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

The financial results of Ticket Monster, including the gain on disposition and related tax effects, are presented as discontinued operations in the accompanying condensed consolidated financial statements and tables for the nine months ended September 30, 2015. Additionally, the assets and liabilities for Ticket Monster are presented as held for sale in the accompanying condensed consolidated balance sheet as of December 31, 2014. All prior period financial information and operational metrics have been retrospectively adjusted to reflect this presentation.

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2015	2014	Y/Y % Growth	FX Effect[2]	Y/Y % Growth excluding FX[2]	2015	2014	Y/Y % Growth	FX Effect[2]	Y/Y % Growth excluding FX[2]
Gross Billings[1]:										
North America	$ 869,203	$ 774,286	12.3 %	$ (1,649)	12.5 %	$ 2,659,436	$ 2,354,900	12.9 %	$ (3,904)	13.1 %
EMEA	414,482	489,423	(15.3)	(72,345)	(0.5)	1,307,207	1,486,266	(12.0)	(256,158)	5.2
Rest of World	183,849	226,638	(18.9)	(43,127)	0.1	581,905	671,997	(13.4)	(101,105)	1.6
Consolidated gross billings	$ 1,467,534	$ 1,490,347	(1.5) %	$ (117,121)	6.3 %	$ 4,548,548	$ 4,513,163	0.8 %	$ (361,167)	8.8 %
Revenue:										
North America	$ 463,931	$ 418,494	10.9 %	$ (405)	11.0 %	$ 1,425,095	$ 1,273,487	11.9 %	$ (943)	12.0 %
EMEA	199,287	230,072	(13.4)	(35,863)	2.2	619,554	688,655	(10.0)	(124,694)	8.1
Rest of World	50,377	65,703	(23.3)	(12,004)	(5.1)	157,697	196,753	(19.9)	(28,147)	(5.5)
Consolidated revenue	$ 713,595	$ 714,269	(0.1) %	$ (48,272)	6.7 %	$ 2,202,346	$ 2,158,895	2.0 %	$ (153,784)	9.1 %
Income (loss) from operations	$ (70,423)	$ 1,049	(6,813.3) %	$ 633	(6,873.7) %	$ (74,354)	$ (2,939)	(2,429.9) %	$ 679	(2,453.0) %
Income (loss) from continuing operations	(24,613)	(12,573)				(56,619)	(45,039)			
Income (loss) from discontinued operations, net of tax	—	(6,445)				133,463	(30,264)			
Net income (loss) attributable to Groupon, Inc.	$ (27,615)	$ (21,208)				$ 67,196	$ (81,878)			
Basic net income (loss) per share:										
Continuing operations	$ (0.04)	$ (0.02)				$ (0.10)	$ (0.08)			
Discontinued operations	—	(0.01)				0.20	(0.04)			
Basic net income (loss) per share	$ (0.04)	$ (0.03)				$ 0.10	$ (0.12)			
Diluted net income (loss) per share:										
Continuing operations	$ (0.04)	$ (0.02)				$ (0.10)	$ (0.08)			
Discontinued operations	—	(0.01)				0.20	(0.04)			
Diluted net income (loss) per share	$ (0.04)	$ (0.03)				$ 0.10	$ (0.12)			
Weighted average number of shares outstanding										
Basic	644,894,785	669,526,524				664,302,630	675,814,535			
Diluted	644,894,785	669,526,524				664,302,630	675,814,535			

(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 nine months ended September 30, 2014.

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

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Operating activities				
Net income (loss)	$ (24,613)	$ (19,018)	$ 76,844	$ (75,303)
Less: Income (loss) from discontinued operations, net of tax	—	(6,445)	133,463	(30,264)
Income (loss) from continuing operations	(24,613)	(12,573)	(56,619)	(45,039)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization of property, equipment and software	30,475	25,355	84,241	68,731
Amortization of acquired intangible assets	5,160	5,107	14,966	16,188
Stock-based compensation	35,575	32,680	109,204	85,329
Restructuring charges	24,146	—	24,146	—
Gain on disposition of business	(13,710)	—	(13,710)	—
Deferred income taxes	(15,202)	(2,472)	(15,252)	(1,956)
Excess tax benefits on stock-based compensation	28	(2,641)	(6,198)	(12,573)
Loss on equity method investments	—	91	—	459
Gain from changes in fair value of contingent consideration	435	(1,020)	(268)	(1,059)
Loss from changes in fair value of investments	2,564	—	2,114	—
Impairments of investments	—	1,448	—	2,036
Change in assets and liabilities, net of acquisitions:				
Restricted cash	1,392	6,014	4,555	7,686
Accounts receivable	16,635	(4,337)	6,353	(26,557)
Prepaid expenses and other current assets	(33,366)	(27,040)	(39,813)	(22,883)
Accounts payable	5,371	(5,505)	(944)	(12,973)
Accrued merchant and supplier payables	(51,319)	(32,586)	(101,852)	(101,070)
Accrued expenses and other current liabilities	27,368	7,853	33,413	(21,103)
Other, net	(18,551)	31,950	(1,242)	44,009
Net cash provided by (used in) operating activities from continuing operations	(7,612)	22,324	43,094	(20,775)
Net cash provided by (used in) operating activities from discontinued operations	(19,205)	23,142	(36,578)	22,777
Net cash provided by (used in) operating activities	(26,817)	45,466	6,516	2,002
Net cash provided by (used in) investing activities from continuing operations	(98,028)	(22,492)	(146,012)	(117,643)
Net cash provided by (used in) investing activities from discontinued operations	—	(1,415)	244,470	(75,924)
Net cash provided by (used in) investing activities	(98,028)	(23,907)	98,458	(193,567)
Net cash provided by (used in) financing activities	(14,821)	(16,823)	(185,990)	(173,068)
Effect of exchange rate changes on cash and cash equivalents, including cash classified within current assets held for sale	(6,923)	(21,102)	(27,338)	(20,671)
Net increase (decrease) in cash and cash equivalents, including cash classified within current assets held for sale	(146,589)	(16,366)	(108,354)	(385,304)
Less: Net increase (decrease) in cash classified within current assets held for sale	—	20,649	(55,279)	43,324
Net increase (decrease) in cash and cash equivalents	(146,589)	(37,015)	(53,075)	(428,628)
Cash and cash equivalents, beginning of period	1,110,148	845,413	1,016,634	1,240,472
Cash and cash equivalents, end of period	$ 963,559	$ 808,398	$ 963,559	$ 811,844

