

August
2014



**mercado
libre**

Second Quarter 2014 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 2014 earnings press release available on our investor relations website

All of the information included in this presentation is updated as of August 7th, 2014. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.



Q2 2014 Highlights



Key Trends

- Payments outpaced solid Marketplace performance in MELI's second quarter
- Total Revenues accelerated to +66% YoY in local currencies (+47% ex Venezuela), despite World Cup and Easter headwinds
- Local currency revenues accelerated in our largest market, Brazil: +34% YoY
- Total payments volume accelerated both On & Off Platform in the second quarter, growing 82% and 61% YoY in local currencies in the second quarter



Continued progress on strategic initiatives

- Total payments reached 44% of gross merchandise volume, with strong on-platform penetration in Brazil and Argentina.
- Our shipping solution, MercadoEnvios, shipped over 25% of Brazil's sold items in June
- In June, 31% of our new registered users were mobile, and mobile penetration of our gross merchandise volume reached 16%
- Official Stores for large brands gained ground in Argentina, Brazil and Mexico, totaling 226 by end of quarter

In Other News...

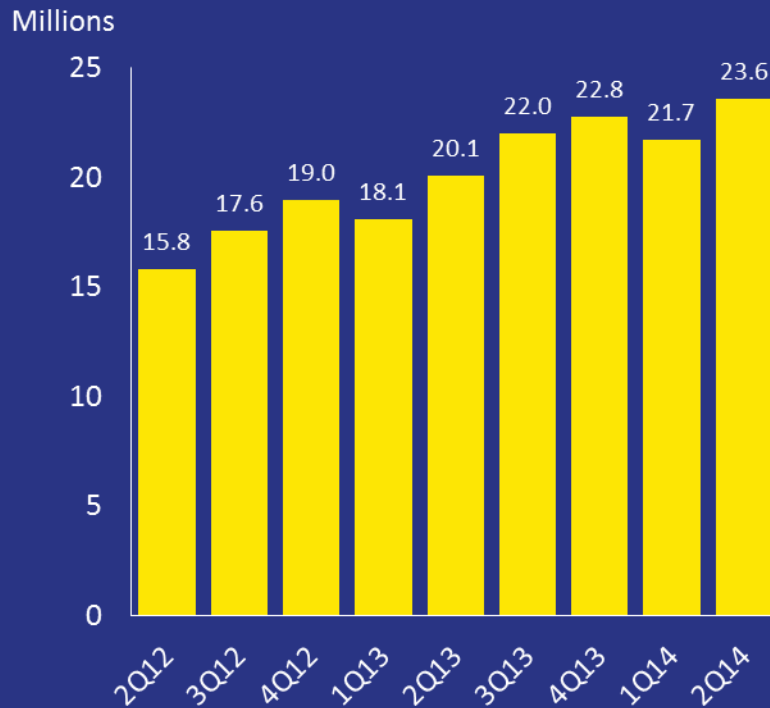
- Closed the acquisition of 2 real estate portals, operating in Chile and Mexico: Portal Inmobiliario and Guia de Inmuebles
- Issued \$330 million convertible notes due 2019, at a rate of 2.25% per year



