

August
2015



**mercado
libre**

Second Quarter 2015 Results

Investor Relations



This presentation may make forward-looking statements relating to such matters as continued growth prospects for the company, industry trends and product and technology initiatives. These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements. Our actual results may differ materially from those included in this presentation, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our 10-K and other filings with the Securities and Exchange Commission, which are available on our investor relations website. (<http://investor.mercadolibre.com>)

A reconciliation of Non-GAAP measures to the nearest comparable GAAP measures can be found in our second quarter 2015 earnings press release available on our investor relations website

All of the information included in this presentation is updated as of August 5th, 2015. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.



Q2 2015 Highlights



Key Trends

- Marketplace revenues grew 79.8% in LC and 1.8% in USD, while all non-marketplace revenue streams grew by 107.5% in LC and 51.6% in USD
- Non Marketplace revenue growth: MP's merchant service business +108% in LC, Advertising +192% in LC, Financing + 96% in LC , Classifieds +33% in LC.



Continued progress on strategic initiatives

- Fast paced adoption of strategic initiatives :
 - MP On-platform penetration 57%, up 23 pp YoY, with Brazil over 90%
 - Interest-free financing adoption reached 52% of GMV in Brazil and 21% in Mexico
 - MP Off-platform: TPV increasing 108% YoY in LC and 73% in USD
 - MercadoEnvíos: Shipped over 40% of sold items in Brazil, Argentina, Mexico and Colombia.
 - Official Stores: close to 1,000 brands and large retailers selling through MELI's marketplace

In other news...

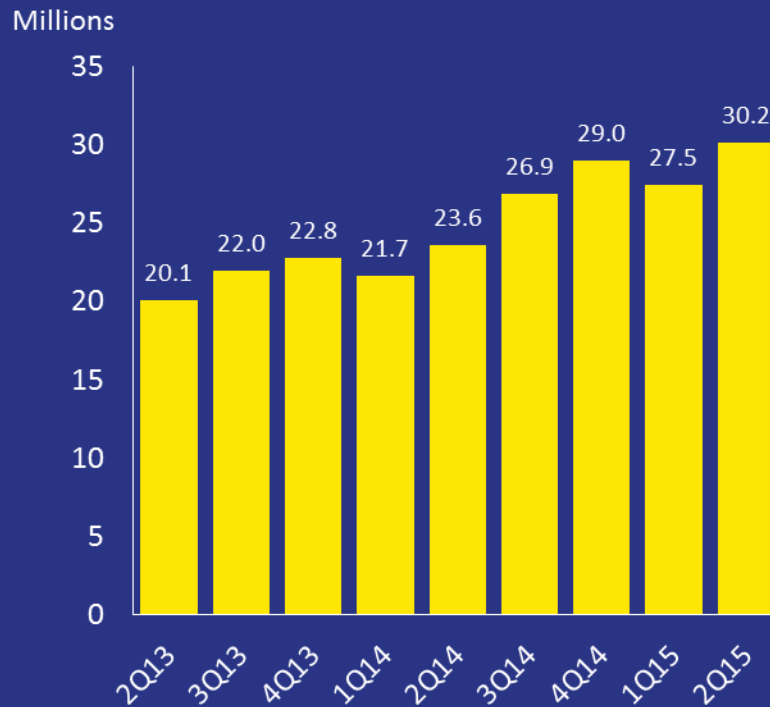
- Rolled out MercadoEnvíos in Colombia and MercadoPago in Chile, in May 2015
- Closed the acquisition of MetrosCubicos, the leading real estate portal in Mexico and KPL the market leader in the provision of ERP systems for e-commerce in Brazil



