



MercadoLibre, Inc. Reports Financial Results for Third Quarter 2009

* Q3'09 net revenues up 25.7% year-over-year to \$50.6 million;
year-over-year growth in local currency up 42.3%

* Q3'09 net income increases by 67.7% year-over-year to \$9.9 million

* Items sold during Q3'09 increase by 43.4% year-over-year to \$8.0 million

BUENOS AIRES, Argentina, Nov. 4, 2009 (GLOBE NEWSWIRE) -- MercadoLibre, Inc. (Nasdaq:MELI) (<http://www.mercadolibre.com>), Latin America's leading e-commerce technology company, today reported financial results for the third quarter ended September 30, 2009.

Marcos Galperin, President and Chief Executive Officer of MercadoLibre, Inc., commented, "Our strong performance for the third quarter and the first nine months of the fiscal year validates the continued strength of our business model as well as our ability to execute well on our strategic initiatives. Moreover, we have succeeded in further strengthening the positions of MercadoLibre and MercadoPago as the leading e-commerce sites in Latin America. Each provide excellent foundations for our growing portfolio of online businesses and continue to demonstrate enormous growth potential for the future. For these reasons, we are confident that we will be positioned to extend our terrific positive momentum into the fourth quarter holiday shopping season and beyond."

Third Quarter 2009 Financial Results Summary

MercadoLibre reported consolidated net revenues for the three months ended September 30, 2009 of \$50.6 million, representing 25.7% year-over-year growth in US dollars and 42.3% year-over-year growth in local currencies.

Marketplace revenue grew 16.9% to \$37.1 million in the third quarter of 2009 from \$31.7 million in the third quarter of 2008. Payments revenue grew 58.3% to \$13.5 million from \$8.5 million in the prior year period. Year-over-year revenue growth in both platforms was impacted by unfavorable currency exchange rates. When measured in local currencies, Marketplace revenue grew 32.3% year-over-year and Payments grew 79.5% year-over-year. Strong revenue growth for both platforms was primarily attributable to positive demand for MercadoLibre services. Items sold on MercadoLibre grew 43.4% to 8.0 million, representing the sixth consecutive quarter of acceleration in this key metric has accelerated. Total payments transactions grew 69.1% to 0.9 million when compared to the third quarter of 2008.

Gross profit increased 25.2% to \$40.2 million from \$32.1 million in the prior year quarter. Third quarter 2009 gross profit margin was 79.5% when compared to 79.7% for the third quarter of 2008, as our lower gross margin Payments business grew from 21.2% to 26.7% of net revenues.

Income from operations grew 62.6% to \$19.0 million in the third quarter of 2009 compared to \$11.7 million in the third quarter of 2008. Operating income margin for the third quarter of 2009 was 37.5%, representing an increase from 29.0% for the same period one year earlier.

The blended tax rate for the third quarter of 2009 decreased to 20.5% from a blended tax rate of 28.9% for the third quarter of 2008 as a consequence of improvements in the Company's tax planning initiatives, efficient use of accumulated tax loss carry forward credits from previously acquired companies, and other non-recurring items.

Foreign currency losses for the third quarter of 2009 were \$3.3 million, as compared to losses of \$2.6 million for the prior year period. Foreign currency losses were primarily a consequence of local currency appreciation on the cash balances held by the Company's Venezuelan and Brazilian subsidiaries in U.S. dollars.

Net income for the three-month period ended September 30, 2009 increased 67.7% to \$9.9 million, from \$5.9 million of net income for the third quarter of 2008. Measured in local currencies, net income for the third quarter of 2009 increased 106.7%

over the third quarter of 2008. Net income margin was 19.5% for the third quarter compared to 14.6% for the third quarter of 2008. Earnings per share for the third quarter were \$0.22 compared to \$0.13 for the prior year third quarter.

The following table summarizes certain key performance metrics for the three months ended September 30, 2008 and 2009.

Key Performance Metrics

Three months ended September 30, (in millions)	2008	2009	YoY growth %
Total confirmed registered users at end of the period	32.0	40.2	25.6%
New confirmed registered users during the period	3.9	2.4	-38.4%
Gross merchandise volume*	\$ 590.1	\$ 791.0	34.0%
Successful Items	5.6	8.0	43.4%
Total payment volume*	\$ 81.5	\$ 114.0	39.8%
Total payment transactions	0.5	0.9	69.1%

* Gross merchandise volume and total payments volume grew 52.1% and 57.9% in local currencies year over year respectively.

