



## MercadoLibre, Inc. Reports Financial Results For Third Quarter 2008

Nov 11, 2008 (GlobeNewswire via COMTEX News Network) --

Q3'08 Revenue Increases 76.6% to \$40.3 Million

Q3'08 Operating Income Grew 85.4% to \$11.7 Million

Q3'08 EPS of \$0.13 On Net Income Growth of 110.9% to \$5.9 Million

BUENOS AIRES, Argentina, Nov. 11, 2008 (GLOBE NEWSWIRE) -- MercadoLibre, Inc. (Nasdaq:MELI) (<http://www.mercadolibre.com>), host of the largest online commerce platform in Latin America, today reported financial results for its fiscal quarter ended September 30, 2008.

"During the third quarter, we continued to focus on our key strategic initiatives and on meeting the demands of our community of buyers and sellers. We are very pleased with the progress made in executing these initiatives, including launching a new version of our real estate classifieds portal, strengthening our management team, and acquiring and integrating the operations of DeRemate.com," said Marcos Galperin, MercadoLibre CEO. "We believe that the Latin American online market continues to offer solid opportunities for growth, and that MercadoLibre is in a unique position to capture those opportunities over the next several years. Our solid business model, strong balance sheet, disciplined approach to investments and expenses, and sustained focus on our users should enable us to create long term value for our stockholders."

### Financial Results

#### Third Quarter Results

MercadoLibre reported consolidated net revenue for the three months ended September 30, 2008 of \$40.3 million, a quarterly year over year revenue growth rate of 76.6%. Third quarter marketplace revenue grew 75.0% to \$31.7 million from \$18.1 million for the prior year third quarter. Payments revenues grew to \$8.5 million for the third quarter, up 82.9% from \$4.7 million for the same period during 2007.

Revenue growth was primarily driven by 49.4% and 87.0% growth over the same period during the prior year in gross merchandise volume and total payment volume respectively. Strong results in the classifieds and ad sales businesses as well as take-rate improvements during the quarter also contributed to revenue growth for the quarter.

Gross profit grew 79.2% to \$32.1 million from \$17.9 million in the prior year third quarter. Gross profit margin improved to 79.7% from 78.6% in the third quarter of 2007.

Income from operations grew 85.4% to \$11.7 million from \$6.3 million for the same period during 2007. Excluding certain long-term retention plan costs, income from operations would have grown 88.9% to \$11.9 million.

Net income for the three-month period ended September 30, 2008 was \$5.9 million, compared to \$2.8 million during the same period of 2007, an increase of 110.9%. Excluding certain long-term retention plan costs net income for the period would have grown 117.7% to \$6.1 million from \$2.8 million for the same period during the previous year.

Earnings per share for the third quarter of 2008, both basic and diluted, were \$0.13 earnings per share. Excluding certain long-term retention plan costs, earnings per share, both basic and diluted would have been \$0.14 per share.

#### Nine-Month Results

Revenue for the nine months ended September 30, 2008 increased 77.9% to \$103.6 million compared with \$58.2 million for the prior year period.

Gross profit increased 79.9% to \$82.5 million from \$45.9 million from the prior year period, representing a gross profit margin of 79.7% for fiscal 2008 year to date, compared to 78.8% in 2007.

Income from operations increased 86.9% to \$26.4 million from \$14.1 million in the previous year. Income from operations includes \$1.9 million of compensation costs related to the Classifieds Media Group (CMG) acquisition and \$0.2 million of certain costs related to the company's long-term compensation plan. Excluding these charges, income from operations for the first nine months of 2008 would have grown 102.1% to \$28.5 million.

Net income for the nine months ended September 30, 2008 was \$10.9 million, compared to \$4.4 million for the prior year period, an increase of 149.2%. Net income for the period excluding acquisition related compensation and certain long-term retention plan costs would have grown 197.4% to \$13.0 million.

Earnings per share for the first nine months of 2008, both basic and diluted, were \$0.25 earnings per share. Earnings per share for the same period, excluding acquisition related compensation and certain long-term retention plans costs would have been \$0.29 earnings per share.