Core Operating Metrics

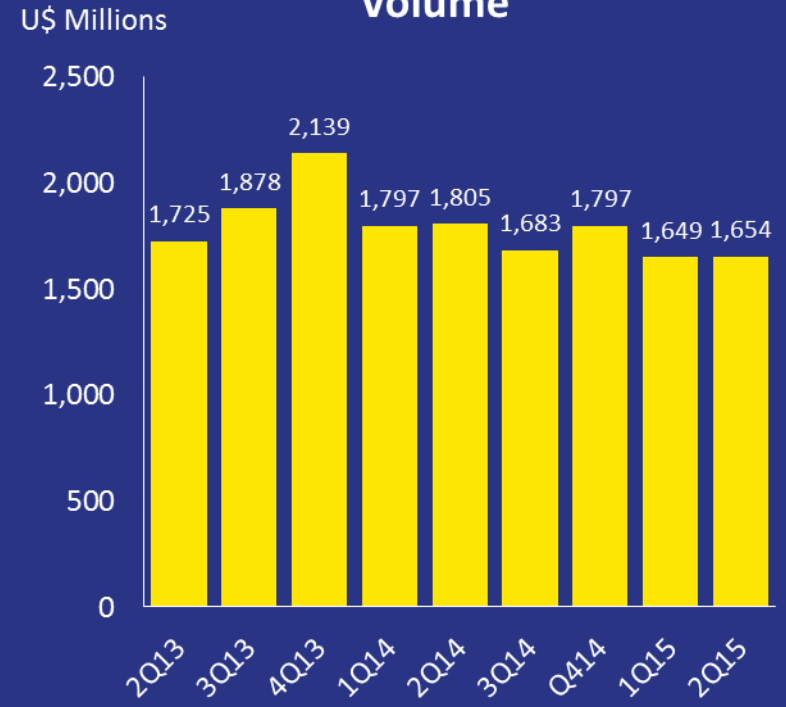


Items Sold



YoY Growth	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
	27%	25%	20%	20%	18%	22%	27%	26%	28%

Gross Merchandise Volume



YoY Reported USD growth	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	Q414	1Q15	2Q15
	33%	31%	30%	15%	5%	-10%	-16%	-8%	-8%
YoY LC growth	45%	49%	49%	58%	67%	79%	85%	77%	85%

