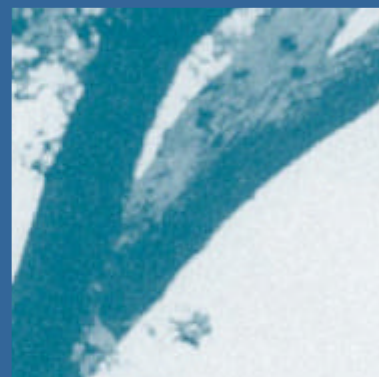


Joaquim
Agut
Executive
Chairman
Terra-Lycos

terra
lycos 



M a r c h
2 0 0 1
Rio de Janeiro



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Safe Harbor

This presentation contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company .

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors.

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in 's business or acquisition strategy or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's Annual Report on Form 20-F as well as periodic filings made on Form 6-K, which are on file with the United States Securities and Exchange

Terra Lycos and the Market

Our Strategy

Financial Results: Path to Profitability



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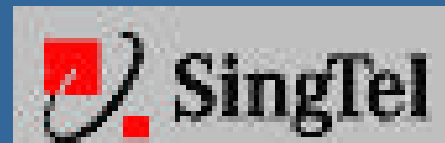
First Class Partners Worldwide: , Media, Internet

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Bell ActiMedia

Bertelsmann



Welcome to
Sumitomo Corporation

Always New! **KADOKAWA** welcome to our homepage

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Building on a Great Foundation

- More than 6.1 million access subscribers
- Over 350 million page views per day
- More than 94 million unique visitors
- 3 million wireless subscribers
- Presence in 41 countries
- \$2.4 billion in cash