### Key Performance Metrics

Following are highlights on certain key performance metrics for the third quarter ended September 30, 2008.

Registered Users -- New confirmed registered users, including the cumulative stock of users acquired through the purchase of DeRemate, for the three month period ended September 30, 2008 were 3.9 million, generating a cumulative confirmed registered user base of 32.0 million users as of September 30, 2008, an increase of 37.6% over the 23.3 million users registered as of September 30, 2007.

Transaction volume -- Gross merchandise volume was \$590.1 million for the third quarter of 2008, a 49.4% growth from gross merchandise volume of \$394.9 for the same period during 2007. MercadoLibre totaled 5.6 million successful items during the third quarter of 2008, 21.7% more than the 4.6 million successful items sold during the same period of 2007. Total payment volume was \$81.5 million during the three-month period ending September 30, 2008, a growth of 87.0% over total payment volume of \$43.6 million for the same period of 2007.

### Conference Call and Webcast

MercadoLibre will host a conference call to discuss results for the quarter ending September 30, 2008 today at 4:30 p.m. Eastern Time. The conference call may be accessed by dialing 719-325-4748. A live webcast of the conference call can be accessed at the company's investor relations website at <http://investor.mercadolibre.com/>. An archive will be available for one week following the conclusion of the conference call.

### Definition of Selected Operational Metrics

New confirmed registered users -- Measure of the number of new users who have registered on the MercadoLibre marketplace and confirmed their registration.

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

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.

Successful items -- Measure of the number of items that were sold/purchased through the MercadoLibre marketplace.

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

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

Gross profit margin -- Gross profit as a percentage of net revenues.

About MercadoLibre

MercadoLibre is the largest online commerce platform in Latin America. We are market leaders in e-commerce in each of Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay and Venezuela, based on unique visitors and page views during the third quarter of 2008. Additionally, we have recently launched online trading platforms in Costa Rica, the Dominican Republic and Panama. With a population of over 550 million people and a region with one of the world's fastest-growing Internet penetration rates, we provide buyers and sellers a robust online trading environment that fosters the development of a large and growing e-commerce community. We offer a technological and commercial solution that addresses the distinctive cultural and geographic challenges of operating an online trading platform in Latin America.

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

#### Non-GAAP Financial Measures

This press release includes financial measures defined as "non-GAAP financial measures" by the Securities and Exchange Commission (SEC). See "Non GAAP Measures of Financial Performance" for more information about these measures.

#### 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, the failure of customary closing conditions, adverse changes in the company's markets and other risks disclosed in the company's filings with the Securities and Exchange Commission. Because of the risks, uncertainties and assumptions, investors should not place undue reliance on any forward-looking statements.

#### Financial Tables:

	September 30 2008	December 31 2007
Assets	(Unaudited)	(Audited)
Current assets:		
Cash and cash equivalents	\$ 10,403,585	\$ 15,677,407
Short-term investments	20,489,006	52,300,007
Accounts receivable	5,714,806	3,211,252
Funds receivable from customers	34,893,877	29,162,763
Prepaid expenses	793,683	283,477
Deferred tax assets	3,784,991	3,445,101
Other assets	3,035,568	894,163
	-----	-----
Total current assets	79,115,516	104,974,170
Non-current assets:		
Long-term investments	3,057,065	1,323,789
Property and equipment, net	5,874,868	4,143,204
Goodwill and intangible assets, net	80,592,075	23,428,646
Deferred tax assets	--	269,596
Other assets	485,237	353,395
	-----	-----
Total non-current assets	90,009,245	29,518,630
	-----	-----
Total assets	\$ 169,124,761	\$ 134,492,800
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 18,067,876	\$ 9,278,138

