

December 10, 2013

Stock Rating  
**Overweight**

Industry View  
**In-Line**

## Groupon, Inc.

### Promising Progress on Becoming Local OS; We See \$15 by '15

**Our meeting with management leaves us increasingly confident that Groupon is on the path to becoming a unique mobile commerce market-place at scale. It is still in the early stages, but we see Groupon as a long-duration asset that offers the most asymmetric risk-reward in our coverage.**

**In our view, our biggest takeaway** is that Groupon has established the flywheel that will drive its business model and is moving towards executing fully on its vision of a mobile-driven local commerce marketplace. 2013 was about righting the ship and re-focusing the business. Management believes that 2014 will be about fully pivoting the company towards achieving the vision through building deal quality and density in the US, rolling out the deal bank internationally, engaging customers at the top of the funnel with SEO and SEM, and rolling out improved technology to all markets.

**Consumer perception lags but its building:** CEO Eric Lefkofsky acknowledged that consumer perception of Groupon lags the reality of what the company is becoming, but he believes that this issue will resolve itself as Groupon expands the breadth, depth and quality of merchants. He noted that Groupon is testing flexing take rates to accommodate higher quality merchants, which will then drive customer activity.

**Long-term growth rate:** Management noted that they believe Groupon can grow gross billings and ultimately gross profit dollars by ~20% in each business line in every geography. CFO Jason Child stated that gross billings will lead, followed by revenue and gross profit dollars as the company flexes take rates and margins. Similar to how Amazon.com and Costco views the trade off, we believe this management team is willing to sacrifice margin percent for profit dollars as they believe that giving more to the consumer maximizes the dollars that can ultimately flow through the Groupon ecosystem.

#### Key Ratios and Statistics

Reuters: GRPN.O Bloomberg: GRPN US

Internet / United States of America

<b>Price target</b>	<b>\$15.00</b>
Shr price, close (Dec 9, 2013)	\$9.62
Mkt cap, curr (mm)	\$6,411
52-Week Range	\$12.76-3.70

Fiscal Year ending	12/12	12/13e	12/14e	12/15e
Revenue, net (\$mm)	2,334	2,544	2,987	3,504
EBITDA, adj (\$mm)**	260	297	394	514
EPS (\$)***	0.06	0.09	0.29	0.43
P/E**	84.5	108.2	33.0	22.6
Consensus EPS (\$)§	0.17	0.09	0.25	0.40
ModelWare EPS (\$)§	(0.08)	(0.02)	0.15	0.27

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework (please see explanation later in this note).

# = Our pension accounting has changed in ModelWare, which will affect ModelWare EPS figures for some stocks under coverage. Visit [www.ms.com/mw.pdf](http://www.ms.com/mw.pdf) for details

§ = Consensus data is provided by Thomson Reuters Estimates.

\*\* = Based on consensus methodology

e = Morgan Stanley Research estimates

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## Groupon, Inc. (GRPN, Overweight)

**Risk-Reward View: Turnaround in North America implies Groupon can execute against a large opportunity in the nascent deals market**



Source: Thomson Reuters, Morgan Stanley Research

Price Target: \$15	Based on DCF, WACC of 14.5% and perpetual growth rate of 4.5%	
Bull Case	28x Bull Case 2014 EV / EBITDA of \$494M	Groupon's 2H12 setback is temporary in nature. Improvements to targeting and successful execution of new marketing initiatives boost activation rate purchase frequency. Assumes Groupon can reaccelerate 3P and other revenue growth in 2013. EBITDA margin would be 15% in 2014.
Base Case	22x Base Case 2014 EV / EBITDA of \$394M	The North American segment continues to improve as Groupon furthers its lead over competitors through its deal bank and increasing focus on mobile. Take rates remain relatively stable in the deal business, and margins improve gradually in 1P goods business from optimizing fulfillment. EMEA stabilizes and returns to growth, driving margins higher. Rest of World continues to struggle, but results improve though margins remain negative in the near-term. The momentum in North America and EMEA segment drive mid-to-high teens revenue growth and EBITDA expand to 13% in 2014.
Bear Case	12x Base Case 2014 EV / EBITDA of \$268M	Groupon's business is stable but core growth continues to be sluggish. Take rates decline and both deals and goods businesses don't accelerate as the company's initiatives to attract better merchants to attract more customers fails to resonate. EBITDA margins decline to 8.5%."

Source: Company data, Morgan Stanley Research

### SWOT Analysis – Groupon

<b>Strengths</b> <ol style="list-style-type: none"> <li>1. Largest daily deal customer base and most local merchant relationships</li> <li>2. Most employees and resources dedicated solely to sourcing and executing deals</li> <li>3. Deal targeting and data analytics</li> </ol>	<b>Weaknesses</b> <ol style="list-style-type: none"> <li>1. Deal fatigue if Groupon does not continue to provide high quality deals to subscribers</li> <li>2. Less favorable payment terms to merchants</li> <li>3. Subpar Groupon Goods customer experience due to lack of eCommerce fulfillment</li> </ol>
<b>Opportunities</b> <ol style="list-style-type: none"> <li>1. Local merchant loyalty, scheduling, and payments programs</li> <li>2. New verticals beyond Goods and Getaways</li> <li>3. Groupon customer loyalty program through VIP</li> </ol>	<b>Threats</b> <ol style="list-style-type: none"> <li>1. Competitive dynamics from other daily deal companies, Google, and Amazon</li> <li>2. Innovative startups with local merchant relationships may enter deal space</li> </ol>

Source: Morgan Stanley Research, Format based on Michael Porter's *Competitive Strategy*

### Why Overweight?

- Conversion to the deal bank allows Groupon to execute against its sizable addressable market
- Strong penetration in mobile shows that Groupon is a viable channel to drive local commerce

### Competitive Advantages

- Leading daily deal provider with ~42+M active customers worldwide
- Disruptive business model addresses potentially large market opportunities in local commerce
- High barriers to scale make it difficult for others to compete
- Large deal bank coupled with a strong mobile platform provide consumers expanded choice and the ability to buy whenever and wherever

### Key Value Drivers

- Value proposition of delivering merchant ROI
- Ability to deliver heavily discounted products / services to consumers
- Targeted deals can potentially improve conversion
- Operating leverage from rollout of technology platform to all markets

### Potential Catalysts

- Continued acceleration of deals in North America
- Turnaround in EMEA and Other International
- New verticals, merchant analytics tools, mobile features
- Competitors leaving daily deals space due to scaling challenges

### Potential Risks

- Local eCommerce is a nascent industry and growth trajectory is uncertain
- Cannibalization of local deals with lower margin direct revenue
- Deal quality may be difficult to maintain over the long-term
- Disruption from changes to Gmail

## Investment Case

### Where Groupon is Focused

CEO Eric Lefkofsky noted that the six big initiatives of the company are:

- Continuing to build a stronger pull marketplace more merchants and better merchants
- Investing in mobile
- Investing more in local – at the heart, Groupon is a local company, and the company has identified areas where it can reduce friction to Groupon redemptions on both the customer and merchant sides
- Goods and travel – the company stated that it can improve selection and fulfillment (on the goods side)
- Invest in the push email biz which management feels has become stale
- Cleaning up international

Underpinning these initiatives is the fact that Groupon is still in the process of building the appropriate technology infrastructure to drive these initiatives. For instance, Mr. Lefkofsky noted that while it is one of the biggest email marketers in the world, Groupon does not have a way to track the deals it offered to a consumer in previous emails and which ones a consumer may have clicked on. Additionally, the company has not changed the layout of the email, which often juxtaposes deals from very different categories together. Groupon is testing a new email product, which lays out deals according to personalized categories and allows Groupon to track what deals consumers look at and/or act on (i.e., click on or buy).

### Site redesign and SEO/SEM a positive tailwind near term for consumer demand

Management noted that they are very pleased with the early returns from the site design launched on November 1st. The new site is fully crawlable by Google and allows the company to utilize SEO and further expand its nascent SEM efforts. CFO Jason Child noted that every scaled eCommerce company has to spend in order to drive customers into the top of the funnel. The previous site did not allow this to occur, which meant that Groupon sacrificed a key marketing channel for customer and transaction acquisition. Mr. Lefkofsky that SEO and SEM will ultimately provide a big lift to the business and that search

results will ultimately snowball as more consumers go to the site through search.

### How far can deal count go

As of the end of last quarter, Groupon had ~65,000 deals available in North America, an impressive expansion vs. the 1,000 deals it had around the IPO. Management indicated that ultimately, they believe that deal counts can go into the hundreds of thousands, and we suspect that this includes new product verticals like home repair and services. The rollout of the deal bank model into EMEA and ROW still remains in the early innings.

### Push business facing near term headwinds, but email revamp is coming

Currently, we believe that email accounts for less than 40% of transactions vs. ~50% at this time last year. While Groupon continues to build its pull business, the company believes that the push businesses can still grow. Mr. Lefkofsky noted that while mobile/pull tailwinds are substantial, the email push business faces headwinds as consumers redeem deals closer to when they buy and from a lack of change or innovation in this area. As noted above, the company will launch a revamped email product that presents deals organized in categories and will allow Groupon to 1) provide deals in categories consumers want and 2) to provide new deals. Previously, the company's emails would often rerun the same or similar deals even though a consumer may have already passed on the deal.

### International should return to growth next year

Management noted that international gross billings should grow next year. In EMEA, many of the sales tools and the deal bank model will provide a boost. The Rest of the World segment will not face many of the headwinds it faced this year from lapping deals in certain categories that Groupon ran in countries like Brazil that it choose not to do again (e.g., medical deals) and as they exited certain cities in some countries. With these headwinds passed, Rest of World should return to growth next year.

Overall, management feels that the company has made great progress in 2013 in fixing many of the fundamental problems that hurt international. Principally, Mr. Lefkofsky noted that the international segment grew so fast that it created "chaos" in terms of the merchant and consumer experience, which the company has spent much of 2013 repairing. By the end of 2014, international markets should be running both the frontend and back-end on the same platform as North America.

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Once these improvements are rolled through the international markets, management believes that each of the international markets should be able to self-fund its growth. While there are still large pockets of costs that they can cut from international operations, Mr. Child noted that Groupon can redeploy those dollars to stimulate growth in many of those markets.

