

November
2013



**mercado
libre**

Third Quarter 2013 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 third quarter 2013 earnings press release available on our investor relations website

All of the information included in this presentation is updated as of November 5th, 2013. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.



Q3 2013 Highlights



Accelerating Trends

- Latin American internet and e-commerce markets continue rapid growth
- Accelerating local currency GMVe for 4 consecutive quarters
- Accelerating local currency and USD revenue growth on strong marketplace performance
- Net Revenue at \$123.1M, 27% YoY (45% in Local Currencies)
- Net Income at \$29.1M, a 12% YoY (30% in Local Currencies), with EPS of \$0.66



Continued progress on strategic initiatives

- "Top of Mind" in all markets according to Millward Brown study
- MercadoPago on-platform penetration up QoQ: +4pp in Brazil, +3pp in Argentina
- Successful integration of well-known global brands into the marketplace as sellers
- Sustained share gains from certain vertical categories as we further diversify product mix
- Mobile: continues to gain share at a quick pace, already >10% of GMVe
- Adoption of our shipping solution surpassed 4% of units sold in both Brazil & Argentina
- Sustained improvements to our Net Promoter Scores YTD

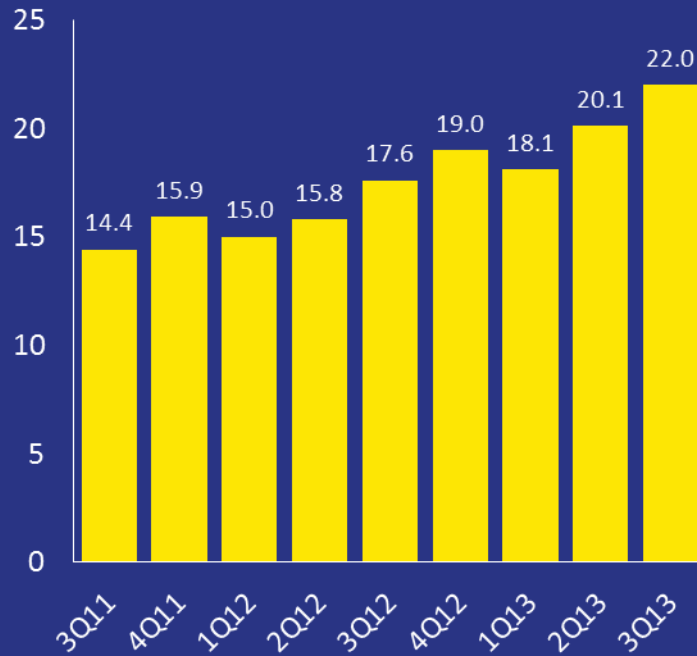


Core Operating Metrics



Items Sold

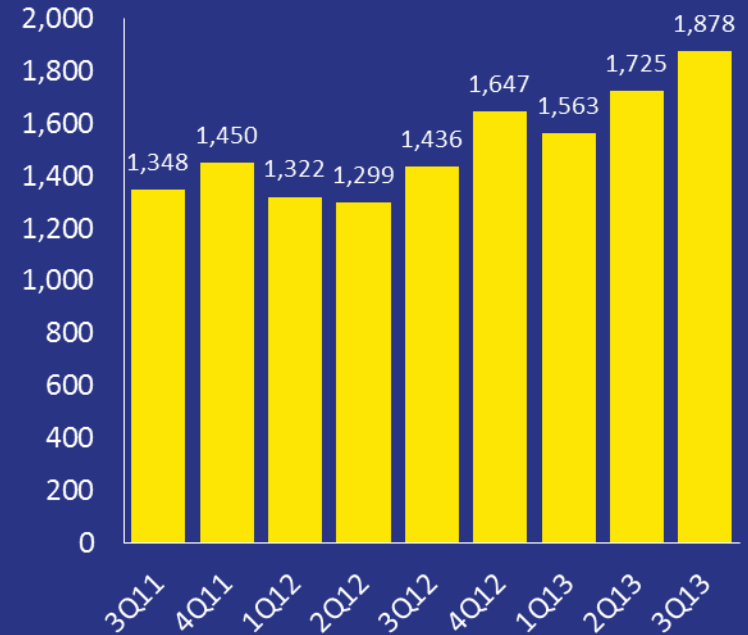
Millions



| YoY Growth | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 | 2Q13 | 3Q13 |
|------------|------|------|------|------|------|------|------|------|------|
| | 38% | 41% | 38% | 36% | 22% | 19% | 20% | 27% | 25% |