As of December 2000

Our Vision

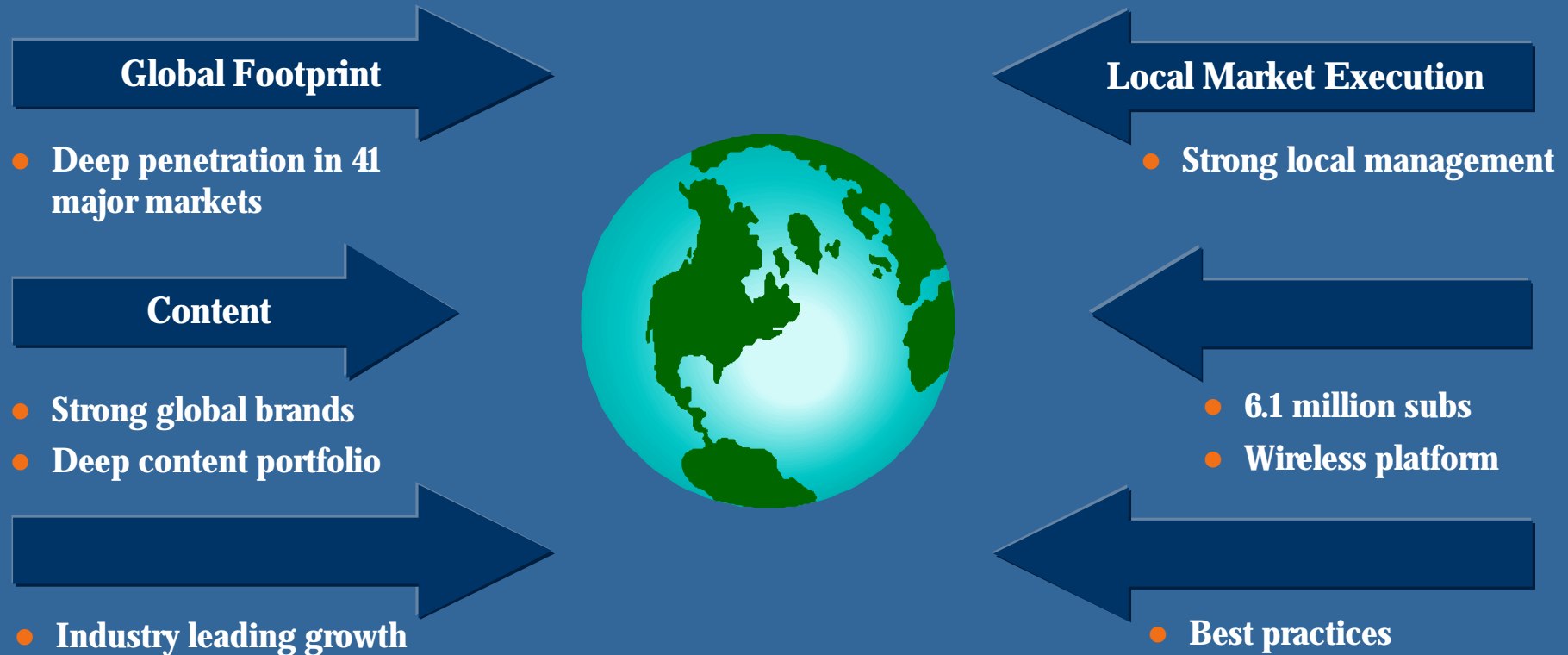
Globalization

Convergence

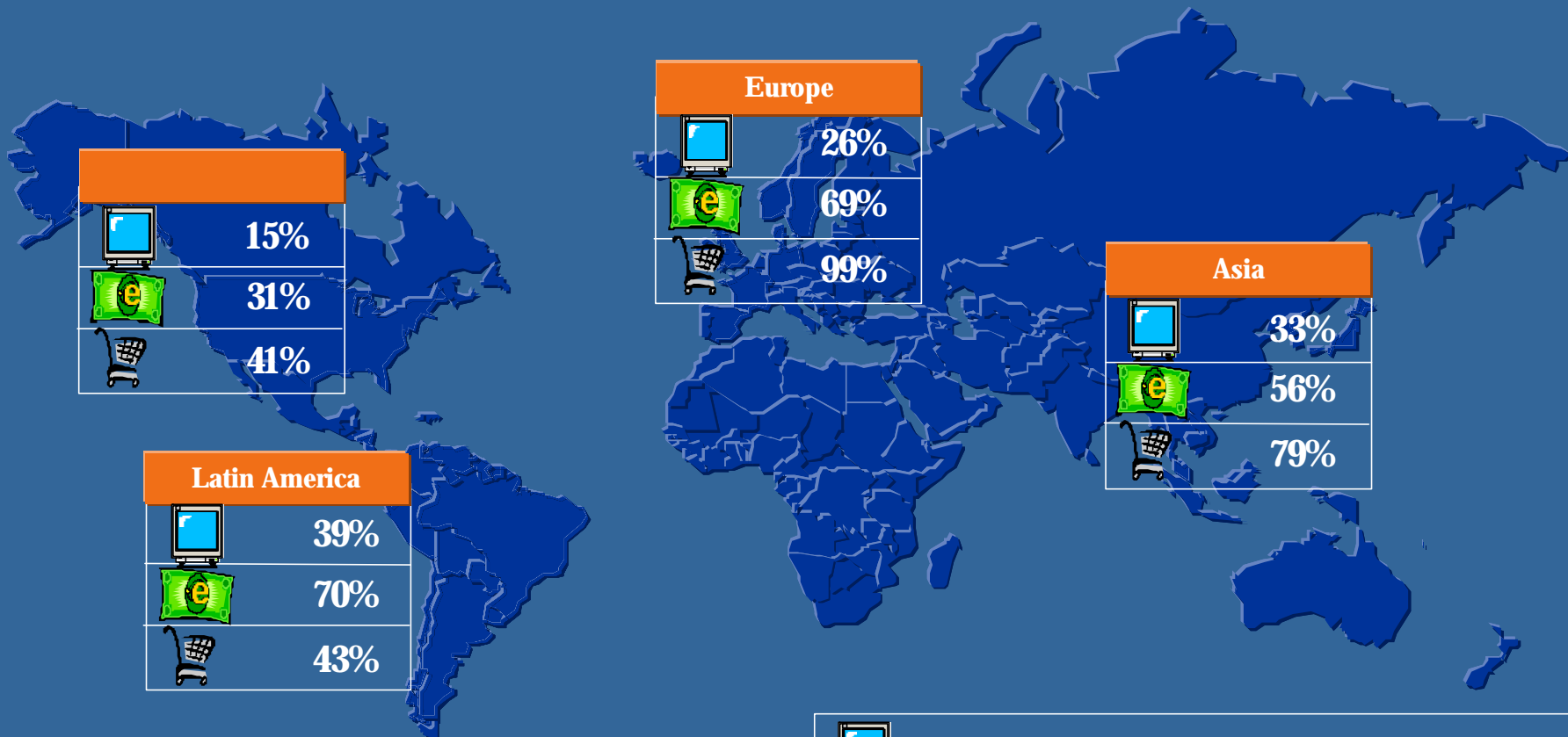
