

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

	September 30, 2019	December 31, 2018
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 567,285	\$ 841,021
Accounts receivable, net	56,094	69,493
Prepaid expenses and other current assets	81,667	88,115
Total current assets	705,046	998,629
Property, equipment and software, net	133,071	143,117
Right-of-use assets - operating leases, net ⁽¹⁾	112,133	—
Goodwill	319,557	325,491
Intangible assets, net	36,497	45,401
Investments	38,124	108,515
Other non-current assets	26,274	20,989
Total Assets	\$ 1,370,702	\$ 1,642,142
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 21,485	\$ 38,359
Accrued merchant and supplier payables	428,177	651,781
Accrued expenses and other current liabilities	239,104	267,034
Total current liabilities	688,766	957,174
Convertible senior notes, net	211,441	201,669
Operating lease obligations ⁽²⁾	118,408	—
Other non-current liabilities	50,961	100,688
Total Liabilities	1,069,576	1,259,531
Commitments and contingencies		
Stockholders' Equity		
Common stock, par value \$0.0001 per share, 2,010,000,000 shares authorized; 769,175,284 shares issued and 563,292,929 shares outstanding at September 30, 2019; 760,939,440 shares issued and 569,084,312 shares outstanding at December 31, 2018	76	76
Additional paid-in capital	2,294,000	2,234,560
Treasury stock, at cost, 205,882,355 and 191,855,128 shares at September 30, 2019 and December 31, 2018	(922,666)	(877,491)
Accumulated deficit	(1,109,917)	(1,010,499)
Accumulated other comprehensive income (loss)	38,877	34,602
Total Groupon, Inc. Stockholders' Equity	300,370	381,248
Noncontrolling interests	756	1,363
Total Equity	301,126	382,611
Total Liabilities and Equity	\$ 1,370,702	\$ 1,642,142

- (1) Represents operating lease assets recognized as a result of the adoption of Topic 842 on January 1, 2019 net of accumulated amortization. Refer to Item 1, Note 6, *Leases*, in our Quarterly Report on Form 10-Q for the period ended September 30, 2019 for additional information.
- (2) Represents the non-current portion of operating lease liabilities as a result of the adoption of Topic 842 on January 1, 2019. Refer to Item 1, Note 6, *Leases*, in our Quarterly Report on Form 10-Q for the period ended September 30, 2019 for additional information.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue:				
Service	\$ 268,080	\$ 289,214	\$ 831,510	\$ 886,663
Product	227,532	303,669	775,089	950,156
Total revenue	495,612	592,883	1,606,599	1,836,819
Cost of revenue:				
Service	28,947	29,792	86,169	91,167
Product	188,725	257,102	644,342	791,120
Total cost of revenue	217,672	286,894	730,511	882,287
Gross profit	277,940	305,989	876,088	954,532
Operating expenses:				
Marketing	74,976	92,717	257,296	286,051
Selling, general and administrative	198,327	160,249	619,099	676,318
Total operating expenses	273,303	252,966	876,395	962,369
Income (loss) from operations	4,637	53,023	(307)	(7,837)
Other income (expense), net	(17,253)	(4,860)	(92,602)	(39,832)
Income (loss) from continuing operations before provision (benefit) for income taxes	(12,616)	48,163	(92,909)	(47,669)
Provision (benefit) for income taxes	2,069	988	591	205
Income (loss) from continuing operations	(14,685)	47,175	(93,500)	(47,874)
Income (loss) from discontinued operations, net of tax	—	—	2,162	—
Net income (loss)	(14,685)	47,175	(91,338)	(47,874)
Net income attributable to noncontrolling interests	(2,000)	(2,560)	(8,080)	(9,433)
Net income (loss) attributable to Groupon, Inc.	\$ (16,685)	\$ 44,615	\$ (99,418)	\$ (57,307)
Basic and diluted net income (loss) per share:				
Continuing operations	\$ (0.03)	\$ 0.08	\$ (0.18)	\$ (0.10)
Discontinued operations	—	—	0.01	—
Basic and diluted net income (loss) per share	\$ (0.03)	\$ 0.08	\$ (0.17)	\$ (0.10)
Weighted average number of shares outstanding				
Basic	566,971,238	568,634,988	568,339,335	565,227,625
Diluted	566,971,238	576,379,421	568,339,335	565,227,625

