In 2012, Groupon continued to see exceptional growth in revenues. **Exhibit 7** compares the results of operations from the quarter ended March 31, 2012 to the quarter ended March 31, 2011. For the first quarter of 2012, the company reported revenues of US$559.3 million, compared to US$295.5 million for the first quarter of 2011.[45] Total operating expenses continue to rise in 2012, increasing by US$106.9 million from the first quarter of 2011, reflecting significant increases in cost of revenue and selling expenses. Groupon made strides toward cutting marketing spending in 2012, reporting US$116.6 million in marketing expenses compared to US$230.1 million in the first quarter of 2011. The company attributed this expense cut to a strengthening brand name that allowed it to become more established in markets around the globe. As of March 31, 2012, Groupon reported 36.8 million active customers, more than double the 15.3 million reported on March 31, 2011.[46] The amount of revenue that Groupon received per customer had not increased, however; revenue per average active customer was

EXHIBIT 7
Groupon, Inc. Condensed Consolidated Statements of Operations (In thousands, except share and per-share amounts) (unaudited)

	Three Months Ended March 31	
	2011	**2012**
(Restated)		
Revenue (gross billings of $668,174 and $1,354,800, respectively)	$ 295,523	$ 559,283
Costs and expenses:		
Cost of revenue	39,765	119,498
Marketing	230,085	116,615
Selling, general, and administrative	142,821	283,583
Acquisition-related	—	(52)
Total operating expenses	412,671	519,644
(Loss) income from operations	(117,148)	39,639
Interest and other income (expense), net	1,060	(3,539)
Equity-method investment activity, net of tax	(882)	(5,128)
(Loss) income before provision for income taxes	(116,970)	30,972
Provision (benefit) for income taxes	(3,079)	34,565
Net loss:	(113,891)	(3,593)
Less: Net loss (income) attributable to noncontrolling interests	11,223	(880)
Net loss attributable to Groupon, Inc.	(102,668)	(4,473)
Redemption of preferred stock in excess of carrying value	(34,327)	—
Adjustment of redeemable noncontrolling interests to redemption value	(9,485)	(7,222)
Net loss attributable to common stockholders	$ (146,480)	$ (11,695)
Net loss per share:		
Basic	$ (0.48)	$ (0.02)
Diluted	$ (0.48)	$ (0.02)
Weighted average number of shares outstanding:		
Basic	307,849,412	644,097,375
Diluted	307,849,412	644,097,375

SOURCE: Groupon, Inc. *10-Q* (May, 15, 2012), p. 5.