Profitability

**Our Goal: To be the most visited online
destination in the world**




The Market is Evolving ...And We are Well Positioned



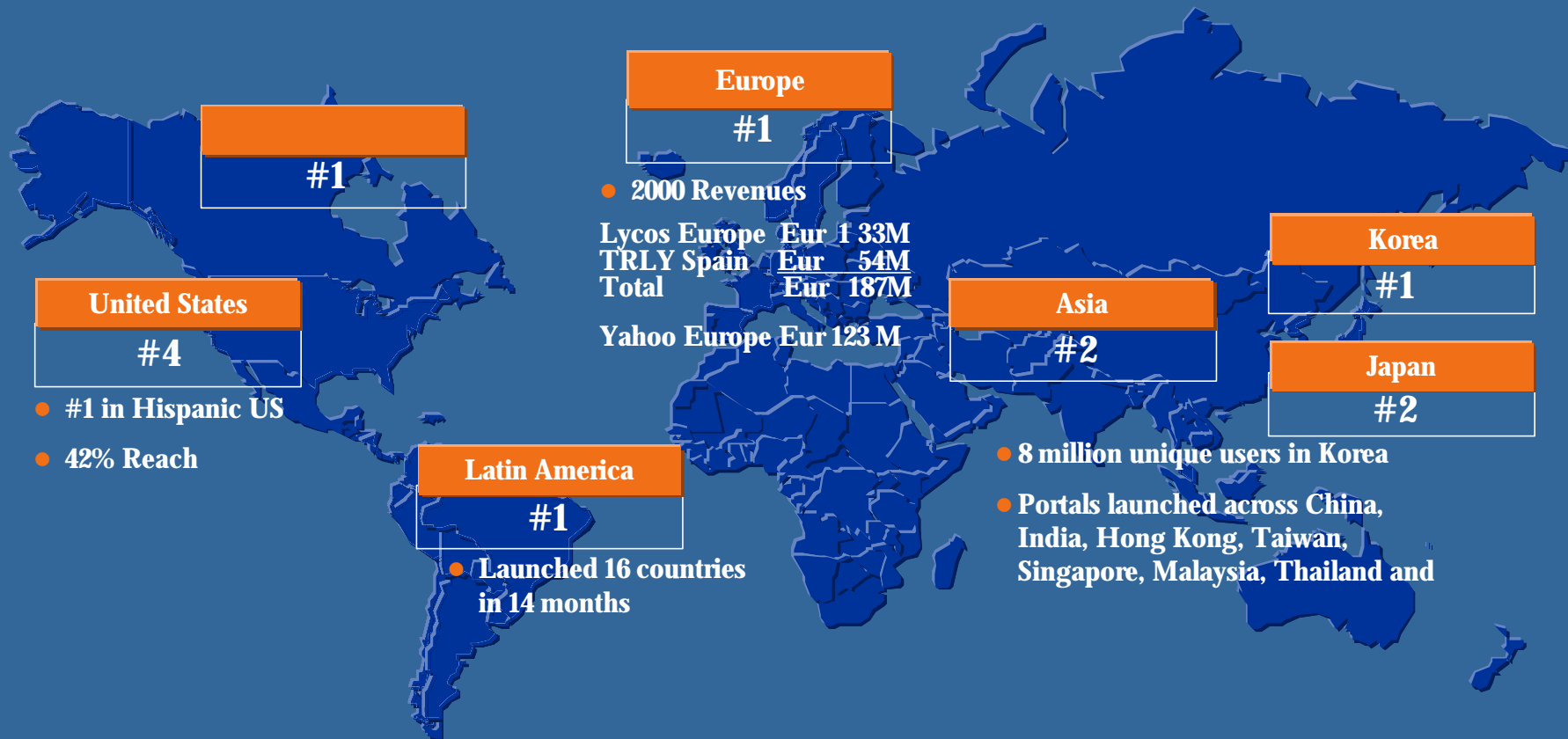
Globalisation: The Opportunity Before Us



