

Ticket Monster Update

April 20, 2015

Important Information

Forward-Looking Statement

The statements contained in this presentation that refer to plans and expectations for the next quarter, the full year 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, volatility in our revenue and operating results; risks related to our business strategy including our marketing strategy and spend; effectively dealing with challenges arising from our international operations; retaining existing customers and adding new customers; retaining and adding new and high quality merchants; cyber security breaches; incurring expenses as we expand our business; competing successfully in our industry; maintaining favorable payment terms with our business partners; providing a strong mobile experience for our customers; delivery and routing of our emails; maintaining a strong brand; managing inventory and order fulfillment risks; integrating our technology platforms; managing refund risks; retaining our executive team; litigation; compliance with domestic and foreign laws and regulations, including the CARD Act and regulation of the Internet and e-commerce; tax liabilities; tax legislation; maintaining our information technology infrastructure; protecting our intellectual property; handling acquisitions, joint ventures and strategic investments effectively; seasonality; payment-related risks; customer and merchant fraud; global economic uncertainty; 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 April 20, 2015. Groupon undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this release 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.

Non-GAAP Financial Measures

In addition to financial results reported in accordance with U.S. generally accepted accounting principles (U.S. GAAP), we have provided the following non-GAAP financial measures in this presentation: Adjusted EBITDA and Non-GAAP earnings (loss) per share. These non-GAAP financial measures are presented to aid investors in better understanding Groupon's performance and to facilitate comparisons to many of our peers who present similar measures. However, these measures are not intended to be a substitute for those reported in accordance with U.S. GAAP. These measures may be different from non-GAAP financial measures used by other companies, even when similar terms are used to identify such measures.

Adjusted EBITDA is a non-GAAP financial measure that we define as net income (loss) from continuing operations excluding income taxes, interest and other non-operating items, depreciation and amortization, stock-based compensation, and acquisition-related expense (benefit), net. Our definition of Adjusted EBITDA may differ from similar measures used by other companies, even when similar terms are used to identify such measures. Adjusted EBITDA is a key measure used by our management and Board of Directors to evaluate operating performance, generate future plans and make strategic decisions regarding the allocation of capital. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors.

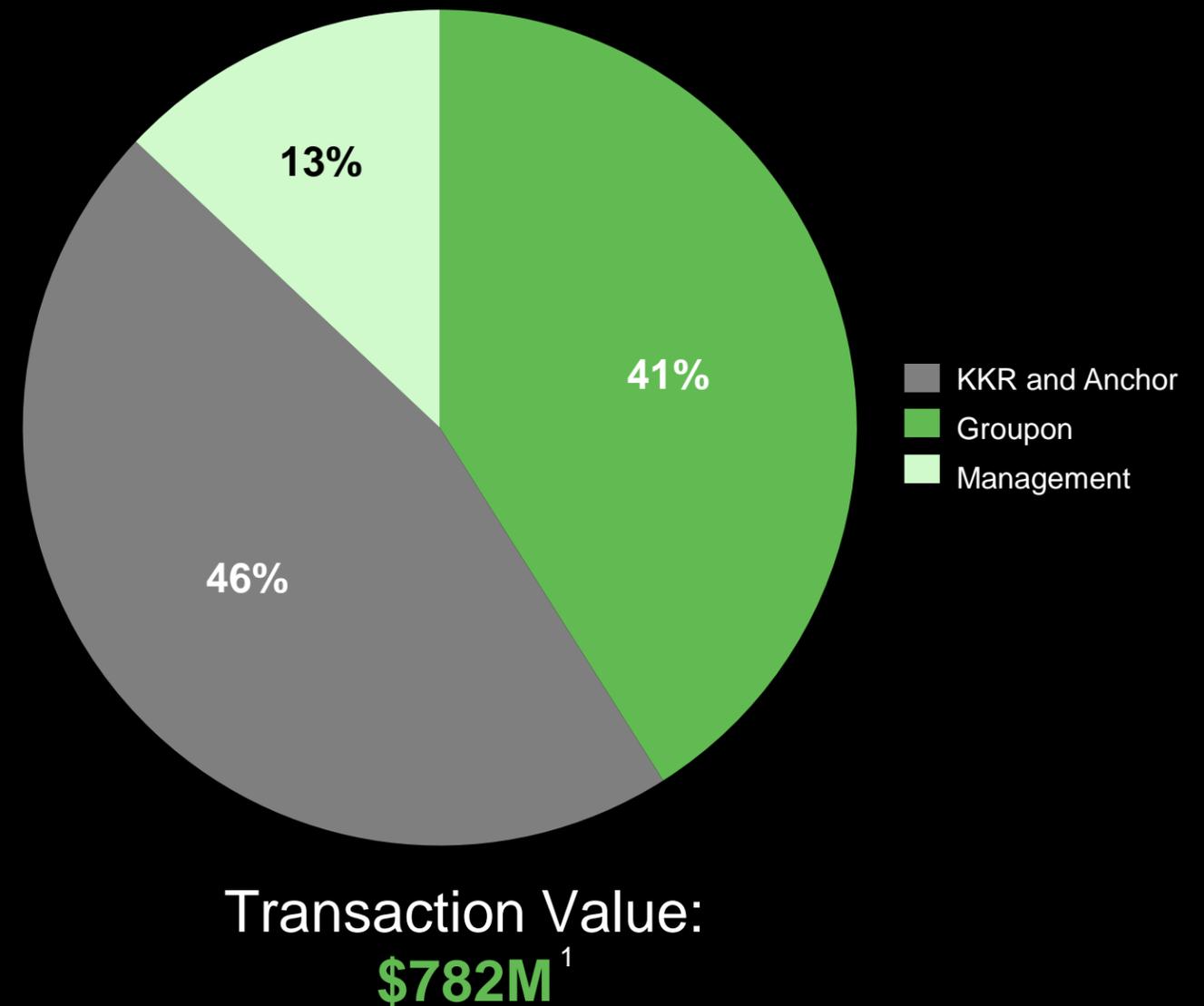
Non-GAAP earnings (loss) per share adjusts our earnings (loss) per share to exclude income (loss) from discontinued operations, the impact of stock-based compensation expense, amortization of acquired intangible assets, acquisition-related expense (benefit), net, and non-operating foreign currency gains and losses on intercompany balances, and the income tax effect of those items. We believe that this non-GAAP financial measure provides useful supplemental information for evaluating our operating performance.