Funds payable to customers	18,983,336	16,418,177
Social security payable	5,227,666	3,778,236
Taxes payable	4,748,841	2,493,749
Loans payable	18,497,771	9,713,227
Provisions	1,012,021	69,979
	-----	-----
Total current liabilities	66,537,511	41,751,506
Non-current liabilities:		
Deferred tax liabilities	2,587,639	--
Other liabilities	1,129,760	1,068,155
	-----	-----
Total non-current liabilities	3,717,399	1,068,155
Total liabilities	\$ 70,254,910	\$ 42,819,661
	=====	=====

Commitments and contingencies

Shareholders' equity:

Common stock, \$0.001 par value, 110,000,000 shares authorized, 44,296,621 and 44,226,563 shares issued and outstanding at September 30, 2008 and December 31, 2007, respectively	44,297	44,227
Additional paid-in capital	122,172,907	121,890,138
Accumulated deficit	(23,473,353)	(34,363,917)
Accumulated other comprehensive income	126,000	4,102,691
	-----	-----
Total shareholders' equity	98,869,851	91,673,139
	-----	-----
Total liabilities and shareholders' equity	\$ 169,124,761	\$ 134,492,800
	=====	=====

	Nine Months Ended September 30		Three Months Ended September 30	
	2008	2007	2008	2007
	(Unaudited)		(Unaudited)	
Net revenues	\$103,572,881	\$ 58,232,755	\$ 40,260,643	\$ 22,800,130
Cost of net revenues	(21,075,044)	(12,369,310)	(8,153,862)	(4,882,048)
Gross profit	82,497,837	45,863,445	32,106,781	17,918,082
Operating expenses:				
Product and technology development	(5,218,502)	(3,157,033)	(1,744,608)	(1,154,317)
Sales and marketing	(30,905,222)	(19,629,001)	(11,425,168)	(6,982,476)
General and administra- tive	(18,088,234)	(8,970,232)	(7,261,068)	(3,483,918)

Compensation Cost related to acquisi- tions	(1,919,870)	--	--	--
-----				
Total operating expenses	(56,131,828)	(31,756,266)	(20,430,844)	(11,620,711)
-----				
Income from operations	26,366,009	14,107,179	11,675,937	6,297,371
-----				
Other income (expenses):				
Interest income	1,350,068	872,207	330,139	352,968
Interest ex- pense and other financ- ial charges	(3,453,671)	(1,688,275)	(1,132,524)	(700,631)
Foreign curren- cy loss	(5,689,938)	(1,806,520)	(2,648,584)	(802,348)
Other expenses, net	41,874	(3,006,416)	39,587	(960,358)
-----				
Net income before income / asset tax expense	18,614,342	8,478,175	8,264,555	4,187,002
-----				
Income / asset tax expense	(7,723,778)	(4,107,628)	(2,388,763)	(1,401,528)
-----				
Net income	\$ 10,890,564	\$ 4,370,547	\$ 5,875,792	\$ 2,785,474
=====				
Accretion of pre- ferred stock	--	(309,299)	--	(61,860)
-----				
Net income avai- lable to common shareholders	\$ 10,890,564	\$ 4,061,248	\$ 5,875,792	\$ 2,723,614
=====				
	Nine Months Ended September 30,		Three Months Ended September 30,	
	-----		-----	
	2008	2007	2008	2007
-----				
Basic EPS				
Basic net income per share	\$ 0.25	\$ 0.10	\$ 0.13	\$ 0.07
=====				
Weighted ave- rage shares	44,255,985	18,214,978	44,290,540	27,538,652
=====				

Diluted EPS

Diluted net income per common share \$	0.25 \$	0.10 \$	0.13 \$	0.07
Weighted ave- rage shares	44,374,124	18,608,181	44,379,682	27,685,028