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,	
	2015	**2014**	**2015**	**2014**
Revenue:				
Third party and other	$ 326,306	$ 362,903	$ 1,027,273	$ 1,133,109
Direct	387,289	351,366	1,175,073	1,025,786
Total revenue	713,595	714,269	2,202,346	2,158,895
Cost of revenue:				
Third party and other	46,050	50,774	145,292	153,333
Direct	338,633	308,217	1,043,729	918,362
Total cost of revenue	384,683	358,991	1,189,021	1,071,695
Gross profit	328,912	355,278	1,013,325	1,087,200
Operating expenses:				
Marketing	61,587	55,258	171,127	182,142
Selling, general and administrative	326,248	299,275	904,816	905,919
Restructuring charges	24,146	—	24,146	—
Gain on disposition of business	(13,710)	—	(13,710)	—
Acquisition-related expense (benefit), net	1,064	(304)	1,300	2,078
Total operating expenses	399,335	354,229	1,087,679	1,090,139
Income (loss) from operations	(70,423)	1,049	(74,354)	(2,939)
Other income (expense), net (1)	(8,160)	(20,056)	(25,146)	(21,919)
Income (loss) from continuing operations before provision (benefit) for income taxes	(78,583)	(19,007)	(99,500)	(24,858)
Provision (benefit) for income taxes	(53,970)	(6,434)	(42,881)	20,181
Income (loss) from continuing operations	(24,613)	(12,573)	(56,619)	(45,039)
Income (loss) from discontinued operations, net of tax	—	(6,445)	133,463	(30,264)
Net income (loss)	(24,613)	(19,018)	76,844	(75,303)
Net income (loss) attributable to noncontrolling interests	(3,002)	(2,190)	(9,648)	(6,575)
Net income (loss) attributable to Groupon, Inc.	$ (27,615)	$ (21,208)	$ 67,196	$ (81,878)
Basic net income (loss) per share:				
Continuing operations	$ (0.04)	$ (0.02)	$ (0.10)	$ (0.08)
Discontinued operations	—	(0.01)	0.20	(0.04)
Basic net income (loss) per share	$ (0.04)	$ (0.03)	$ 0.10	$ (0.12)
Diluted net income (loss) per share:				
Continuing operations	$ (0.04)	$ (0.02)	$ (0.10)	$ (0.08)
Discontinued operations	—	(0.01)	0.20	(0.04)
Diluted net income (loss) per share	$ (0.04)	$ (0.03)	$ 0.10	$ (0.12)
Weighted average number of shares outstanding				
Basic	644,894,785	669,526,524	664,302,630	675,814,535
Diluted	644,894,785	669,526,524	664,302,630	675,814,535

(1) Other income (expense), net includes foreign currency losses of $5.2 million and $18.6 million for the three months ended September 30, 2015 and 2014, respectively, and foreign currency losses of $22.1 million and $20.1 million for the nine months ended September 30, 2015 and 2014, respectively.

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

	September 30, 2015 (unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 963,559	$ 1,016,634
Accounts receivable, net	76,121	90,597
Deferred income taxes	19,349	16,271
Prepaid expenses and other current assets	223,986	192,382
Current assets held for sale	—	85,445
Total current assets	1,283,015	1,401,329
Property, equipment and software, net	202,714	176,004
Goodwill	291,084	236,756
Intangible assets, net	40,841	30,609
Investments (including $149.2 million and $7.4 million at September 30, 2015 and December 31, 2014, respectively, at fair value)	163,789	24,298
Deferred income taxes, non-current	28,791	41,323
Other non-current assets	20,407	16,173
Non-current assets held for sale	—	301,105
Total Assets	$ 2,030,641	$ 2,227,597
Liabilities and Equity		
Current liabilities:		
Short-term borrowings	$ 195,000	$ —
Accounts payable	15,503	13,822
Accrued merchant and supplier payables	640,044	772,156
Accrued expenses	260,883	214,260
Deferred income taxes	28,573	31,998
Other current liabilities	142,925	127,121
Current liabilities held for sale	—	166,239
Total current liabilities	1,282,928	1,325,596
Deferred income taxes, non-current	4,756	773
Other non-current liabilities	142,005	129,531
Non-current liabilities held for sale	—	6,753
Total Liabilities	1,429,689	1,462,653
Commitments and contingencies		
Stockholders' Equity		
Class A common stock, par value $0.0001 per share, 2,000,000,000 shares authorized, 714,074,671 shares issued and 620,933,460 shares outstanding at September 30, 2015 and 699,008,084 shares issued and 671,768,980 shares outstanding at December 31, 2014	71	70
Class B common stock, par value $0.0001 per share, 10,000,000 shares authorized, 2,399,976 shares issued and outstanding at September 30, 2015 and December 31, 2014	—	—
Common stock, par value $0.0001 per share, 2,010,000,000 shares authorized, no shares issued and outstanding at September 30, 2015 and December 31, 2014	—	—
Additional paid-in capital	1,933,994	1,847,420
Treasury stock, at cost, 93,141,211 shares at September 30, 2015 and 27,239,104 shares at December 31, 2014	(532,530)	(198,467)
Accumulated deficit	(854,764)	(921,960)
Accumulated other comprehensive income	53,369	35,763
Total Groupon, Inc. Stockholders' Equity	600,140	762,826
Noncontrolling interests	812	2,118
Total Equity	600,952	764,944
Total Liabilities and Equity	$ 2,030,641	$ 2,227,597