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Operating activities				
Net income (loss)	\$ (14,685)	\$ 47,175	\$ (91,338)	\$ (47,874)
Less: Income (loss) from discontinued operations, net of tax	—	—	2,162	—
Income (loss) from continuing operations	(14,685)	47,175	(93,500)	(47,874)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization of property, equipment and software	22,125	24,835	69,986	76,984
Amortization of acquired intangible assets	3,748	3,850	11,419	10,316
Stock-based compensation	19,543	15,026	62,517	50,670
Impairments of investments	—	112	—	10,156
Deferred income taxes	456	—	816	(6,575)
(Gain) loss from changes in fair value of investments	(14)	244	68,971	8,312
Amortization of debt discount on convertible senior notes	3,341	3,016	9,772	8,822
Change in assets and liabilities, net of acquisitions and dispositions:				
Accounts receivable	17,892	(7,079)	12,581	20,217
Prepaid expenses and other current assets	6,612	(4,184)	2,591	(2,695)
Accounts payable	(6,002)	(6,694)	(16,892)	(16,034)
Accrued merchant and supplier payables	(29,608)	(41,766)	(216,127)	(214,748)
Accrued expenses and other current liabilities	(18,032)	(96,315)	(62,728)	(45,175)
Other, net	13,208	4,391	20,476	14,663
Net cash provided by (used in) operating activities from continuing operations	18,584	(57,389)	(130,118)	(132,961)
Net cash provided by (used in) operating activities from discontinued operations	—	—	—	—
Net cash provided by (used in) operating activities	18,584	(57,389)	(130,118)	(132,961)
Investing activities				
Purchases of property and equipment and capitalized software	(17,693)	(16,094)	(51,854)	(53,611)
Proceeds from sale of intangible assets	—	1,500	—	1,500
Proceeds from sales of investments	—	8,594	—	8,594
Acquisition of business, net of acquired cash	—	—	—	(57,821)
Acquisitions of intangible assets and other investing activities	(1,848)	(16,389)	(3,037)	(17,147)
Net cash provided by (used in) investing activities from continuing operations	(19,541)	(22,389)	(54,891)	(118,485)
Net cash provided by (used in) investing activities from discontinued operations	—	—	—	—
Net cash provided by (used in) investing activities	(19,541)	(22,389)	(54,891)	(118,485)
Financing activities				
Issuance costs for revolving credit agreement	(50)	—	(2,384)	—
Payments for repurchases of common stock	(14,593)	—	(44,162)	—
Taxes paid related to net share settlements of stock-based compensation awards	(3,744)	(2,500)	(13,975)	(18,638)
Proceeds from stock option exercises and employee stock purchase plan	2,085	3,206	4,123	5,710
Distributions to noncontrolling interest holders	(2,053)	(2,376)	(8,687)	(9,316)
Payments of finance lease obligations	(4,240)	(8,050)	(16,868)	(25,289)
Payments of contingent consideration related to acquisitions	—	—	—	(1,815)
Net cash provided by (used in) financing activities	(22,595)	(9,720)	(81,953)	(49,348)
Effect of exchange rate changes on cash, cash equivalents and restricted cash, including cash classified within current assets of discontinued operations	(7,398)	(2,643)	(9,153)	(9,287)
Net increase (decrease) in cash, cash equivalents and restricted cash, including cash classified within current assets of discontinued operations	(30,950)	(92,141)	(276,115)	(310,081)
Less: Net increase (decrease) in cash classified within current assets of discontinued operations	—	—	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(30,950)	(92,141)	(276,115)	(310,081)
Cash, cash equivalents and restricted cash, beginning of period ⁽¹⁾	599,563	667,541	844,728	885,481
Cash, cash equivalents and restricted cash, end of period ⁽¹⁾	<u>\$ 568,613</u>	<u>\$ 575,400</u>	<u>\$ 568,613</u>	<u>\$ 575,400</u>