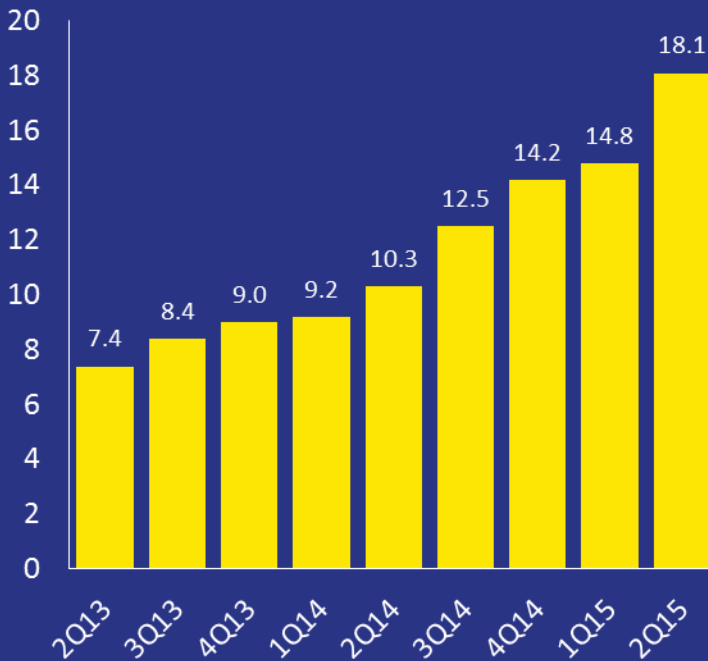


Payments Operating Metrics



Total Payment Transactions

Millions

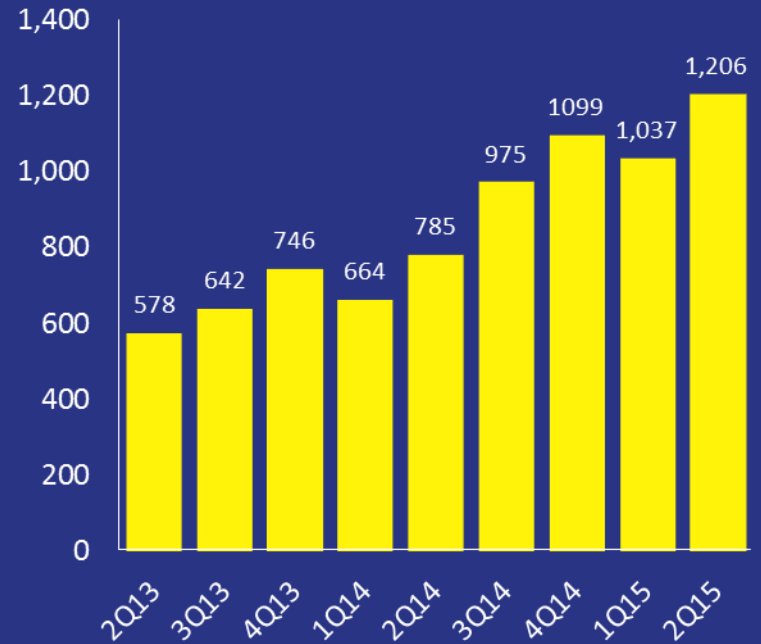


YoY Growth

35% 32% 34% 36% 40% 49% 58% 62% 76%

Total Payment Volume

US\$ Millions



YoY Reported USD growth

40% 34% 42% 25% 36% 52% 47% 56% 54%

YoY LC growth

54% 55% 66% 64% 77% 99% 107% 104% 108%

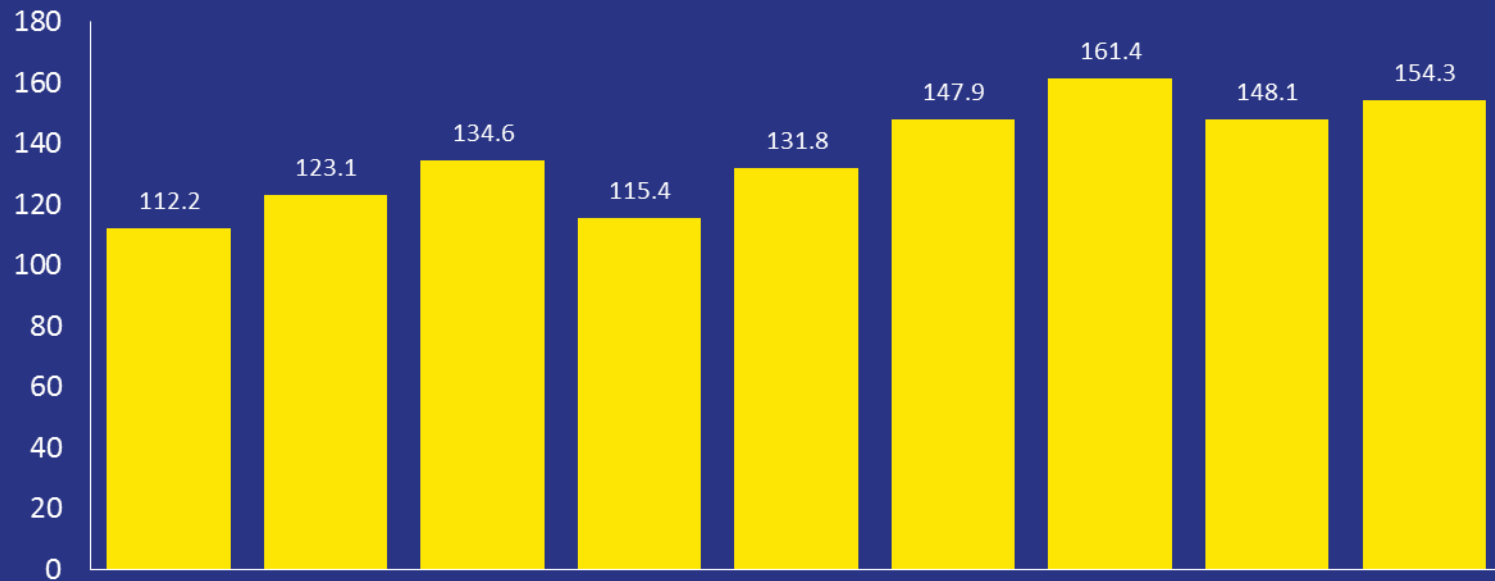


Net Revenues



Net Revenues

U\$ Millions



YoY Reported
USD Growth

Quarter	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
YoY Reported USD Growth	26%	27%	30%	12%	18%	20%	20%	28%	17%
YoY LC Growth	38%	45%	50%	50%	66%	89%	109%	100%	88%