Source: eMarketer and Jupiter Communications 2000

	2000-2033 CAGR Internet Users
	2000-2033 CAGR Online Ad. Spending
	2000-2033 CAGR e-Commerce Spending

: Extend Leadership



- Consolidate markets through acquisitions
- Leverage state-of-the-art global delivery platform
- Exploit local expertise

Source: Media Metrix and Terra Lycos Management

Convergence: On The Leading Edge



- Bertelsmann
- Telefonica Media
- Endemol
- Kadokawa



**TERRA
LYCOS**



- Telefonica
- Telefonica Móviles
- Mirae Corp.
- Singapore Telec.
- Bell Canada



- Terra Lycos

Terra Lycos and the Market

Our Strategy: Capitalising on Global Convergence

Financial Results: Path to Profitability



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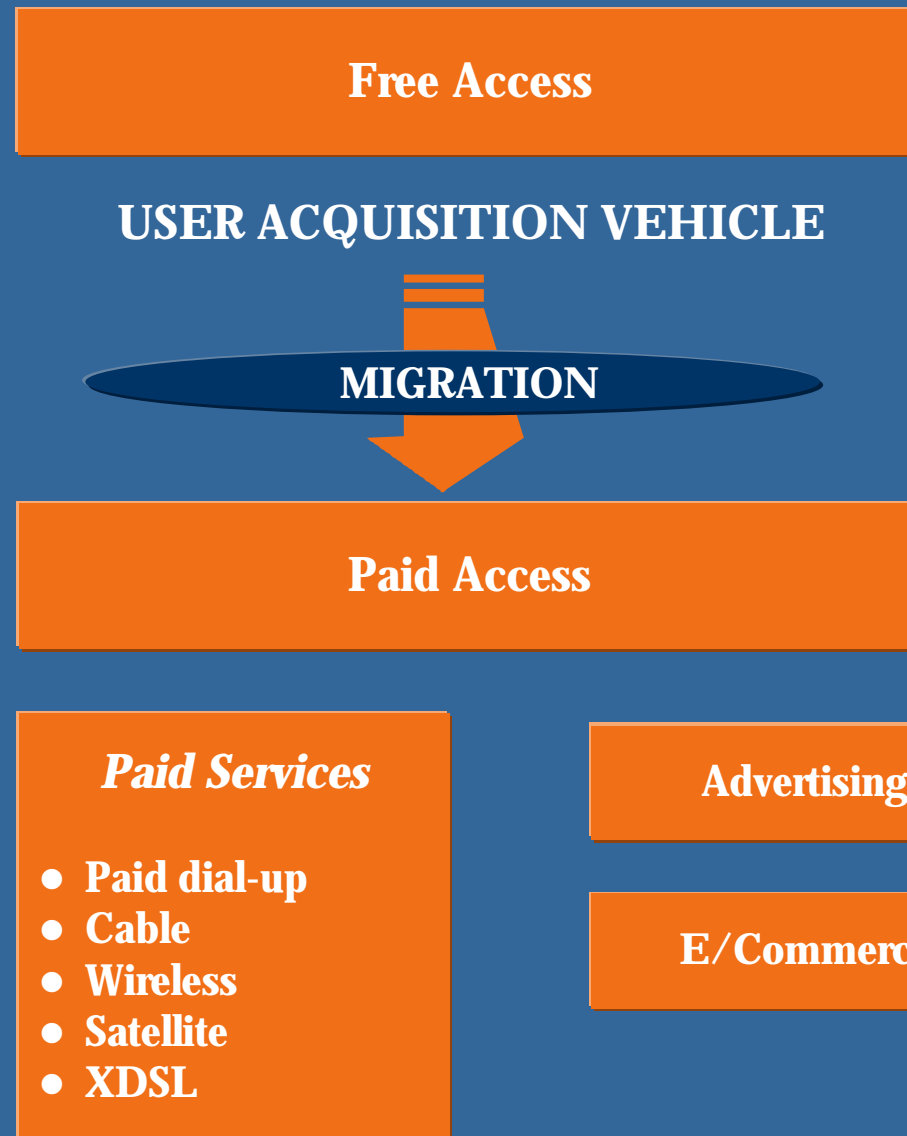
Strategy: Capitalising on Global Convergence



