

August
2016



**mercado
libre**

Second Quarter 2016 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 2016 earnings press release available on our investor relations website

All of the information included in this presentation is updated as of August 4th, 2016. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.



Q2 2016 Highlights



Key Trends

- Items sold accelerated to 45% year over year, reaching 43.7 million units sold, and recording the highest growth since 2009.
- Gross Merchandise Volume +57% in local currencies (Ex Venezuela).
- Marketplace revenues grew 67% and non-marketplace 82%. Total revenues grew 73%, all on an FX neutral basis.
- Total payment transactions +76% YoY to 32 million; total payment volume 102% YoY in LC, the fifth consecutive quarter of triple digit growth.
- Mercado Pago on platform penetration reached 74% vs. 57% a year ago as adoption increases beyond Brazil and Argentina.
- Successfully increasing supply through execution of strategic initiatives.
 - Live listings +73% to 63 million driven by pricing changes & freemium offering rollout to new geographies.
- MercadoEnvíos continues gaining adoption, as Items shipped grew 104% YoY to 20.3 million.
 - Colombia was a highlight, as penetration reached 25% of items shipped within only a year of launch.
- Fully launched Mercado Pago in Peru on & off platform.



Continued progress on strategic initiatives

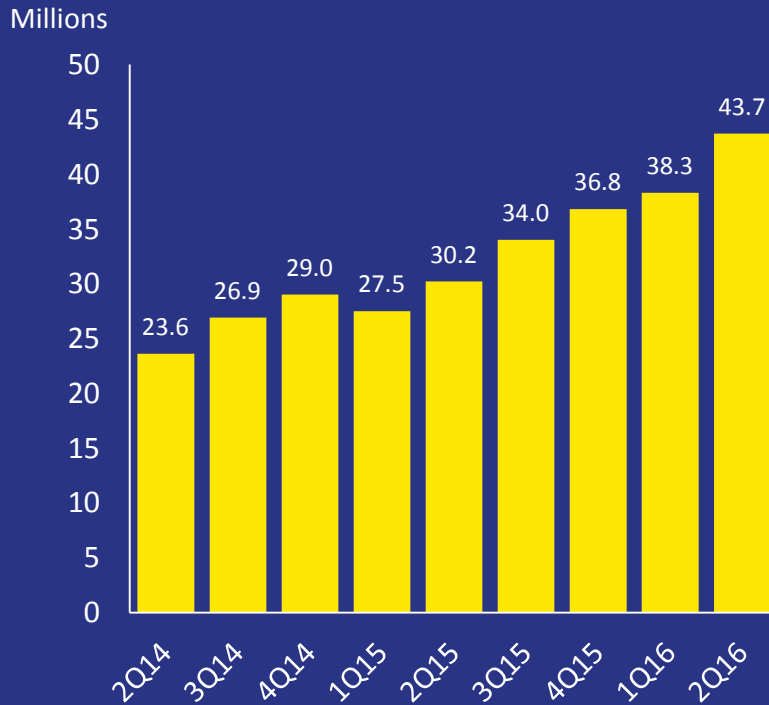
In other news...