Conference Call and Webcast

MercadoLibre will host a conference call and audio webcast on November 4, 2009 at 4:30 p.m. Eastern Time. The conference call may be accessed by dialing (973) 935-8579 (Conference ID 38258486) and requesting inclusion in the call for MercadoLibre. The live conference call can be accessed via audio webcast at the investor relations section of the Company's website, at <http://investor.mercadolibre.com>. An archive of the webcast will be available for one week following the conclusion of the conference call.

Definition of Selected Operational Metrics

Total confirmed registered users -- Measure of the cumulative number of users who have registered on the MercadoLibre Marketplace and confirmed their registration.

New confirmed registered users -- Measure of the number of new users who have registered on the MercadoLibre Marketplace and confirmed their registration. As of September 30, 2008 the number of new confirmed registered users included 2.2 million coming from DeRemate integration.

Gross merchandise volume -- Measure of the total U.S. dollar sum of all transactions completed through the MercadoLibre Marketplace, excluding motor vehicles, vessels, aircraft, real estate, and services.

Items sold (Successful items) -- Measure of the number of items sold/purchased through the MercadoLibre Marketplace.

Total payment volume -- Measure of total U.S. dollar sum of all transactions paid for using MercadoPago.

Total payment transactions -- Measure of the number of all transactions paid for using MercadoPago.

Gross profit margin -- Defined as gross profit as percentage of net revenues.

Operating margin -- Defined as income from operations as a percentage of net revenues.

Net Income margin -- Defined as net income as a percentage of net revenues.

Blended tax rate -- Defined as income and alternative income taxes plus deferred income tax as a percentage of pre-tax income.

Effective tax rate -- Defined as the provision for income taxes as a percentage of pre-tax income.

Local currency financial metric growth -- Calculated by applying the average 2008 monthly exchange rates for each month of the period during 2008 to the results during the corresponding months in 2009, so as to calculate what the growth would have been had exchange rates been the same throughout both periods.

About MercadoLibre

Founded in 1999 and headquartered in Buenos Aires, Argentina, MercadoLibre is Latin America's leading e-commerce technology company. Through its primary platforms, MercadoLibre.com and MercadoPago.com, it provides solutions to individuals and companies buying, selling, advertising, and paying for goods online.

MercadoLibre.com serves millions of users and creates a market for a wide variety of goods and services in an easy, safe and efficient way. The site is among the top 50 in the world in terms of page views and is the leading retail platform in unique visitors in each country in which it operates according to metrics provided by comScore Networks.

MercadoLibre maintains a leadership position in 12 Latin American countries. The Company listed on Nasdaq (Nasdaq:MELI) following its initial public offering in 2007.

For more information about the company visit: <http://investor.mercadolibre.com>

The MercadoLibre, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=4193>

Forward-Looking Statements

Any statements contained in this press release that are not statements of historical fact, including statements about the company's beliefs and expectations, are forward-looking statements and should be evaluated as such. Such forward-looking statements reflect, among other things, the company's current expectations, plans, projections and strategies, anticipated financial results, future events and financial trends affecting the company's business, all of which are subject to known or unknown risk and uncertainties that may cause the company's actual results to differ materially from those expressed or implied by these forward-looking statements, including general market conditions, adverse changes in the company's markets as well as those risks and uncertainties included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the company's Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, which are on file with the SEC and is available on the SEC website at www.sec.gov. Additional information will also be set forth in the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, which it expects to file with the SEC in November 2009. All information provided in this release and in the attachments is as of November 4, 2009 and MercadoLibre undertakes no duty to update this information.

Because of the risks, uncertainties and assumptions, investors should not place undue reliance on any forward-looking statements.