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
North America				
Gross billings [1]	$ 869,203	$ 774,286	$ 2,659,436	$ 2,354,900
Revenue	463,931	418,494	1,425,095	1,273,487
Segment cost of revenue and operating expenses [2][3][4]	494,843	405,910	1,404,472	1,234,973
Segment operating income (loss) [2]	$ (30,912)	$ 12,584	$ 20,623	$ 38,514
Segment operating income (loss) as a percent of segment gross billings	*(3.6) %*	*1.6 %*	*0.8 %*	*1.6 %*
Segment operating income (loss) as a percent of segment revenue	*(6.7) %*	*3.0 %*	*1.4 %*	*3.0 %*
EMEA				
Gross billings [1]	$ 414,482	$ 489,423	$ 1,307,207	$ 1,486,266
Revenue	199,287	230,072	619,554	688,655
Segment cost of revenue and operating expenses [2][4][5]	195,397	207,643	586,343	619,594
Segment operating income (loss) [2]	$ 3,890	$ 22,429	$ 33,211	$ 69,061
Segment operating income (loss) as a percent of segment gross billings	*0.9 %*	*4.6 %*	*2.5 %*	*4.6 %*
Segment operating income (loss) as a percent of segment revenue	*2.0 %*	*9.7 %*	*5.4 %*	*10.0 %*
Rest of World				
Gross billings [1]	$ 183,849	$ 226,638	$ 581,905	$ 671,997
Revenue	50,377	65,703	157,697	196,753
Segment cost of revenue and operating expenses [2][4]	57,282	67,291	175,542	219,860
Segment operating income (loss) [2]	$ (6,905)	$ (1,588)	$ (17,845)	$ (23,107)
Segment operating income (loss) as a percent of segment gross billings	*(3.8) %*	*(0.7) %*	*(3.1) %*	*(3.4) %*
Segment operating income (loss) as a percent of segment revenue	*(13.7) %*	*(2.4) %*	*(11.3) %*	*(11.7) %*

(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.

(3) Segment cost of revenue and operating expenses for North America for the three and nine months ended September 30, 2015 includes a $37.5 million expense related to an increase in the Company's contingent liability for its securities litigation matter.

(4) Segment cost of revenue and operating expenses for the three and nine months ended September 30, 2015 includes restructuring charges of $1.4 million in North America, $19.7 million in EMEA and $3.0 million in Rest of World.

(5) Segment cost of revenue and operating expenses for EMEA for the three and nine months ended September 30, 2015 includes a $6.7 million expense for the write-off of a prepaid asset related to a marketing program that was discontinued because the counterparty ceased operations.

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

Adjusted EBITDA, non-GAAP earnings attributable to common stockholders and non-GAAP earnings per share are non-GAAP financial measures. The Company reconciles Adjusted EBITDA to the most comparable U.S. GAAP financial measure, "Net income (loss) from continuing operations" for the periods presented and the Company reconciles non-GAAP earnings per share to the most comparable U.S. GAAP financial measure, "Diluted net income (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 income (loss) from continuing operations."

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Income (loss) from continuing operations	$ (12,573)	$ 26,566	$ (16,739)	$ (15,267)	(24,613)
Adjustments:					
Stock-based compensation [(1)]	32,680	29,961	35,144	38,467	35,432
Depreciation and amortization	30,462	30,122	32,200	31,372	35,635
Acquisition-related expense (benefit), net	(304)	(809)	(269)	505	1,064
Restructuring charges	—	—	—	—	24,146
Gain on disposition of business	—	—	—	—	(13,710)
Prepaid marketing write-off	—	—	—	—	6,690
Securities litigation expense	—	—	—	—	37,500
Other expense (income), net	20,056	11,531	19,927	(2,941)	8,160
Provision (benefit) for income taxes	(6,434)	(4,457)	2,107	8,982	(53,970)
Total adjustments	76,460	66,348	89,109	76,385	80,947
Adjusted EBITDA	$ 63,887	$ 92,914	$ 72,370	$ 61,118	$ 56,334

(1) Includes stock-based compensation classified within cost of revenue, marketing expense, and selling, general and administrative expense. Other expense (income), net, includes $0.02 million and $0.1 million of additional stock-based compensation for the three months ended June 30, 2015 and the three months ended September 30, 2015, respectively.