Strategy: Access



The Access Model



Our Unique Wireless Platform



+



=

**The World's
Leader in the
Wireless
Internet
Market**



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Strategy: Audience



Multibrand Strategies Dominate Media.....

**Bertelsmann/
Gruner+Jahr**

AOL-TimeWarner

Disney

Viacom



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... And will Dominate the Internet

Search



Community



Commerce



ISP



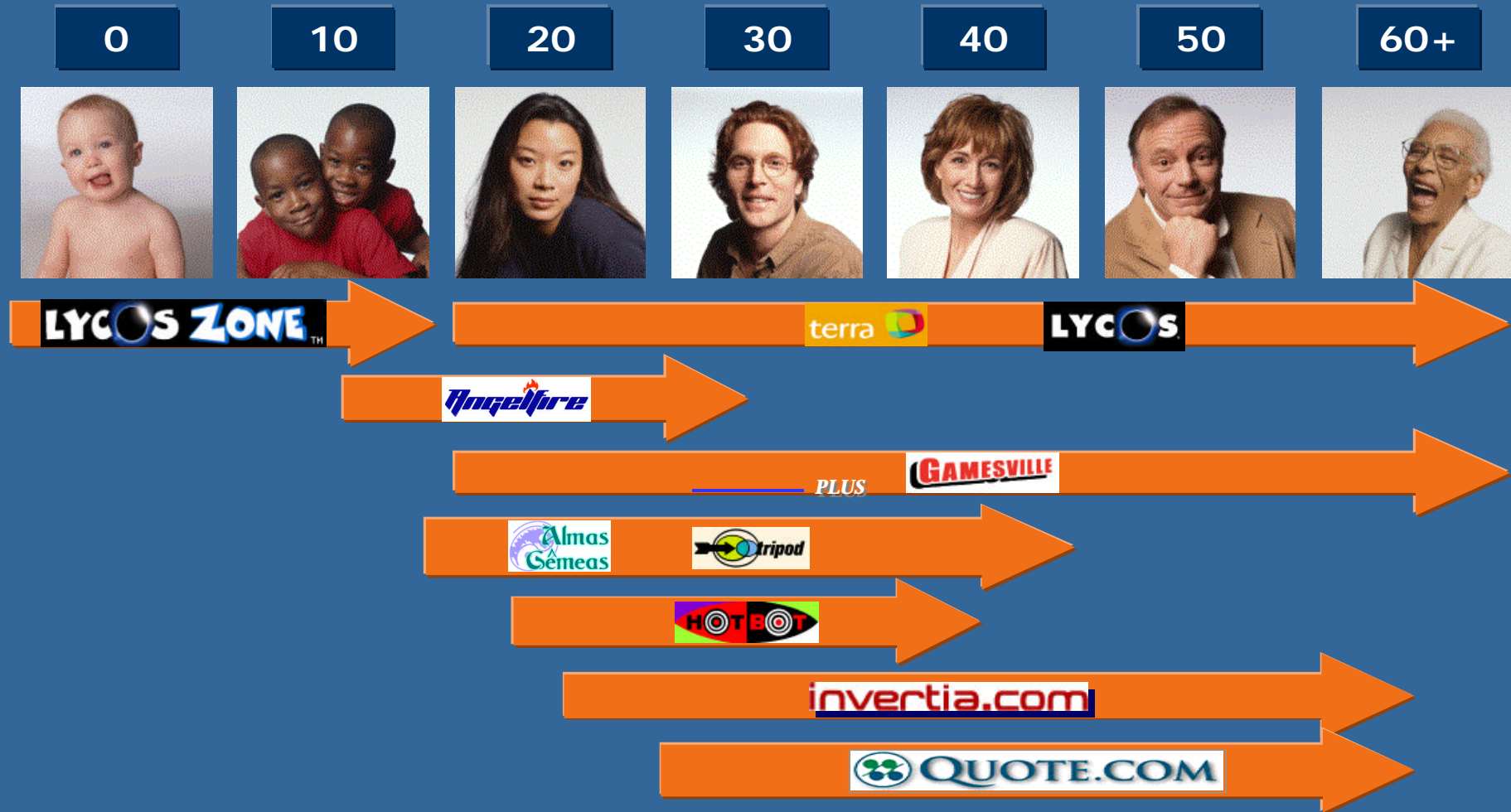
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Strategy: Content