On the Ticket Monster acquisition, Mr. Child noted that Korea was the largest market where Groupon was not the market leader, and that the acquisition allows Groupon to gain a market leading company in a market where it struggled at a reasonable valuation. Management noted that Ticket Monster fits with Groupon's vision with more than 50% of its transaction done on mobile and ~10% via email. Ticket Monster is growing ~50% YoY and is EBITDA positive.

### **Cash cushion to be used prudently**

Mr. Child indicated that the company is looking to balance its cash reserve (\$1.1B, or 18% of the market cap) between reinvesting in the business, potential acquisitions, and allocating dollars to share repurchases. We believe that Groupon will take a prudent approach to its share repurchase, and we believe that management noted that all the initiatives the company is undertaking right now, the company is not pursuing acquisitions unless the deal is a strategic fit and is done at a reasonable valuation (e.g., the Ticket Monster acquisition).

*Morgan Stanley is acting as financial advisor to Groupon, Inc. ("Groupon") with respect to its proposed acquisition of LivingSocial Korea, which owns Ticket Monster, as announced on November 7, 2013. The proposed acquisition is subject to regulatory and other customary closing conditions. Groupon has agreed to pay fees to Morgan Stanley for its financial advice, including transaction fees that are contingent upon the consummation of the proposed transaction. Please refer to the notes at the end of the report.*

*Morgan Stanley is currently acting as financial advisor to Google Inc. ("Google") with respect to its proposed stock dividend, as announced on April 12, 2012. Google has agreed to pay fees to Morgan Stanley for its financial advice. Please refer to the notes at the end of the report.*

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## AlphaWise Survey of SMB Advertising Spend

alphawise Evidence

### Core Questions

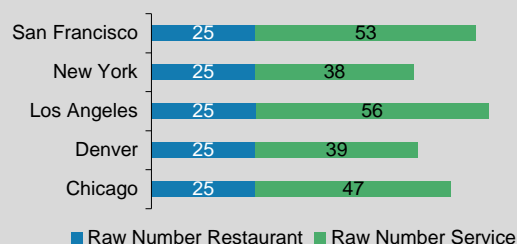
- *Who is best positioned to win market share in local online advertising spend?*
- *Who leads on generating discovery and loyal business?*
- *Who is best positioned to grow the online local advertising business?*

### Methodology

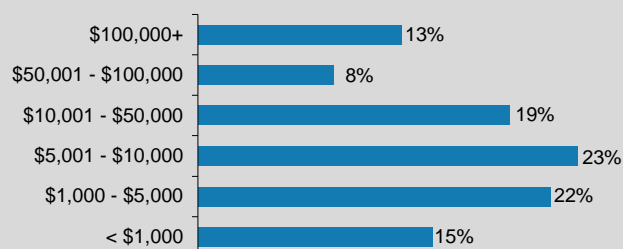
During October and November 2013, we surveyed 358 small and medium-sized businesses (SMBs) and spoke with operators responsible for managing advertising, marketing, and/or promotional offers. Our survey of SMBs took place in Chicago, Denver, Los Angeles, New York, and San Francisco. We segmented businesses as either Restaurant/Bars or Services (Dentist/Medical, Spa, Hair/Nail Salon, Barbershop, Dry cleaner, Tailor). Our survey was limited to those SMBs that have used some form of online advertising in the past 12 months.

Our main objective was to understand 1) what is the opportunity for local advertising spend coming online in the next 12 months; 2) drivers of online advertising spend with SMBs; 3) who is best positioned to win market share in the local online advertising spend coming online in the next 12 months.

### Breakdown Between Location by Restaurant or Service



### Annual Advertising, Marketing, and/or Promotional Offer Spend



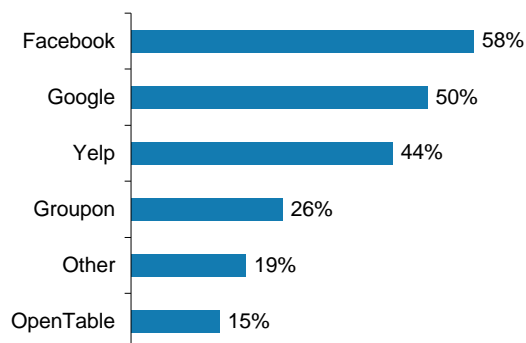
Our primary conclusion from our AlphaWise survey is that we expect online advertising/distribution to continue gaining momentum at the expense of print mediums, which should continue to lose share in 2014 as businesses begin adopting digital channels to drive local discovery. See our accompanying note "Local: Google, Facebook in the lead. Yelp closing in" published today.

### Opportunity to Add Merchants is Still Sizable

Despite \$1.7B in local deals gross billings in North America, we believe that Groupon has a long run way of merchants that it can add to its platform. Our AlphaWise survey of 358 small-medium businesses indicates that 26% of merchants ran deals with Groupon over the past 12 months. While Groupon's platform is not ideal for all types of merchants, we believe that as Groupon expands product lines and draws in more users, its platform has the potential to become more viable and attractive over time to a broader set of merchants.

Exhibit 1

### AlphaWise: 58% of SMBs have used and paid for advertising with Facebook in the last 12 months



Source: AlphaWise, Morgan Stanley Research

Additionally, we believe that even among merchants that have used Groupon, local businesses continue to use old and relatively more ineffective channels to distribute deals. According to our survey, paper coupons distributed in-store, in newspapers, and through the mail still account for 23% of deals/discounts offered to customers. Our survey shows that restaurants tend to use paper coupons more so than service-oriented businesses (28%), which shows that Groupon's larger near term opportunity rests among restaurants.

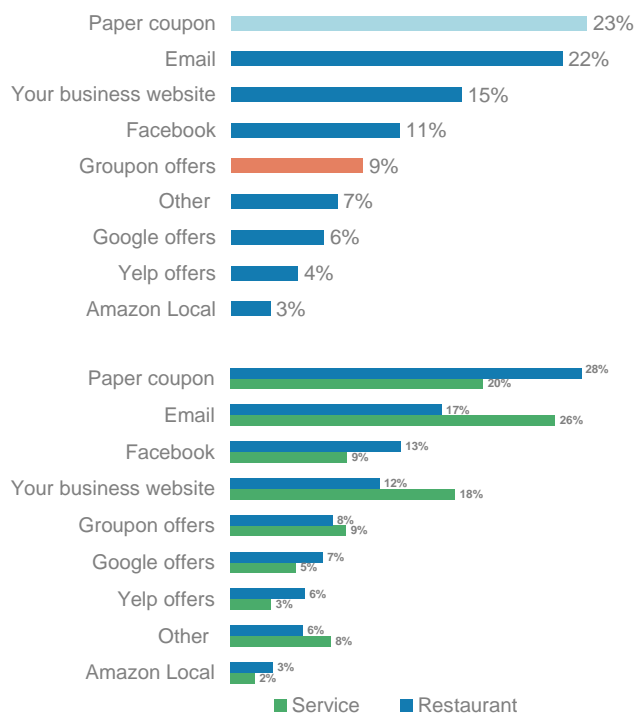
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Exhibit 2

## AlphaWise: Method of distribution of special offers or coupons to customers by SMBs

### How do you distribute coupons/deals?



Source: AlphaWise, Morgan Stanley Research

In our view, paper coupons are still relatively popular among merchants given the perception among merchants that a separation still exists between physical and digital mediums. However, we believe that as consumers shift their method of search and discovery for local commerce (where should I eat, finding a new salon, etc) shifts online and in particular to mobile, services that offer consumers the best experience will ultimately gain share.

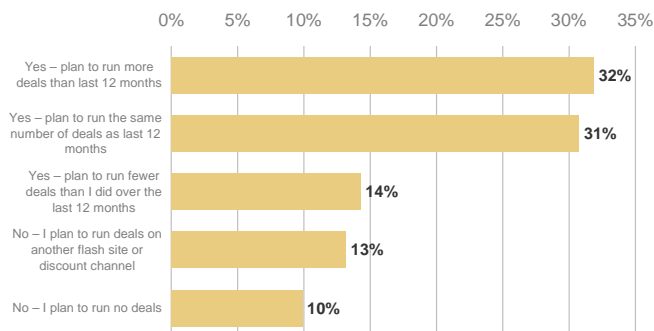
### Merchants intent to continue using Groupon is strong

Our AlphaWise survey shows a high intent to repeat among businesses that have used Groupon previously, with 63% of merchants indicating that they intend to run either more or the same amount of deals over the next twelve months.

Exhibit 3

## Our survey indicates that a high percentage of merchants will run Groupon offers again

### Do you plan to use Groupon in the next 12 months?



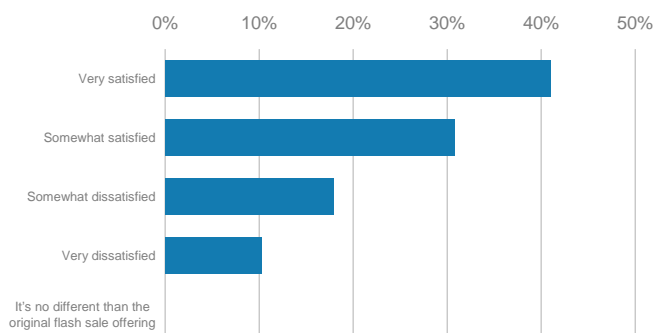
Source: AlphaWise, Morgan Stanley Research

As a percent of overall online ad spend, our survey indicates that merchants intend to spend a slightly higher percentage of the ad budget on Groupon relative to last year (5.8% vs. 5.7%), one of the few services in the survey that saw an increase in the portion of the ad budget.

Exhibit 4

## Merchant satisfaction appears to be high with Groupon's Dealbank

### How satisfied are you with Groupon's deal bank offering?



Source: AlphaWise, Morgan Stanley Research

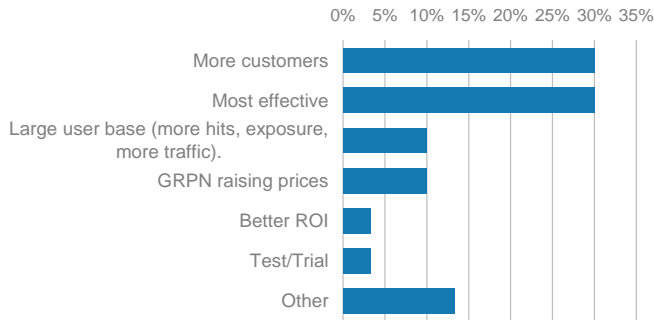
When we isolate merchants that indicate that they have offered deals through Groupon's Deal Bank (smaller deals run more frequently) product, our survey shows that merchants have responded favorably to Groupon's new strategy. Over 70% of merchants responded that they are "very satisfied" (41%) and "somewhat satisfied" (31%).