YoY LC
Growth

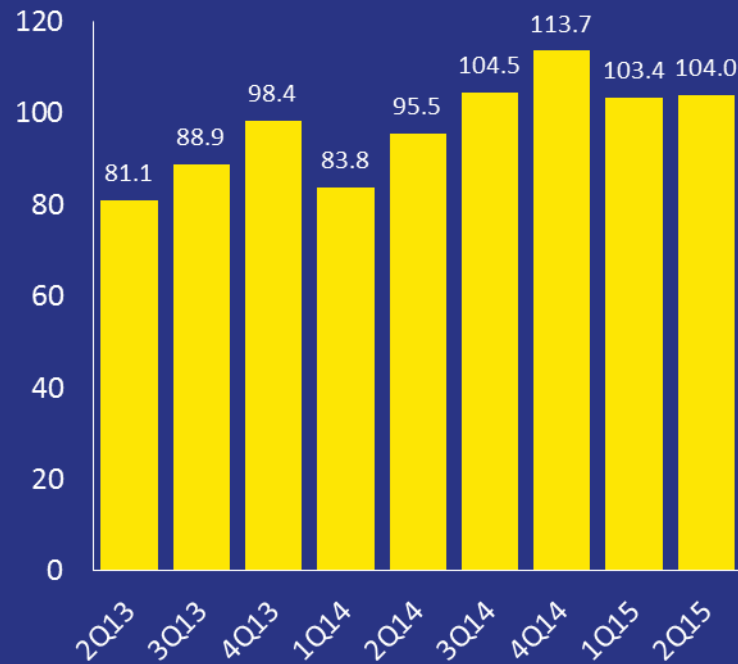


Gross Profit & EBIT



Gross Profit

U\$ Millions

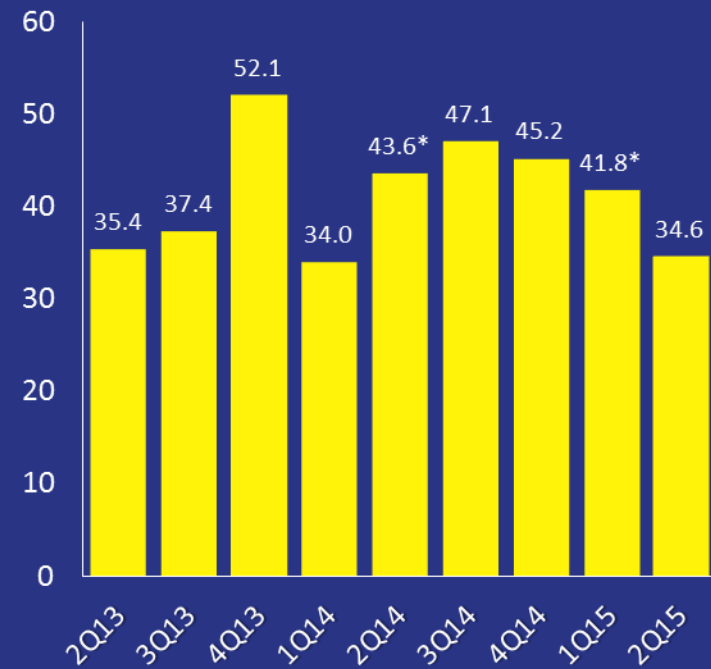


Gross Margin

72% 72% 73% 73% 72% 71% 70% 70% 67%

EBIT

U\$ Millions



EBIT Margin

32% 30% 39% 29% 33%* 32% 28% 28%* 22%

* Adjusted measures, excluding one time effects of Venezuela devaluation due to shift from SICAD I to SICAD II, in 2Q14, and from SICAD II to SIMADI in 1Q15. A reconciliation of these Non-GAAP measures can be found at the end of this presentation

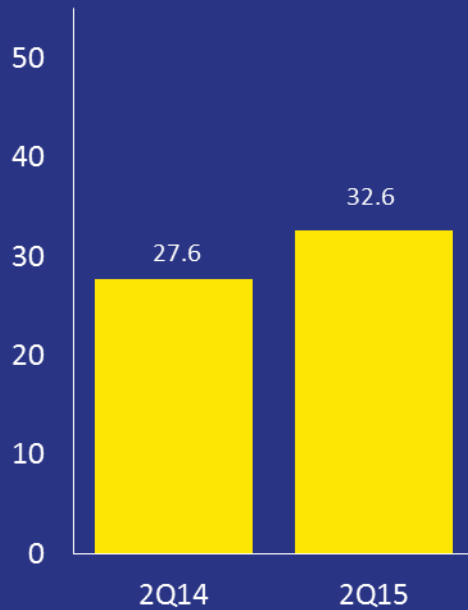


COGS & OPEX



COGS

% of Revenues

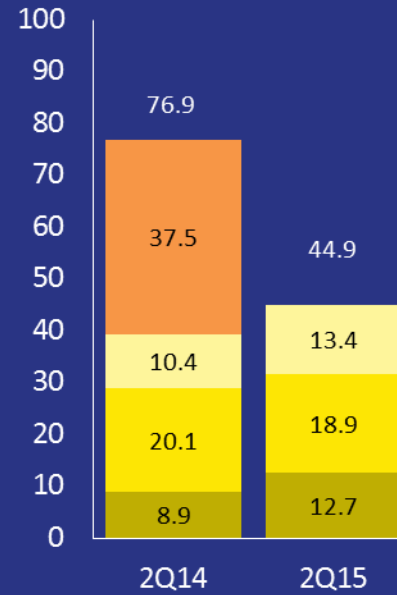


YoY change:

- 291bps of FX Impact
- 212bps primarily from processing fees and incremental sales taxes from growth in payments and shipping

OPEX

% of Revenues



YoY change:

Impairment charge

- \$49.5 M one-time charge on Venezuela long-lived assets, following the adoption of SICAD 2 FX rate in 2Q14

G&A

- 115bps of FX Impact
- 183bps driven by increases in S&W and LTRP

S&M

- 87bps of FX Impact
- +207bps of scale driven by improvements in bad debt and chargebacks offset by higher investment in BPP

PD

- 202 bps of FX Impact
- 179bps mostly driven by S&W

■ Product Development ■ Sales & Marketing ■ General & Administrative ■ Impairment

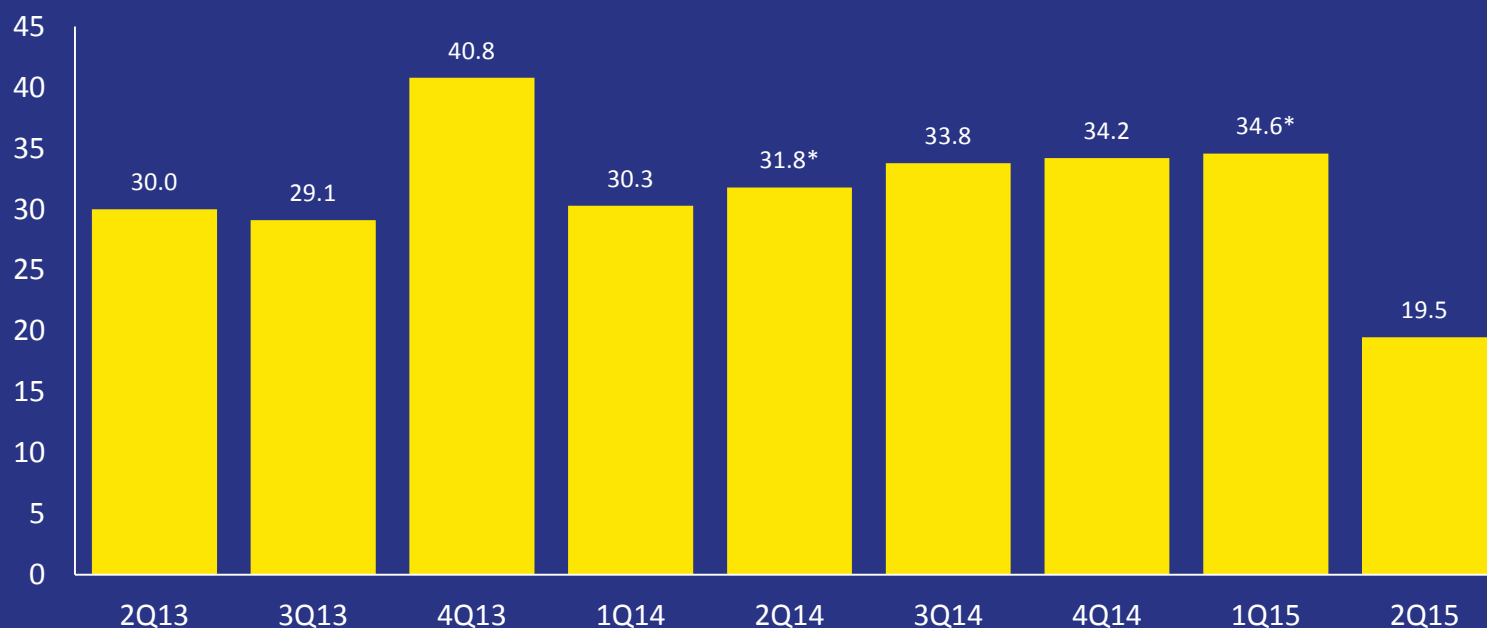


Net Income & EPS



Net Income

U\$ Millions



Net Income Margin	27%	24%	30%	26%	24%*	23%	21%	23%*	12.6%
Adj EPS	0.40	0.67	0.66	0.69	0.72*	0.76	0.76	0.78*	0.44

