

Fostering the e-commerce ecosystem in LATAM

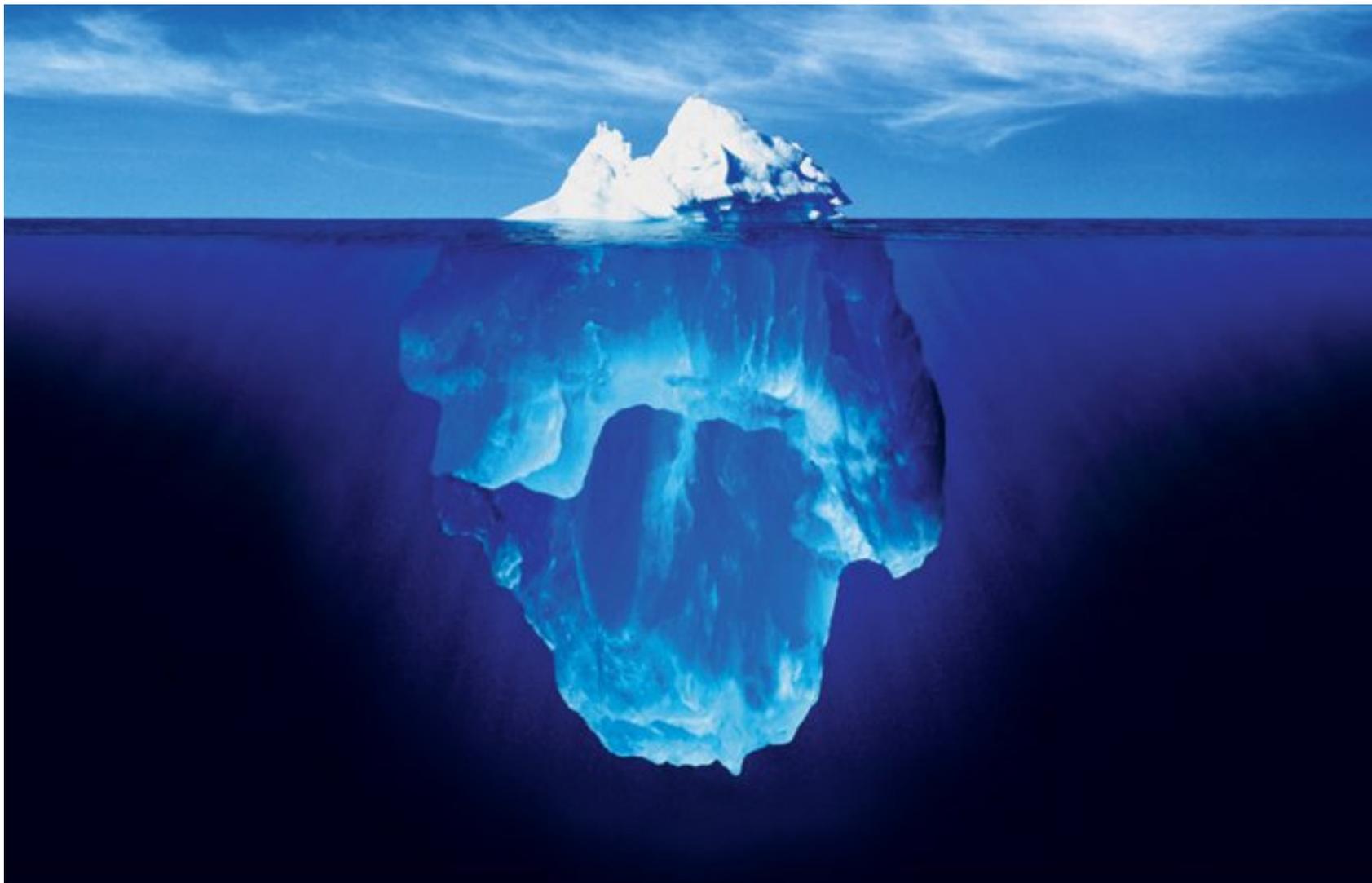
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**mercado
libre**