- (1) The following table provides a reconciliation of cash, cash equivalents and restricted cash shown above to amounts reported within the condensed consolidated balance sheet as of September 30, 2019 and amounts previously reported within the condensed consolidated balance sheet in our Quarterly Report on Form 10-Q as of September 30, 2018 (in thousands):

	September 30, 2019	December 31, 2018	September 30, 2018	December 31, 2017
Cash and cash equivalents	\$ 567,285	\$ 841,021	\$ 572,358	\$ 880,129
Restricted cash included in prepaid expenses and other current assets	1,101	3,320	2,649	4,932
Restricted cash included in other non-current assets	227	387	393	420
Cash, cash equivalents and restricted cash	<u>\$ 568,613</u>	<u>\$ 844,728</u>	<u>\$ 575,400</u>	<u>\$ 885,481</u>

Groupon, Inc.
Supplemental Financial and Operating Metrics
(dollars in thousands; active customers in millions)
(unaudited)

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019				
North America Segment:						Q3 2019			
Gross Billings ⁽¹⁾ :						Y/Y Growth			
Local	\$ 534,246	\$ 535,869	\$ 502,309	\$ 503,830	\$ 511,173	(4.3)	%		
Travel	83,991	71,948	92,083	84,029	71,144	(15.3)			
Goods	184,357	319,922	174,638	147,354	133,076	(27.8)			
Total Gross Billings	<u>\$ 802,594</u>	<u>\$ 927,739</u>	<u>\$ 769,030</u>	<u>\$ 735,213</u>	<u>\$ 715,393</u>	(10.9)	%		
Revenue:									
Local	\$ 180,059	\$ 199,523	\$ 180,377	\$ 177,082	\$ 175,140	(2.7)	%		
Travel	17,217	14,667	18,941	16,125	13,680	(20.5)			
Goods	163,875	290,534	157,847	131,453	114,776	(30.0)			
Total Revenue	<u>\$ 361,151</u>	<u>\$ 504,724</u>	<u>\$ 357,165</u>	<u>\$ 324,660</u>	<u>\$ 303,596</u>	(15.9)	%		
Gross Profit:									
Local	\$ 159,379	\$ 179,932	\$ 161,082	\$ 157,673	\$ 155,032	(2.7)	%		
Travel	13,801	11,839	15,268	12,806	10,717	(22.3)			
Goods	30,868	55,814	33,452	28,105	26,326	(14.7)			
Total Gross Profit	<u>\$ 204,048</u>	<u>\$ 247,585</u>	<u>\$ 209,802</u>	<u>\$ 198,584</u>	<u>\$ 192,075</u>	(5.9)	%		
Operating income (loss)	\$ 51,004	\$ 39,289	\$ 5,336	\$ (372)	\$ 15,691	(69.2)	%		
International Segment:					Q3 2019				
					Y/Y Growth		FX Effect ⁽²⁾	Y/Y Growth excluding FX ⁽³⁾	
Gross Billings:									
Local	\$ 209,623	\$ 235,093	\$ 207,396	\$ 203,450	\$ 204,823	(2.3)	4.3	2.0	%
Travel	46,156	55,046	51,939	43,348	44,098	(4.5)	4.2	(0.3)	
Goods	157,856	211,180	147,643	138,934	129,064	(18.2)	3.8	(14.4)	
Total Gross Billings	<u>\$ 413,635</u>	<u>\$ 501,319</u>	<u>\$ 406,978</u>	<u>\$ 385,732</u>	<u>\$ 377,985</u>	(8.6)	4.1	(4.5)	%
Revenue:									
Local	\$ 75,946	\$ 84,751	\$ 73,190	\$ 69,995	\$ 65,440	(13.8)	3.8	(10.0)	%