Q2 2016 Core Operating Metrics

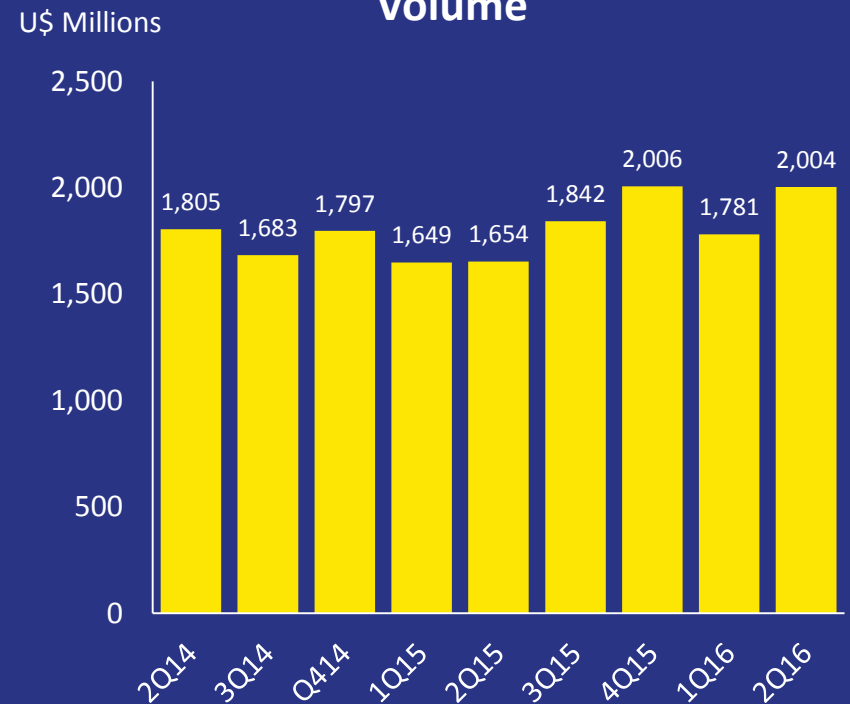


Items Sold



YoY Growth	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
	18%	22%	27%	27%	28%	26%	27%	39%	45%

Gross Merchandise Volume



YoY Reported USD growth	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
	5%	-10%	-16%	-8%	-8%	10%	12%	8%	21%
YoY LC growth	68%	79%	85%	78%	83%	77%	86%	102%	68%