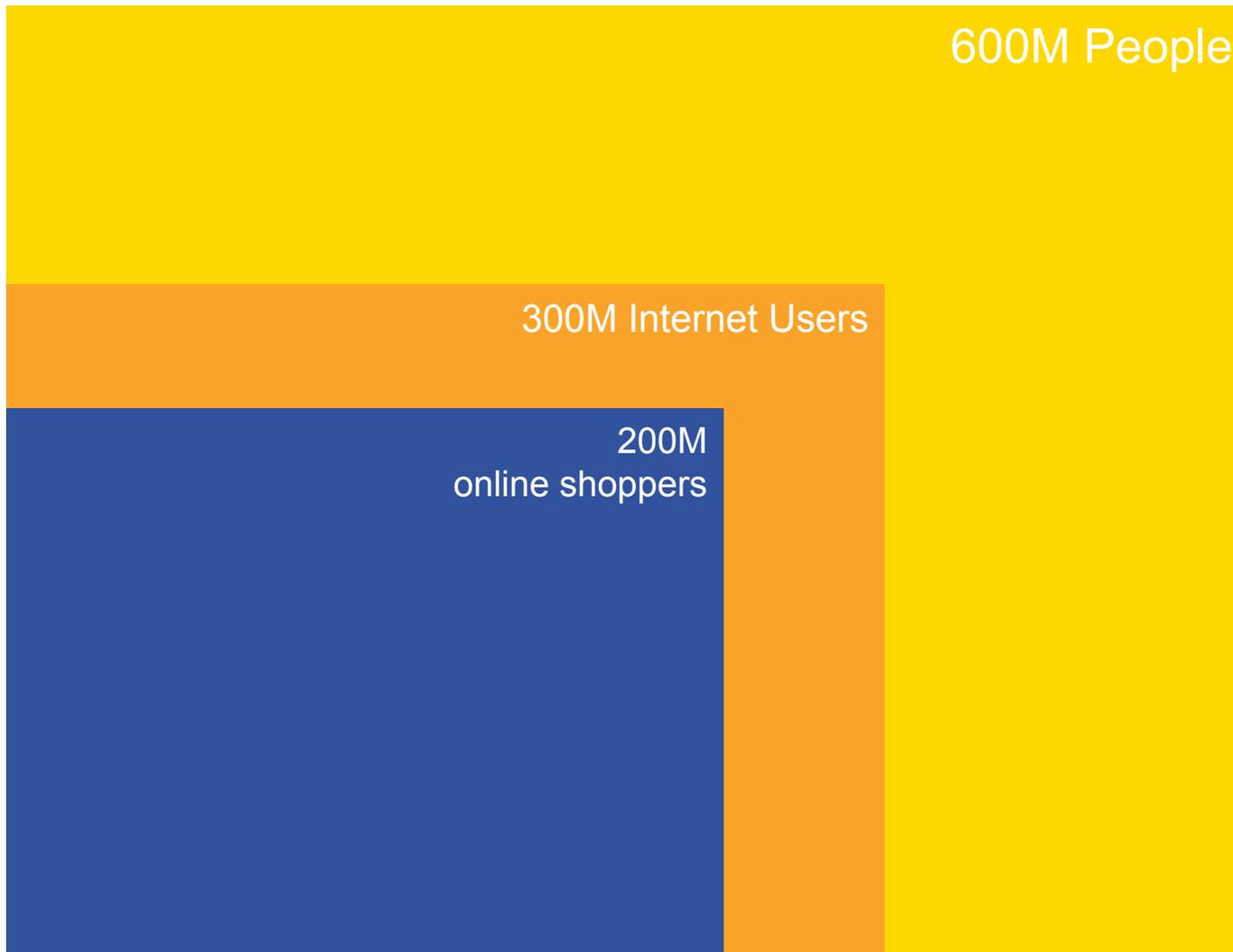
Current e-commerce situation



eCommerce is still in very early stage in LATAM



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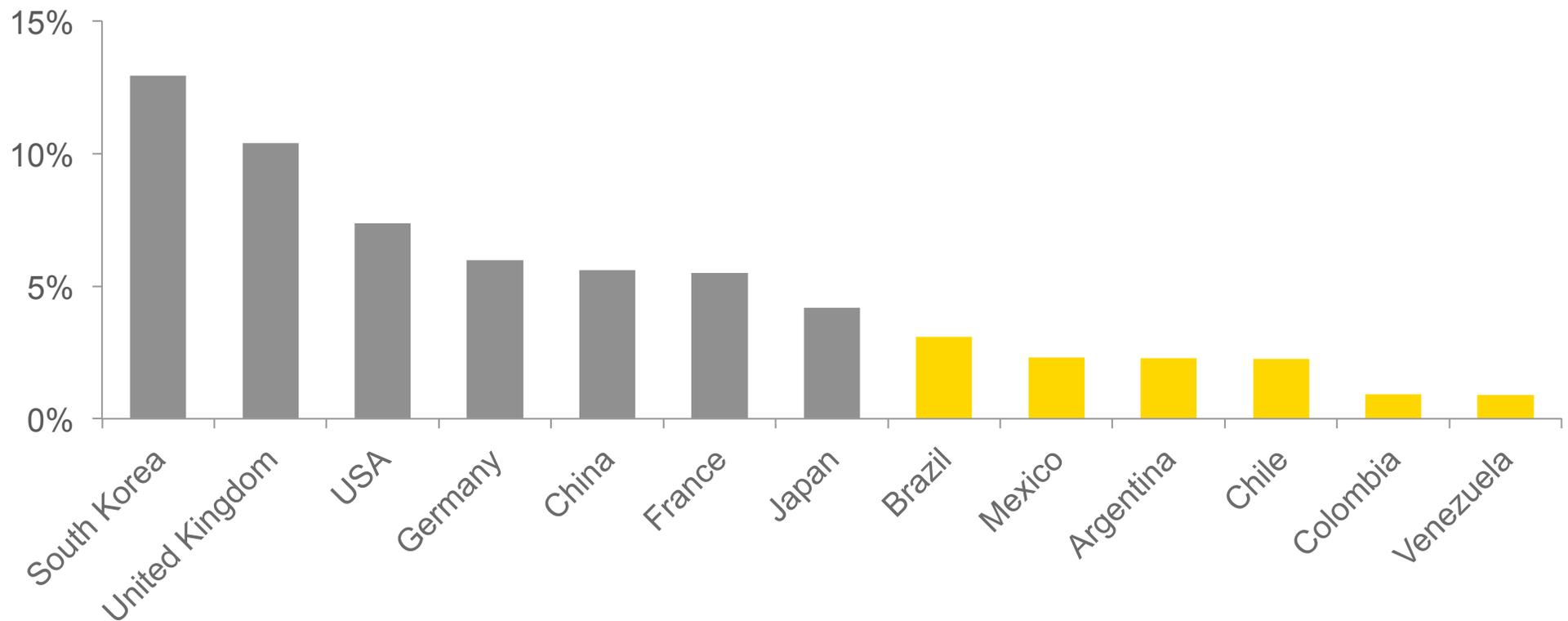


eCommerce is still in very early stage in LATAM



The Latin American e-commerce market is still in early stages of growth relative to other major geographic regions