Gross Merchandise Volume

US\$ Millions



| YoY Reported USD growth | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 | 2Q13 | 3Q13 |
|-------------------------|------|------|------|------|------|------|------|------|------|
| | 52% | 47% | 39% | 22% | 7% | 14% | 18% | 33% | 31% |
| YoY Constant USD growth | 48% | 54% | 45% | 37% | 20% | 21% | 30% | 45% | 49% |

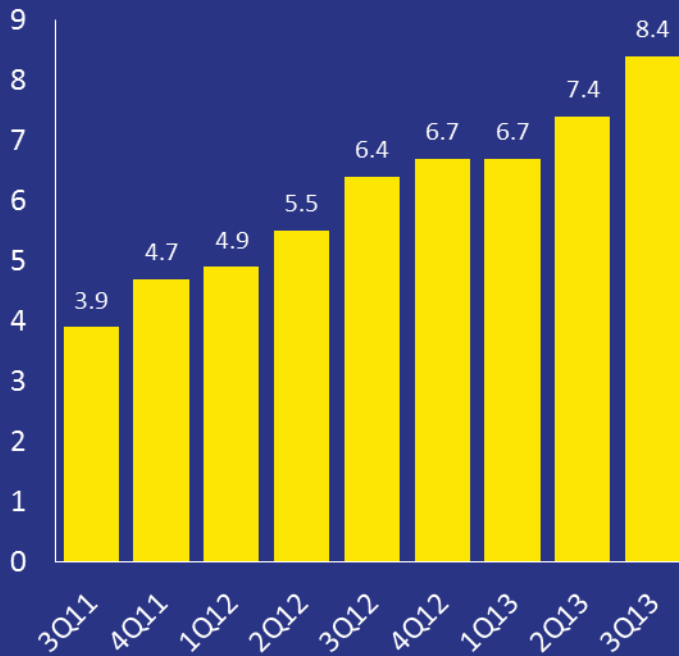


Payments Operating Metrics



Total Payment Transactions

Millions

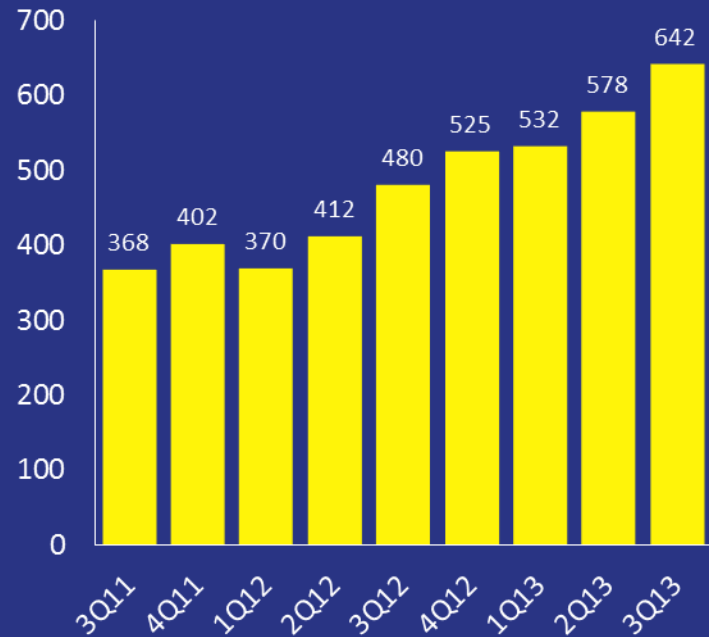


YoY Growth

103% 95% 85% 78% 65% 43% 38% 35% 32%

Total Payment Volume