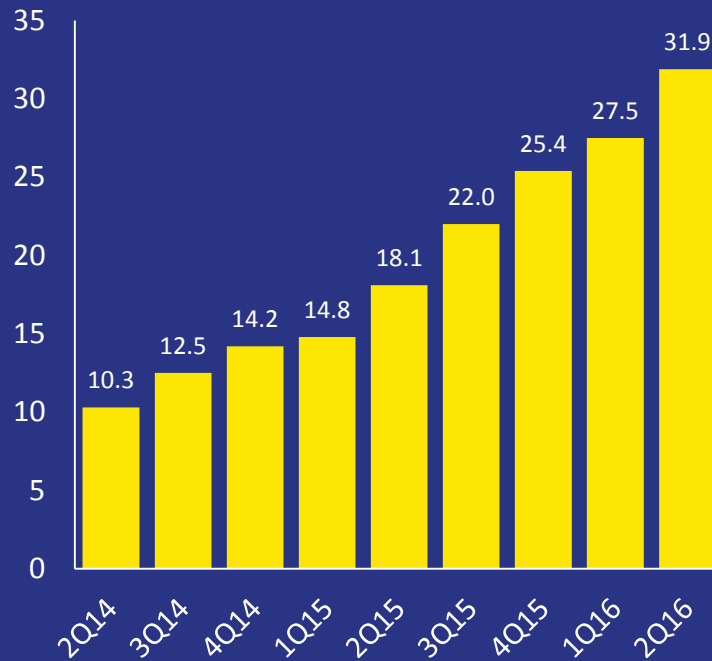


Q2 2016 Payments Operating Metrics



Total Payment Transactions

Millions

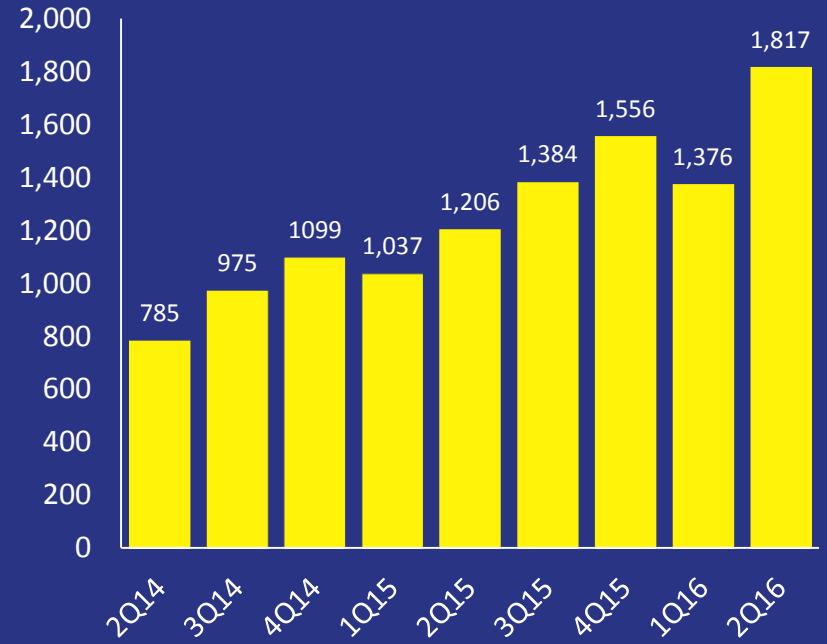


YoY Growth

40% 49% 58% 62% 76% 75% 79% 86% 76%

Total Payment Volume

U\$ Millions



YoY Reported USD growth

36% 52% 47% 56% 54% 42% 42% 33% 51%

YoY LC growth

77% 99% 107% 102% 108% 95% 97% 108% 102%

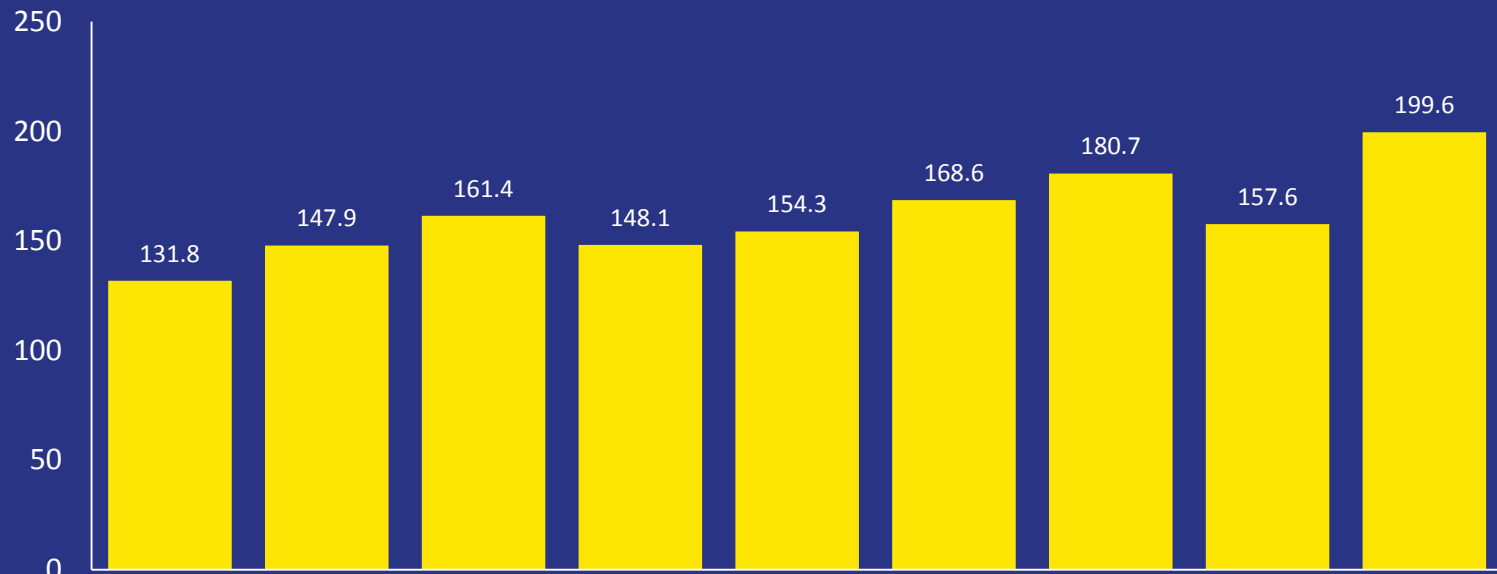


Q2 2016 Net Revenues



Net Revenues

U\$ Millions



YoY Reported
USD Growth

Quarter	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
YoY Reported USD Growth	18%	20%	20%	28%	17%	14%	12%	6%	29%

YoY LC
Growth

Quarter	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
YoY LC Growth	63%	87%	107%	100%	88%	68%	69%	74%	73%