Travel	9,387	10,654	8,737	8,077	8,003	(14.7)	3.6	(11.1)	
Goods	146,399	199,798	139,318	129,845	118,573	(19.0)	3.7	(15.3)	
Total Revenue	<u>\$ 231,732</u>	<u>\$ 295,203</u>	<u>\$ 221,245</u>	<u>\$ 207,917</u>	<u>\$ 192,016</u>	(17.1)	3.7	(13.4)	%
Gross Profit:									
Local	\$ 71,639	\$ 80,213	\$ 68,978	\$ 65,780	\$ 61,183	(14.6)	3.9	(10.7)	%
Travel	8,649	9,913	8,041	7,370	7,332	(15.2)	3.7	(11.5)	
Goods	21,653	28,358	19,195	20,398	17,350	(19.9)	3.8	(16.1)	
Total Gross Profit	<u>\$ 101,941</u>	<u>\$ 118,484</u>	<u>\$ 96,214</u>	<u>\$ 93,548</u>	<u>\$ 85,865</u>	(15.8)	3.9	(11.9)	%
Operating income (loss)	\$ 2,019	\$ 22,587	\$ (3,141)	\$ (6,767)	\$ (11,054)	(647.5)	%		
Consolidated Results of Operations:									
Gross Billings:									
Local	\$ 743,869	\$ 770,962	\$ 709,705	\$ 707,280	\$ 715,996	(3.7)	1.2	(2.5)	%
Travel	130,147	126,994	144,022	127,377	115,242	(11.5)	1.5	(10.0)	
Goods	342,213	531,102	322,281	286,288	262,140	(23.4)	1.8	(21.6)	
Total Gross Billings	<u>\$ 1,216,229</u>	<u>\$ 1,429,058</u>	<u>\$ 1,176,008</u>	<u>\$ 1,120,945</u>	<u>\$ 1,093,378</u>	(10.1)	1.4	(8.7)	%
Revenue:									
Local	\$ 256,005	\$ 284,274	\$ 253,567	\$ 247,077	\$ 240,580	(6.0)	1.1	(4.9)	%
Travel	26,604	25,321	27,678	24,202	21,683	(18.5)	1.3	(17.2)	
Goods	310,274	490,332	297,165	261,298	233,349	(24.8)	1.8	(23.0)	
Total Revenue	<u>\$ 592,883</u>	<u>\$ 799,927</u>	<u>\$ 578,410</u>	<u>\$ 532,577</u>	<u>\$ 495,612</u>	(16.4)	1.5	(14.9)	%
Gross Profit:									
Local	\$ 231,018	\$ 260,145	\$ 230,060	\$ 223,453	\$ 216,215	(6.4)	1.2	(5.2)	%
Travel	22,450	21,752	23,309	20,176	18,049	(19.6)	1.4	(18.2)	
Goods	52,521	84,172	52,647	48,503	43,676	(16.8)	1.5	(15.3)	
Total Gross Profit	<u>\$ 305,989</u>	<u>\$ 366,069</u>	<u>\$ 306,016</u>	<u>\$ 292,132</u>	<u>\$ 277,940</u>	(9.2)	1.3	(7.9)	%
Operating income (loss)	\$ 53,023	\$ 61,876	\$ 2,195	\$ (7,139)	\$ 4,637	(91.3)	%		
Net cash provided by (used in) operating activities from continuing operations	\$ (57,389)	\$ 323,816	\$ (147,483)	\$ (1,219)	\$ 18,584	132.4	%		
Free Cash Flow	\$ (73,483)	\$ 307,732	\$ (164,960)	\$ (17,903)	\$ 891	101.2	%		

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Active Customers ⁽³⁾					
North America	31.4	30.6	29.6	28.6	27.7
International	17.4	17.6	17.5	17.6	17.5
Total Active Customers	48.8	48.2	47.2	46.2	45.3

TTM Gross Profit / Active Customer

North America	\$ 28.96	\$ 29.13	\$ 29.72	\$ 30.05	\$ 30.56
International	24.89	24.46	24.00	23.37	22.51
Consolidated	27.51	27.42	27.59	27.51	27.45

Consolidated Units	39.5	50.5	37.2	35.3	35.8
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Year-over-year unit growth:

North America	(16.9) %	(12.9) %	(17.5) %	(17.8) %	(13.9) %
International	3.4	3.0	(2.2)	0.9	(1.2)
Consolidated	(10.6)	(7.5)	(12.3)	(11.6)	(9.4)

Headcount

Sales ⁽⁴⁾	2,334	2,268	2,377	2,327	2,438
Other	4,197	4,308	3,928	3,952	4,036
Total Headcount	6,531	6,576	6,305	6,279	6,474

- (1) Represents the total dollar value of customer purchases of goods and services.
- (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 in the prior year periods.
- (3) Reflects the total number of unique user accounts that have made a purchase during the TTM either through one of our online marketplaces or directly with a merchant for which we earned a commission.
- (4) Includes merchant sales representatives, as well as sales support personnel.

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

The following is a quarterly reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP performance measure, Income (loss) from continuing operations.

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Income (loss) from continuing operations	\$ 47,175	\$ 49,862	\$ (41,170)	\$ (37,645)	\$ (14,685)
Adjustments:					
Stock-based compensation ⁽¹⁾	15,026	14,251	16,411	26,563	19,543
Depreciation and amortization	28,685	28,528	28,416	27,116	25,873
Acquisition-related expense (benefit), net	—	—	—	28	5
Restructuring charges	35	(55)	(67)	(47)	(61)
IBM patent litigation	(40,400)	—	—	—	—
Other (income) expense, net	4,860	13,176	46,855	28,494	17,253
Provision (benefit) for income taxes	988	(1,162)	(3,490)	2,012	2,069
Total adjustments	9,194	54,738	88,125	84,166	64,682
Adjusted EBITDA	\$ 56,369	\$ 104,600	\$ 46,955	\$ 46,521	\$ 49,997

(1) Represents stock-based compensation expense recorded within Selling, general and administrative, Cost of revenue and Marketing.

The following is a reconciliation of the Company's annual outlook for Adjusted EBITDA to the Company's outlook for the most comparable U.S. GAAP performance measure, Income (loss) from continuing operations.

	Year Ending December 31, 2019
Expected income (loss) from continuing operations	\$ (20,000)
Expected adjustments:	
Stock-based compensation	85,000
Depreciation and amortization	105,000
Other (income) expense, net	96,000
Provision (benefit) for income taxes	4,000
Total expected adjustments	290,000
Expected Adjusted EBITDA	\$ 270,000

The outlook provided above does not reflect the potential impact of any business or asset acquisitions or dispositions, changes in the fair values of investments, foreign currency gains or losses or unusual or infrequently occurring items that may occur during the remainder of 2019.