Consolidated balance sheets

	September 30, 2009	December 31, 2008
	----- (Unaudited)	----- (Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 33,332,506	\$ 17,474,112
Short-term investments	19,867,077	31,639,400
Accounts receivable, net	4,778,842	3,856,392
Funds receivable from customers	3,063,360	2,322,416
Prepaid expenses	1,041,145	426,869
Deferred tax assets	9,242,067	1,628,871

Other assets	3,067,597	2,953,164
	-----	-----
Total current assets	74,392,594	60,301,224
Non-current assets:		
Long-term investments	24,314,404	9,218,153
Property and equipment, net	6,394,512	5,940,160
Goodwill and intangible assets, net	75,525,514	72,911,546
Deferred tax assets	2,918,816	14,270
Other assets	11,938,182	8,353,396
	-----	-----
Total non-current assets	121,091,428	96,437,525
Total assets	\$ 195,484,022	\$ 156,738,749
	-----	-----
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 16,530,006	\$ 16,941,173
Funds payable to customers	27,312,514	14,727,891
Social security payable	6,608,619	4,387,943
Taxes payable	12,791,888	4,989,704
Loans payable and other financial liabilities	6,343,964	14,963,421
Provisions	88,049	299,753
	-----	-----
Total current liabilities	69,675,040	56,309,885
Non-current liabilities:		
Social security payable	868,201	339,854
Loans payable	--	3,050,061
Deferred tax liabilities	5,279,199	2,556,120
Other liabilities	1,251,630	1,058,848
	-----	-----
Total non-current liabilities	7,399,030	7,004,883
Total liabilities	\$ 77,074,070	\$ 63,314,768
	-----	-----
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.001 par value, 110,000,000 shares authorized, 44,113,429 and 44,070,367 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively	44,114	44,071
Additional paid-in capital	120,196,731	119,807,007
Retained earnings / (Accumulated deficit)	6,370,967	(15,552,256)
Accumulated other comprehensive loss	(8,201,860)	(10,874,841)
	-----	-----
Total shareholders' equity	118,409,952	93,423,981
Total liabilities and shareholders' equity	\$ 195,484,022	\$ 156,738,749
	-----	-----

Consolidated statements of income

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Net revenues	\$123,823,576	\$103,572,881	\$ 50,599,276	\$ 40,260,643
Cost of net revenues	(25,620,134)	(21,075,044)	(10,390,671)	(8,153,862)
Gross profit	98,203,442	82,497,837	40,208,605	32,106,781
Operating expenses:				
Product and technology development	(9,016,061)	(5,218,502)	(3,295,436)	(1,744,608)
Sales and marketing	(31,342,260)	(30,905,222)	(11,048,799)	(11,425,168)
General and administrative	(19,683,004)	(18,088,234)	(6,882,020)	(7,261,068)
Compensation cost related to acquisitions	--	(1,919,870)	--	--
Total operating expenses	(60,041,325)	(56,131,828)	(21,226,255)	(20,430,844)
Income from operations	38,162,117	26,366,009	18,982,350	11,675,937
Other income (expenses):				
Interest income and other financial gains	2,112,180	1,350,068	580,343	330,139
Interest expense and other financial charges	(9,718,003)	(3,453,671)	(3,873,230)	(1,132,524)
Foreign currency loss	(2,770,725)	(5,689,938)	(3,299,938)	(2,648,584)
Other income, net	--	41,874	--	39,587
Net income before income / asset tax expense	27,785,569	18,614,342	12,389,525	8,264,555

Income / asset tax expense	(5,862,346)	(7,723,778)	(2,537,257)	(2,388,763)
Net income	\$ 21,923,223	\$ 10,890,564	\$ 9,852,268	\$ 5,875,792

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2009	2008	2009	2008
Basic EPS				
Basic net income per common share	\$ 0.50	\$ 0.25	\$ 0.22	\$ 0.13
Weighted average shares	44,079,171	44,255,985	44,088,936	44,290,540
Diluted EPS				
Diluted net income per common share	\$ 0.50	\$ 0.25	\$ 0.22	\$ 0.13
Weighted average shares	44,130,078	44,374,124	44,138,031	44,379,682