The following is a reconciliation of net income (loss) attributable to common stockholders to non-GAAP net income (loss) attributable to common stockholders and a reconciliation of diluted net income (loss) per share to non-GAAP net income (loss) per share for the three and nine months ended September 30, 2015:

	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Net income (loss) attributable to common stockholders	$ (27,615)	$ 67,196
Stock-based compensation	35,575	109,204
Amortization of acquired intangible assets	5,160	14,966
Acquisition-related expense (benefit), net	1,064	1,300
Restructuring charges	24,146	24,146
Gain on disposition of business	(13,710)	(13,710)
Prepaid marketing write-off	6,690	6,690
Securities litigation expense	37,500	37,500
Intercompany foreign currency losses (gains) and reclassification of translation adjustment to earnings (1)	4,708	20,666
Loss from changes in fair value of investments	2,564	2,114
Income tax effect of above adjustments	(43,541)	(68,932)
Income from discontinued operations, net of tax	—	(133,463)
Non-GAAP net income (loss) attributable to common stockholders	$ 32,541	$ 67,677
Diluted shares	644,894,785	644,302,630
Incremental diluted shares	5,385,857	7,017,448
Adjusted diluted shares	650,280,642	651,320,078
Diluted net income (loss) per share	$ (0.04)	$ 0.10
Impact of stock-based compensation, amortization of acquired intangible assets, acquisition-related expense (benefit), net, intercompany foreign currency losses (gains), items that are unusual in nature and infrequently occurring, income (loss) from discontinued operations and related tax effects	0.09	—
Non-GAAP net income (loss) per share	$ 0.05	$ 0.10

(1) For the nine months ended September 30, 2015, a $4.4 million loss related to the cumulative translation adjustment from the Company's legacy business in the Republic of Korea was reclassified to earnings as a result of the Ticket Monster disposition.

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

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 "Income (loss) from continuing 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 income (loss) from changes in exchange rates versus the U.S. Dollar for the three months ended September 30, 2015 was as follows:

	Three Months Ended September 30, 2015			Three Months Ended September 30, 2015		
	At Avg. Q3 2014 Rates[(1)]	Exchange Rate Effect[(2)]	As Reported	At Avg. Q2 2015 Rates[(3)]	Exchange Rate Effect[(2)]	As Reported
Gross billings	$ 1,584,655	$ (117,121)	$ 1,467,534	$ 1,478,528	$ (10,994)	$ 1,467,534
Revenue	761,867	(48,272)	713,595	716,702	(3,107)	713,595
Income (loss) from operations	$ (71,056)	$ 633	$ (70,423)	$ (71,189)	$ 766	$ (70,423)

The effect on the Company's gross billings, revenue and income (loss) from operations from changes in exchange rates versus the U.S. Dollar for the nine months ended September 30, 2015 was as follows:

	Nine Months Ended September 30, 2015			Nine Months Ended September 30, 2015		
	At Avg. Q3 2014 YTD Rates[(1)]	Exchange Rate Effect[(2)]	As Reported	At Avg. Q4'14 - Q2'15 Rates[(3)]	Exchange Rate Effect[(2)]	As Reported
Gross billings	$ 4,909,715	$ (361,167)	$ 4,548,548	$ 4,624,647	$ (76,099)	$ 4,548,548
Revenue	2,356,130	(153,784)	2,202,346	2,234,382	(32,036)	2,202,346
Income (loss) from operations	$ (75,033)	$ 679	$ (74,354)	$ (74,074)	$ (280)	$ (74,354)

(1) 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 nine months ended September 30, 2014.
(2) Represents the increase or decrease in reported amounts resulting from changes in exchange rates from those in effect in the comparable prior periods.
(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 nine months ended June 30, 2015.

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.

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
EMEA Gross billings growth, excluding FX	10 %	8 %	7 %	9 %	(1) %
FX Effect	—	(9)	(18)	(19)	(14)
EMEA Gross billings growth	10 %	(1) %	(11) %	(10) %	(15) %
Rest of World Gross billings growth, excluding FX	1 %	— %	(1) %	6 %	— %
FX Effect	(4)	(10)	(11)	(15)	(19)
Rest of World Gross billings growth	(3) %	(10) %	(12) %	(9) %	(19) %
Consolidated Gross billings growth, excluding FX	12 %	13 %	10 %	10 %	6 %
FX Effect	(1)	(5)	(8)	(8)	(8)
Consolidated Gross billings growth	11 %	8 %	2 %	2 %	(2) %

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.