US\$ Millions



YoY Reported USD growth

94% 70% 51% 39% 30% 30% 44% 40% 34%

YoY Constant USD growth

86% 81% 61% 64% 55% 47% 62% 54% 55%

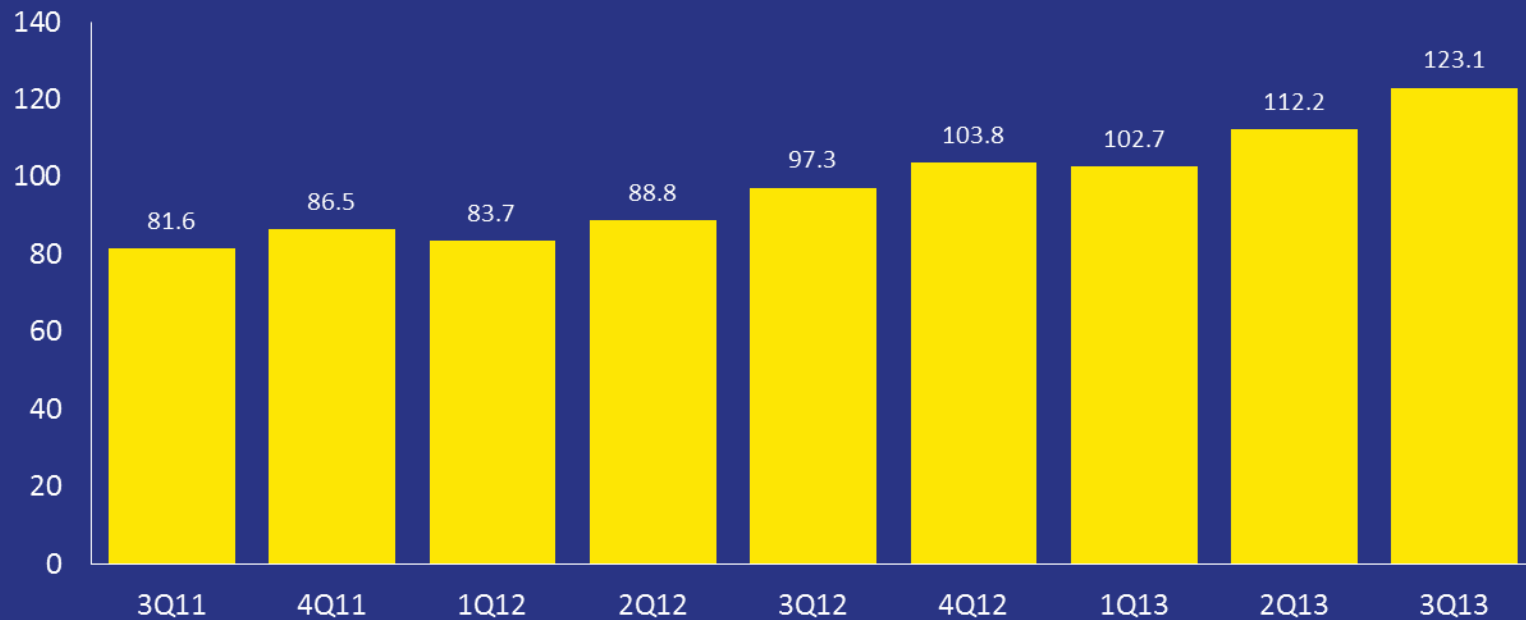


Net Revenues



Net Revenues

U\$ Millions



YoY Reported
USD Growth

| | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 46% | 39% | 36% | 28% | 19% | 20% | 23% | 26% | 27% |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|

YoY Constant
USD Growth

| | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 41% | 46% | 44% | 47% | 37% | 31% | 36% | 38% | 45% |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|