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Exhibit 5

## Merchants indicate they intend to spend more

Why do you plan to increase your advertising, marketing, and/or promotional offers spending on Groupon

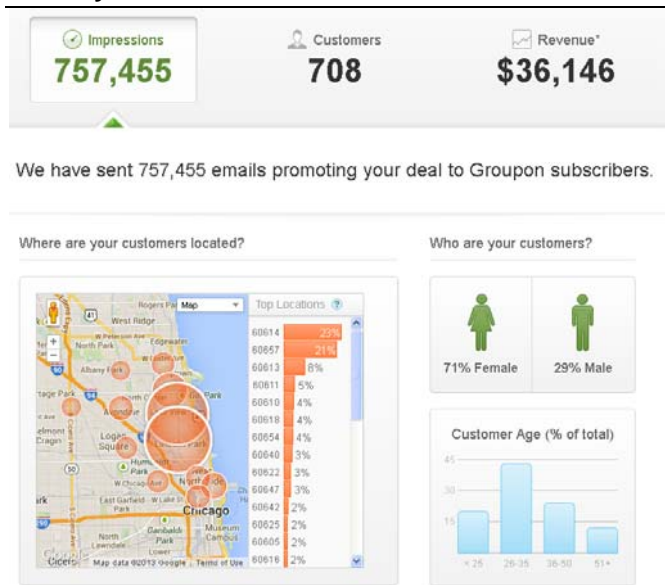


Source: AlphaWise, Morgan Stanley Research

We believe that our survey validates many of Groupon's claims that it can be an effective method for local businesses to bring in more customers and business. Among merchants that indicate that they intend to increase spending on Groupon's platforms, our survey shows that those merchants find Groupon provides "More customers" and is "the most effective" platform at delivering business.

Exhibit 6

## Groupon's merchant center makes tracking deal efficacy



Source: Company Data, Morgan Stanley Research

While some merchants believe that Groupon's overall cost is too high, we believe that Groupon has focused on educating merchants through its merchant center about how to use Groupon, how to design better deals, and understanding how

to think about ROI. Unlike traditional advertising where merchants pay upfront and often cannot definitely know the amount of revenue generated, merchants pay Groupon on a performance basis.

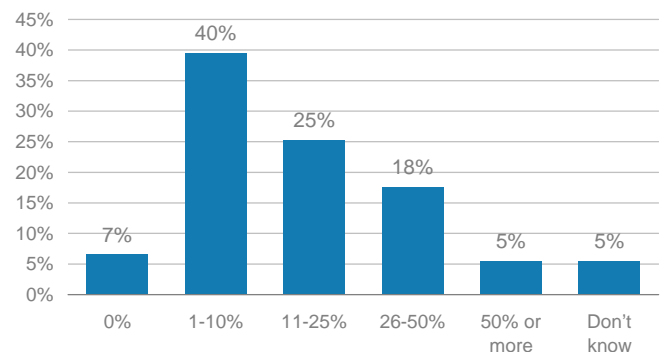
## How effective is Groupon for merchants

While our survey results yield some insight, we believe the most important data point continues to be the high number of merchants that use the Groupon platform. Groupon has indicated that re-feature rates remain strong, and that its merchant satisfaction scores are at record highs.

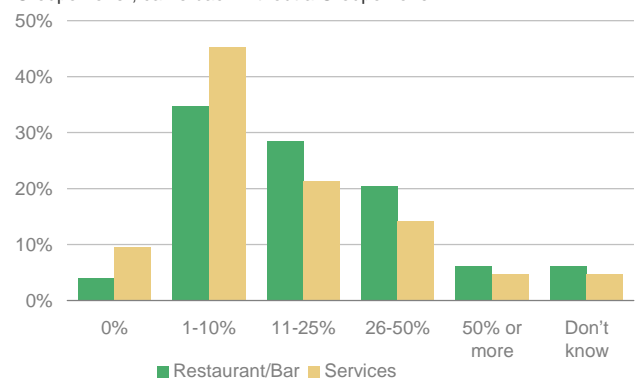
Exhibit 7

## Our survey indicates that between 10-20% of Groupon users return without an offer

What percentage of your customers who came with a Groupon offer, came back without a Groupon offer?



What percentage of your customers who came with a Groupon offer, came back without a Groupon offer?

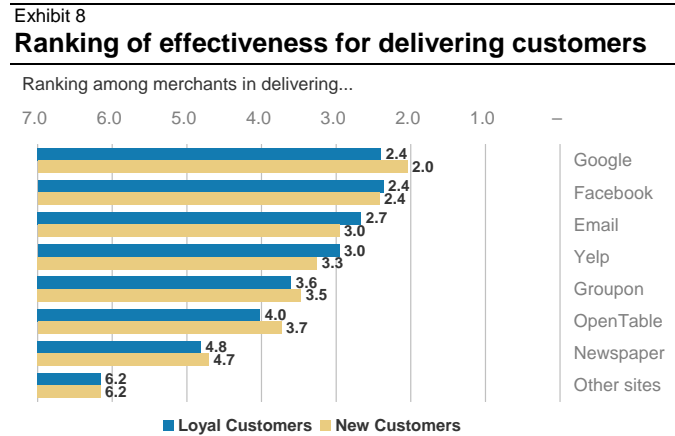


Source: AlphaWise, Morgan Stanley Research

According to data from our survey, we believe that merchants see between 10-20% of Groupon customers return without a Groupon. Restaurants see a higher percentage of return customers than service companies though we note that for some services, the gap between visits could be long (e.g., people normally go to a dentist once a year). However, we note that the percentage of customers that return likely depends on

several variables that are not easily measured through a survey.

Among other forms of digital advertising, our survey indicates that Groupon ranks as the 3<sup>rd</sup> or 4<sup>th</sup> most effective digital advertising medium after Google, Facebook, email, and Yelp.



Source: AlphaWise, Morgan Stanley Research



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Exhibit 9

## Quarterly Revenue Build

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>Summary - Consolidated Company</b>								
North America -Deals / Travel	475.4	455.3	400.3	478.1	516.0	515.3	470.4	574.7
International - Deals / Travel	593.9	539.2	442.5	500.8	499.5	461.6	428.8	504.7
North America -Goods	78.2	92.9	152.1	240.8	165.4	196.9	194.6	295.4
International - Goods	207.4	199.2	223.4	300.7	227.0	240.0	248.8	324.3
Total Gross Billings	1,354.8	1,286.7	1,218.3	1,520.5	1,407.8	1,413.8	1,342.6	1,699.2
North America -Deals / Travel	211.3	197.0	151.9	153.9	188.3	191.2	174.9	200.0
International - Deals / Travel	253.0	228.0	193.7	172.6	183.7	175.8	167.9	174.1
North America -Goods	27.2	63.2	139.7	221.5	151.2	186.0	185.9	287.4
International - Goods	67.8	80.2	83.2	90.3	78.2	55.7	66.3	77.1
Total Revenue	559.3	568.3	568.6	638.3	601.4	608.7	595.1	738.7
<b>YoY Growth Rates - Gross Billings</b>								
North America -Deals / Travel	51%	23%	(0%)	0%	9%	13%	18%	20%
International - Deals / Travel	68%	(4%)	(41%)	(34%)	(16%)	(14%)	(3%)	1%
North America -Goods	NM	NM	NM	NM	111%	112%	28%	23%
International - Goods	NM	NM	NM	NM	9%	20%	11%	8%
Total	103%	38%	5%	24%	4%	10%	10%	12%
North America - Take Rate (Deals / Travel)	44%	43%	38%	32%	37%	37%	37%	35%
International - Take Rate (Deals / Travel)	43%	42%	44%	34%	37%	38%	39%	35%
Consolidated Take Rate (Deals / Travel)	43%	43%	41%	33%	37%	38%	38%	35%
North America - CSOI	40.2	43.4	39.1	17.0	41.4	48.5	25.2	41.6
International - CSOI	27.4	28.5	11.4	(3.6)	9.8	10.5	14.0	16.4
Total CSOI	67.6	71.9	50.5	13.4	51.2	59.0	39.2	58.0
North America - CSOI Margin	16.8%	16.7%	13.4%	4.5%	12.2%	12.9%	7.0%	8.5%
International - CSOI Margin	8.5%	9.3%	4.1%	(1.4%)	3.7%	4.5%	6.0%	6.5%
Consolidated CSOI Margin	12.1%	12.7%	8.9%	2.1%	8.5%	9.7%	6.6%	7.9%

Source: Company Data, Morgan Stanley Research

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Exhibit 10

## Summary Annual Build

	Historicals		Projected Financials				
	2011	2012	2013	2014	2015	2016	2017
<b>Summary - Consolidated Company</b>							
North America -Deals / Travel	1,561.9	1,809.1	2,122.0	2,509.1	2,869.5	3,149.4	3,393.8
International - Deals / Travel	2,423.6	2,076.4	1,890.7	2,188.8	2,458.8	2,669.7	2,857.5
North America -Goods	–	564.1	907.0	1,299.9	1,668.6	1,993.3	2,187.5
International - Goods	–	930.6	1,100.6	1,165.8	1,212.4	1,248.6	1,280.0
Total Gross Billings	3,985.5	5,380.2	6,020.3	7,163.6	8,209.4	9,061.0	9,718.8
North America -Deals / Travel	635.0	714.2	764.7	902.9	1,034.3	1,136.0	1,224.9
International - Deals / Travel	975.5	847.3	707.1	826.5	932.7	1,012.8	1,082.3
North America -Goods	–	451.5	865.0	1,278.9	1,656.0	1,984.4	2,181.3
International - Goods	–	321.5	277.7	301.8	322.5	340.9	354.1
Total Revenue	1,610.4	2,334.5	2,614.5	3,310.1	3,945.5	4,474.1	4,842.6
YoY Growth Rates - Gross Billings							
North America -Deals / Travel	243%	16%	17%	18%	14%	10%	8%
International - Deals / Travel	839%	(14%)	(9%)	16%	12%	9%	7%
North America -Goods			61%	43%	28%	19%	10%
International - Goods			18%	6%	4%	3%	3%
Total	459%	35%	12%	19%	15%	10%	7%
North America - Take Rate (Deals / T	41%	39%	36%	36%	36%	36%	36%
International - Take Rate (Deals / Tra	40%	41%	37%	38%	38%	38%	38%
Consolidated Take Rate (Deals / Travel)							
North America - CSOI	4.8	139.7	180.1	245.5	305.4	366.7	413.9
International - CSOI	(149.1)	64.0	20.3	61.6	105.1	136.0	181.8
Total CSOI	(144.3)	203.7	200.4	307.1	410.5	502.7	595.7
North America - CSOI Margin	0.8%	12.0%	11.1%	11.3%	11.4%	11.8%	12.2%
International - CSOI Margin	(15.3%)	5.5%	2.1%	5.5%	8.4%	10.0%	12.7%
Consolidated CSOI Margin	(9.0%)	8.7%	7.7%	9.3%	10.4%	11.2%	12.3%