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
EMEA Revenue growth, excluding FX	55 %	18 %	13 %	9 %	2 %
FX Effect	1	(10)	(19)	(19)	(15)
EMEA Revenue growth	56 %	8 %	(6) %	(10) %	(13) %
Rest of World Revenue growth, excluding FX	(20) %	(9) %	(8) %	(4) %	(5) %
FX Effect	(4)	(10)	(10)	(14)	(18)
Rest of World Revenue growth	(24) %	(19) %	(18) %	(18) %	(23) %
Consolidated Revenue growth, excluding FX	21 %	19 %	10 %	11 %	7 %
FX Effect	(1)	(4)	(7)	(8)	(7)
Consolidated Revenue growth	20 %	15 %	3 %	3 %	— %

The effect on North America's gross billings by category from changes in foreign exchange rates versus the U.S. Dollar for the three months ended September 30, 2015 was as follows:

	At Avg. Q3 2014 Rates (1)	Exchange Rate Effect (2)	September 30, 2015 As Reported	September 30, 2014 As Reported	Y/Y % Growth	Y/Y% Growth excluding FX
Local:						
Third party and other	$ 482,498	$ (890)	$ 481,608	$ 446,573	7.8 %	8.0 %
Travel:						
Third party	102,065	(264)	101,801	84,820	20.0 %	20.3 %
Total services	584,563	(1,154)	583,409	531,393	9.8 %	10.0 %
Goods:						
Third party	9,181	(495)	8,686	5,077	71.1 %	80.8 %
Direct	277,108	—	277,108	237,816	16.5	16.5
Total	286,289	(495)	285,794	242,893	17.7 %	17.9 %
Total gross billings	$ 870,852	$ (1,649)	$ 869,203	$ 774,286	12.3 %	12.5 %

The effect on EMEA's gross billings by category from changes in foreign exchange rates versus the U.S. Dollar for the three months ended September 30, 2015 was as follows:

	At Avg. Q3 2014 Rates (1)	Exchange Rate Effect (2)	September 30, 2015 As Reported	September 30, 2014 As Reported	Y/Y % Growth	Y/Y% Growth excluding FX
Local:						
Third party and other	$ 211,548	$ (29,008)	$ 182,540	$ 218,615	(16.5) %	(3.2) %
Travel:						
Third party	77,825	(12,909)	64,916	79,802	(18.7) %	(2.5) %
Total services	289,373	(41,917)	247,456	298,417	(17.1) %	(3.0) %
Goods:						
Third party	74,621	(10,703)	63,918	82,646	(22.7) %	(9.7) %
Direct	122,833	(19,725)	103,108	108,360	(4.8)	13.4
Total	197,454	(30,428)	167,026	191,006	(12.6) %	3.4 %
Total gross billings	$ 486,827	$ (72,345)	$ 414,482	$ 489,423	(15.3) %	(0.5) %

The effect on Rest of World's gross billings by category from changes in foreign exchange rates versus the U.S. Dollar for the three months ended September 30, 2015 was as follows:

	At Avg. Q3 2014 Rates (1)	Exchange Rate Effect (2)	September 30, 2015 As Reported	September 30, 2014 As Reported	Y/Y % Growth	Y/Y% Growth excluding FX
Local:						
Third party and other	$ 115,909	$ (22,937)	$ 92,972	$ 120,269	(22.7) %	(3.6) %
Travel:						
Third party	38,890	(8,181)	30,709	35,754	(14.1) %	8.8 %
Total services	154,799	(31,118)	123,681	156,023	(20.7) %	(0.8) %
Goods:						
Third party	63,749	(10,654)	53,095	65,425	(18.8) %	(2.6) %
Direct	8,428	(1,355)	7,073	5,190	36.3	62.4
Total	72,177	(12,009)	60,168	70,615	(14.8) %	2.2 %
Total gross billings	$ 226,976	$ (43,127)	$ 183,849	$ 226,638	(18.9) %	0.1 %

The effect on consolidated gross billings by category from changes in foreign exchange rates versus the U.S. Dollar for the three months ended September 30, 2015 was as follows:

	At Avg. Q3 2014 Rates [1]	Exchange Rate Effect [2]	September 30, 2015 As Reported	September 30, 2014 As Reported	Y/Y % Growth	Y/Y% Growth excluding FX
Local:						
Third party and other	$ 809,955	$ (52,835)	$ 757,120	$ 785,457	(3.6) %	3.1 %
Travel:						
Third party	218,780	(21,354)	197,426	200,376	(1.5) %	9.2 %
Total services	1,028,735	(74,189)	954,546	985,833	(3.2) %	4.4 %
Goods:						
Third party	147,551	(21,852)	125,699	153,148	(17.9) %	(3.7) %
Direct	408,369	(21,080)	387,289	351,366	10.2	16.2
Total	555,920	(42,932)	512,988	504,514	1.7 %	10.2 %
Total gross billings	$ 1,584,655	$ (117,121)	$ 1,467,534	$ 1,490,347	(1.5) %	6.3 %

(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 months ended September 30, 2014.

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

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(financial data in thousands; active customers in millions)
(unaudited)