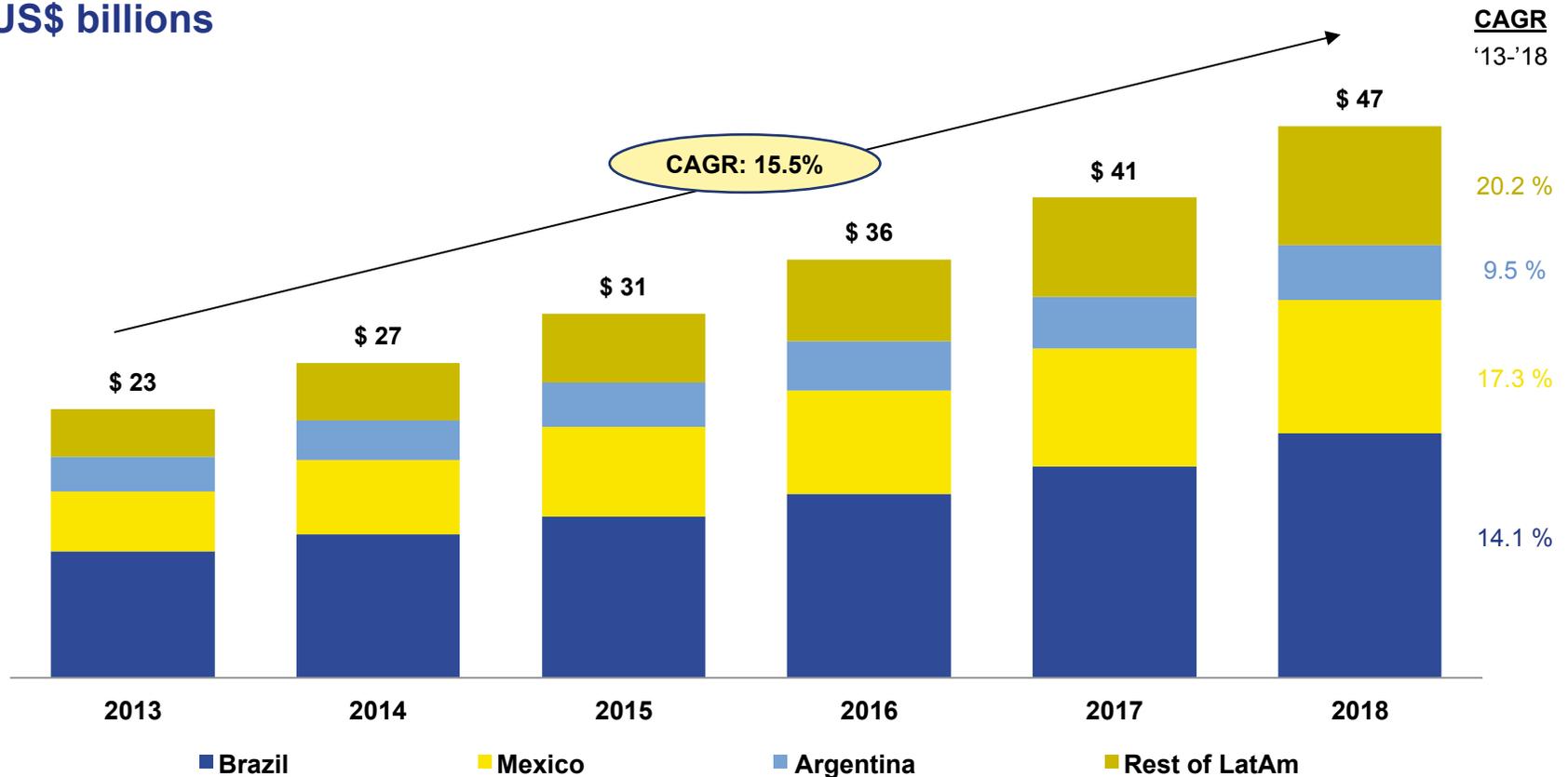
2013 eCommerce Penetration of Total Retail



Enormous opportunity: LATAM eCommerce market to double by 2018



Figures in US\$ billions



	2013	2014	2015	2016	2017	2018
% of Total Retail	2.1 %	2.4 %	2.7 %	3.0 %	3.3 %	3.8 %
% of Total Retail (USA)	7.4 %	8.2 %	9.0 %	9.9 %	10.8 %	11.6 %

- Significant Consumer Base: +600 Million People
- Increase of internet adoption and fast growth of Internet User Base
 - 176.3 MM Of Online Users
- Expansion of mobile penetration
- High Level of Engagement of users
 - Latin Americans spend 21.7 Hours online per month
- Growing consumer trust of online retailers

- Varying consumer purchase behavior based on three key aspects of the online shopping process
 - Engagement measure by online usage
 - Product preferences
 - Purchase execution through different payment methods
- Underdeveloped infrastructure
 - Gap between online purchase and delivery
 - Rapid expansion of e-commerce was not matched by equivalent infrastructure growth
- Lack of or unfavorable regulations (Taxes, liability, etc.)