Consolidated statements of cash flows

	Nine Months Ended September 30,	
	2009	2008
	(Unaudited)	
Cash flows from operations:		
Net income	\$ 21,923,223	\$ 10,890,564
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,959,277	2,475,850
Interest expense	343,643	58,484
Unrealized gains on investments	(437,137)	(1,011,899)
Stock-based compensation expense		
- stock options	1,312	3,684
Stock-based compensation expense		
- restricted shares	52,706	81,875
LTRP accrued compensation	1,163,139	352,271
Deferred income taxes	(1,020,056)	(168,148)
Changes in assets and liabilities, excluding the effect of acquisitions:		
Accounts receivable	(1,537,363)	4,782,430
Funds receivable from customers	(221,236)	(8,984,163)
Prepaid expenses	(596,311)	(513,844)
Other assets	(3,078,233)	(1,358,459)
Accounts payable and accrued expenses	317,019	7,790,459
Funds payable to customers	8,169,631	4,026,062

Provisions	(195,006)	(540,629)
Deferred tax liabilities	(180,141)	--
Other liabilities	(1,102,948)	(1,696,567)
	-----	-----
Net cash provided by operating activities	26,561,519	16,187,970
	-----	-----
Cash flows from investing activities:		
Purchase of investments	(45,960,414)	(59,614,525)
Proceeds from sale and maturity of investments	48,767,850	90,593,742
Payment for businesses acquired, net of cash acquired	--	(39,178,449)
Purchases of intangible assets	(946,500)	(58,238)
Purchases of property and equipment	(2,967,487)	(3,869,309)
	-----	-----
Net cash used in investing activities	(1,106,551)	(12,126,779)
	-----	-----
Cash flows from financing activities:		
Increase in short term debt	--	12,104
Decrease in short term debt	(12,313,161)	(9,736,824)
Stock options exercised	22,530	64,859
	-----	-----
Net cash used in financing activities	(12,290,631)	(9,659,861)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	2,694,057	324,848
	-----	-----
Net increase (decrease) in cash and cash equivalents	15,858,394	(5,273,822)
Cash and cash equivalents, beginning of the year	17,474,112	15,677,407
	-----	-----
Cash and cash equivalents, end of the period	\$ 33,332,506	\$ 10,403,585
	-----	-----

Condensed consolidated statements of cash flows

	Nine Months Ended	
	September 30,	
	2009	2008
	-----	-----
	(Unaudited)	
Supplemental cash flow information:		
Cash paid for interest	\$ 8,895,023	\$ 2,565,076
Cash paid for income taxes	\$ 7,286,257	\$ 6,945,183
Acquisition of DeRemate and Classified Media Group:		
Cash and cash equivalents	\$ --	\$ 691,632
Funds receivable from customers	--	117,473
Accounts receivable	--	6,755,668
Tax credits	--	604,419

Other current assets	--	928,523
Non current assets	--	496,911

Total assets acquired	--	9,594,626

Accounts payable and accrued expenses	--	4,676,259
Funds payable to customers	--	123,089
Taxes payable	--	1,181,607
Social security payable	--	395,112
Other liabilities	--	1,602,269
Non current liabilities	--	14,000
Provisions	--	1,506,447

Total liabilities assumed	--	9,498,783

Net assets acquired	--	95,843

Goodwill	--	52,949,111
Trademarks	--	5,622,188
Customer lists	--	1,227,600
Non Compete Agreement	--	573,484
Deferred income tax on intangible assets	--	(2,598,145)

Total purchase price	--	57,870,081

Cash and cash equivalents acquired	--	(691,632)

Payment for businesses acquired, net of cash acquired	\$ --	\$39,178,449

Seller financing for DeRemate business acquisition	\$ --	\$18,000,000

The following tables summarize the financial results of our reporting segments

Nine Months Ended September 30, 2009

	Marketplaces			
	Brazil	Argentina	Mexico	Venezuela
	-----	-----	-----	-----
Net revenues	\$ 37,963,430	\$ 17,136,120	\$ 9,853,059	\$ 22,118,467
Direct costs	(22,850,813)	(6,404,058)	(5,657,139)	(11,038,145)
	-----	-----	-----	-----
Direct contribution	15,112,617	10,732,062	4,195,920	11,080,322
Operating expenses and indirect costs of net revenues				
Income from operations				
Other income				

(expenses):
 Interest
 income
 and other
 financial
 gains
 Interest
 expense
 and other
 financial
 results
 Foreign
 currency
 loss
 Other
 income,
 net

