



June 24, 2014

## **MercadoLibre, Inc. Announces Pricing of \$300 Million of 2.25% Convertible Senior Notes Due 2019**

NEW YORK, June 24, 2014 (GLOBE NEWSWIRE) -- MercadoLibre, Inc. ("MercadoLibre") (Nasdaq:MELI) today announced the pricing of \$300 million aggregate principal amount of 2.25% Convertible Senior Notes due 2019 (the "notes"). MercadoLibre has granted the initial purchasers a 13-day option to purchase up to an additional \$30 million principal amount of notes, solely to cover over-allotments. The offering is expected to close on June 30, 2014, subject to customary closing conditions.

Interest on the notes will be paid semiannually in arrears on January 1 and July 1 of each year at the rate of 2.25% per year, beginning on January 1, 2015. The notes will mature on July 1, 2019, unless earlier repurchased or converted in accordance with their terms prior to such date. MercadoLibre will not have the right to redeem the notes prior to maturity. Prior to January 1, 2019, the notes will be convertible at the option of holders of the notes only upon satisfaction of certain conditions and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, holders of the notes will receive shares of MercadoLibre's common stock, cash or a combination thereof, at MercadoLibre's election. The conversion rate for the notes will initially be 7.9353 shares of MercadoLibre's common stock per \$1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately \$126.02 per share, and is subject to adjustment under the terms of the notes. This represents a premium of approximately 37.5% over the last reported sale price of \$91.65 per share of MercadoLibre's common stock on The NASDAQ Global Select Market on June 24, 2014. Holders of the notes may require MercadoLibre to repurchase their notes upon the occurrence of a fundamental change prior to maturity for cash at a repurchase price equal to 100% of the principal amount of the notes to be repurchased plus accrued and unpaid interest, if any.

In connection with the pricing of the notes, MercadoLibre entered into privately negotiated capped call transactions with certain of the initial purchasers of the notes or their respective affiliates (the "option counterparties"). The capped call transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the notes, the number of shares of MercadoLibre's common stock underlying the notes and are expected generally to reduce the potential dilution to MercadoLibre's common stock upon conversion of the notes and/or offset any cash payments MercadoLibre is required to make in excess of the principal amount of any converted notes, as the case may be, in the event that the market price per share of MercadoLibre's common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions (which initially corresponds to the initial conversion price of the notes and is subject to certain adjustments substantially similar to those contained in the notes). If, however, the market price per share of MercadoLibre's common stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, upon conversion of the notes to the extent that such market price exceeds the cap price of the capped call transactions. If the initial purchasers of the notes exercise their over-allotment option, MercadoLibre expects to enter into additional capped call transactions with the option counterparties.

MercadoLibre has been advised that, in connection with the capped call transactions, the option counterparties or their respective affiliates have entered into various derivative transactions with respect to MercadoLibre's common stock concurrently with, or expect to enter into shortly after, the pricing of the notes. This activity could increase (or reduce the size of any decrease in) the market price of MercadoLibre's common stock or the notes at the time of such activity.

In addition, MercadoLibre has been advised that the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to MercadoLibre's common stock and/or purchasing or selling MercadoLibre's common stock or other securities of MercadoLibre in secondary market transactions following the pricing of the notes and prior to the maturity of the notes. This activity could also cause or avoid an increase or a decrease in the market price of MercadoLibre's common stock or the notes, which could affect the ability of holders of the notes to convert the notes.

MercadoLibre intends to exercise options it holds under the capped call transactions whenever notes are converted on or after March 1, 2019, and expects that upon any conversions of notes prior to March 1, 2019 or any repurchase of notes by MercadoLibre, a corresponding portion of the capped call transactions will be terminated. MercadoLibre has been advised that the option counterparties or their respective affiliates, in order to unwind their hedge positions with respect to those exercised or terminated options, are likely to buy or sell shares of MercadoLibre's common stock or other securities or instruments of

MercadoLibre, including the notes, in secondary market transactions or unwind various derivative transactions with respect to such common stock during the relevant valuation period under the capped call transactions, which generally corresponds to the observation period for the converted notes. These unwind activities could have the effect of increasing or decreasing the trading price of MercadoLibre's common stock and, to the extent the activity occurs during any observation period related to a conversion of notes, could have the effect of increasing or reducing the value of the consideration that holders of the notes will receive upon conversion of the notes.

MercadoLibre estimates that the net proceeds from the offering of the notes will be approximately \$292 million (or approximately \$322 million if the initial purchasers of the notes exercise their over-allotment option in full), after deducting fees and estimated expenses. MercadoLibre expects to use a portion of the net proceeds from the offering of the notes to pay the cost of the capped call transactions. MercadoLibre intends to use the remainder of the net proceeds from the offering for general corporate purposes.

The notes and the common stock, if any, deliverable upon conversion of the notes have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. They may be offered and sold only in a transaction not subject to, or exempt from, registration under the Securities Act and other applicable securities laws. Accordingly, the notes are being offered only to qualified institutional buyers ("QIBs") in accordance with Rule 144A under the Securities Act.

This press release shall not constitute an offer to sell or a solicitation of an offer to purchase any of these securities, and shall not constitute an offer, solicitation or sale of the notes or the common stock deliverable upon conversion of the notes (if any) in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

### **About MercadoLibre**

MercadoLibre hosts the largest online commerce platform in Latin America, which is focused on enabling e-commerce and its related services. Our platforms are designed to provide our users with a complete portfolio of services facilitating e-commerce transactions. We are market leaders in e-commerce in each of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru, Uruguay and Venezuela, based on unique visitors and page views. We also operate online commerce platforms in the Dominican Republic, Panama and Portugal.

### **Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Any statements contained herein which do not describe historical facts, including but not limited to statements regarding: the proposed offering, the anticipated use of proceeds of the offering and the expectations regarding size and timing of completion of the offering, are forward-looking statements which involve risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements.

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