

MERCADOLIBRE INC  
Form 10-Q  
November 05, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

-OR-

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from            to

Commission file number 001-33647

**MercadoLibre, Inc.**

(Exact name of Registrant as specified in its Charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**98-0212790**  
(I.R.S. Employer  
Identification Number)

**Arias 3751, 7th Floor**  
**Buenos Aires, C1430CRG, Argentina**  
(Address of registrant's principal executive offices)

**(+5411) 4640-8000**  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

44,150,920 shares of the issuer's common stock, \$0.001 par value, outstanding as of October 31, 2012.

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**EX-101 INSTANCE DOCUMENT**

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**PART I. FINANCIAL INFORMATION**

**Item 1. Unaudited Condensed Consolidated Financial Statements**

**MercadoLibre, Inc.**

**Condensed Consolidated Financial Statements**

**as of September 30, 2012 and December 31, 2011**

**and for the three and nine-month periods**

**ended September 30, 2012 and 2011**

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As of September 30, 2012 and December 31, 2011

	September 30, 2012 (Unaudited)	December 31, 2011 (Audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 98,171,852	\$ 67,381,677
Short-term investments	79,390,492	74,928,620
Accounts receivable, net	16,447,126	16,815,087
Credits Cards Receivables	39,799,359	23,855,689
Prepaid expenses	2,232,034	1,269,594
Deferred tax assets	10,655,188	9,131,638
Other assets	8,215,671	6,863,250
<b>Total current assets</b>	<b>254,911,722</b>	<b>200,245,555</b>
Non-current assets:		
Long-term investments	59,418,012	43,933,316
Property and equipment, net	35,217,386	30,877,719
Goodwill, net	61,357,722	62,093,948
Intangible assets, net	7,535,276	6,494,857
Deferred tax assets	6,137,545	6,491,646
Other assets	6,046,889	5,794,395
<b>Total non-current assets</b>	<b>175,712,830</b>	<b>155,685,881</b>
<b>Total assets</b>	<b>\$ 430,624,552</b>	<b>\$ 355,931,436</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 24,298,361	\$ 20,251,313
Funds payable to customers	83,559,610	69,216,185
Salaries and social security payable	18,022,393	13,525,293
Taxes payable	12,598,869	11,633,178
Loans payable and other financial liabilities	124,753	146,194
Dividends payable	4,812,036	3,531,362
<b>Total current liabilities</b>	<b>143,416,022</b>	<b>118,303,525</b>
Non-current liabilities:		
Salaries and social security payable	4,139,830	3,844,172
Loans payable and other financial liabilities	74,937	136,227
Deferred tax liabilities	8,367,423	8,670,606
Other liabilities	2,520,584	1,797,890
<b>Total non-current liabilities</b>	<b>15,102,774</b>	<b>14,448,895</b>
<b>Total liabilities</b>	<b>\$ 158,518,796</b>	<b>\$ 132,752,420</b>

Commitments and contingencies (Note 7)

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Redeemable noncontrolling interest	\$ 4,000,000	\$ 4,000,000
Equity:		
Common stock, \$0.001 par value, 110,000,000 shares authorized, 44,150,920 and 44,142,020 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	\$ 44,151	\$ 44,142
Additional paid-in capital	120,468,759	120,452,032
Retained earnings	192,668,273	135,726,188
Accumulated other comprehensive loss	(45,075,427)	(37,043,346)
<b>Total Equity</b>	<b>268,105,756</b>	<b>219,179,016</b>
 Total liabilities, redeemable noncontrolling interest and equity	 \$ 430,624,552	 \$ 355,931,436

The accompanying notes are an integral part of these condensed consolidated financial statements.



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Weighted average shares	44,153,778	44,150,872	44,157,321	44,151,218
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The accompanying notes are an integral part of these condensed consolidated financial statements.



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**MercadoLibre, Inc.**

**Condensed Consolidated Statements of Comprehensive Income**

**For the three and nine-month periods ended September 30, 2012 and 2011**

**Nine Months Ended September 30, Three Months Ended September 30,**