Net income
 before
 income /
 asset tax
 expense

Nine Months Ended September 30, 2009

	Marketplaces			
	Other Countries	Total	Payments	Consolidated
Net revenues	\$ 7,003,962	\$ 94,075,038	\$ 29,748,538	\$123,823,576
Direct costs	(3,314,818)	(49,264,973)	(15,824,655)	(65,089,628)
Direct contribution	3,689,144	44,810,065	13,923,883	58,733,948
Operating expenses and indirect costs of net revenues				(20,571,831)
Income from operations				38,162,117
Other income (expenses):				
Interest income and other financial gains				2,112,180
Interest expense and other financial results				(9,718,003)

Foreign currency loss	(2,770,725)
Other income, net	--

Net income before income / asset tax expense	\$ 27,785,569
	=====

Nine Months Ended September 30, 2008

	Marketplaces			
	Brazil	Argentina	Mexico	Venezuela
Net revenues	\$40,447,913	\$13,184,145	\$9,609,505	\$ 15,581,777
Direct costs	(26,239,812)	(6,248,223)	(6,230,842)	(8,373,177)
Direct contribution	14,208,101	6,935,922	3,378,663	7,208,600
Operating expenses and indirect costs of net revenues				
Income from operations				
Other income (expenses):				
Interest income and other financial gains				
Interest expense and other financial results				
Foreign currency loss				
Other income, net				
Net income before income / asset tax expense				

Nine Months Ended September 30, 2008

Marketplaces

	Other Countries	Total	Payments	Consolidated
Net revenues	\$4,709,996	\$83,533,336	\$ 20,039,545	\$103,572,881
Direct costs	(2,847,890)	(49,939,944)	(12,814,364)	(62,754,308)
Direct contribution	1,862,106	33,593,392	7,225,181	40,818,573
Operating expenses and indirect costs of net revenues				(14,452,564)
Income from operations				26,366,009
Other income (expenses):				
Interest income and other financial gains				1,350,068
Interest expense and other financial results				(3,453,671)
Foreign currency loss				(5,689,938)
Other income, net				41,874
Net income before income / asset tax expense				\$18,614,342

Three Months Ended September 30, 2009

	Marketplaces			
	Brazil	Argentina	Mexico	Venezuela
Net revenues	\$15,481,697	\$6,621,213	\$3,676,709	\$8,450,839
Direct costs	(8,617,810)	(1,965,224)	(1,992,722)	(3,938,725)
Direct contribution	6,863,887	4,655,989	1,683,987	4,512,114
Operating expenses and indirect costs of net				

revenues
Income from
operations

Other income
(expenses):
Interest
income and
other
financial
gains
Interest
expense
and other
financial
results
Foreign
currency
loss
Other income,
net

Net income
before income
/ asset tax
expense

Three Months Ended September 30, 2009

	Marketplaces			
	Other Countries	Total	Payments	Consolidated
Net revenues	\$2,880,098	\$37,110,556	\$ 13,488,720	\$ 50,599,276
Direct costs	(1,227,900)	(17,742,381)	(6,311,654)	(24,054,035)
Direct contribution	1,652,198	19,368,175	7,177,066	26,545,241
Operating expenses and indirect costs of net revenues				(7,562,891)
Income from operations				18,982,350
Other income (expenses): Interest income and other financial gains				580,343
Interest expense and other				

financial results	(3,873,230)
Foreign currency loss	(3,299,938)
Other income, net	--

Net income before income / asset tax expense	\$12,389,525
	=====

Three Months Ended September 30, 2008

	Marketplaces			
	Brazil	Argentina	Mexico	Venezuela
	-----	-----	-----	-----
Net revenues	\$14,922,939	\$5,405,752	\$3,560,840	\$6,112,651
Direct costs	(10,316,048)	(2,375,980)	(2,023,418)	(3,202,864)
	-----	-----	-----	-----
Direct contribution	4,606,891	3,029,772	1,537,422	2,909,787
Operating expenses and indirect costs of net revenues				
Income from operations				
Other income (expenses):				
Interest income and other financial gains				
Interest expense and other financial results				
Foreign currency loss				
Other income, net				
Net income before income / asset tax expense				