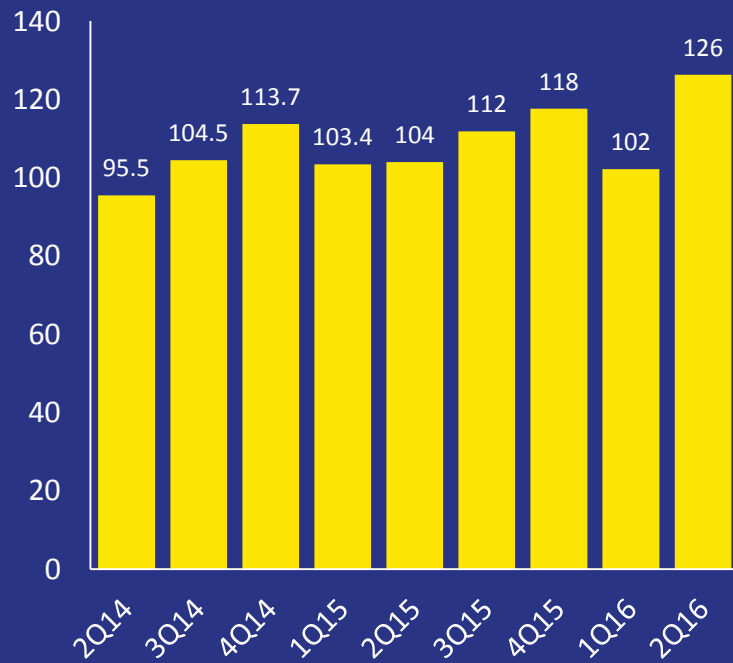


Q2 2016 Gross Profit & EBIT



Gross Profit

U\$ Millions

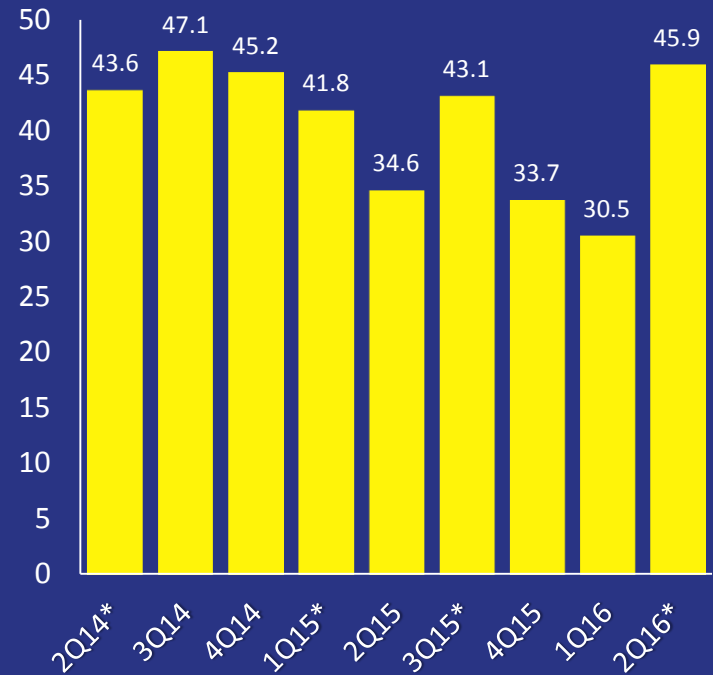


Gross Margin (%)

72% 71% 70% 70% 67% 66% 65% 65% 63%

EBIT

U\$ Millions



EBIT Margin (%)