Nine Months Ended September 30

	2008	2007
	(Unaudited)	
Cash flows from operations:		
Net income	\$ 10,890,564	\$ 4,370,547
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,475,850	1,667,918
Interest expense	(58,484)	--
Realized gains on investments	(1,257,949)	(362,891)
Unrealized losses (gains) on investments	246,050	(244,676)
Stock-based compensation expense - stock options	3,684	20,434
Stock-based compensation expense - restricted shares	81,875	1,977
Stock-based compensation Long Term Retention Plan	352,271	--
Change in fair value of warrants	--	3,045,992
Deferred income taxes	(168,148)	739,893
Changes in assets and liabilities, excluding the effect of acquisitions:		
Accounts receivable	4,782,430	(182,658)
Funds receivable from customers	(8,984,163)	(4,987,925)
Prepaid expenses	(513,844)	(256,525)
Other assets	(1,358,459)	(571,221)
Accounts payable and accrued expenses	7,790,459	2,517,021
Funds payable to customers	4,026,062	2,059,840
Provisions	(540,629)	(295,029)
Other liabilities	(1,696,567)	581,469
Net cash provided by operating activities	16,071,002	8,104,166
Cash flows from investing activities:		
Purchase of investments	(59,614,525)	(49,916,141)
Proceeds from sale and maturity of investments	90,593,742	7,610,991
Payment for businesses acquired, net of cash acquired	(39,178,449)	--
Purchase of intangible assets	(58,238)	(47,461)
Purchases of property and		

equipment	(3,869,309)	(2,061,477)
	-----	-----
Net cash used in investing activities	(12,126,779)	(44,414,088)
	-----	-----
Cash flows from financing activities:		
Increase in short term debt	12,104	2,801,050
Decrease in short term debt	(9,619,856)	--
Loans paid	--	(9,000,000)
Stock options exercised	64,859	38,579
Exercise of warrants	--	749,991
Issuance of common stock	--	49,573,239
	-----	-----
Net cash (used in) provided by financing activities	(9,542,893)	44,162,859
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	324,848	(459,984)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(5,273,822)	7,392,953
Cash and cash equivalents, beginning of the year	15,677,407	7,143,027
	-----	-----
Cash and cash equivalents, end of the period	\$ 10,403,585	\$ 14,535,980
	=====	=====

Nine Months Ended September 30

	2008	2007
	-----	-----
	(Unaudited)	
Supplemental cash flow information:		
Cash paid for interest	\$ 315,039	\$ 470,706
Cash paid for income taxes	6,945,183	3,463,724
Non-cash financing activities:		
Accretion of preferred stock	\$ --	\$ 309,299
Conversion of mandatorily redeemable convertible preferred stock into common stock	--	64,385,844
Reclassifications of warrants	--	4,636,456
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	\$ --

Three Months Ended September 30, 2008

Marketplaces					
	Brazil	Argentina	Mexico	Other Countries	Total
Net revenues	\$14,922,939	\$ 5,369,344	\$ 3,560,840	\$ 7,889,132	\$31,742,255
Direct costs	(10,316,048)	(2,340,884)	(2,023,418)	(4,501,162)	(19,181,512)
Direct contribution	4,606,891	3,028,460	1,537,422	3,387,970	12,560,743
				Payments	Consolidated
Net revenues				\$ 8,518,388	\$40,260,643
Direct costs				(5,020,589)	(24,202,101)
Direct contribution				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					330,139
Interest expense and other financial results					(1,132,524)
Foreign exchange					(2,648,584)

Other expenses, net	39,587
	-----
Net income before income / asset tax expense	\$ 8,264,555
	=====

Three Months Ended September 30, 2007

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Marketplaces					
-----					
	Brazil	Argentina	Mexico	Other Countries	Total
-----					
Net					
revenues	\$ 9,735,433	\$3,117,546	\$2,480,155	\$ 2,809,492	\$18,142,626
Direct					
costs	(6,275,225)	(1,488,304)	(1,699,950)	(1,438,725)	(10,902,204)
-----					
Direct					
contri- bution	3,460,208	1,629,242	780,205	1,370,767	7,240,422
			Payments	Consolidated	
			-----	-----	
Net revenues			\$ 4,657,504	\$22,800,130	
Direct costs			(2,886,354)	(13,788,558)	
Direct contribution			1,771,150	9,011,572	
Operating expenses and indirect costs of net revenues				(2,714,201)	
Income from operations				6,297,371	
-----					
Other income (expenses):					
Interest income				352,968	
Interest expense and other financial results				(700,631)	
Foreign exchange				(802,348)	
Other expenses, net				(960,358)	
-----					
Net income before income / asset tax expense				\$ 4,187,002	
				=====	