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Segments					
North America Segment:					
Gross Billings [1]:					
Local [2] Gross Billings	$ 446,573	$ 499,250	$ 512,558	$ 499,378	$ 481,608
Travel Gross Billings	84,820	80,296	96,678	102,908	101,801
Gross Billings - Services	531,393	579,546	609,236	602,286	583,409
Gross Billings - Goods	242,893	369,033	284,741	293,970	285,794
Total Gross Billings	$ 774,286	$ 948,579	$ 893,977	$ 896,256	$ 869,203
Year-over-year growth	*16 %*	*20 %*	*14 %*	*12 %*	*12 %*
% Third Party and Other	*69 %*	*62 %*	*69 %*	*68 %*	*68 %*
% Direct	*31 %*	*38 %*	*31 %*	*32 %*	*32 %*
Gross Billings Trailing Twelve Months (TTM)	$ 3,143,621	$ 3,303,479	$ 3,415,687	$ 3,513,098	$ 3,608,015
Revenue [3]:					
Local Revenue	$ 161,912	$ 170,946	$ 180,864	$ 172,461	$ 163,786
Travel Revenue	17,627	17,165	19,989	21,958	21,394
Revenue - Services	179,539	188,111	200,853	194,419	185,180
Revenue - Goods	238,955	362,863	279,029	286,863	278,751
Total Revenue	$ 418,494	$ 550,974	$ 479,882	$ 481,282	$ 463,931
Year-over-year growth	*16 %*	*24 %*	*11 %*	*14 %*	*11 %*
% Third Party and Other	*43 %*	*35 %*	*42 %*	*41 %*	*40 %*
% Direct	*57 %*	*65 %*	*58 %*	*59 %*	*60 %*
Revenue TTM	$ 1,717,271	$ 1,824,461	$ 1,873,281	$ 1,930,632	$ 1,976,069
Gross Profit [4]:					
Local Gross Profit	$ 138,189	$ 147,582	$ 154,776	$ 147,574	$ 138,798
% of North America Local Gross Billings	*30.9 %*	*29.6 %*	*30.2 %*	*29.6 %*	*28.8 %*
Travel Gross Profit	14,000	14,187	15,791	18,385	17,644
% of North America Travel Gross Billings	*16.5 %*	*17.7 %*	*16.3 %*	*17.9 %*	*17.3 %*
Gross Profit - Services	152,189	161,769	170,567	165,959	156,442
% of North America Services Gross Billings	*28.6 %*	*27.9 %*	*28.0 %*	*27.6 %*	*26.8 %*
Gross Profit - Goods	23,953	34,404	23,923	30,598	34,801
% of North America Goods Gross Billings	*9.9 %*	*9.3 %*	*8.4 %*	*10.4 %*	*12.2 %*
Total Gross Profit	$ 176,142	$ 196,173	$ 194,490	$ 196,557	$ 191,243
Year-over-year growth	*3 %*	*13 %*	*8 %*	*9 %*	*9 %*
% Third Party and Other	*87 %*	*83 %*	*88 %*	*85 %*	*83 %*
% Direct	*13 %*	*17 %*	*12 %*	*15 %*	*17 %*
% of North America Total Gross Billings	*22.7 %*	*20.7 %*	*21.8 %*	*21.9 %*	*22.0 %*
EMEA Segment:					
Gross Billings:					
Local Gross Billings	$ 218,615	$ 242,119	$ 217,598	$ 198,553	$ 182,540
Travel Gross Billings	79,802	72,710	65,065	59,544	64,916
Gross Billings - Services	298,417	314,829	282,663	258,097	247,456
Gross Billings - Goods	191,006	245,712	176,526	175,439	167,026
Total Gross Billings	$ 489,423	$ 560,541	$ 459,189	$ 433,536	$ 414,482
Year-over-year growth	*10 %*	*(1) %*	*(11) %*	*(10) %*	*(15) %*
Year-over-year growth, excluding FX [5]	*10 %*	*8 %*	*7 %*	*9 %*	*(1) %*
% Third Party and Other	*78 %*	*74 %*	*77 %*	*76 %*	*75 %*
% Direct	*22 %*	*26 %*	*23 %*	*24 %*	*25 %*
Gross Billings TTM	$ 2,051,979	$ 2,046,807	$ 1,992,408	$ 1,942,689	$ 1,867,748
Revenue:					
Local Revenue	$ 90,002	$ 95,572	$ 82,536	$ 75,543	$ 70,781
Travel Revenue	16,960	16,321	14,717	13,100	13,561
Revenue - Services	106,962	111,893	97,253	88,643	84,342
Revenue - Goods	123,110	160,582	118,967	115,404	114,945
Total Revenue	$ 230,072	$ 272,475	$ 216,220	$ 204,047	$ 199,287
Year-over-year growth	*56 %*	*8 %*	*(6) %*	*(10) %*	*(13) %*
Year-over-year growth, excluding FX	*55 %*	*18 %*	*13 %*	*9 %*	*2 %*
% Third Party and Other	*53 %*	*46 %*	*51 %*	*48 %*	*48 %*
% Direct	*47 %*	*54 %*	*49 %*	*52 %*	*52 %*
Revenue TTM	$ 939,860	$ 961,130	$ 946,457	$ 922,814	$ 892,029