Core Operating Metrics

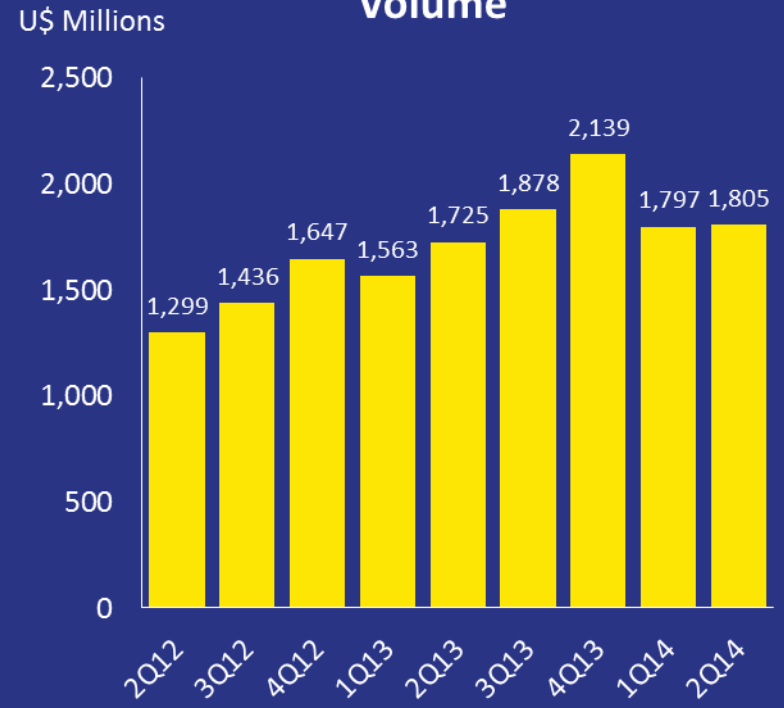


Items Sold



YoY Growth	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
	36%	22%	19%	20%	27%	25%	20%	20%	18%

Gross Merchandise Volume



YoY Reported USD growth	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
	22%	7%	14%	18%	33%	31%	30%	15%	5%
YoY Constant USD growth	37%	20%	21%	30%	45%	49%	49%	58%	67%