29% 31% 28% 28% 22% 26% 19% 19% 33%

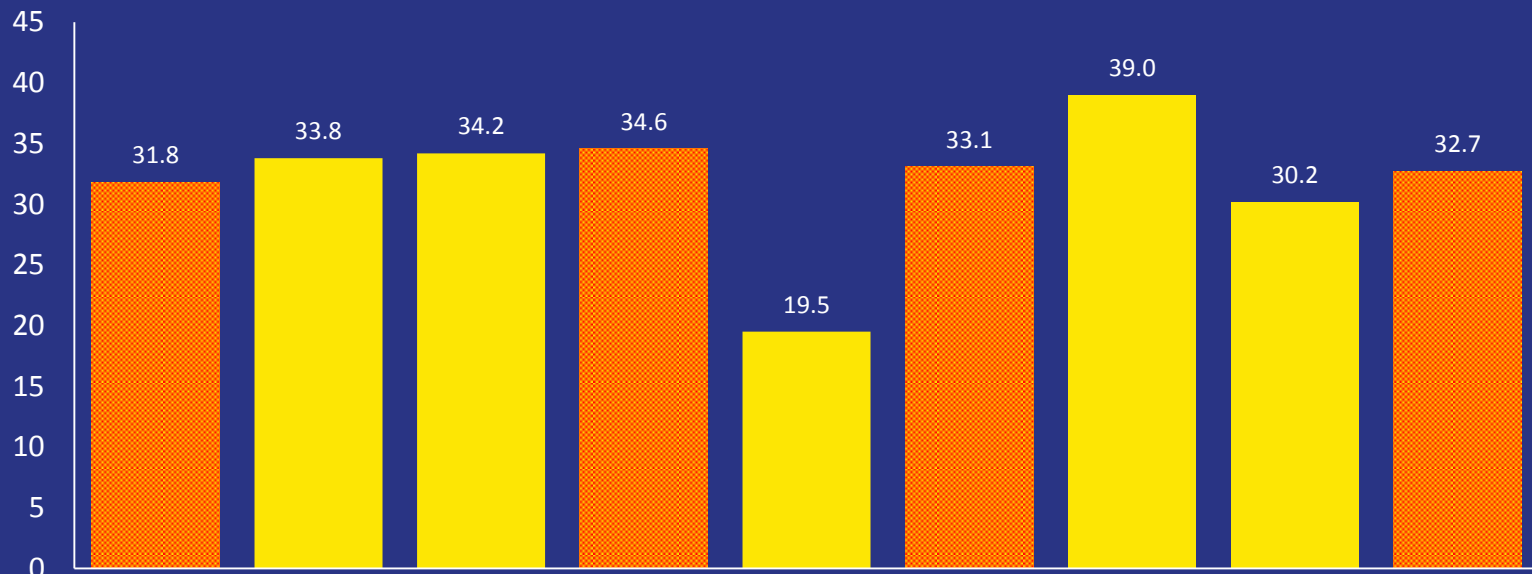
*Adjusted figures in 2Q'14, 1Q'15, 3Q'15 & 2Q'16

Adjusted Net Income & Adjusted EPS



Adjusted Net Income

U\$ Millions



	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Net Income Margin (%)	24.1%	22.8%	21.2%	23.3%	12.6%	19.6%	21.6%	19.2%	16.4%
Adj EPS	0.72*	0.76	0.76	0.78*	0.44	0.75*	0.87	0.68	0.74*

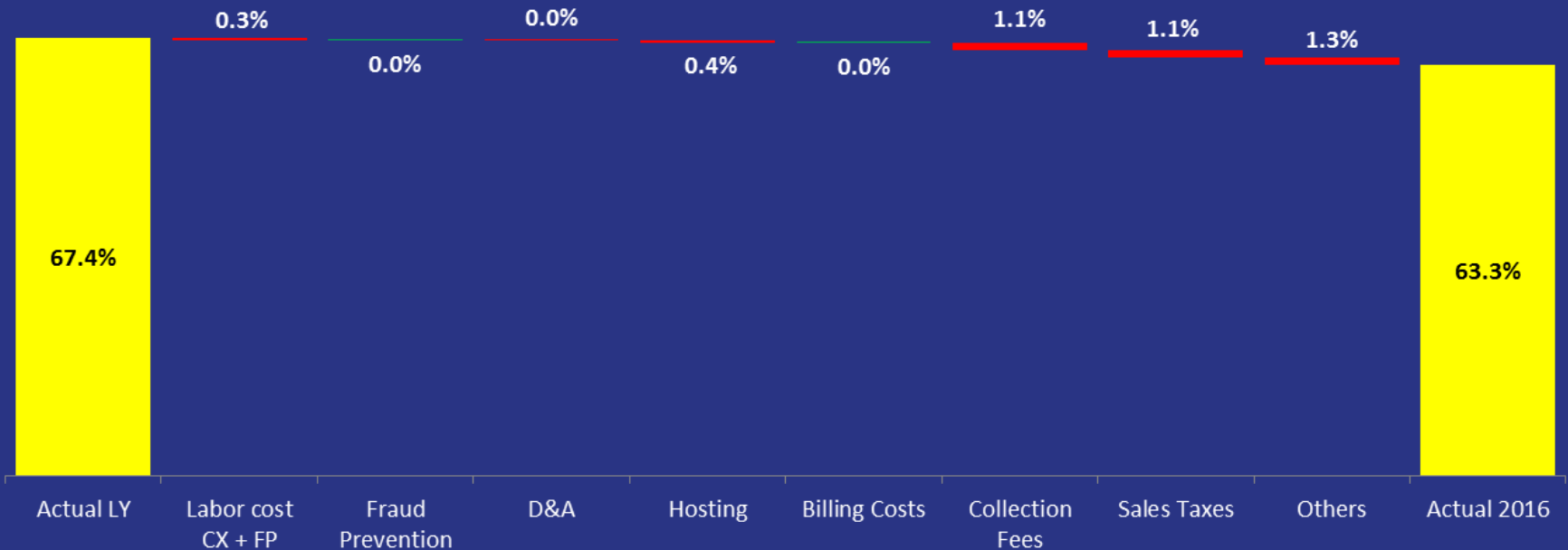
Adjusted figures in Q2'14, Q1'15, Q3'15 & Q2'16
 As reported: Q2'14: (\$25.6M) ; Q1'15: \$1.7M ; Q3'15: \$45.6M; Q2'16: \$15.9M