Democratization of commerce in LATAM



The MercadoLibre e-Commerce Ecosystem



MercadoLibre Overview

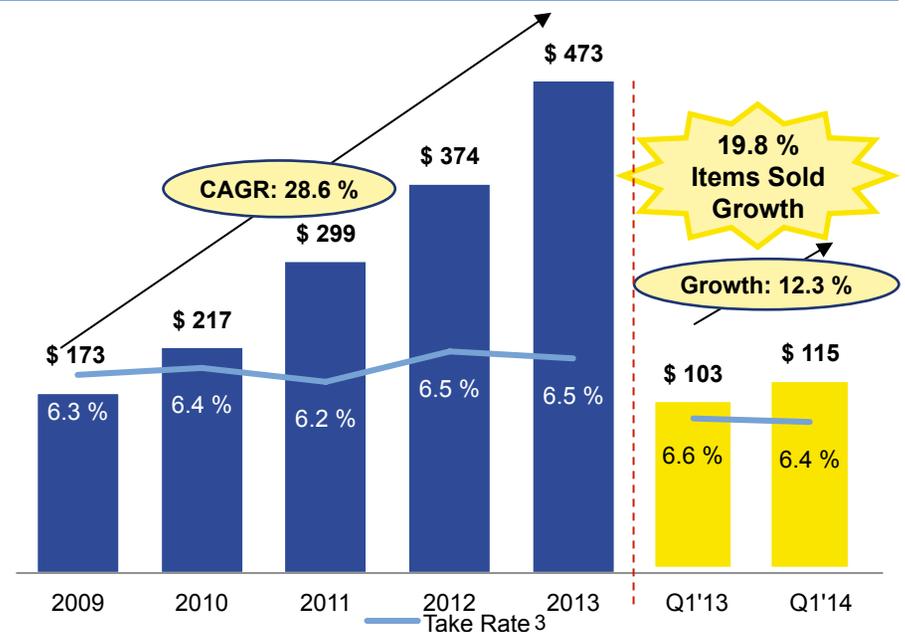
The Leading e-Commerce Company in Latin America



Leading the Latin America e-Commerce Revolution

	Gross Merchandise Volume ¹	Total Payment Volume ²
2009	\$ 2.8bn	\$ 383mm
2013	\$ 7.3bn	\$ 2.5bn

Net Revenues (\$ in millions)



¹ Measure of the total US dollar sum of all transactions completed through the MercadoLibre Marketplace, excluding vehicles, vessels, aircraft and real estate

² Measure of the total US dollar sum of all transactions paid for using MercadoPago

³ Take rate defined as Net Revenue divided by Gross Merchandise Volume



2.5 purchases and 2,000 searches per second

100 million registered users

7 millions of unique sellers in 2013

20 millions of unique buyers in 2013



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21 millions of products
available