Source: Company Data, Morgan Stanley Research

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Exhibit 11

## North America - Deals

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>North America - Revenue and Gross Profit Build</b>								
<b>NA Local Deals</b>								
GB - Third Party and Other	424	412	349	430	450	450	402	508
GB - Direct	5	0	6	—	—	1	1	—
Gross Billings - Total	429	413	356	430	450	450	403	508
YoY Growth - Third Party	35%	11%	(13%)	(10%)	6%	9%	15%	18%
YoY Growth - Direct	NM	NM	NM	NM	(100%)	141%	(84%)	—
YoY Growth - Total	36%	12%	(11%)	(10%)	5%	9%	13%	18%
Take Rate - Third Party and Other	45%	45%	39%	33%	38%	39%	39%	36%
Take Rate - Direct								
Take Rate - Local Deals	46%	45%	40%	33%	38%	39%	40%	36%
YoY Chg in bps - Third Party	2%	2%	(2%)	(5%)	(7%)	(6%)	1%	3%
Rev - Third Party and Other	191	184	135	142	172	174	158	183
Rev - Direct	5	0	6	—	—	1	1	—
Rev - Total	196	184	141	142	172	175	159	183
Gross Profit - Third Party and Other	139	148	122	119	146	154	139	159
Gross Profit - Direct	1	0	1	—	—	0	(1)	—
Gross Profit - Total	140	149	123	119	146	154	138	159
YoY Growth - Third Party	25%	19%	(6%)	(7%)	5%	4%	14%	33%
YoY Growth - Total	25%	19%	(6%)	(7%)	4%	4%	12%	33%
Gross Margin - Third Party and Other	73%	81%	90%	84%	85%	89%	88%	87%
Gross Margin - Direct	12%	19%	19%	NM	NM	8%	(81%)	—
Gross Margin - Total	71%	81%	87%	84%	85%	88%	87%	87%
YoY Chg in bps - Third Party	(9%)	1%	10%	12%	12%	8%	(2%)	3%

Source: Company Data, Morgan Stanley Research

Exhibit 12

## North America – Goods and Travel

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>NA Goods</b>								
GB - Third Party and Other	76	40	26	31	17	16	13	13
GB - Direct	2	53	127	210	148	181	182	283
Gross Billings - Total	78	93	152	241	165	197	195	295
YoY Growth - Third Party	NM	NM	NM	NM	(77%)	(61%)	(50%)	(60%)
YoY Growth - Direct	NM	NM	NM	NM	6388%	244%	44%	35%
YoY Growth - Total	NM	NM	NM	NM	111%	112%	28%	23%
Rev - Third Party and Other	25	10	13	12	3	5	4	5
Rev - Direct	2	53	127	210	148	181	182	283
Rev - Total	27	63	140	221	151	186	186	287
Take Rate - Third Party and Other	33%	26%	51%	38%	18%	30%	32%	36%
Take Rate - Direct	100%	100%	100%	100%	100%	100%	100%	100%
Take Rate - Local Deals	35%	68%	92%	92%	91%	94%	96%	97%
YoY Chg - Third Party	NM	NM	NM	NM	(45%)	16%	(38%)	(2%)
YoY Chg - Direct	NM	NM	NM	NM	—	(0%)	—	—
YoY Chg in bps - Total Goods Take Rate	NM	NM	NM	NM	163%	39%	4%	6%
Gross Profit - Third Party and Other	18	8	12	10	3	4	4	4
Gross Profit - Direct	0	7	16	13	10	23	18	23
Gross Profit - Total	18	15	28	23	12	27	22	27
Gross Margin - Third Party and Other	73%	81%	90%	84%	85%	89%	88%	84%
Gross Margin - Direct	12%	13%	13%	6%	7%	13%	10%	8%
Gross Margin - Total	68%	24%	20%	10%	8%	15%	12%	9%
YoY Chg - Third Party	NM	NM	NM	NM	12%	8%	(2%)	—
YoY Chg - Direct	NM	NM	NM	NM	(5%)	(0%)	(3%)	2%
YoY Chg - Total	NM	NM	NM	NM	(60%)	(10%)	(8%)	(1%)
<b>NA Travel and Other</b>								
GB - Third Party and Other	46	43	45	48	66	65	68	67
GB - Direct	—	—	—	—	—	—	—	—
Gross Billings - Total	46	43	45	48	66	65	68	67
YoY Growth - Third Party	NM	NM	NM	NM	43%	52%	52%	40%
YoY Growth - Direct	NM	NM	NM	NM	NM	NM	NM	—
YoY Growth - Total	NM	NM	NM	NM	43%	52%	52%	40%
Rev - Third Party and Other	15	13	10	11	17	16	16	17
Rev - Direct	—	—	—	—	—	—	—	—
Rev - Total	15	13	10	11	17	16	16	17
Take Rate - Third Party and Other	32%	29%	24%	24%	25%	25%	23%	25%
Take Rate - Direct	—	—	—	—	—	—	—	—
Take Rate - Local Deals	32%	29%	24%	24%	25%	25%	23%	25%
YoY Chg - Third Party	—	—	—	—	(7%)	(4%)	(0%)	1%
Gross Profit - Third Party and Other	11	10	9	10	14	13	12	14
Gross Profit - Direct	—	—	—	—	—	—	—	—
Gross Profit - Total	11	10	9	10	14	13	12	14
Gross Margin - Third Party and Other	73%	81%	90%	84%	85%	81%	74%	84%
Gross Margin - Direct	—	—	—	—	—	—	—	—
Gross Margin - Total	73%	81%	90%	84%	85%	81%	74%	84%
YoY Chg - Third Party	—	—	—	—	12%	0%	(16%)	—

Source: Company Data, Morgan Stanley Research

December 10, 2013  
Groupon, Inc.

Exhibit 13

## EMEA - Goods

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>EMEA (Intl) - Revenue and Gross Profit Build</b>								
<b>EMEA Local Deals</b>								
GB - Third Party and Other	320	271	183	240	259	241	207	257
GB - Direct	—	—	—	—	—	—	—	—
Gross Billings - Total	320	271	183	240	259	241	207	257
YoY Growth - Third Party	—	—	—	—	(19%)	(11%)	13%	7%
YoY Growth - Direct	—	—	—	—	—	—	—	—
YoY Growth - Total	—	—	—	—	(19%)	(11%)	13%	7%
Rev - Third Party and Other	—	134	110	99	111	109	91	106
Rev - Direct	—	—	—	—	—	—	—	—
Rev - Total	—	134	110	99	111	109	91	106
Take Rate - Third Party and Other	—	49%	60%	41%	43%	45%	44%	41%
Take Rate - Direct	—	—	—	—	—	—	—	—
Take Rate - Local Deals	—	49%	60%	41%	43%	45%	44%	41%
YoY Chg in bps - Third Party	—	—	—	—	—	(4%)	(16%)	—
Gross Profit - Third Party and Other	—	122	99	88	97	99	81	94
Gross Profit - Direct	—	—	—	—	—	—	—	—
Gross Profit - Total	—	122	99	88	97	99	81	94
Gross Margin - Third Party and Other	—	91%	90%	89%	87%	90%	89%	89%
Gross Margin - Direct	—	—	—	—	—	—	—	—
Gross Margin - Total	—	91%	90%	89%	87%	90%	89%	89%
YoY Chg in bps - Third Party	—	—	—	—	—	(1%)	(2%)	—

Source: Company Data, Morgan Stanley Research

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Groupon, Inc.

Exhibit 14

## EMEA – Goods and Travel

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>EMEA Goods</b>								
GB - Third Party and Other	–	113	137	196	142	165	161	225
GB - Direct	–	11	10	9	7	2	9	5
Gross Billings - Total	–	124	147	205	149	168	170	229
Rev - Third Party and Other	–	46	50	49	46	33	32	45
Rev - Direct	–	11	10	9	7	2	9	5
Rev - Total	–	57	60	58	53	35	41	50
Take Rate - Third Party and Other	–	41%	36%	25%	32%	20%	20%	20%
Take Rate - Direct	–	100%	100%	100%	100%	100%	100%	100%
Take Rate - Local Deals	–	46%	41%	28%	36%	21%	24%	22%
YoY Chg in bps - Third Party	–	–	–	–	–	(21%)	(16%)	(5%)
YoY Chg in bps - Total Goods Take Rate	–	–	–	–	–	(25%)	(16%)	(7%)
Gross Profit - Third Party and Other	–	42	45	44	40	28	28	40
Gross Profit - Direct	–	(0)	2	(6)	(0)	(1)	1	–
Gross Profit - Total	–	42	47	38	40	27	29	40
Gross Margin - Third Party and Other	–	91%	90%	89%	87%	86%	88%	87%
Gross Margin - Direct	–	(0%)	21%	(61%)	(0%)	(52%)	10%	–
Gross Margin - Total	–	74%	79%	66%	75%	77%	70%	79%
YoY Chg in bps - Third Party	–	–	–	–	–	(6%)	(3%)	(2%)
YoY Chg in bps - Direct	–	–	–	–	–	(52%)	(11%)	61%
YoY Chg - Total	–	–	–	–	–	3%	(9%)	13%
<b>EMEA Travel and Other</b>								
GB - Third Party and Other	–	68	66	88	84	74	66	92
GB - Direct	–	–	–	–	–	–	–	–
Gross Billings - Total	–	68	66	88	84	74	66	92
YoY Growth - Third Party	–	–	–	–	–	9%	–	5%
YoY Growth - Direct	–	–	–	–	–	–	–	–
YoY Growth - Total	–	–	–	–	–	9%	0%	5%
Rev - Third Party and Other	–	21	18	19	20	15	15	19
Rev - Direct	–	–	–	–	–	–	–	–
Rev - Total	–	21	18	19	20	15	15	19
Take Rate - Third Party and Other	–	31%	27%	22%	24%	21%	23%	21%
Take Rate - Direct	–	–	–	–	–	–	–	–
Take Rate - Local Deals	–	31%	27%	22%	24%	21%	23%	21%
YoY Chg in bps - Third Party	–	–	–	–	–	(10%)	(5%)	(1%)
Gross Profit - Third Party and Other	–	19	16	17	17	14	14	17
Gross Profit - Direct	–	–	–	–	–	–	–	–
Gross Profit - Total	–	19	16	17	17	14	14	17
Gross Margin - Third Party and Other	–	91%	90%	89%	87%	90%	89%	89%
Gross Margin - Direct	–	–	–	–	–	–	–	–
Gross Margin - Total	–	91%	90%	89%	87%	90%	89%	89%
YoY Chg in bps - Third Party	–	–	–	–	–	(1%)	(2%)	–