Q2 2016 Gross Margin vs. Last Year



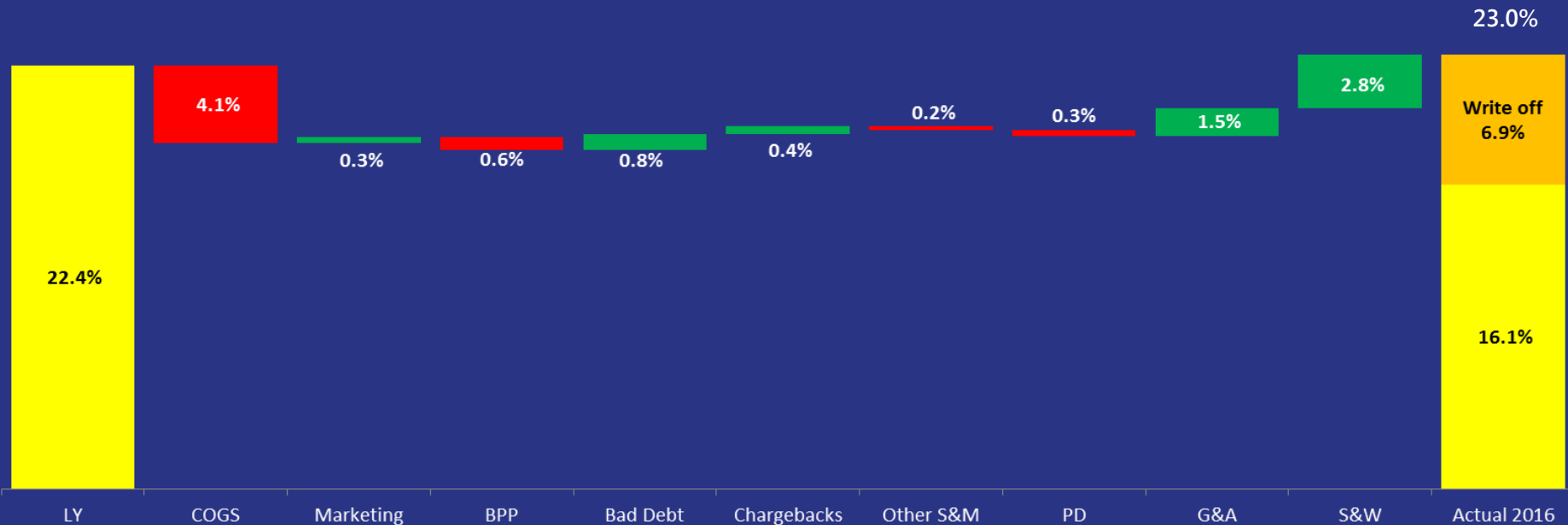
- 4.1 pp YoY lower gross margin driven by payments processing fees & sales taxes over revenues.