83 millions of products
sold for \$7.3m in 2013

98% Fixed Price

89% New

70% B2C

Total Payment Volume
of \$2.5m in 2013



15% of our gross merchandise volume comes from mobile phones

+35m monthly unique visitors

Just launched MercadoPago app



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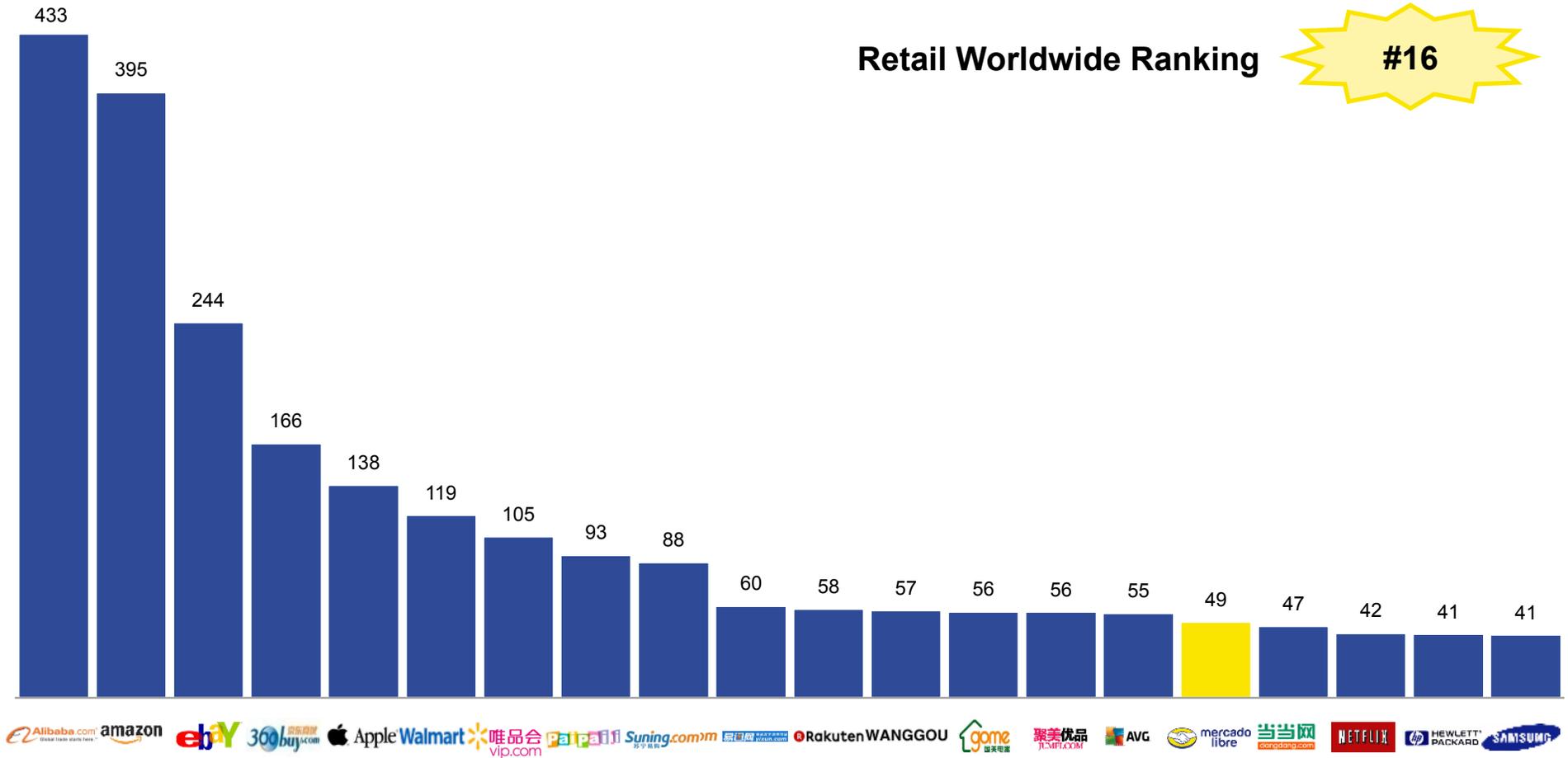
A Major Player by World Standards as Well



Retail Worldwide Ranking (Millions of Unique Visitors)

Retail Worldwide Ranking

#16



Milestones and changes that boosted our growth



From

To

Auctions and used goods

Fixed priced and new products

C2C/Hobby sellers

SMB, brands, manufacturers,
and large retail

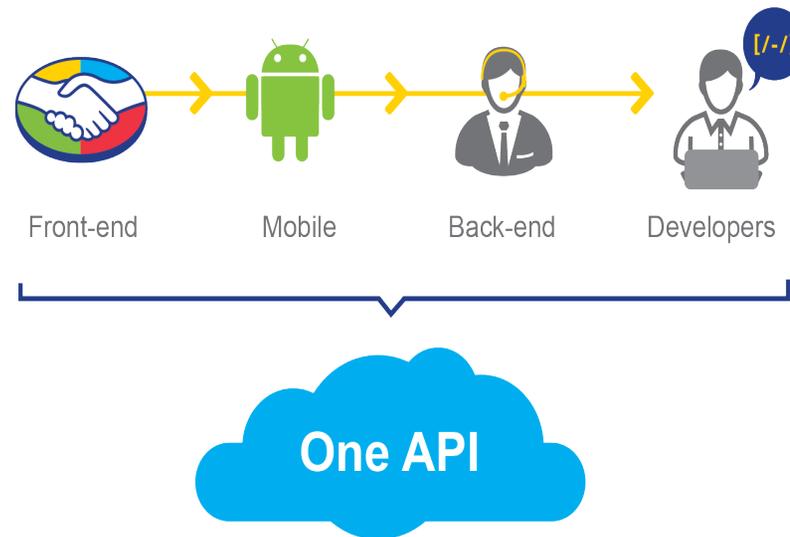
Marketplace

E-commerce ecosystem

Closed technology

Open platform/APIs

Two years ago, we built and API, rewrote our properties on top of it, and then opened to 3rd parties



And then, an entire ecosystem and economy was created on top of our Open Platform