Source: Company Data, Morgan Stanley Research

Exhibit 15

## Rest of World - Deals

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>ROW (Intl) - Revenue and Gross Profit Build</b>								
<b>Rest of World Local Deals</b>								
GB - Third Party and Other		152	145	129	120	115	118	116
GB - Direct		—	—	—	—	—	—	—
Gross Billings - Total		152	145	129	120	115	118	116
YoY Growth - Third Party		—	—	—	(18%)	(25%)	(18%)	(10%)
YoY Growth - Direct		—	—	—	—	—	—	—
YoY Growth - Total		—	—	—	—	(25%)	(18%)	(10%)
Rev - Third Party and Other		60	55	46	45	43	52	42
Rev - Direct		—	—	—	—	—	—	—
Rev - Total		60	55	46	45	43	52	42
Take Rate - Third Party and Other		39%	38%	36%	38%	38%	44%	36%
Take Rate - Direct		—	—	—	—	—	—	—
Take Rate - Local Deals		39%	38%	36%	38%	38%	44%	36%
YoY Chg - Third Party		—	—	—	—	(1%)	6%	—
Gross Profit - Third Party and Other		47	41	36	39	35	44	33
Gross Profit - Direct		—	—	—	—	—	—	—
Gross Profit - Total		47	41	36	39	35	44	33
Gross Margin - Third Party and Other		79%	76%	79%	87%	82%	86%	80%
Gross Margin - Direct		—	—	—	—	—	—	—
Gross Margin - Total		79%	76%	79%	87%	82%	86%	80%
YoY Chg - Third Party		—	—	—	—	3%	10%	1%

Source: Company Data, Morgan Stanley Research

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Groupon, Inc.

Exhibit 16

## Rest of World – Goods and Travel

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>Rest of World Goods</b>								
GB - Third Party and Other		74	75	89	71	67	71	85
GB - Direct		2	2	7	7	6	8	10
Gross Billings - Total		75	77	96	78	72	79	95
YoY Growth - Third Party		—	—	—	—	(9%)	(5%)	(5%)
YoY Growth - Direct		—	—	—	—	231%	283%	50%
YoY Growth - Total		—	—	—	—	(4%)	3%	(1%)
Rev - Third Party and Other		22	22	26	18	15	17	17
Rev - Direct		2	2	7	7	6	8	10
Rev - Total		23	24	32	25	21	25	27
Take Rate - Third Party and Other		30%	29%	29%	25%	22%	24%	21%
Take Rate - Direct		100%	100%	100%	100%	100%	100%	100%
Take Rate - Local Deals		31%	31%	33%	32%	28%	32%	29%
YoY Chg - Third Party		—	—	—	—	(7%)	(5%)	(8%)
YoY Chg - Total Goods Take Rate		—	—	—	—	(3%)	1%	(5%)
Gross Profit - Third Party and Other		17	16	18	7	9	12	11
Gross Profit - Direct		0	(2)	(1)	0	(0)	0	—
Gross Profit - Total		18	14	18	7	9	12	11
Gross Margin - Third Party and Other		80%	72%	72%	36%	63%	67%	63%
Gross Margin - Direct		18%	(105%)	(10%)	2%	(8%)	6%	—
Gross Margin - Total		75%	57%	55%	27%	44%	48%	40%
YoY Chg - Third Party		—	—	—	—	(17%)	(5%)	(9%)
YoY Chg - Direct		—	—	—	—	(26%)	111%	0%
YoY Chg - Total		—	—	—	—	(32%)	(9%)	(15%)
<b>Rest of World Travel and Other</b>								
GB - Third Party and Other		48	48	44	36	32	37	40
GB - Direct		—	—	—	—	—	—	—
Gross Billings - Total		48	48	44	36	32	37	40
YoY Growth - Third Party		—	—	—	—	(33%)	(23%)	(10%)
YoY Growth - Direct		—	—	—	—	—	—	—
YoY Growth - Total		—	—	—	—	(33%)	(23%)	(10%)
Rev - Third Party and Other		13	11	8	8	8	10	8
Rev - Direct		—	—	—	—	—	—	—
Rev - Total		13	11	8	8	8	10	8
Take Rate - Third Party and Other		28%	23%	19%	22%	24%	26%	19%
Take Rate - Direct		—	—	—	—	—	—	—
Take Rate - Local Deals		28%	23%	19%	22%	24%	26%	19%
YoY Chg - Third Party		—	—	—	—	(4%)	3%	—
Gross Profit - Third Party and Other		11	9	7	7	6	8	6
Gross Profit - Direct		—	—	—	—	—	—	—
Gross Profit - Total		11	9	7	7	6	8	6
Gross Margin - Third Party and Other		82%	78%	78%	87%	81%	85%	78%
Gross Margin - Direct		—	—	—	—	—	—	—
Gross Margin - Total		82%	78%	78%	87%	81%	85%	78%
YoY Chg - Third Party		—	—	—	—	(0%)	7%	—

Source: Company Data, Morgan Stanley Research



December 10, 2013

Groupon, Inc.

Exhibit 17

## Quarterly Income Statement

Groupon Model (USD millions)	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E
<b>Income Statement</b>								
(+) North America 3P	546	495	419	509	533	530	482	587
(+) International 3P	790	726	654	786	712	694	661	815
<b>3P Gross Billings</b>	<b>\$1,336</b>	<b>\$1,221</b>	<b>\$1,073</b>	<b>\$1,295</b>	<b>\$1,245</b>	<b>\$1,224</b>	<b>\$1,143</b>	<b>\$1,402</b>
(-) Net Commissions	(796)	(718)	(650)	(882)	(806)	(805)	(748)	(960)
<b>(=) 3P and Other Revenue</b>	<b>\$540</b>	<b>\$503</b>	<b>\$424</b>	<b>\$413</b>	<b>\$439</b>	<b>\$419</b>	<b>\$395</b>	<b>\$441</b>
(+) North America Direct Rev	8	53	133	210	148	182	183	283
(+) International Direct Rev	12	12	12	16	14	8	17	14
<b>(=) Total Revenue</b>	<b>\$559</b>	<b>\$568</b>	<b>\$569</b>	<b>\$638</b>	<b>\$601</b>	<b>\$609</b>	<b>\$595</b>	<b>\$739</b>
(-) 3P Cost of sales	(102)	(76)	(53)	(63)	(69)	(55)	(54)	(63)
(-) Direct Cost of sales	(17)	(58)	(128)	(219)	(152)	(169)	(181)	(274)
<b>(=) Gross Profit</b>	<b>\$440</b>	<b>\$434</b>	<b>\$388</b>	<b>\$356</b>	<b>\$380</b>	<b>\$385</b>	<b>\$360</b>	<b>\$401</b>
(-) Marketing	(116)	(88)	(70)	(59)	(47)	(53)	(51)	(52)
(-) SG&A	(257)	(274)	(267)	(283)	(281)	(273)	(269)	(291)
(-) Acquisition and Other	0	2	(2)	(0)	(0)	1	2	--
(-) Stock-Based Compensation (SBC)	(28)	(27)	(23)	(26)	(30)	(32)	(27)	(31)
<b>Operating Income (Loss)</b>	<b>\$40</b>	<b>\$46</b>	<b>\$25</b>	<b>(\$13)</b>	<b>\$21</b>	<b>\$27</b>	<b>\$14</b>	<b>\$28</b>
(+/-) Interest and other income (expense), net	(4)	57	1	(48)	(5)	(6)	1	(5)
(+/-) Equity-method investment activity, net	(5)	(3)	(0)	(1)	(0)	(0)	(0)	(0)
<b>Income (Loss) Before Taxes</b>	<b>\$31</b>	<b>\$100</b>	<b>\$26</b>	<b>(\$62)</b>	<b>\$16</b>	<b>\$22</b>	<b>\$15</b>	<b>\$23</b>
(+/-) Provision for taxes	(35)	(67)	(27)	(18)	(19)	(27)	(16)	(26)
<b>Net Income (Loss)</b>	<b>(\$4)</b>	<b>\$34</b>	<b>(\$1)</b>	<b>(\$80)</b>	<b>(\$3)</b>	<b>(\$6)</b>	<b>(\$1)</b>	<b>(\$3)</b>
(+/-) net loss attributable to noncontrolling interests	(1)	(1)	(1)	(1)	(1)	(2)	(1)	(1)
<b>Net Income (Loss) Attributable to Groupon</b>	<b>(4)</b>	<b>32</b>	<b>(2)</b>	<b>(81)</b>	<b>(4)</b>	<b>(8)</b>	<b>(3)</b>	<b>(4)</b>
<b>Operating Profit (CSOI, ex-SBC)</b>	<b>\$68</b>	<b>\$72</b>	<b>\$50</b>	<b>\$14</b>	<b>\$51</b>	<b>\$59</b>	<b>\$39</b>	<b>\$58</b>
<b>Adj EBITDA (ex-SBC)</b>	<b>79</b>	<b>85</b>	<b>66</b>	<b>30</b>	<b>72</b>	<b>81</b>	<b>62</b>	<b>82</b>
<b>Non-GAAP Net Income</b>	<b>16</b>	<b>54</b>	<b>22</b>	<b>(55)</b>	<b>17</b>	<b>14</b>	<b>14</b>	<b>16</b>
<b>Earnings Per Share</b>								
Basic - GAAP EPS	(\$0.02)	\$0.04	(\$0.00)	(\$0.12)	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.01)
Diluted - GAAP EPS	(\$0.02)	\$0.04	(\$0.00)	(\$0.12)	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.01)
<b>Non-GAAP EPS</b>	<b>\$0.03</b>	<b>\$0.08</b>	<b>\$0.03</b>	<b>(\$0.08)</b>	<b>\$0.03</b>	<b>\$0.02</b>	<b>\$0.02</b>	<b>\$0.02</b>
<b>Free Cash Flow per Share</b>	<b>\$0.12</b>	<b>\$0.14</b>	<b>\$0.05</b>	<b>\$0.03</b>	<b>(\$0.02)</b>	<b>\$0.05</b>	<b>(\$0.06)</b>	<b>\$0.42</b>
Diluted Shares	644.1	663.1	653.2	655.7	658.8	662.4	666.4	668.8
<b>Growth Metrics</b>								
3P and Other Gross Billings	100%	31%	(7%)	6%	(7%)	0%	6%	8%
Direct Revenue	NA	NA	66%	14%	22%	(36%)	43%	(8%)
3p and Other Revenue	83%	28%	0%	(14%)	(19%)	(17%)	(7%)	7%
Total Revenue	89%	45%	32%	30%	8%	7%	5%	16%
Gross Profit	72%	28%	7%	(10%)	(14%)	(11%)	(7%)	13%
Total Marketing	(50%)	(59%)	(59%)	(61%)	(59%)	(39%)	(27%)	(13%)
SG&A	106%	46%	38%	26%	10%	(1%)	1%	3%
Operating Profit (CSOI)	NA	NA	NA	(24%)	(24%)	(18%)	(22%)	327%
Adj EBITDA (ex-SBC)	NA	NA	NA	9%	(9%)	(5%)	(5%)	176%
<b>as % of Revenue</b>								
Gross Margin	79%	76%	68%	56%	63%	63%	60%	54%
Marketing	21%	15%	12%	9%	8%	9%	9%	7%
SG&A	46%	48%	47%	44%	47%	45%	45%	39%
Stock-Based Compensation	5%	5%	4%	4%	5%	5%	5%	4%
Operating Profit (CSOI)	12%	13%	9%	2%	9%	10%	7%	8%
Adj EBITDA	14%	15%	12%	5%	12%	13%	10%	11%
Effective Tax-Rate	112%	67%	104%	(28%)	120%	125%	109%	114%
Non-GAAP Net Income	3%	9%	4%	(9%)	3%	2%	2%	2%