Q2 2016 EBIT Margin vs. Last Year



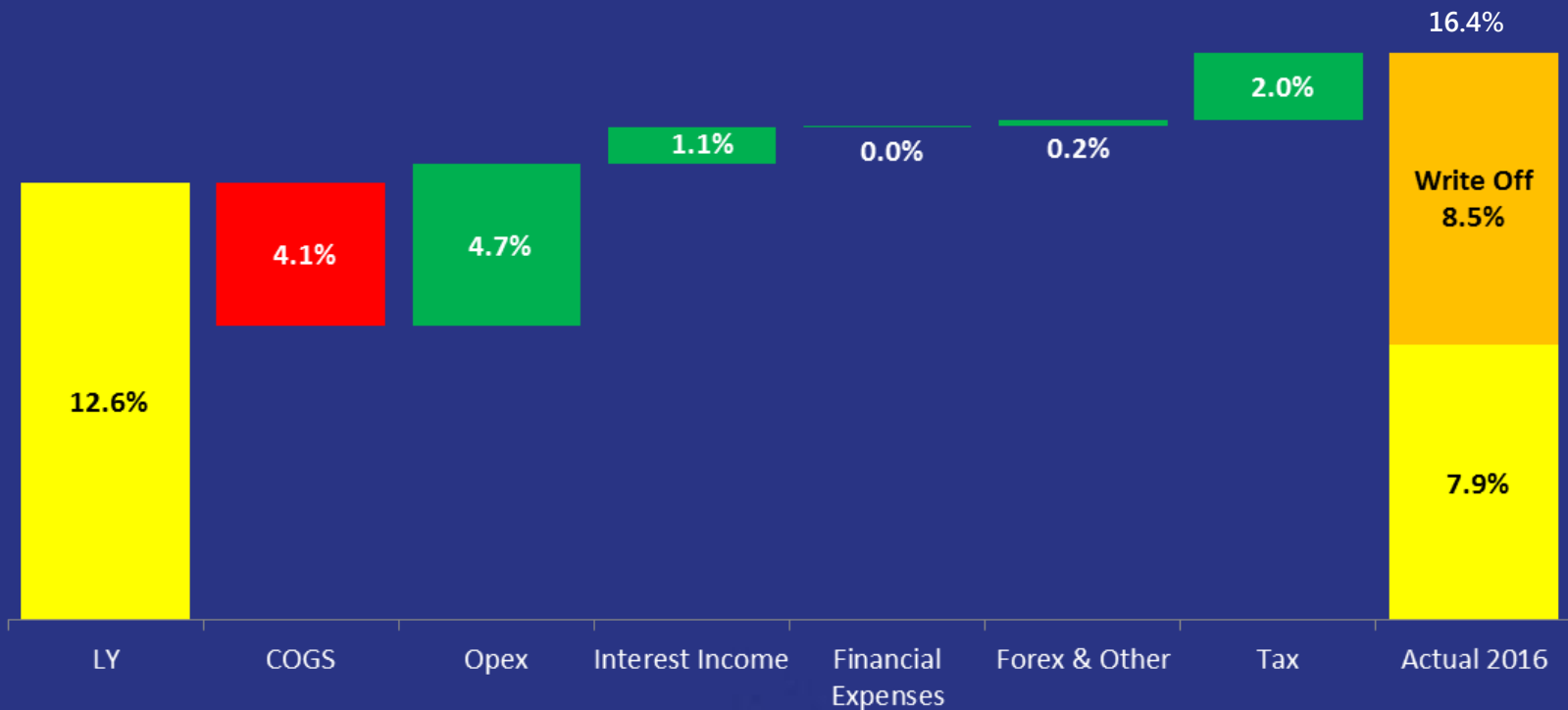
- EBIT was down 7.1% YoY to \$32.1M, or 16.1% of revenues. Excluding Venezuelan write off EBIT would have increased 33% YoY to \$45.9 million, representing 23% of revenues



Q2 2016 Net Income Margin vs. Last Year



- NI decreased 19% YoY to \$15.9 M, or 7.9% of revenues. Excluding Venezuelan write off, Net Income would have been \$32.7 M, representing 16.4% of revenues



Non - GAAP Financial Measures



	Three-months periods ended (**)		
	30-Jun-2016	30-Jun-2015	
Net income before income / asset tax expense	\$ 28.2	33.5	
Devaluation loss in Venezuela	4.9	—	
Impairment of long-lived assets in Venezuela	13.7	—	
Adjusted Net income before income / asset tax expense	\$ 46.8	33.5	
Income and asset tax expense	\$ -12.4	-14	
Income tax effect on devaluation loss in Venezuela	-1.7	—	(1)
Adjusted Income and asset tax	\$ -14.1	-14	
Net Income	\$ 15.9	19.5	
Devaluation loss in Venezuela	4.9	—	
Impairment of long-lived assets in Venezuela	13.7	—	
Income tax effect on devaluation loss in Venezuela	-1.7	—	(1)
Adjusted Net Income	\$ 32.7	19.5	
Weighted average of outstanding common shares	44,157,341	44,155,271	
Adjusted Earnings per share	\$ 0.74	0.44	
Adjusted Blended Tax Rate (2)	30.1%	41.9%	

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

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

(2) Adjusted Income and asset tax over Net Income before income/asset tax expense