Multibrand — Appealing to a diverse Web Audience



Targeted Vertical Content

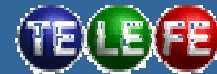
Bertelsmann



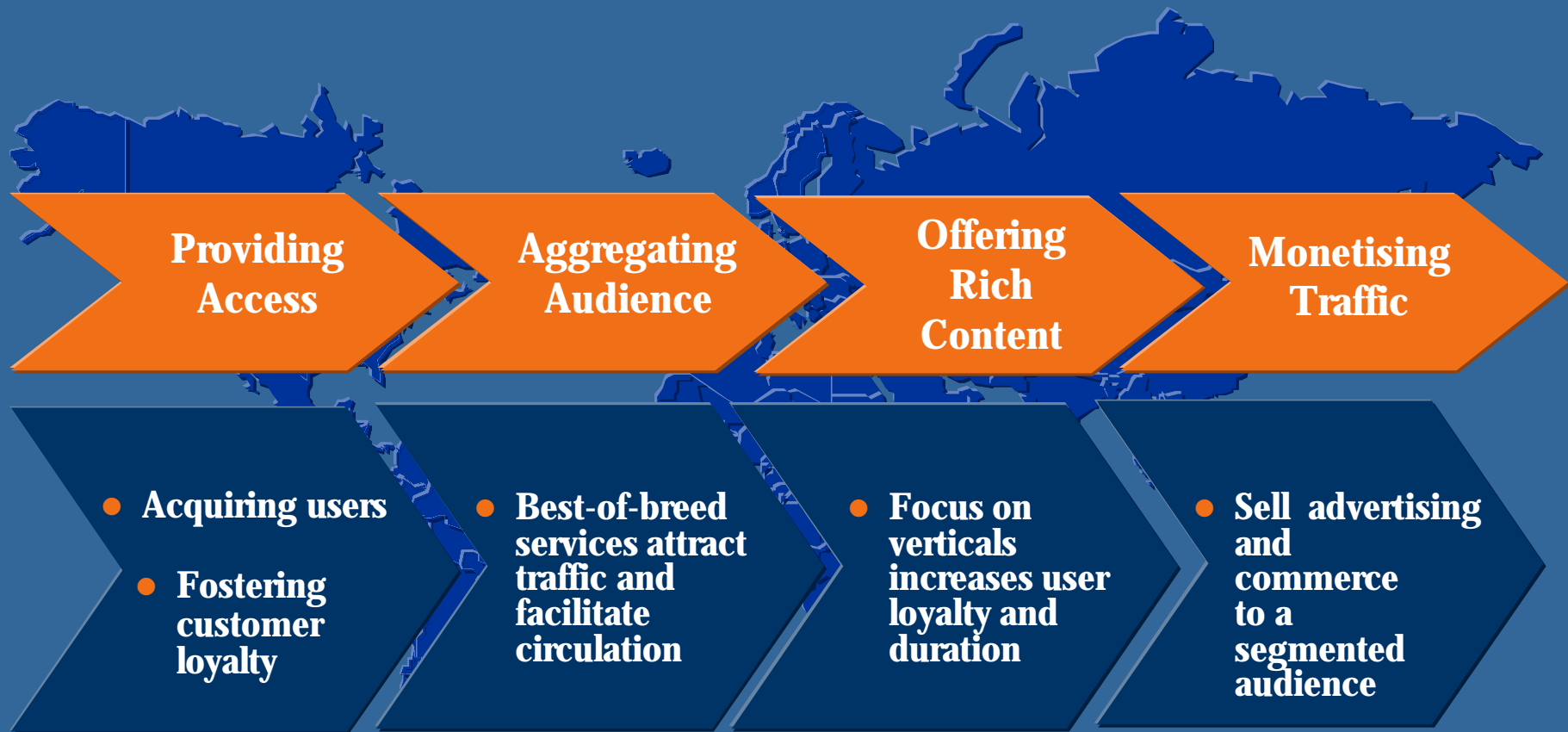
Terra Lycos



Telefónica Media



Strategy: Monetisation

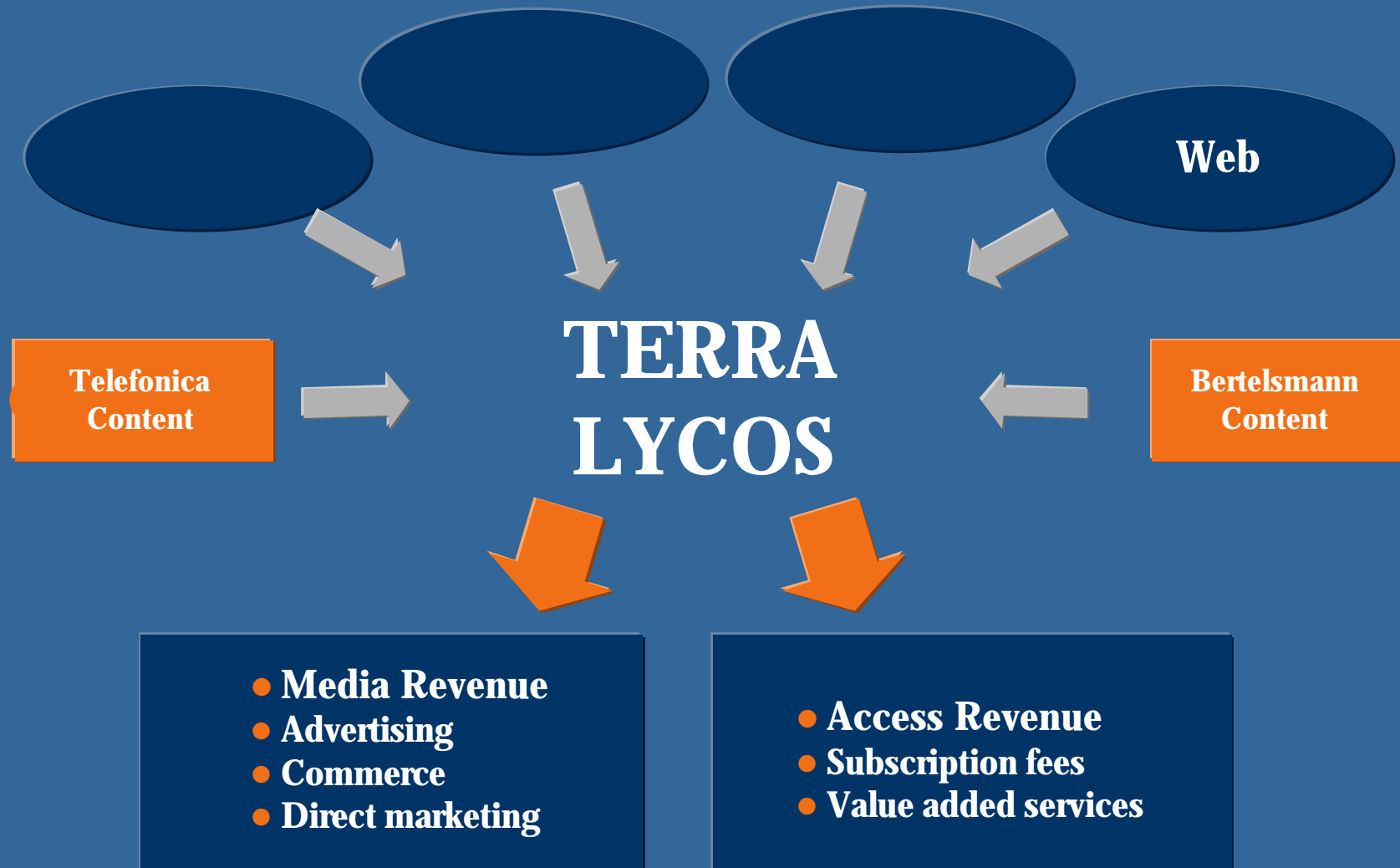


World-Class Advertising and Commerce Partners



Half of the Fortune 50

Next Generation Business Model: Globalization, Convergence and Profitability



Terra Lycos and the Market

Our Strategy

Financial Results: Path to Profitability

2000 Results

	<u>4Q 00</u>	<u>2000</u>	<u>1999</u>	<u>D% 00-99</u>
Revenues (M\$)	164	526	282	87%
Gross Margin (M\$)	92	315	175	80%
EBITDA per Share	-0.17	-0.67	-0.18	272%
Suscribers (M)	6.1	6.1	1.3	369%
Page views (1)	350	350	107	227%

(1) Million of Average Daily Page Views

Long-Term Operating Model

	Access	Media	Total
Revenue	100%		100%
Research & development			
Sales & marketing			
General & administrative			5-8
Operating margin	10-15		%

Source: Terra Lycos Management Reports



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Accelerated Revenue Growth

Advertising/Commerce

- Bertelsmann revenue commitment
- Large and experienced sales force
- Advertising and commerce cross-selling
- Unique global platform