Source: Company Data, Morgan Stanley Research

December 10, 2013

Groupon, Inc.

Exhibit 18

## Annual Income Statement

Groupon Model (USD millions)	Projected Financials					Projected Financials				
	2012	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	
Income Statement										
(+) North America 3P	1,970	2,133	2,478	2,848	3,230	3,631	4,045	4,428	4,756	
(+) International 3P	2,956	2,881	3,235	3,687	4,177	4,701	5,251	5,818	6,390	
3P Gross Billings	\$4,925	\$5,014	\$5,713	\$6,534	\$7,407	\$8,333	\$9,297	\$10,246	\$11,146	
(-) Net Commissions	(3,046)	(3,319)	(3,803)	(4,370)	(4,959)	(5,585)	(6,238)	(6,882)	(7,495)	
(=) 3P and Other Revenue	\$1,880	\$1,694	\$1,909	\$2,165	\$2,448	\$2,747	\$3,059	\$3,364	\$3,651	
(+) North America Direct Rev	403	796	1,033	1,291	1,523	1,767	2,014	2,256	2,391	
(+) International Direct Rev	51	54	45	49	53	58	63	68	74	
(=) Total Revenue	\$2,334	\$2,544	\$2,987	\$3,504	\$4,024	\$4,572	\$5,136	\$5,688	\$6,116	
(-) 3P Cost of sales	(295)	(241)	(273)	(309)	(348)	(389)	(432)	(474)	(514)	
(-) Direct Cost of sales	(421)	(777)	(966)	(1,187)	(1,385)	(1,594)	(1,809)	(2,018)	(2,135)	
(=) Gross Profit	\$1,618	\$1,526	\$1,748	\$2,008	\$2,291	\$2,589	\$2,895	\$3,196	\$3,467	
(-) Marketing	(333)	(204)	(233)	(273)	(314)	(356)	(400)	(443)	(477)	
(-) SG&A	(1,081)	(1,114)	(1,226)	(1,333)	(1,438)	(1,551)	(1,676)	(1,799)	(1,898)	
(-) Acquisition and Other	(1)	2	--	--	--	--	--	--	--	
(-) Stock-Based Compensation (SBC)	(104)	(120)	(149)	(166)	(181)	(194)	(205)	(213)	(214)	
Operating Income (Loss)	\$99	\$90	\$141	\$236	\$358	\$487	\$613	\$740	\$878	
(+/-) Interest and other income (expense), net	6	(15)	2	2	3	3	4	5	7	
(+/-) Equity-method investment activity, net	(10)	(0)	--	--	--	--	--	--	--	
Income (Loss) Before Taxes	\$95	\$75	\$143	\$238	\$361	\$490	\$618	\$745	\$885	
(+/-) Provision for taxes	(146)	(89)	(43)	(59)	(90)	(123)	(154)	(186)	(221)	
Net Income (Loss)	(\$51)	(\$13)	\$100	\$178	\$271	\$368	\$463	\$559	\$664	
(+/-) net loss attributable to noncontrolling interests	(4)	(5)	(4)	(4)	(3)	(3)	(3)	(2)	(2)	
Net Income (Loss) Attributable to Groupon	(\$55)	(19)	96	175	268	365	461	557	662	
Operating Profit (CSOI, ex-SBC)	\$204	\$208	\$290	\$402	\$539	\$681	\$819	\$953	\$1,092	
Adj EBITDA (ex-SBC)	260	297	394	514	662	806	945	1,079	1,214	
Non-GAAP Net Income	38	59	195	286	388	494	597	699	804	
Earnings Per Share										
Basic - GAAP EPS	(\$0.10)	(\$0.03)	\$0.14	\$0.26	\$0.39	\$0.53	\$0.66	\$0.78	\$0.92	
Diluted - GAAP EPS	(\$0.10)	(\$0.03)	\$0.14	\$0.26	\$0.39	\$0.53	\$0.66	\$0.78	\$0.92	
Non-GAAP EPS	\$0.06	\$0.09	\$0.29	\$0.43	\$0.57	\$0.72	\$0.85	\$0.98	\$1.11	
Free Cash Flow per Share	\$0.35	\$0.39	\$0.46	\$0.43	\$0.55	\$0.68	\$0.80	\$0.90	\$0.98	
Diluted	654.0	664.1	671.4	671.4	678.8	689.9	700.2	710.7	721.4	
Growth Metrics										
3P and Other Gross Billings	24%	2%	14%	14%	13%	12%	12%	10%	9%	
Direct Revenue	2084%	87%	27%	24%	18%	16%	14%	12%	6%	
3p and Other Revenue	18%	(10%)	13%	13%	13%	12%	11%	10%	9%	
Total Revenue	45%	9%	17%	17%	15%	14%	12%	11%	8%	
Gross Profit	20%	(6%)	15%	15%	14%	13%	12%	10%	8%	
Total Marketing	(56%)	(39%)	14%	17%	15%	14%	12%	11%	8%	
SG&A	48%	3%	10%	9%	8%	8%	8%	7%	5%	
Operating Profit (CSOI)	(241%)	2%	40%	39%	34%	26%	20%	16%	15%	
Adj EBITDA (ex-SBC)	(331%)	14%	33%	30%	29%	22%	17%	14%	13%	
as % of Revenue										
Gross Margin	69%	60%	59%	57%	57%	57%	56%	56%	57%	
Marketing	14%	8%	8%	8%	8%	8%	8%	8%	8%	
SG&A	46%	44%	41%	38%	36%	34%	33%	32%	31%	
Stock-Based Compensation	4%	5%	5%	5%	4%	4%	4%	4%	3%	
Operating Profit (CSOI)	9%	8%	10%	11%	13%	15%	16%	17%	18%	
Adj EBITDA	11%	12%	13%	15%	16%	18%	18%	19%	20%	
Effective Tax-Rate	154%	117%	30%	25%	25%	25%	25%	25%	25%	
Non-GAAP Net Income	2%	2%	7%	8%	10%	11%	12%	12%	13%	

Source: Company Data, Morgan Stanley Research

December 10, 2013

Groupon, Inc.

