Groupon hammered after fresh losses

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The Groupon logo is displayed in the lobby of the company's international headquarters on June 10, 2011 in Chicago, Illinois. Groupon shares took a nosedive Wednesday after the online deals giant surprised markets by reporting fresh losses in the past quarter and a weaker-than-expected outlook.

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Shares plunged 24 percent to $4.53 in after-hours trade after the

Chicago-based firm reported a loss of $81 million in the fourth quarter, and a $67 million dollar deficit for the full year.

The loss translated to 12 cents per share in the quarter, compared with expectations of a profit of three cents a share.

With the daily deals sector fading fast after last year's optimism, Groupon also offered a weak revenue outlook of $560 million to $610 million, well below market expectations of $650 million.

Groupon shares were listed on the Nasdaq in 2011 in a blockbuster public offering that raised a whopping $700 million and triggered fears that investors were overvaluing hot Internet startups.

The company, which rejected a $6 billion takeover offer from Google, has enjoyed revenue growth since its founding in 2008 but has been dogged by questions about its business model and accounting methods.

In the past quarter, revenues were up 30 percent at $638 million, bringing the full-year total to $2.3 billion, a jump of 45 percent.

"Record billings growth this quarter is a clear signal that customers love Groupons," said chief executive Andrew Mason.

"We will continue to invest in growth through 2013 as we see new opportunities to give our customers what they want."

But analysts have soured on Groupon's profit outlook, punishing the share price.

"Check your email tomorrow for an offer you can't refuse on Groupon's stock," quipped analyst Paul Ausick at 24/7 Wall Street.