Three Months Ended September 30, 2008

	Marketplaces			
	Other Countries	Total	Payments	Consolidated
Net revenues	\$1,740,073	\$31,742,255	\$8,518,388	\$40,260,643
Direct costs	(1,263,202)	(19,181,512)	(5,020,589)	(24,202,101)
Direct contribution	476,871	12,560,743	3,497,799	16,058,542
Operating expenses and indirect costs of net revenues				(4,382,605)
Income from operations				11,675,937
Other income (expenses):				
Interest income and other financial gains				330,139
Interest expense and other financial results				(1,132,524)
Foreign currency loss				(2,648,584)
Other income, net				39,587
Net income before income / asset tax expense				\$8,264,555

Non-GAAP Measures of Financial Performance

This press release includes certain non-GAAP financial measures as defined under Securities and Exchange Commission (SEC) Rules to supplement the company's consolidated financial statements presented in accordance with generally accepted accounting principles, or GAAP.

These measures are not in accordance with, or an alternative to, measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with MercadoLibre's results of operations as the corresponding GAAP measures.

Reconciliation to the most comparable GAAP measure of all non-GAAP financial measures included in this press release can be found in the tables included at the end of this press release.

These non-GAAP measures are provided to enhance investors overall understanding of the company's current financial performance. Specifically, the company believes the non-GAAP measures provide useful information to both management and investors by excluding certain compensation expenses and unusual foreign currency effects that may not be indicative of its core operating results, thereby enhancing an investor's ability to make period over period comparisons of the company's results. The company believes the inclusion of these non-GAAP measures provides an element of consistency in the company's financial reporting and uses these measures in internal budgets and models and in determining executive compensation benchmarks.

In this press release MercadoLibre also includes each of income from operations, net income, earnings per basic and diluted share, blended and effective tax rates and certain margin percentages for the quarter ended September 30, 2009 after excluding (or adding back) the following charges required by GAAP:

* Compensation Costs Related to Acquisitions: This amount relates to the purchase price of the shares of CMG and its subsidiaries. Under US GAAP we have recognized a contingent consideration paid to former shareholders as compensation for services. As of September 30, 2008 the year to date total accrued compensation costs amounted to \$1.9 million. The following tables show a reconciliation of this exclusion from the GAAP measures to the non-GAAP measures.

* Long term retention plan compensation:

(a) On August 8, 2008, the Board of Directors approved a long-term employee retention program (the 2008 LTRP) for certain executives based on 2008 performance that will be payable 50% in cash and 50% in MercadoLibre common stock, in addition to their annual salary and bonus. Payments will be made during the first quarter on an annual basis according to the following vesting schedule: year 1 (2009): 17%, year 2 (2010): 22%, year 3 (2011): 27%, year 4 (2012): 34%.

(b) On June 10, 2009 the Board of Directors approved a long-term employee retention (the 2009 LTRP) program for certain executives based on 2009 performance. If earned, payments to eligible employees under the 2009 LTRP will be in addition to payments of base salary and cash bonus, if earned, made to these employees. In order to receive an award under the 2009 LTRP, each eligible employee must satisfy the performance conditions established by the board of directors for him or her. If these conditions are satisfied, the eligible employee will, subject to his or her continued employment as of each applicable payment date, receive the full amount of his 2009 LTRP bonus, payable as follows: (I) the eligible employee will receive a fixed cash payment equal to 6.25% of his or her 2009 LTRP bonus once a year during eight years starting in 2010 (the "Fixed Payment"); and (II) on each date the company pays the Fixed Payment to an eligible employee, he or she will also receive a cash payment (the "Variable Payment") equal to the product of (i) 6.25% of the applicable 2009 LTRP bonus and (ii) the quotient of (a) divided by (b), where (a), the numerator, equals the Applicable Year Stock Price (as defined below) and (b), the denominator, equals the 2008 Stock Price, defined as \$13.81, which was the average closing price of the Company's common stock on the NASDAQ Global Market during the final 60 trading days of 2008. The "Applicable Year Stock Price" shall equal the average closing price of the Company's common stock on the NASDAQ Global Market during the final 60 trading days of the year preceding the applicable payment date. For the 2008 LTRP and the Variable Payment of the 2009 LTRP, the US GAAP compensation cost is recognized in accordance with the graded-vesting attribution method and is

accrued up to each payment day. For the Fixed Payment of the 2009 LTRP, the compensation cost is recognized in a straight-line basis. The non-GAAP measures were calculated with the cost for each year being accrued in the full fiscal year immediately preceding the payment date according to the same payment schedule in which 22% of the cost of the 2008 LTRP plan vests during the year ended December 31 2009, and 12.5% of the cost of the 2009 LTRP vests during the year ended December 31, 2009. The following tables show a reconciliation of this cost from the GAAP measures to the non-GAAP measures.