Exhibit 19

## Annual Statement of Cash Flows

Groupon Model (USD millions)	Projected Financials				Projected Financials				
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Income	(\$51)	(\$14)	\$96	\$175	\$268	\$365	\$461	\$557	\$662
Depreciation & Amortization	56	89	104	112	122	125	126	126	122
Stock-Based Compensation	104	120	149	166	181	194	205	213	214
Deferred Income Taxes	(8)	(1)	--	--	--	--	--	--	--
Excess tax benefit on SBC	(27)	(12)	--	--	--	--	--	--	--
Non-Cash Interest Expense	--	--	--	--	--	--	--	--	--
Acquisition-related expense	(55)	(2)	--	--	--	--	--	--	--
Losses in Equity Investments	10	0	--	--	--	--	--	--	--
Others	57	4	--	--	--	--	--	--	--
<b>Funds from Operations (FFO)</b>	<b>\$86</b>	<b>\$183</b>	<b>\$349</b>	<b>\$453</b>	<b>\$571</b>	<b>\$684</b>	<b>\$792</b>	<b>\$896</b>	<b>\$998</b>
<b>Changes in Working Capital:</b>									
Receivables	\$11	(\$9)	(\$40)	(\$25)	(\$25)	(\$26)	(\$27)	(\$27)	(\$21)
Prepaid Expenses & Other Assets	(71)	(18)	(30)	(29)	(27)	(29)	(31)	(30)	(20)
Accounts Payable	19	(5)	8	9	10	10	11	11	10
Accrued Merchant Payable	150	88	105	98	95	94	91	80	66
Accrued Expenses and Other Current Liabilities	48	91	112	89	85	91	95	93	66
Due to Related Parties	26	11	--	--	--	--	--	--	--
<b>Changes in Working Capital</b>	<b>\$182</b>	<b>\$159</b>	<b>\$155</b>	<b>\$142</b>	<b>\$138</b>	<b>\$140</b>	<b>\$138</b>	<b>\$127</b>	<b>\$101</b>
<b>Operating Cash Flow</b>	<b>\$268</b>	<b>\$341</b>	<b>\$504</b>	<b>\$595</b>	<b>\$708</b>	<b>\$824</b>	<b>\$931</b>	<b>\$1,023</b>	<b>\$1,099</b>
<b>Investing Cash Flow:</b>									
Capex	(\$109)	(\$77)	(\$90)	(\$102)	(\$113)	(\$115)	(\$116)	(\$116)	(\$122)
Acquisitions, net of Acquired Cash	(45)	(1)	--	--	--	--	--	--	--
Purchases of Intangible Assets	(0)	(15)	--	--	--	--	--	--	--
Changes in Restricted Cash	--	(2)	--	--	--	--	--	--	--
Purchases of Investments in Subsidiaries	(9)	--	--	--	--	--	--	--	--
Purchases of Equity Investments	(33)	--	--	--	--	--	--	--	--
<b>Investing Cash Flow</b>	<b>(\$195)</b>	<b>(\$95)</b>	<b>(\$90)</b>	<b>(\$102)</b>	<b>(\$113)</b>	<b>(\$115)</b>	<b>(\$116)</b>	<b>(\$116)</b>	<b>(\$122)</b>
<b>Financing Cash Flow:</b>									
Issuance of Shares, net of Issuance Costs	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--
Excess Tax Benefit on SBC	25	--	--	--	--	--	--	--	--
Loans from related parties	--	--	--	--	--	--	--	--	--
Repayment of Loans from Related Parties	--	--	--	--	--	--	--	--	--
Repurchase of Common Stock	--	(19)	(144)	(141)	--	--	--	--	--
Proceeds from Exercise of Stock Options	9	--	--	--	--	--	--	--	--
Proceeds from sale of common stock	--	--	--	--	--	--	--	--	--
Redemption of Preferred Stock	--	--	--	--	--	--	--	--	--
Other	(21)	(17)	--	--	--	--	--	--	--
<b>Financing Cash Flow</b>	<b>\$12</b>	<b>(\$36)</b>	<b>(\$144)</b>	<b>(\$141)</b>	<b>\$--</b>	<b>\$--</b>	<b>\$--</b>	<b>\$--</b>	<b>\$--</b>
Effects of FX	\$2	(\$10)	\$--	\$--	\$--	\$--	\$--	\$--	\$--
Beginning Cash	\$1,123	\$1,209	\$1,409	\$1,679	\$2,031	\$2,627	\$3,336	\$4,150	\$5,057
(+/-) Net Changes in Cash	88	200	270	352	596	708	814	907	976
(+/-) Restatements / Adjustments (pre-10-Q / K)	(1)	--	--	--	--	--	--	--	--
<b>Ending Cash</b>	<b>\$1,209</b>	<b>\$1,409</b>	<b>\$1,679</b>	<b>\$2,031</b>	<b>\$2,627</b>	<b>\$3,336</b>	<b>\$4,150</b>	<b>\$5,057</b>	<b>\$6,033</b>

Source: Company Data, Morgan Stanley Research

December 10, 2013

Groupon, Inc.

Exhibit 20

## Annual Balance Sheet

Groupon Model	Projected Financials					Projected Financials			
(USD millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Balance Sheet</b>									
<b>Assets:</b>									
Cash & Cash Equivalents	\$1,209	\$1,409	\$1,679	\$2,031	\$2,627	\$3,336	\$4,150	\$5,057	\$6,033
Accounts Receivable	97	104	144	169	194	220	247	274	295
Deferred Income Taxes	31	31	31	31	31	31	31	31	31
Prepaid Expenses & Other Current Assets	151	167	197	226	253	283	313	343	364
<b>Total Current Assets</b>	<b>\$1,488</b>	<b>\$1,711</b>	<b>\$2,051</b>	<b>\$2,457</b>	<b>\$3,105</b>	<b>\$3,869</b>	<b>\$4,741</b>	<b>\$5,704</b>	<b>\$6,722</b>
Net PP&E	121	126	111	101	91	81	71	61	62
Goodwill	207	218	218	218	218	218	218	218	218
Net Intangible Assets	43	33	33	33	33	33	33	33	33
Investments in Equity Interests	84	104	104	104	104	104	104	104	104
Deferred Income Taxes	30	29	29	29	29	29	29	29	29
Other Assets	59	45	45	45	45	45	45	45	45
<b>Total Assets</b>	<b>\$2,031</b>	<b>\$2,267</b>	<b>\$2,592</b>	<b>\$2,988</b>	<b>\$3,627</b>	<b>\$4,381</b>	<b>\$5,243</b>	<b>\$6,196</b>	<b>\$7,214</b>
<b>Liabilities:</b>									
Accounts Payable	\$60	\$55	\$62	\$72	\$81	\$91	\$102	\$113	\$123
Accrued Merchant Payable	671	752	857	955	1,049	1,144	1,234	1,315	1,381
Accrued Expenses	247	300	382	439	492	548	608	666	705
Due to Related Parties	--	--	--	--	--	--	--	--	--
Deferred Income Taxes	54	52	52	52	52	52	52	52	52
Other Current Liabilities	137	157	187	219	251	286	321	355	382
<b>Total Current Liabilities</b>	<b>\$1,168</b>	<b>\$1,316</b>	<b>\$1,540</b>	<b>\$1,736</b>	<b>\$1,926</b>	<b>\$2,121</b>	<b>\$2,317</b>	<b>\$2,501</b>	<b>\$2,643</b>
Deferred income taxes, non-current	21	20	20	20	20	20	20	20	20
Other Liabilities	100	106	106	106	106	106	106	106	106
<b>Total Liabilities</b>	<b>\$1,289</b>	<b>\$1,442</b>	<b>\$1,666</b>	<b>\$1,862</b>	<b>\$2,052</b>	<b>\$2,247</b>	<b>\$2,443</b>	<b>\$2,627</b>	<b>\$2,769</b>
<b>Shareholders' Equity:</b>									
Convertible Preferred Stock	0	0	0	0	0	0	0	0	0
Redeemable Noncontrolling Interests	--	--	--	--	--	--	--	--	--
Additional Paid-in Capital	1,485	1,575	1,581	1,606	1,787	1,981	2,186	2,399	2,613
Accumulated Deficit	(753)	(772)	(676)	(501)	(234)	131	592	1,148	1,810
Accumulated Other Comprehensive Income	13	24	24	24	24	24	24	24	24
<b>Total Shareholders' Equity</b>	<b>\$744</b>	<b>\$827</b>	<b>\$928</b>	<b>\$1,128</b>	<b>\$1,577</b>	<b>\$2,136</b>	<b>\$2,801</b>	<b>\$3,571</b>	<b>\$4,447</b>
Noncontrolling interests	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total (Deficit) Equity	742	825	926	1,126	1,575	2,134	2,799	3,569	4,445
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$2,031</b>	<b>\$2,267</b>	<b>\$2,592</b>	<b>\$2,988</b>	<b>\$3,627</b>	<b>\$4,381</b>	<b>\$5,243</b>	<b>\$6,196</b>	<b>\$7,214</b>

Source: Company Data, Morgan Stanley Research

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Groupon, Inc.

Exhibit 21

## Groupon – Discounted Cash Flow (DCF) Valuation Analysis

Groupon Model (USD millions)	Historicals				Projected Financials								Run-Rate Projections
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Discounted Cash Flow (DCF) Valuation Analysis													
(=) Total revenue	\$1,610	\$2,334	\$2,544	\$2,987	\$3,504	\$4,024	\$4,572	\$5,136	\$5,688	\$6,116	\$6,466	\$6,803	\$7,109
y/y Growth - %		45.0%	9.0%	17.4%	17.3%	14.8%	13.6%	12.3%	10.8%	7.5%	5.7%	5.2%	4.5%
Adj. EBITDA	(\$112)	\$260	\$297	\$394	\$514	\$662	\$806	\$945	\$1,079	\$1,214	\$1,350	\$1,462	\$1,528
(-) Cash Taxes	—	(81)	(62)	(87)	(100)	(135)	(170)	(205)	(238)	(273)	(305)	(332)	—
(+/-) Changes in Working Capital	423	182	159	155	142	138	140	138	127	101	74	62	—
(-) Capex	(44)	(109)	(77)	(90)	(102)	(113)	(115)	(116)	(116)	(122)	(129)	(136)	—
(-) Stock-Based Compensation (SBC)	(94)	(104)	(120)	(149)	(166)	(181)	(194)	(205)	(213)	(214)	(210)	(204)	—
(=) Unlevered Free Cash Flow (UFCF)	\$174	\$147	\$196	\$223	\$287	\$371	\$466	\$557	\$638	\$706	\$780	\$853	\$611
% of Revenue	11%	6%	8%	7%	8%	9%	10%	11%	11%	12%	12%	13%	9%
Growth		(15%)	33%	13%	29%	29%	26%	20%	15%	11%	10%	9%	(28%)
Adj. EBITDA Margin	(7%)	11%	12%	13%	15%	16%	18%	18%	19%	20%	21%	21%	21%
Adj. EBITDA Growth	NA	NA	14%	33%	30%	29%	22%	17%	14%	13%	11%	8%	5%
UFCF / Adj. EBITDA	NA	57%	66%	57%	56%	56%	58%	59%	59%	58%	58%	58%	40%

### DCF Valuation Assumptions

Cost of Equity	14.5%
Cost of Debt	--%
Marginal Tax-Rate	25.0%
Long-Term Debt / Total Cap.	--%
<b>WACC</b>	<b>14.5%</b>

Perpetual Growth Rate	4.5%
EV / 2014 Adj. EBITDA	22.0x

### Fair value

NPV of Explicit Cash Flow Projections	\$2,288
(+) NPV of Terminal Value	6,387
<b>Enterprise Value</b>	<b>\$8,675</b>
(-) Total Debt	--
(+) Cash & Equivalents	1,209
<b>Equity Value</b>	<b>\$9,884</b>
(-) Fully Diluted Shares	681
<b>Implied Equity Value per Share</b>	<b>\$15.00</b>
	14.517

### Equity Value: WACC vs. Perpetual Growth Rate

	13.5%	14.0%	14.5%	15.0%	15.5%
3.50%	\$9,823	\$9,522	\$9,248	\$8,998	\$8,769
4.50%	\$10,594	\$10,220	\$9,884	\$9,580	\$9,304
5.50%	\$11,557	\$11,083	\$10,662	\$10,285	\$9,945

### Equity Value per Share: WACC vs. Perpetual Growth Rate

	13.5%	14.0%	14.5%	15.0%	15.5%
3.50%	\$14.43	\$13.99	\$13.58	\$13.22	\$12.88
4.50%	\$15.56	\$15.01	\$14.52	\$14.07	\$13.66
5.50%	\$16.97	\$16.28	\$15.66	\$15.11	\$14.61

Source: Company Data, Morgan Stanley Research



**AlphaWise** conducts proprietary evidence-based investment research. Click to read AlphaWise [Market Research](#) and [Web Research](#) whitepapers on evidence gathering. For further information, please contact [alphawise@morganstanley.com](mailto:alphawise@morganstanley.com).