Nine Months Ended September 30, 2008

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Marketplaces					
-----					
	Brazil	Argentina	Mexico	Other Countries	Total
-----					
Net					
revenues	\$40,447,913	\$13,147,737	\$9,609,505	\$20,328,181	\$83,533,336
Direct					

costs	(26,239,812)	(6,213,127)	(6,230,842)	(11,256,163)	(49,939,944)
Direct contribution	14,208,101	6,934,610	3,378,663	9,072,018	33,593,392
			Payments		Consolidated
			-----		-----
Net revenues			\$20,039,545		\$103,572,881
Direct costs			(12,814,364)		(62,754,308)
Direct contribution			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					1,350,068
Interest expense and other financial results					(3,453,671)
Foreign exchange					(5,689,938)
Other expenses, net					41,874
Net income before income / asset tax expense					\$18,614,342
					=====

Nine Months Ended September 30, 2007

	-----				
	Marketplaces				
	-----				
				Other	
	Brazil	Argentina	Mexico	Countries	Total
	-----				
Net revenues	\$26,306,517	\$ 7,859,816	\$ 6,917,780	\$ 7,339,954	\$48,424,067
Direct costs	(16,638,220)	(3,987,398)	(4,498,440)	(4,341,008)	(29,465,066)
Direct contribution	9,668,297	3,872,418	2,419,340	2,998,946	18,959,001
			Payments		Consolidated
			-----		-----
Net revenues			\$ 9,808,688		\$58,232,755
Direct costs			(7,502,044)		(36,967,110)
Direct contribution			2,306,644		21,265,645

Operating expenses and indirect costs of net revenues	(7,158,466)
	-----
Income from operations	14,107,179
	-----
Other income (expenses):	
Interest income	872,207
Interest expense and other financial results	(1,688,275)
Foreign exchange	(1,806,520)
Other expenses, net	(3,006,416)
	-----
Net income before income / asset tax expense	\$ 8,478,175
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### 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 for, 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 in conjunction with the corresponding GAAP measures.

Reconciliation to the nearest 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 non-recurring compensation expenses 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 non-GAAP measures provides 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 includes each of income from operations, net income and earnings per basic and diluted share for the nine month ended September 30, 2008 after excluding (or adding back) the following charge required by GAAP:

**Compensation Costs Related to Acquisitions:** This amount relates to the purchase price of the shares of CMG and its subsidiaries. Under EITF 95-8 "Accounting for Contingent Consideration Paid to the Shareholders of an Acquired Enterprise in a Purchase Business Combination", we have recognized a contingent consideration paid to former shareholders as compensation for services. Total compensation paid in cash amounts to \$1,919,870, for the nine month period ended September 30, 2008. This compensation was paid out in the second quarter of 2008. The following tables show a reconciliation of this exclusion from the GAAP measures to the non GAAP measures.

**Long term retention plan compensation:** On August 8, 2008, the Board of Directors approved an employee retention program that will be payable 50% in cash and 50% in shares, in addition to the annual salary and bonus of certain executives. Payments will be made, in equal parts stock and cash, during the first quarter on annual basis according to the following vesting schedule: year 1 (2008): 17%, year 2 (2009): 22%, year 3 (2010): 27%, year 4 (2011): 34%.

As described above, these costs will be a recurring expense to the company over the life of the retention plan.

The U.S. GAAP compensation cost is recognized in accordance with the graded-vesting attribution method and is accrued up to each payment day. The non-GAAP measures for the third quarter of 2008 were calculated based on the simple vesting schedule described above, in which 17% of the cost of the plan vests during the first year. The following tables show a reconciliation of these non-GAAP financial measures to the nearest comparable GAAP measures.

