | 82 % | 81 % |
| % Direct | 13 % | 15 % | 23 % | 18 % | 19 % |
| Gross Billings (TTM) | \$ 5,560,283 | \$ 5,684,675 | \$ 5,757,330 | \$ 6,166,772 | \$ 6,572,012 |
| Year-over-year growth | 11 % | 12 % | 7 % | 14 % | 18 % |
| Revenue | | | | | |
| Local Revenue | \$ 331,455 | \$ 306,387 | \$ 318,509 | \$ 330,181 | \$ 303,696 |
| Goods Revenue | 241,757 | 252,254 | 413,713 | 386,179 | 402,576 |
| Travel Revenue | 35,535 | 36,418 | 36,225 | 41,277 | 45,304 |
| Total Revenue | \$ 608,747 | \$ 595,059 | \$ 768,447 | \$ 757,637 | \$ 751,576 |
| Year-over-year growth | 7 % | 5 % | 20 % | 26 % | 23 % |
| Year-over-year growth, excluding FX | 8 % | 6 % | 20 % | 26 % | 22 % |
| % Third Party and Other | 69 % | 66 % | 52 % | 56 % | 54 % |
| % Direct | 31 % | 34 % | 48 % | 44 % | 46 % |
| Total Consolidated Revenue TTM | \$ 2,417,003 | \$ 2,443,510 | \$ 2,573,655 | \$ 2,729,890 | \$ 2,872,719 |
| Year-over-year growth | 18 % | 12 % | 10 % | 15 % | 19 % |
| Gross Profit | | | | | |
| Local Gross Profit | \$ 290,931 | \$ 265,133 | \$ 279,750 | \$ 287,436 | \$ 268,665 |
| % of Total Consolidated Local Gross Billings | 35.9 % | 36.2 % | 33.6 % | 32.4 % | 31.3 % |
| Goods Gross Profit | 63,051 | 62,568 | 66,337 | 62,041 | 83,016 |
| % of Total Consolidated Goods Gross Billings | 14.4 % | 14.1 % | 11.1 % | 8.8 % | 11.5 % |
| Travel Gross Profit | 30,712 | 31,921 | 32,121 | 36,244 | 38,181 |
| % of Total Consolidated Travel Gross Billings | 18.4 % | 19.1 % | 19.5 % | 16.4 % | 15.9 % |
| Total Gross Profit | \$ 384,694 | \$ 359,622 | \$ 378,208 | \$ 385,721 | \$ 389,862 |
| Year-over-year growth | (11) % | (7) % | 6 % | 2 % | 1 % |
| % Third Party and Other | 94 % | 95 % | 92 % | 94 % | 89 % |
| % Direct | 6 % | 5 % | 8 % | 6 % | 11 % |
| % of Total Consolidated Gross Billings | 27.2 % | 26.8 % | 23.7 % | 21.2 % | 21.4 % |
| Adjusted EBITDA | \$ 80,511 | \$ 62,302 | \$ 71,988 | \$ 40,301 | \$ 59,056 |
| % of Total Consolidated Gross Billings | 5.7 % | 4.6 % | 4.5 % | 2.2 % | 3.2 % |
| % of Total Consolidated Revenue | 13.2 % | 10.5 % | 9.4 % | 5.3 % | 7.9 % |
| Free cash flow is a non-GAAP financial measure. The following is a reconciliation of free cash flow to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities." | | | | | |
| Net cash provided by (used in) operating activities | \$ 43,302 | \$ (11,905) | \$ 178,275 | \$ (20,717) | \$ (22,747) |
| Purchases of property and equipment and capitalized software | (14,042) | (15,064) | (19,931) | (16,355) | (31,053) |
| Free cash flow | \$ 29,260 | \$ (26,969) | \$ 158,344 | \$ (37,072) | \$ (53,800) |
| Net cash provided by operating activities (TTM) | \$ 159,867 | \$ 105,874 | \$ 218,432 | \$ 188,955 | \$ 122,906 |
| Purchases of property and equipment and capitalized software (TTM) | (84,554) | (83,608) | (63,505) | (65,392) | (82,403) |
| Free cash flow (TTM) | \$ 75,313 | \$ 22,266 | \$ 154,927 | \$ 123,563 | \$ 40,503 |
| Net cash used in investing activities | \$ (15,862) | \$ (26,444) | \$ (23,330) | \$ (138,608) | \$ (34,498) |
| Net cash used in financing activities | \$ (7,941) | \$ (8,970) | \$ (55,444) | \$ (41,492) | \$ (114,753) |
| Net cash used in investing activities (TTM) | \$ (134,923) | \$ (125,738) | \$ (96,315) | \$ (204,244) | \$ (222,880) |
| Net cash used in financing activities (TTM) | \$ (21,071) | \$ (32,748) | \$ (81,697) | \$ (113,847) | \$ (220,659) |
| Other Metrics | | | | | |
| Active Customers⁽⁶⁾ | | | | | |
| North America | 19.1 | 19.9 | 20.8 | 21.8 | 22.6 |
| EMEA | 13.9 | 14.0 | 14.2 | 14.5 | 14.5 |
| Rest of World | 9.6 | 9.6 | 9.9 | 15.5 | 16.1 |
| Total Active Customers | 42.6 | 43.5 | 44.9 | 51.8 | 53.2 |
| TTM Gross Billings / Average Active Customer⁽⁷⁾ | | | | | |
| North America | \$ 156 | \$ 155 | \$ 150 | \$ 147 | \$ 145 |
| EMEA | \$ 135 | \$ 137 | \$ 139 | \$ 141 | \$ 141 |
| Rest of World | \$ 108 | \$ 102 | \$ 95 | \$ 97 | \$ 119 |
| Consolidated | \$ 138 | \$ 137 | \$ 134 | \$ 132 | \$ 137 |
| Headcount | | | | | |
| Sales⁽⁸⁾ | | | | | |
| % North America | 26 % | 28 % | 29 % | 27 % | 26 % |
| % EMEA | 39 % | 37 % | 37 % | 37 % | 39 % |
| % Rest of World | 35 % | 35 % | 34 % | 36 % | 35 % |
| Other | 6,306 | 6,453 | 6,449 | 7,099 | 6,888 |
| Total Headcount | 10,985 | 11,254 | 11,283 | 12,330 | 11,945 |