* Venezuelan foreign currency re-measurement effect: This amount relates to re-measurement of assets and liabilities in U.S. dollars in the Venezuelan statutory Financial Statements. The Venezuelan subsidiaries have re-measured the assets and liabilities outstanding at September 30, 2009 in U.S. dollar balances at the parallel exchange rate and translated them to the official exchange rate. The following tables exclude the foreign currency re-measurement effect generated from applying different exchange rates in order to facilitate comparisons to other quarters, or year to date figures, and to highlight this exchange rate matter.

The following provide a reconciliation of certain Non-GAAP financial measures to the most comparable GAAP financial measures.

	----- Nine Months Ended September 30, -----		----- Three Months Ended September 30, -----	
	2009	2008	2009	2008
	-----	-----	-----	-----
Net income	\$21,923,223	\$10,890,564	\$ 9,852,268	\$ 5,875,792
Long term retention plan compensation net of tax effect	432,420	188,867	174,130	188,867
Venezuelan foreign currency re-measurement effect	(1,482,719)	--	1,011,313	--
Compensation cost related to acquisitions	--	1,919,870	--	--
	-----	-----	-----	-----
Non-GAAP net income	\$20,872,924	\$12,999,301	\$11,037,711	\$ 6,064,659
	-----	-----	-----	-----
	-----	-----	-----	-----
Basic net income per common share:	\$ 0.50	\$ 0.25	\$ 0.22	\$ 0.13
	-----	-----	-----	-----
Non-GAAP basic net income per common share:	\$ 0.47	\$ 0.29	\$ 0.25	\$ 0.14
	-----	-----	-----	-----

income taxes	\$26,160,755	\$20,754,604	\$14,231,202	\$8,484,947
	-----	-----	-----	-----
	-----	-----	-----	-----
Blended tax rate (1)	21.1%	41.5%	20.5%	28.9%
	-----	-----	-----	-----
Non-GAAP				
Blended				
tax rate (1)	20.2%	37.4%	22.4%	28.5%
	-----	-----	-----	-----
	-----	-----	-----	-----
Effective				
tax rate (2) (3)	24.3%	38.4%	30.8%	37.1%
	-----	-----	-----	-----
Non-GAAP				
Effective				
tax rate (2) (3)	25.9%	34.5%	26.9%	33.5%
	-----	-----	-----	-----

- 1 - Blended tax rate defined as income and asset tax expense as a percentage of income before income and asset tax.
- 2 - Effective income tax rate defined as the provision for income taxes as a percentage of income before income tax.
- 3 - The effective tax rate does not include the effect of the Mexican Tax call Impuesto Empresarial a Tasa Unica (IETU).

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2009	2008	2009	2008
	-----	-----	-----	-----
Net revenue	\$123,823,576	\$103,572,881	\$50,599,276	\$40,260,643
	-----	-----	-----	-----
GAAP				
Net Income	\$ 21,923,223	\$ 10,890,564	\$ 9,852,268	\$ 5,875,792
Earnings				
per share				
(basic)	\$ 0.50	\$ 0.25	\$ 0.22	\$ 0.13
Earnings				
per share				
(diluted)	\$ 0.50	\$ 0.25	\$ 0.22	\$ 0.13
	-----	-----	-----	-----
Non-GAAP				
Net Income	\$ 20,872,924	\$ 12,999,301	\$11,037,711	\$ 6,064,659
Earnings				
per share				
(basic)	\$ 0.47	\$ 0.29	\$ 0.25	\$ 0.14
Earnings				
per share				
(diluted)	\$ 0.47	\$ 0.29	\$ 0.25	\$ 0.14

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