Reconciliation to Income from Operations and Operating Margin

	Nine Months Ended September 30		Three Months Ended September 30	
	2008	2007	2008	2007
Income from operations	\$ 26,366,009	\$ 14,107,179	\$ 11,675,937	\$ 6,297,371
Long term retention plan compensation	220,392	--	220,392	--
Compensation costs related to acquisitions	1,919,870	--	--	--
Non-GAAP income from operations	\$ 28,506,271	\$ 14,107,179	\$ 11,896,329	\$ 6,297,371
Non-GAAP income from operations margin	27.5%	24.2%	29.5%	27.6%
Depreciation and Amortization	2,475,850	1,667,918	955,148	566,867
Non-GAAP EBITDA	\$ 30,982,121	\$ 15,775,097	\$ 12,851,477	\$ 6,864,238
Non-GAAP EBITDA operating margin	29.9%	27.1%	31.9%	30.1%

Reconciliation of Net Income to Net Income before compensation cost

	Nine Months Ended September 30		Three Months Ended September 30	
	2008	2007	2008	2007
Net income	\$ 10,890,564	\$ 4,370,547	\$ 5,875,792	\$ 2,785,474
Long term retention plan compensation net of tax effect	188,867	--	188,867	--
Compensation costs related to acquisitions	1,919,870	--	--	--
Non-GAAP net income	\$ 12,999,300	\$ 4,370,547	\$ 6,064,659	\$ 2,785,474

Basic net income per common share:	\$ 0.25	\$ 0.10	\$ 0.13	\$ 0.07
Non-GAAP basic net income per common share:	\$ 0.29		\$ 0.14	
Shares used in basic net income per share calculation:	44,255,985	18,214,978	44,290,540	27,538,652
Diluted net income per common share	\$ 0.25	\$ 0.10	\$ 0.13	\$ 0.07
Non-GAAP diluted net income per common share:	\$ 0.29		\$ 0.14	
Shares used in diluted net income per share calculation:	44,374,124	18,608,181	44,379,682	27,685,028

Reconciliation of Blended and Effective tax Rate including and excluding compensation cost

	Nine Months Ended September 30		Three Months Ended September 30	
	2008	2007	2008	2007
Income and asset tax expense	\$ 7,723,778	\$ 4,107,628	\$ 2,388,763	\$ 1,401,528
Income taxes related with long term retention plan compensation	31,526	--	31,526	--
Non-GAAP income and asset tax expense	\$ 7,755,304	\$ 4,107,628	\$ 2,420,289	\$ 1,401,528
Income before income taxes	\$ 18,614,342	\$ 8,478,175	\$ 8,264,555	\$ 4,187,002
Long term retention plan compensation	220,392	--	220,392	--
Compensation costs related to acquisitions	1,919,870	--	--	--
Non-GAAP income				

before income  
taxes \$ 20,754,605 \$ 8,478,175 \$ 8,484,948 \$ 4,187,002

Blended tax rate -----  
(1) 41.5% 48.4% 28.9% 33.5%  
-----

Non-GAAP Blended  
tax rate (1) 37.4% 48.4% 28.5% 33.5%  
-----

Effective tax rate  
(2) (3) 38.4% 40.9% 37.1% 38.2%  
-----

Non-GAAP Effective  
tax rate (2) (3) 34.6% 36.5%  
-----

- 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)

Reconciliation of Net cash provided by operating activities and used in investing activities after excluding effect of compensation cost

	----- Nine Months Ended September 30, -----	
	2008	2007
	-----	
Net cash provided by operating activities	\$ 16,071,003	\$ 8,104,166
Compensation costs related to acquisitions	1,919,870	--
	-----	
Non-GAAP net cash provided by operating activities	\$ 17,990,873	\$ 8,104,166
	-----	
Net cash used in investing activities	\$(12,126,779)	\$(44,414,088)
Purchase of intangible assets	(1,919,870)	--
	-----	
Non-GAAP net cash used in investing activities	\$(14,046,649)	\$(44,414,088)
	-----	

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