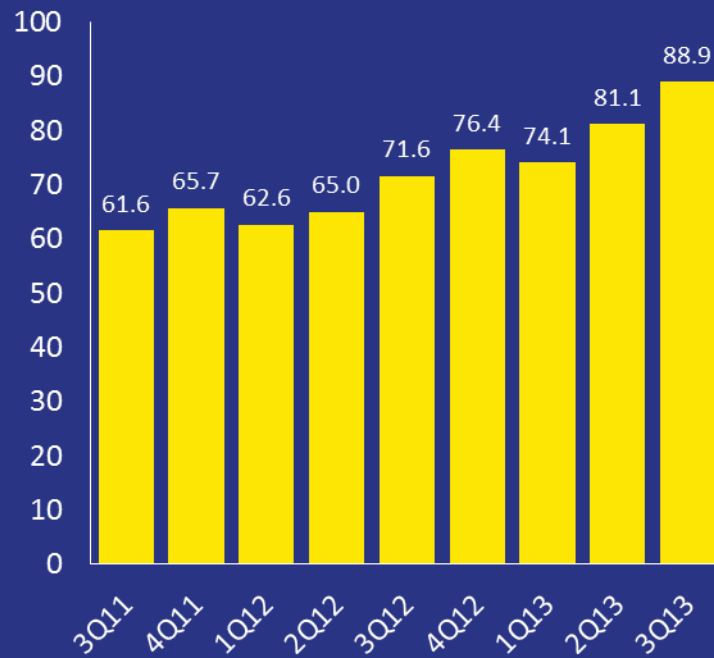


Gross Profit & EBIT



Gross Profit

U\$ Millions

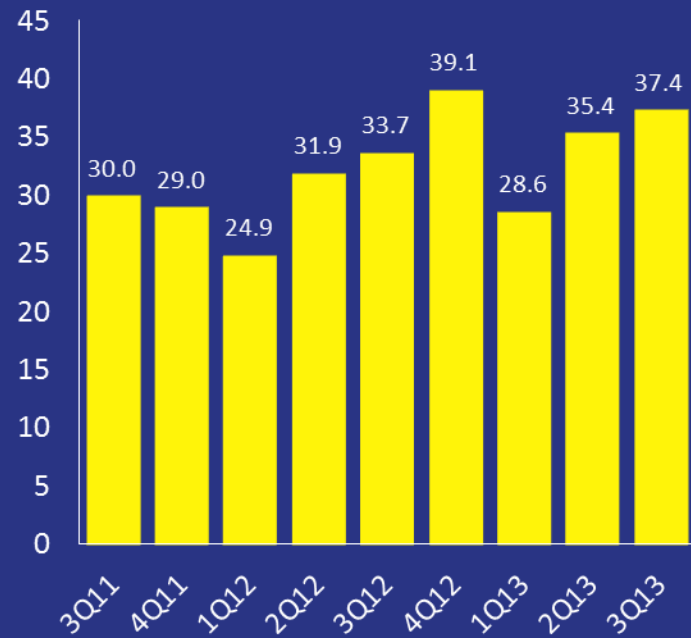


Gross Margin

75% 76% 75% 73% 74% 74% 72% 72% 72%

EBIT

U\$ Millions



EBIT Margin

37% 33% 30% 36% 35% 38% 28% 32% 30%

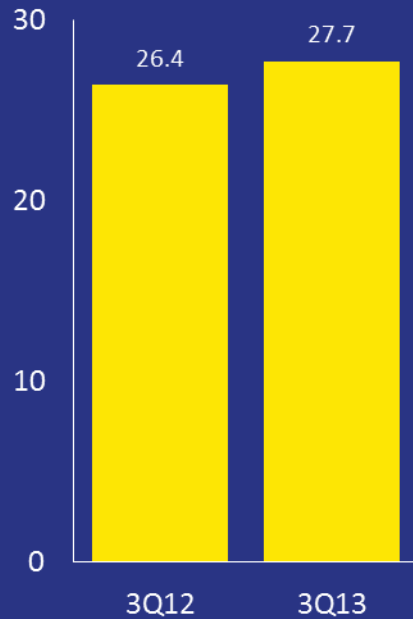


COGS & OPEX



COGS

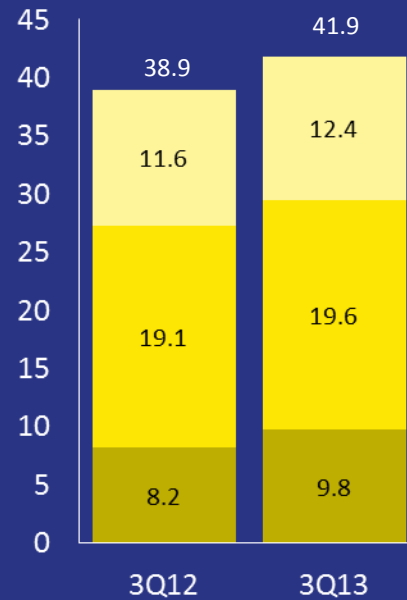
% of Revenues



- 70 bps: increased investments in fraud prevention
- 50 bps: prior year non-recurring sales tax credits
- 25 bps: collection fees
- -26 bps: cost efficiencies in CX