Overview of Sale of Ticket Monster Stake

Transaction Overview¹

- Controlling stake sold to **KKR** and **Anchor Equity Partners** for **\$360M in cash**²
- **Management** to be issued a **13% stake**, subject to timing and performance-based vesting conditions
- The investments value TMON at **\$782M** on a fully diluted basis
- Groupon will retain a **41% stake** on a fully diluted basis
- Proceeds expected to be used for **general corporate purposes** and **share repurchases**
- Transaction expected to **close in 2Q15**, subject to regulatory and customary closing conditions
- Gain on sale is expected to be between **\$195M and \$205M** on a pre-tax basis

TMON Ownership¹



(1) Represents transaction value on a fully diluted basis, assuming a full vesting of management's stake.

(2) Of the \$360 million paid in cash, Groupon will receive \$285 million, with the remainder to be retained by TMON.

Impact of Discontinued Operations

TMON to be Presented as a Discontinued Operation

- Under discontinued operations presentation, TMON results will be excluded from Groupon revenues and expenses
- Historical results will be recast to reflect this presentation
- The impact of TMON on Groupon's financial statements in 2014 is shown here
- Details for 1Q15 will be reported in connection with Groupon's 1Q15 earnings on May 5, 2015
- Going forward, Groupon's minority stake in TMON will be reflected as a non-operating item within Other Income (Expense) on Groupon's income statement

TMON Actual 2014 Results

<i>(\$ in millions)</i>	Full Year 2014
Gross Billings	1,343.1
Revenue	149.6
Gross Profit	83.9
Marketing	27.1
SG&A	102.3
Segment Operating Loss ¹	38.8
Adjusted EBITDA Loss ²	8.9

(1) Segment operating loss excludes stock-based compensation and acquisition-related (benefit) expense, net.

(2) Adjusted EBITDA is a non-GAAP measure, defined as net income (loss) from continuing operations excluding income taxes, interest and other non-operating items, depreciation and amortization, stock-based compensation, and acquisition-related (benefit) expense, net. The following is a reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP financial measure, "Net loss" from continuing operations for the year ended December 31, 2014 (in millions): Net loss \$(45.4) + Stock-based compensation 6.7 + Depreciation and amortization 29.9 + Other income, net (.09) = Adjusted EBITDA \$(8.9).

Q1 2015 Guidance Recast

	<u>Original</u>	<u>TMON</u> ^{1,3}	<u>F/X</u> ^{2,3}	<u>New</u> ³
Revenue	\$790 - \$840M +4% - +11% y/y +9% - +16% y/y ex F/X	(\$55M) +87% y/y +91% y/y ex F/X	(\$15M)	\$720 - \$770M -1% - +6% y/y +6% - +13% y/y ex F/X
AEBITDA	\$45 - \$65M	\$15M	(\$2M)	\$58 - \$78M
Non-GAAP EPS	\$0.00 - \$0.02			\$0.01 - \$0.03

(1) Eliminates the original expected contribution of Ticket Monster to the first quarter at the time Q1 guidance was given on February 12, 2015.

(2) Reflects the impact of changes in foreign exchange rates compared with the impact anticipated at the time 1Q15 guidance was given on February 12, 2015 (-500 basis points), excluding the impact of TMON.

(3) Preliminary estimates subject to change. Year-over-year revenue growth based on 1Q14 revenue of \$728.4M excluding TMON. Non-GAAP EPS range represents Non-GAAP EPS from continuing operations.

Full Year 2015 AEBITDA Target Recast

	<u>Original</u>	<u>TMON</u> ^{1,3}	<u>F/X</u> ^{2,3}	<u>New</u> ³
AEBITDA	>25% y/y >\$315M	\$15M	(\$14M)	>\$315M

(1) Eliminates the original expected contribution of Ticket Monster to the full year, based on company commentary at the time guidance was given on February 12, 2015 that investment would taper off after the first quarter.

(2) Reflects the impact of changes in foreign exchange rates compared with the impact anticipated at the time guidance was given on February 12, 2015, excluding the impact of TMON.

(3) Preliminary estimates subject to change.

