

Groupon stock slides despite quarterly profit

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The Chicago-based firm reported a [profit](#) of \$28.38 million on revenue that climbed 45 percent to \$568.3 million in the quarter ended June 30.

"We had a solid quarter despite challenges in Europe and continued investment in technology and infrastructure," said [Groupon](#) chief executive Andrew Mason.

"We've deepened our relationships with a growing base of merchants

and customers worldwide."

However, investors were unhappy with revenue that was less than analysts expected and a scaled back forecast for the current quarter.

Groupon shares fell more than 20 percent to a new low but regained some ground, down 19.74 percent to \$6.06 in after-market trading on the Nasdaq.

The company made its stock market debut at \$20 per share in November and peaked above \$31 dollars a share.

In February Groupon issued its first [earnings report](#) as a publicly traded company, saying it failed to turn a profit despite revenue nearly tripling from a year earlier.

Groupon shares were listed on the [Nasdaq](#) on November 4 in a blockbuster public offering that raised a whopping \$700 million and triggered fears that investors may be foolishly overvaluing hot Internet startups.

Groupon, which rejected a \$6 billion takeover offer from [Google](#) a year ago, has enjoyed phenomenal growth since its founding in 2008 but has been dogged by questions about its business model and accounting methods.

Groupon makes its money by selling members deals for discounts on activities, items, or services and then splitting the money with the businesses involved.

Revenue in North America was 66 percent higher than in the same quarter a year earlier, but Groupon took in more than half its revenue outside the United States where exchange rates worked against the

Chicago company.

Groupon reported having 38 million active customers more than 100,000 merchant partners at the end of the quarter.

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