## Other Recent Morgan Stanley Research Based on AlphaWise

EU Leisure & Lodging	11/11/2013	Andrea Ferraz	<a href="#">European and US Hotels Corporate Travel Survey Results: 11th Edition</a>	Our survey of corporate travel managers suggests 2014 should see at least mid-single digit RevPAR growth in the US and an acceleration in Europe.
NA Transportation	11/11/2013	John Godyn	<a href="#">Airlines 2014 Global Corporate Travel Survey: More Growth Ahead</a>	Our survey points to continued corporate travel growth in 2014, reaffirming our Stronger For Longer view on the cycle and Attractive view on the sector.
NA Transportation	11/9/2013	Penelope Butcher	<a href="#">Airlines Corporate travel survey 2014 – better volumes, stable yield</a>	Our survey suggests corporate travel budget is expected to grow 1.2% in 2014. Volume growth is expected to be slightly stronger than the past 2 years with relatively stable pricing.
AP Healthcare	10/29/2013	Sean Laaman	<a href="#">CSL Ltd Ig Survey: growth and share OK, AD surprises</a>	Our AlphaWise survey of US hospital pharmacists suggests lower expectation of US IVIg growth. CSL and Octapharma have gained share.
NA HealthCare	10/21/2013	Andrew Schenker	<a href="#">Health Care Facilities Hospital Survey Outlook on the Exchanges</a>	Hospital executives indicated pricing on the exchanges is at a 16.5% discount to commercial rates and expect to enroll 16.3% of their uninsured patients in exchanges or Medicaid in 2014.
EU Retail	10/21/2013	Edouard Aubin	<a href="#">UK Food Retail Price Tracker Asda maintains its pricing gap</a>	Our AlphaWise UK Food Retail Price Tracker shows that Asda's gap to Tesco remains near historical lows.
NA Healthcare	10/17/2013	Katy L. Huberty	<a href="#">AlphaWise Smartphone Tracker: iPhone Demand Remains Strong; Galaxy Improves Slightly</a>	Latest AlphaWise Smartphone Tracker suggests C3Q13 iPhone demand continues to track to 37M.
NA Technology	10/17/2013	Smittipon Srethapramote	<a href="#">Payments Survey Says Square Risk to Acquirers Is Minimal for Now</a>	Our survey of merchants reveals less near-term risk from emerging providers than previously thought. Merchant acquirers have an advantage in customer inertia and lack of knowledge.
NA Life Sciences	10/17/2013	Daniel Brennan	<a href="#">Sigma-Aldrich Corp Recovery likely to disappoint; Initiate at Underweight</a>	While our survey of life science budget is encouraging, mgmt's targets are too optimistic in our opinion, and we also see the new TMO/LIFE as a key LT concern to SIAL.
EMEA Media	10/15/2013	Patrick Wellington	<a href="#">BSkyB AlphaWise:TV survey results</a>	Our latest AlphaWise survey suggests BT Sport's impact on BSkyB has been limited but it has had some success as a retention tool in broadband.

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**Morgan Stanley ModelWare is a proprietary analytic framework that helps clients uncover value, adjusting for distortions and ambiguities created by local accounting regulations.** For example, ModelWare EPS adjusts for one-time events, capitalizes operating leases (where their use is significant), and converts inventory from LIFO costing to a FIFO basis. ModelWare also emphasizes the separation of operating performance of a company from its financing for a more complete view of how a company generates earnings.

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The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Scott Devitt.

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### Global Stock Ratings Distribution

December 10, 2013

Groupon, Inc.

(as of November 30, 2013)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
<b>Overweight/Buy</b>	<b>995</b>	<b>34%</b>	<b>313</b>	<b>38%</b>	<b>31%</b>
<b>Equal-weight/Hold</b>	<b>1283</b>	<b>44%</b>	<b>388</b>	<b>47%</b>	<b>30%</b>
<b>Not-Rated/Hold</b>	<b>109</b>	<b>4%</b>	<b>26</b>	<b>3%</b>	<b>24%</b>
<b>Underweight/Sell</b>	<b>537</b>	<b>18%</b>	<b>99</b>	<b>12%</b>	<b>18%</b>
<b>Total</b>	<b>2,924</b>		<b>826</b>		

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months.

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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

## Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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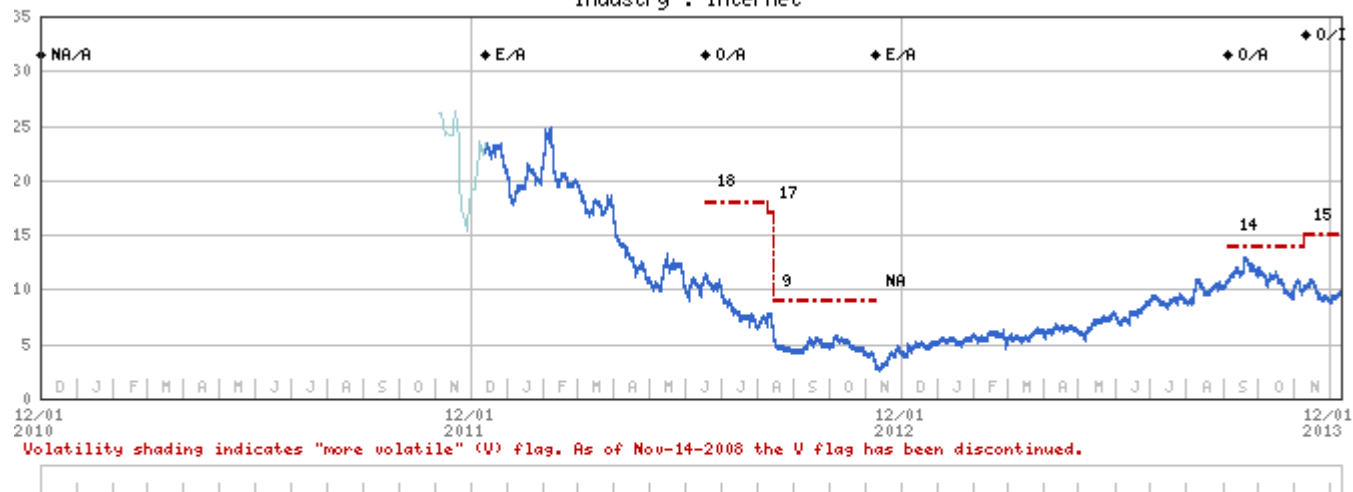
Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.

## Stock Price, Price Target and Rating History (See Rating Definitions)



December 10, 2013

Groupon, Inc.

Groupon, Inc. (GRPN.O) - As of 12/9/13 in USD  
Industry : Internet

Stock Rating History: 12/1/10 : NA/A; 12/14/11 : E/A; 6/18/12 : O/A; 11/9/12 : E/A; 9/5/13 : O/A; 11/11/13 : O/I

Price Target History: 12/14/11 : NA; 6/18/12 : 18; 8/10/12 : 17; 8/14/12 : 9; 11/9/12 : NA; 9/5/13 : 14; 11/8/13 : 15

Source: Morgan Stanley Research      Date Format : MM/DD/YY      Price Target ---      No Price Target Assigned (NA)  
 Stock Price (Not Covered by Current Analyst) ---      Stock Price (Covered by Current Analyst) ---  
 Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View  
 Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) More Volatile (U) No Rating Available (NA)  
 Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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**Industry Coverage: Internet**

Company (Ticker)	Rating (as of)	Price* (12/09/2013)
<b>Scott Devitt</b>		
Amazon.com (AMZN.O)	O (01/06/2013)	\$384.89
Expedia Inc. (EXPE.O)	E (07/27/2012)	\$63.5
Facebook Inc (FB.O)	O (06/27/2012)	\$48.84
Google (GOOG.O)	O (08/13/2012)	\$1,078.14
Groupon, Inc. (GRPN.O)	O (09/05/2013)	\$9.62
HomeAway, Inc. (AWAY.O)	E (09/26/2013)	\$39.94
LinkedIn Corp (LNKD.N)	O (12/06/2011)	\$234.81
Netflix Inc (NFLX.O)	E (09/12/2013)	\$355.67
OpenTable Inc. (OPEN.O)	U (09/05/2013)	\$81.76
Pandora Media Inc. (P.N)	E (11/22/2013)	\$28.22
RetailMeNot Inc (SALE.O)	E (08/13/2013)	\$26.4
Shutterfly Inc (SFLY.O)	E (01/12/2012)	\$48.1
Shutterstock (SSTK.N)	E (11/05/2012)	\$75.56
TripAdvisor, Inc. (TRIP.O)	E (02/14/2013)	\$84.77
Trulia Inc (TRLA.N)	U (06/13/2013)	\$30.72
Twitter Inc (TWTR.N)	E (12/02/2013)	\$49.14
Zillow Inc. (Z.O)	U (09/05/2013)	\$75.5
Zynga Inc. (ZNGA.O)	U (06/21/2013)	\$3.99
ebay (EBAY.O)	O (07/17/2011)	\$51.69
priceline.com (PCLN.O)	O (07/08/2013)	\$1,178.68
<b>Jordan Monahan</b>		
Millennial Media Inc (MM.N)	E (02/20/2013)	\$6.48
WebMD Health Corp. (WBMD.O)	U (01/10/2012)	\$38.34
Yahoo! (YHOO.O)	++	\$38.87
Yelp Inc. (YELP.N)	E (12/17/2012)	\$63.79
<b>Michel Morin, CFA</b>		
Mercadolibre Inc. (MELI.O)	U (11/18/2013)	\$106.21
<b>Stephen Shin</b>		
Blue Nile Inc (NILE.O)	E (02/14/2013)	\$45.78

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