OPEX

% of Revenues



- 80 bps increase in G&A primarily driven by increase in long-term retention plan accrual
- 163 bps: increase in Off Line advertising
- 29 bps: salaries & wages
- -88 bps: improved Bad Debt /Trust & Safety
- -70 bps: improved chargebacks
- 160 bps due to increased investment in our product

■ General & Administrative ■ Sales & Marketing ■ Product Development

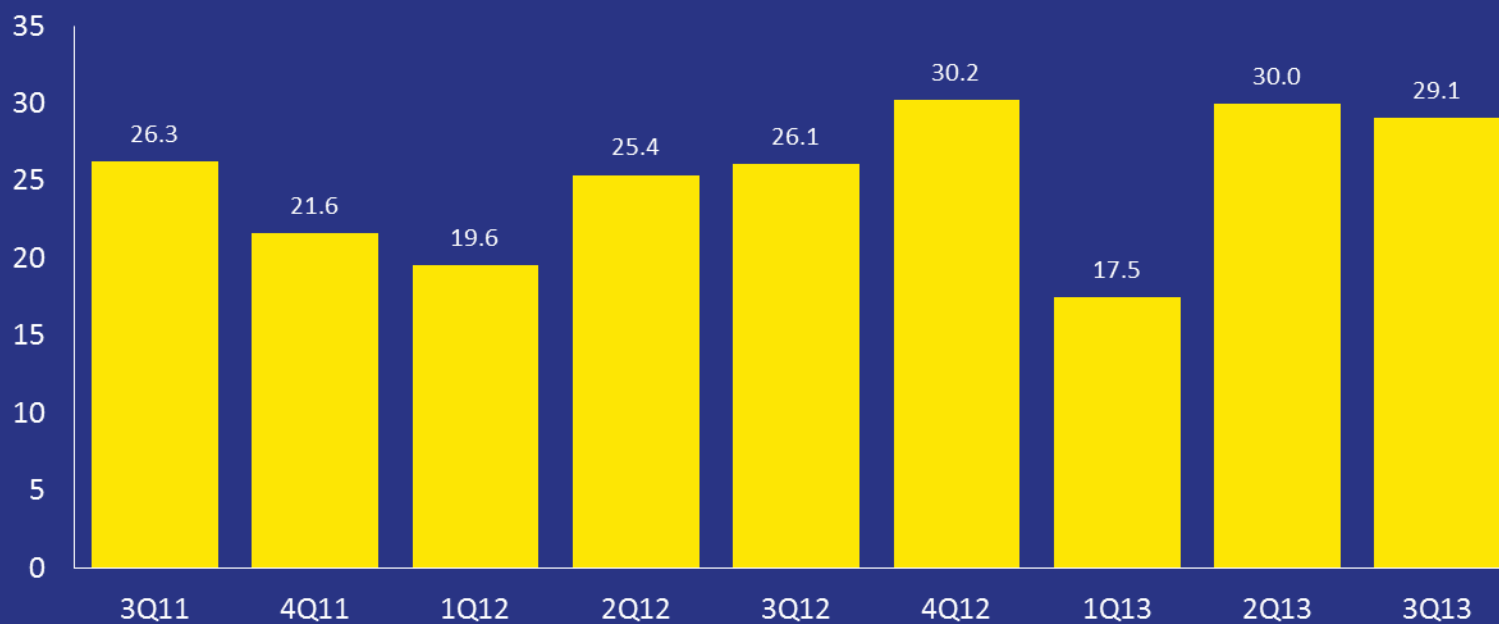


Net Income & EPS



Net Income

U\$ Millions



Net Income Margin

3Q11 4Q11 1Q12 2Q12 3Q12 4Q12 1Q13 2Q13 3Q13

32% 25% 23% 29% 27% 29% 17% 27% 24%

EPS

0.60 0.47 0.45 0.57 0.59 0.69 0.40 0.67 0.66