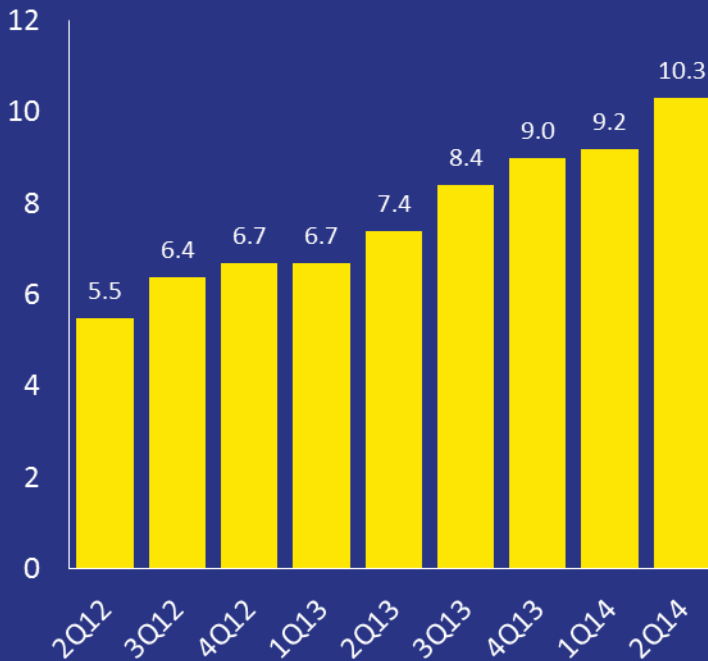


Payments Operating Metrics



Total Payment Transactions

Millions

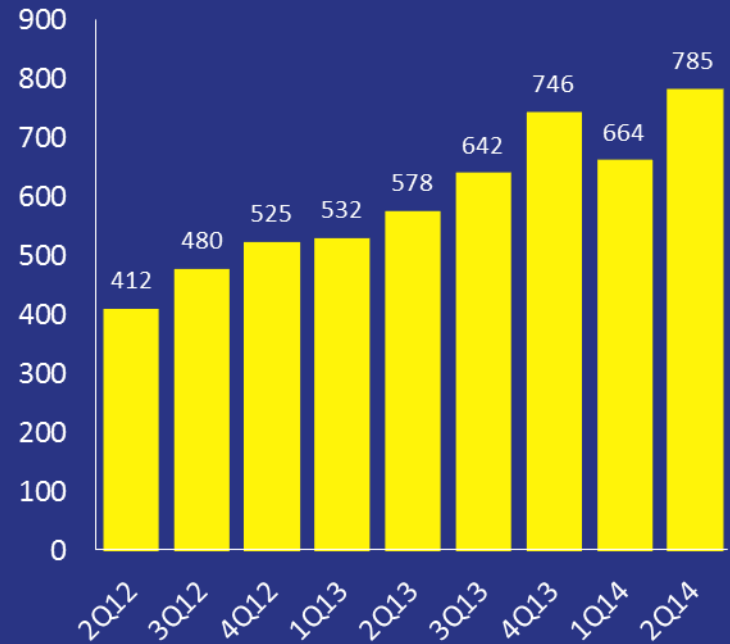


YoY Growth

78% 65% 43% 38% 35% 32% 34% 36% 40%

Total Payment Volume

US\$ Millions



YoY Reported USD growth

39% 30% 30% 44% 40% 34% 42% 25% 36%

YoY Constant USD growth

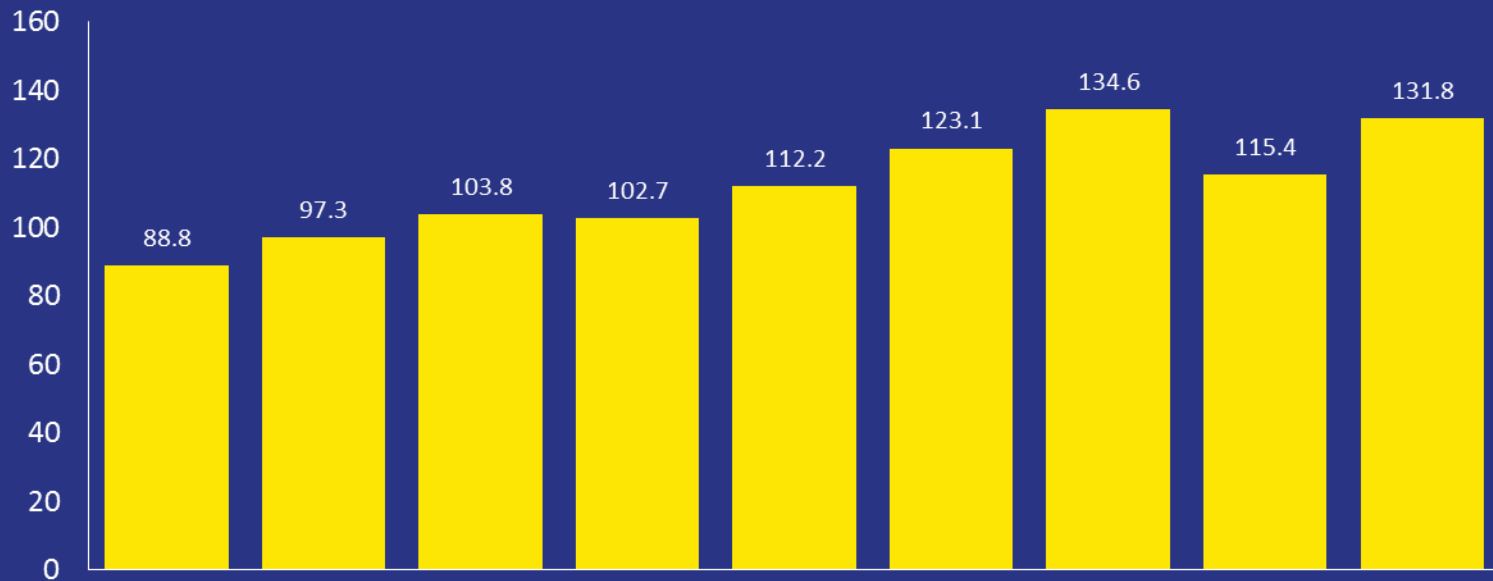
64% 55% 47% 62% 54% 55% 66% 64% 77%

Net Revenues



Net Revenues

U\$ Millions



	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
YoY Reported USD Growth	28%	19%	20%	23%	26%	27%	30%	12%	18%
YoY Constant USD Growth	47%	37%	31%	36%	38%	45%	50%	50%	66%