The following is a reconciliation of non-GAAP net income (loss) attributable to common stockholders to net income (loss) attributable to common stockholders and a reconciliation of non-GAAP net income (loss) per share to diluted net income (loss) per share for the three and nine months ended September 30, 2019 and 2018.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net income (loss) attributable to common stockholders	\$ (16,685)	\$ 44,615	\$ (99,418)	\$ (57,307)
Less: Net income (loss) attributable to noncontrolling interest	(2,000)	(2,560)	(8,080)	(9,433)
Net income (loss)	(14,685)	47,175	(91,338)	(47,874)
Less: Income (loss) from discontinued operations, net of tax	—	—	2,162	—
Income (loss) from continuing operations	(14,685)	47,175	(93,500)	(47,874)
Less: Provision (benefit) for income taxes	2,069	988	591	205
Income (loss) from continuing operations before provision (benefit) for income taxes	(12,616)	48,163	(92,909)	(47,669)
Stock-based compensation	19,543	15,026	62,517	50,670
Amortization expense of acquired intangibles	3,748	3,850	11,419	10,316
Acquisition-related expense (benefit), net	5	—	33	655
Restructuring charges	(61)	35	(175)	(81)
IBM patent litigation	—	(40,400)	—	34,600
(Gain) loss from changes in fair value of investments	(14)	244	68,971	8,312
(Gain) loss from sale of investment	412	—	412	—
Intercompany foreign currency losses (gains) and reclassifications of translation adjustments to earnings	10,326	1,826	11,198	9,446
Non-cash interest expense on convertible senior notes	3,341	3,016	9,772	8,822
Non-GAAP income (loss) from continuing operations before provision (benefit) for income taxes	24,684	31,760	71,238	75,071
Less: Non-GAAP provision for income taxes	14,920	8,370	31,857	17,856
Non-GAAP net income (loss)	9,764	23,390	39,381	57,215
Net income attributable to noncontrolling interest	(2,000)	(2,560)	(8,080)	(9,433)
Non-GAAP net income (loss) attributable to common stockholders	7,764	20,830	31,301	47,782
Plus: Cash interest expense from assumed conversion of convertible senior notes ⁽¹⁾	—	1,383	—	—
Non-GAAP Net Income (loss) attributable to common stockholders plus assumed conversions	\$ 7,764	\$ 22,213	\$ 31,301	\$ 47,782
Weighted-average shares of common stock - diluted	566,971,238	576,379,421	568,339,335	565,227,625
Incremental dilutive securities	4,258,105	46,296,300	4,958,762	8,933,570
Weighted-average shares of common stock - non-GAAP	<u>571,229,343</u>	<u>622,675,721</u>	<u>573,298,097</u>	<u>574,161,195</u>
Diluted net loss per share	\$ (0.03)	\$ 0.08	\$ (0.17)	\$ (0.10)
Impact of non-GAAP adjustments and related tax effects	0.04	(0.04)	0.22	0.18
Non-GAAP net income per share	\$ 0.01	\$ 0.04	\$ 0.05	\$ 0.08

- (1) Adjustment to interest expense for assumed conversion of convertible senior notes excludes non-cash interest expense that has been added back above in calculating non-GAAP net income (loss) attributable to common stockholders.

Free cash flow is a non-GAAP liquidity measure. The following is a reconciliation of free cash flow and free cash flow excluding the IBM settlement to the most comparable U.S. GAAP liquidity measure, Net cash provided by (used in) operating activities from continuing operations.

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Net cash provided by (used in) operating activities from continuing operations	\$ (57,389)	\$ 323,816	\$ (147,483)	\$ (1,219)	\$ 18,584
Purchases of property and equipment and capitalized software from continuing operations	(16,094)	(16,084)	(17,477)	(16,684)	(17,693)
Free cash flow	\$ (73,483)	\$ 307,732	\$ (164,960)	\$ (17,903)	\$ 891
Operating cash outflow related to the IBM settlement ⁽¹⁾	42,100	—	—	—	—
Free cash flow, excluding the impact of the IBM settlement	\$ (31,383)	\$ 307,732	\$ (164,960)	\$ (17,903)	\$ 891

Net cash provided by (used in) investing activities from continuing operations	\$ (22,389)	\$ (17,497)	\$ (18,115)	\$ (17,235)	\$ (19,541)
Net cash provided by (used in) financing activities	\$ (9,720)	\$ (35,069)	\$ (27,777)	\$ (31,581)	\$ (22,595)

- (1) This amount represents the portion of the \$57.5 million IBM settlement that was classified as an operating cash outflow. The remaining \$15.4 million was capitalized for the license to use the patented technology in future periods under the terms of the settlement and license agreements and has been classified as an investing cash outflow. For additional information about the IBM settlement, refer to Item 8, Note 10, *Commitments and Contingencies*, in our Annual Report on Form 10-K for the year ended December 31, 2018.

Our International and consolidated gross profit per active customer for the TTM ended September 30, 2019 and 2018 were as follows:

	Q3 2018	Q3 2019	Y/Y Growth	FX Effect	Y/Y Growth excluding FX ⁽¹⁾
International TTM Gross Profit / Active Customer	\$24.89	\$22.51	(9.6)%	4.9%	(4.7)%
Consolidated TTM Gross Profit / Active Customer	\$27.51	\$27.45	(0.2)%	1.7%	1.5 %

- (1) 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 periods.