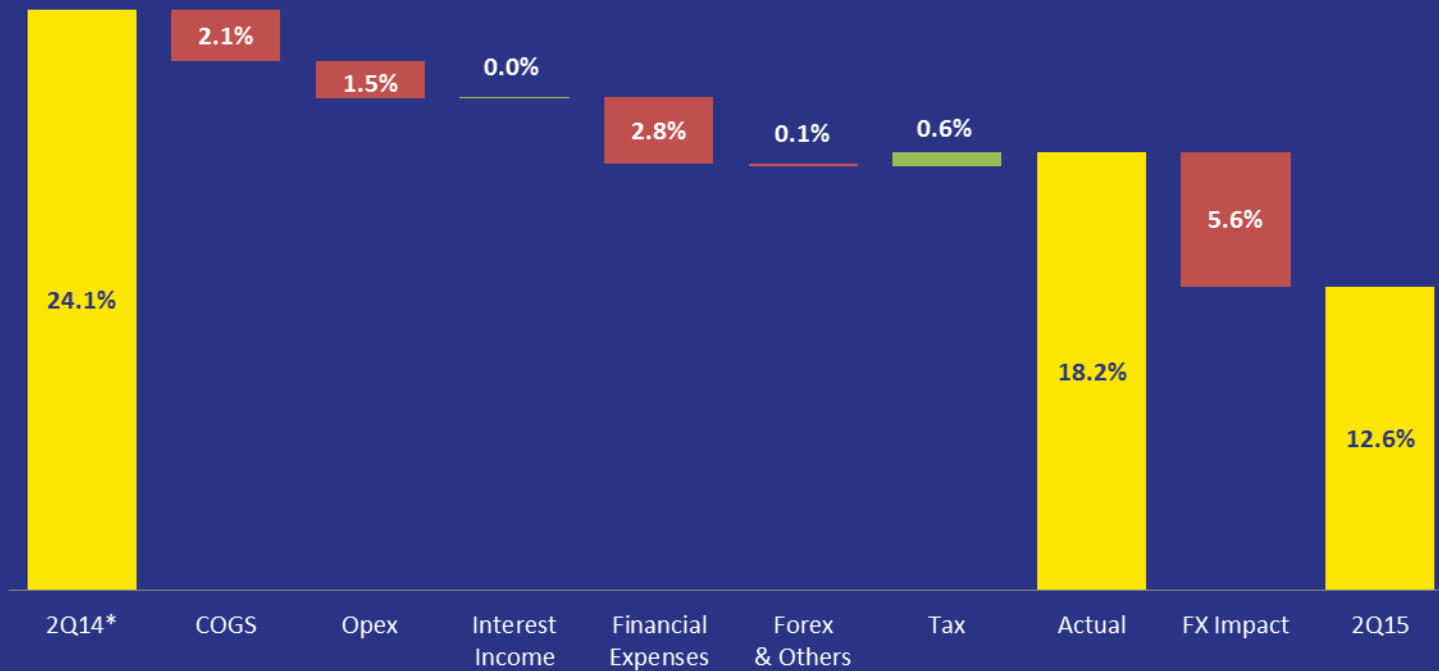
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FX impact in Net Income margin



NI Margin Change YoY



* Adjusted measures, excluding one time effects of Venezuela devaluation due to shift from SICAD I to SICAD II, in 2Q14,



Non - GAAP Financial Measures



	Three-months periods ended (**)		
	June 30, 2014	30-Jun-2015	
Operating expenses (OPEX)	(101.4)	(69.4)	
Impairment of long-lived assets	<u>49.5</u>	<u>-</u>	
Adjusted Operating expenses (OPEX)	<u>(51.9)</u>	<u>(69.4)</u>	
Income from operations (EBIT)	\$ (5.9)	\$ 34.6	
Impairment of long-lived assets	<u>49.5</u>	<u>-</u>	
Adjusted Income from operations	<u>\$ 43.6</u>	<u>\$ 34.6</u>	
Net Income	\$ (25.6)	\$ 19.5	
Devaluation loss in Venezuela	16.5	-	
Impairment of long-lived assets	49.5	-	
Income tax effect on devaluation loss in Venezuela	<u>(8.6)</u>	<u>-</u>	(1)
Adjusted Net Income	<u>\$ 31.8</u>	<u>\$ 19.5</u>	

(**) Stated in millions of U.S. dollars

(1) Income tax charge related to the Venezuela devaluation under local tax norms.