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

(2) Local represents deals from local merchants, deals with national merchants, and deals through local events. Other revenue transactions, which include advertising, payment processing, point of sale, reservation and commission revenue, were previously aggregated with our Travel category. During the three months ended March 31, 2014, the Company updated its presentation of category information to include gross billings, revenue and gross profit from those other revenue sources within the Local category, and prior period category information has been retrospectively adjusted to conform to the current period presentation.

(3) Includes third party revenue, direct revenue and other revenue. 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 primarily 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. Other revenue primarily consists of advertising revenue, payment processing revenue, point of sale revenue, reservation revenue and commission revenue.

(4) Represents third party revenue, direct revenue and other revenue reduced by cost of revenue. Cost of revenue is comprised of direct and certain indirect costs incurred to generate revenue. Third party cost of revenue includes estimated refunds for which the merchant's share is not recoverable. Direct cost of revenue includes the cost of inventory, shipping and fulfillment costs and inventory markdowns. Other costs incurred to generate revenue are allocated to cost of third party and other revenue and direct revenue for each of our categories (Local, Goods, and Travel) in proportion to gross billings during the period.

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

(6) Reflects the total number of unique user accounts who have purchased a voucher or product from us during the trailing twelve months.

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

(8) Includes merchant sales representatives, as well as sales support.

(9) The definition, methodology and appropriateness of each of our supplemental metrics is reviewed periodically. As a result, metrics are subject to removal and/or change.