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Gross Profit:					
Local Gross Profit	$ 83,956	$ 90,150	$ 77,356	$ 70,270	$ 66,288
% of EMEA Local Gross Billings	*38.4* %	*37.2* %	*35.5* %	*35.4* %	*36.3* %
Travel Gross Profit	15,440	15,226	12,400	11,939	12,323
% of EMEA Travel Gross Billings	*19.3* %	*20.9* %	*19.1* %	*20.1* %	*19.0* %
Gross Profit - Services	99,396	105,376	89,756	82,209	78,611
% of EMEA Services Gross Billings	*33.3* %	*33.5* %	*31.8* %	*31.9* %	*31.8* %
Gross Profit - Goods	32,252	38,154	25,481	21,878	24,905
% of EMEA Goods Gross Billings	*16.9* %	*15.5* %	*14.4* %	*12.5* %	*14.9* %
Total Gross Profit	$ 131,648	$ 143,530	$ 115,237	$ 104,087	$ 103,516
Year-over-year growth	*6* %	*(6)* %	*(18)* %	*(26)* %	*(21)* %
% Third Party and Other	*85* %	*82* %	*87* %	*86* %	*86* %
% Direct	*15* %	*18* %	*13* %	*14* %	*14* %
% of EMEA Total Gross Billings	*26.9* %	*25.6* %	*25.1* %	*24.0* %	*25.0* %
Rest of World Segment:					
Gross Billings:					
Local Gross Billings	$ 120,269	$ 105,420	$ 99,735	$ 100,403	$ 92,972
Travel Gross Billings	35,754	32,313	32,946	31,263	30,709
Gross Billings - Services	156,023	137,733	132,681	131,666	123,681
Gross Billings - Goods	70,615	77,816	66,154	67,555	60,168
Total Gross Billings	$ 226,638	$ 215,549	$ 198,835	$ 199,221	$ 183,849
Year-over-year growth	*(3)* %	*(10)* %	*(12)* %	*(9)* %	*(19)* %
Year-over-year growth, excluding FX	*1* %	*—* %	*(1)* %	*6* %	*—* %
% Third Party and Other	*98* %	*96* %	*98* %	*97* %	*96* %
% Direct	*2* %	*4* %	*2* %	*3* %	*4* %
Gross Billings TTM	$ 910,670	$ 887,546	$ 861,032	$ 840,243	$ 797,454
Revenue:					
Local Revenue	$ 39,034	$ 32,264	$ 30,281	$ 28,499	$ 26,372
Travel Revenue	7,243	5,757	6,495	6,363	6,135
Revenue - Services	46,277	38,021	36,776	34,862	32,507
Revenue - Goods	19,426	21,758	17,478	18,204	17,870
Total Revenue	$ 65,703	$ 59,779	$ 54,254	$ 53,066	$ 50,377
Year-over-year growth	*(24)* %	*(19)* %	*(18)* %	*(18)* %	*(23)* %
Year-over-year growth, excluding FX	*(20)* %	*(9)* %	*(8)* %	*(4)* %	*(5)* %
% Third Party and Other	*92* %	*86* %	*91* %	*87* %	*86* %
% Direct	*8* %	*14* %	*9* %	*13* %	*14* %
Revenue TTM	$ 270,211	$ 256,532	$ 244,326	$ 232,802	$ 217,476
Gross Profit:					
Local Gross Profit	$ 34,373	$ 27,175	$ 26,161	$ 24,567	$ 22,568
% of Rest of World Local Gross Billings	*28.6* %	*25.8* %	*26.2* %	*24.5* %	*24.3* %
Travel Gross Profit	5,544	3,815	4,906	5,012	4,859
% of Rest of World Travel Gross Billings	*15.5* %	*11.8* %	*14.9* %	*16.0* %	*15.8* %
Gross Profit - Services	39,917	30,990	31,067	29,579	27,427
% of Rest of World Services Gross Billings	*25.6* %	*22.5* %	*23.4* %	*22.5* %	*22.2* %
Gross Profit - Goods	7,571	7,416	6,612	6,784	6,726
% of Rest of World Goods Gross Billings	*10.7* %	*9.5* %	*10.0* %	*10.0* %	*11.2* %
Total Gross Profit	$ 47,488	$ 38,406	$ 37,679	$ 36,363	$ 34,153
Year-over-year growth	*(26)* %	*(24)* %	*(16)* %	*(20)* %	*(28)* %
% Third Party and Other	*100* %	*96* %	*99* %	*99* %	*99* %
% Direct	*—* %	*4* %	*1* %	*1* %	*1* %
% of Rest of World Total Gross Billings	*21.0* %	*17.8* %	*18.9* %	*18.3* %	*18.6* %
Consolidated Results of Operations:					
Gross Billings:					
Local Gross Billings	$ 785,457	$ 846,789	$ 829,891	$ 798,334	$ 757,120
Travel Gross Billings	200,376	185,319	194,689	193,715	197,426
Gross Billings - Services	985,833	1,032,108	1,024,580	992,049	954,546
Gross Billings - Goods	504,514	692,561	527,421	536,964	512,988
Total Gross Billings	$ 1,490,347	$ 1,724,669	$ 1,552,001	$ 1,529,013	$ 1,467,534
Year-over-year growth	*11* %	*8* %	*2* %	*2* %	*(2)* %
Year-over-year growth, excluding FX	*12* %	*13* %	*10* %	*10* %	*6* %
% Third Party and Other	*76* %	*70* %	*75* %	*74* %	*74* %
% Direct	*24* %	*30* %	*25* %	*26* %	*26* %
Gross Billings TTM	$ 6,106,270	$ 6,237,832	$ 6,269,127	$ 6,296,030	$ 6,273,217
Year-over-year growth	*7* %	*8* %	*7* %	*6* %	*3* %