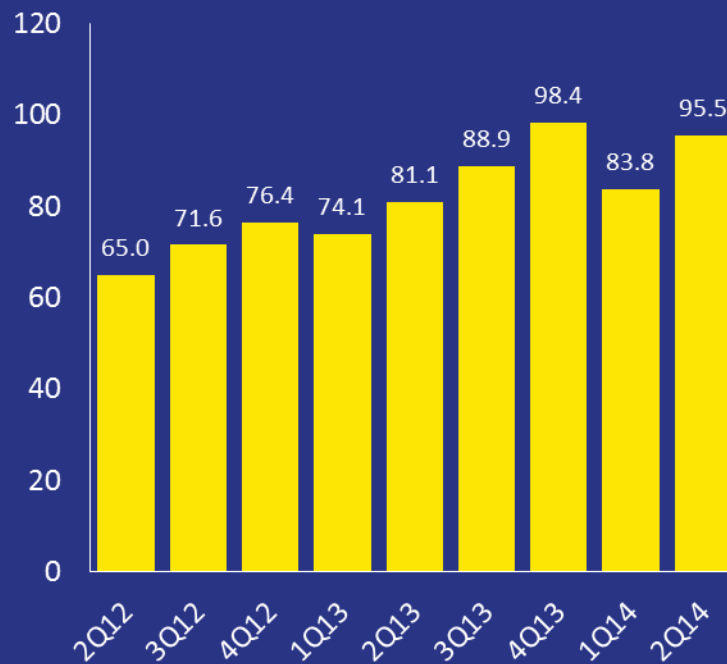


Gross Profit & EBIT



Gross Profit

U\$ Millions

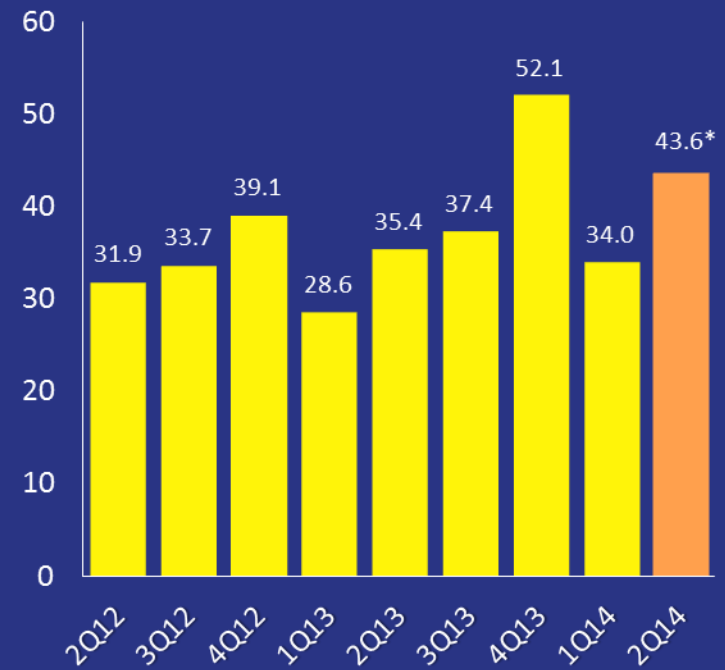


Gross Margin

73% 74% 74% 72% 72% 72% 73% 73% 72%

EBIT

U\$ Millions



EBIT Margin

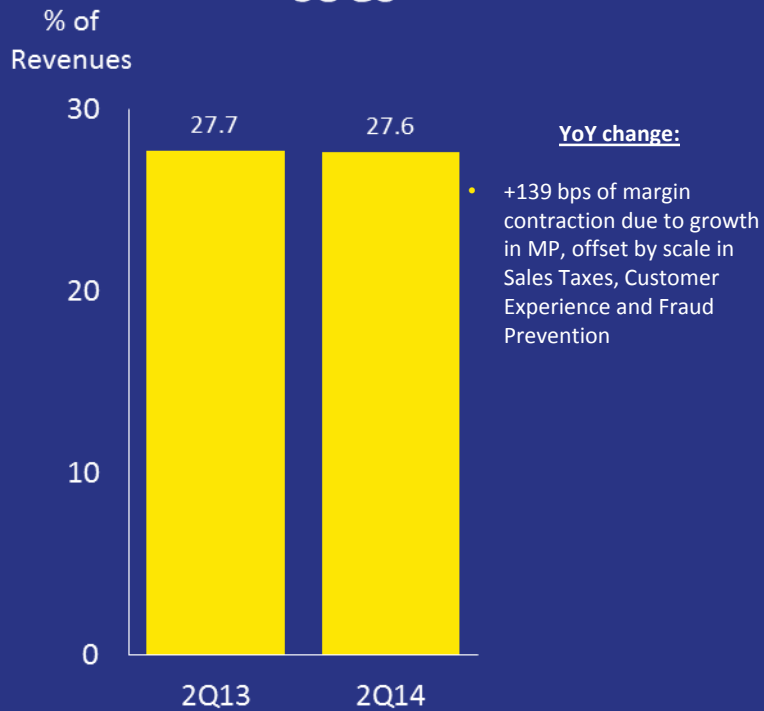
36% 35% 38% 28% 32% 30% 39% 29% 33%*

* Adjusted measures, excluding one time effects of Venezuela devaluation in 2Q14. A reconciliation of these Non-GAAP measures can be found at the end of this presentation

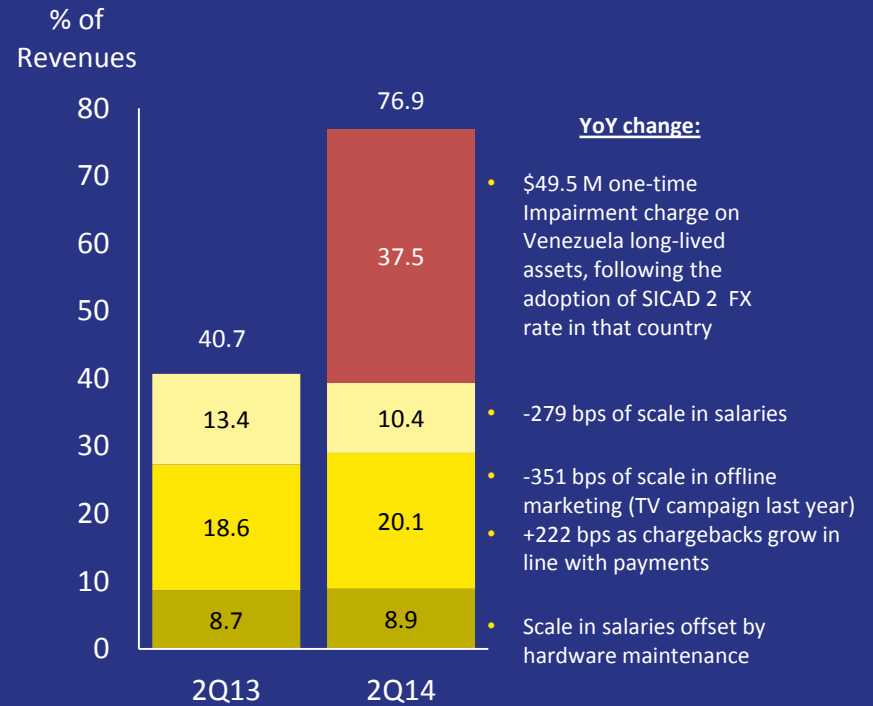
COGS & OPEX



COGS



OPEX



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



Net Income & EPS



Net Income

U\$ Millions



* Adjusted measures, excluding one time effects of Venezuela devaluation in 2Q14. A reconciliation of these Non-GAAP measures can be found at the end of this presentation



Non - GAAP Financial Measures



	Three-months periods ended (**)		
	June 30, 2014	June 30, 2013	
Operating expenses (OPEX)	(101.4)	(45.7)	
Impairment of long-lived assets	<u>49.5</u>	<u>-</u>	
Adjusted Operating expenses (OPEX)	<u>(51.9)</u>	<u>(45.7)</u>	
Income from operations (EBIT)	\$ (5.9)	\$ 35.4	
Impairment of long-lived assets	<u>49.5</u>	<u>-</u>	
Adjusted Income from operations	<u>\$ 43.6</u>	<u>\$ 35.4</u>	
Net Income	\$ (25.6)	\$ 30.0	
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>\$ 30.0</u>	

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

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