Secular Growth

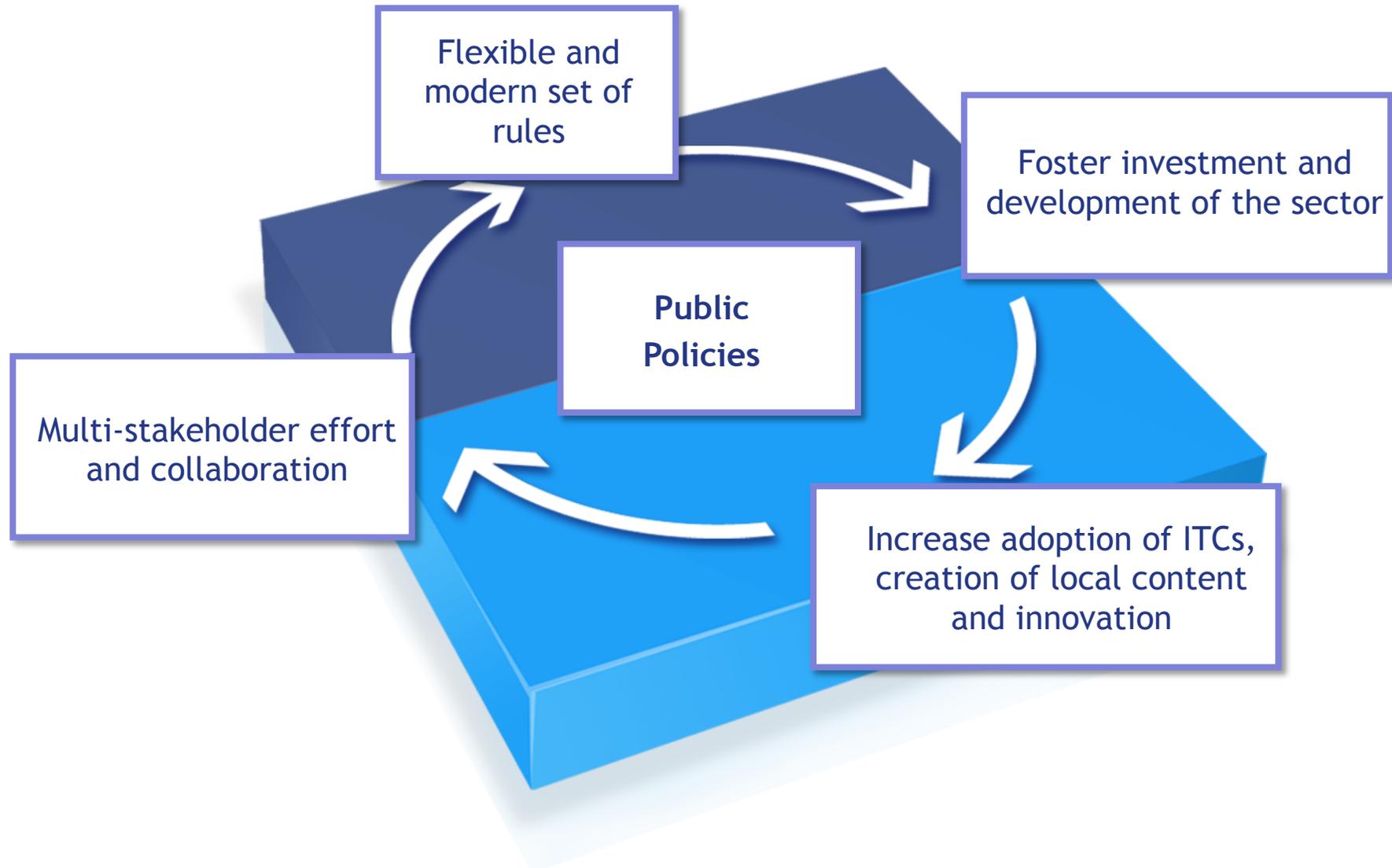
- Broadband and smartphone adoption
- Offline retail moving online
- Stable macro-economic outlook
- Access to credit

Expanding Ecosystem

- Marketplace
- Payments
- Advertisement / Mercado Shops
- Shipping and Fulfillment

Seed Future Investments

- Mobile
- Technology
- MELI Fund of \$10m to invest in local startups
- M&A



- E-commerce is still in very early stage in LATAM but it has a huge opportunity
- There are some challenges to be addressed
- Tremendous positive impact in the local economies and society
- Must create the environment and conditions to develop, foster and retain local talent, innovation, content and entrepreneurship
- Multi-stakeholder effort is needed

Thank You!

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