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Revenue:					
Local Revenue	$ 290,948	$ 298,782	$ 293,681	$ 276,503	$ 260,939
Travel Revenue	41,830	39,243	41,201	41,421	41,090
Revenue - Services	332,778	338,025	334,882	317,924	302,029
Revenue - Goods	381,491	545,203	415,474	420,471	411,566
Total Revenue	$ 714,269	$ 883,228	$ 750,356	$ 738,395	$ 713,595
Year-over-year growth	*20 %*	*15 %*	*3 %*	*3 %*	*— %*
Year-over-year growth, excluding FX	*21 %*	*19 %*	*10 %*	*11 %*	*7 %*
% Third Party and Other	*51 %*	*42 %*	*48 %*	*46 %*	*46 %*
% Direct	*49 %*	*58 %*	*52 %*	*54 %*	*54 %*
Revenue TTM	$ 2,927,342	$ 3,042,123	$ 3,064,064	$ 3,086,248	$ 3,085,574
Year-over-year growth	*20 %*	*18 %*	*13 %*	*10 %*	*5 %*
Gross Profit:					
Local Gross Profit	$ 256,518	$ 264,907	$ 258,293	$ 242,411	$ 227,654
% of Consolidated Local Gross Billings	*32.7 %*	*31.3 %*	*31.1 %*	*30.4 %*	*30.1 %*
Travel Gross Profit	34,984	33,228	33,097	35,336	34,826
% of Consolidated Travel Gross Billings	*17.5 %*	*17.9 %*	*17.0 %*	*18.2 %*	*17.6 %*
Gross Profit - Services	291,502	298,135	291,390	277,747	262,480
% of Consolidated Services Gross Billings	*29.6 %*	*28.9 %*	*28.4 %*	*28.0 %*	*27.5 %*
Gross Profit - Goods	63,776	79,974	56,016	59,260	66,432
% of Consolidated Goods Gross Billings	*12.6 %*	*11.5 %*	*10.6 %*	*11.0 %*	*13.0 %*
Total Gross Profit	$ 355,278	$ 378,109	$ 347,406	$ 337,007	$ 328,912
Year-over-year growth	*(1) %*	*— %*	*(5) %*	*(8) %*	*(7) %*
% Third Party and Other	*88 %*	*84 %*	*89 %*	*87 %*	*85 %*
% Direct	*12 %*	*16 %*	*11 %*	*13 %*	*15 %*
% of Total Consolidated Gross Billings	*23.8 %*	*21.9 %*	*22.4 %*	*22.0 %*	*22.4 %*
Marketing	$ 55,258	$ 59,812	$ 52,533	$ 57,007	$ 61,587
Selling, general and administrative	$ 299,275	$ 285,472	$ 289,847	$ 288,721	$ 326,248
Adjusted EBITDA	$ 63,887	$ 92,914	$ 72,370	$ 61,118	$ 56,334
% of Total Consolidated Gross Billings	*4.3 %*	*5.4 %*	*4.7 %*	*4.0 %*	*3.8 %*
% of Total Consolidated Revenue	*8.9 %*	*10.5 %*	*9.6 %*	*8.3 %*	*7.9 %*

Groupon, Inc.
Supplemental Financial Information and Business Metrics [9][10]
(financial data in thousands; active customers in millions)
(unaudited)

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 from continuing operations."

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Net cash provided by (used in) operating activities from continuing operations	$ 22,324	$ 273,272	$ 40,711	$ 9,995	$ (7,612)
Purchases of property and equipment and capitalized software from continuing operations	(18,638)	(20,117)	(18,294)	(22,452)	(27,735)
Free cash flow	$ 3,686	$ 253,155	$ 22,417	$ (12,457)	$ (35,347)
Net cash provided by (used in) operating activities from continuing operations (TTM)	$ 157,500	$ 252,497	$ 307,782	$ 346,302	$ 316,366
Purchases of property and equipment and capitalized software from continuing operations (TTM)	(83,374)	(83,560)	(85,761)	(79,501)	(88,598)
Free cash flow (TTM)	$ 74,126	$ 168,937	$ 222,021	$ 266,801	$ 227,768
Net cash provided by (used in) investing activities from continuing operations	$ (19,046)	$ (35,175)	$ (19,443)	$ (28,541)	$ (98,028)
Net cash provided by (used in) financing activities	$ (16,823)	$ (21,088)	$ (32,942)	$ (138,227)	$ (14,821)
Net cash provided by (used in) investing activities from continuing operations (TTM)	$ (137,527)	$ (149,372)	$ (105,821)	$ (102,205)	$ (181,187)
Net cash provided by (used in) financing activities (TTM)	$ (228,512)	$ (194,156)	$ (185,606)	$ (209,080)	$ (207,078)
Other Metrics:					
Active Customers [6]					
North America	23.5	24.1	24.6	24.9	25.2
EMEA	14.9	15.2	15.3	15.5	15.4
Rest of World	8.2	8.1	8.2	8.2	8.0
Total Active Customers	46.6	47.4	48.1	48.6	48.6
TTM Gross Billings / Average Active Customer [7]					
North America	$ 145	$ 147	$ 147	$ 148	$ 148
EMEA	142	139	134	130	123
Rest of World	108	105	101	98	99
Consolidated	137	137	135	133	132

Global headcount as of September 30, 2015 and 2014 was as follows:

	Q3 2014	Q3 2015
Sales [8]	4,420	4,168
% North America	*29%*	*33%*
% EMEA	*43%*	*42%*
% Rest of World	*28%*	*25%*
Other	6,228	6,301
Total Headcount	10,648	10,469

(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 include advertising, payment processing, point of sale and commission revenue.
(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 and commission revenue.
(4) Represents third party revenue, direct revenue and other revenue reduced by cost of revenue.
(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 periods.
(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 from continuing operations.
(9) Financial information and other metrics have been retrospectively adjusted to exclude Ticket Monster, which has been classified as discontinued operations.

(10) 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.