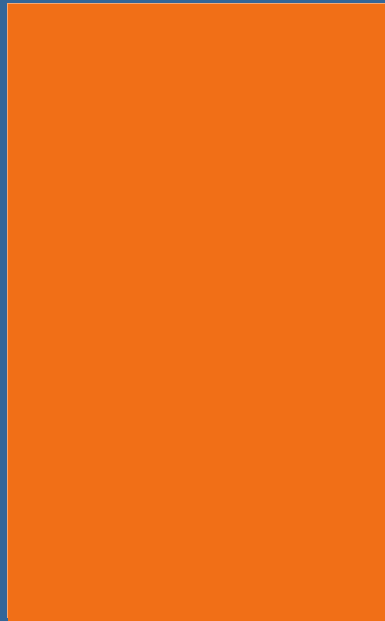
Leverage Content Portfolio

- Integration of Bertelsmann and
- Integrate Terra and Lycos content across network

Wireless

- Joint Venture with Telefonica Móviles

Accelerated Path to Profitability



- Process efficiency
- Leverage scale to improve cost structure
- Rationalisation of R&D activities
- Drive traffic among branded sites
- Single G&A function

**Avoided
Investments**

- Terra avoids investments in Europe, Asia and North
- Lycos avoids investments in Latin America

Terra since the IPO

	nov-99	dec-00		mar-01
	IPO	Terra	TRLY	1Q01E
Revenues (M\$)	84 ⁽¹⁾	205	526	169-178
EBITDA %	-109% ⁽¹⁾	-192%	-66%	-45%/-50%
Subscribers (M)	0.8	4.1	6.1	-
Page Views (M) ⁽²⁾	10	44	350	-
Number of Countries	8	16	41	-

(1) As of December 1999

(2) Million of Average Daily Page Views

M&A Priorities

STRATEGIC BUSINESS UNITS

GEOGRAPHY

Acquisition Criteria

- **Horizontals to drive audience aggregation**
- **Verticals selective with growth (entertainment, business&finance, commerce, news, technology)**

- **Consolidation in very sizable markets**
- **Strategic alliances**
- **Selective expansion**

Management Challenge

- **Drive growth and profitability through**

Integration Background and Status

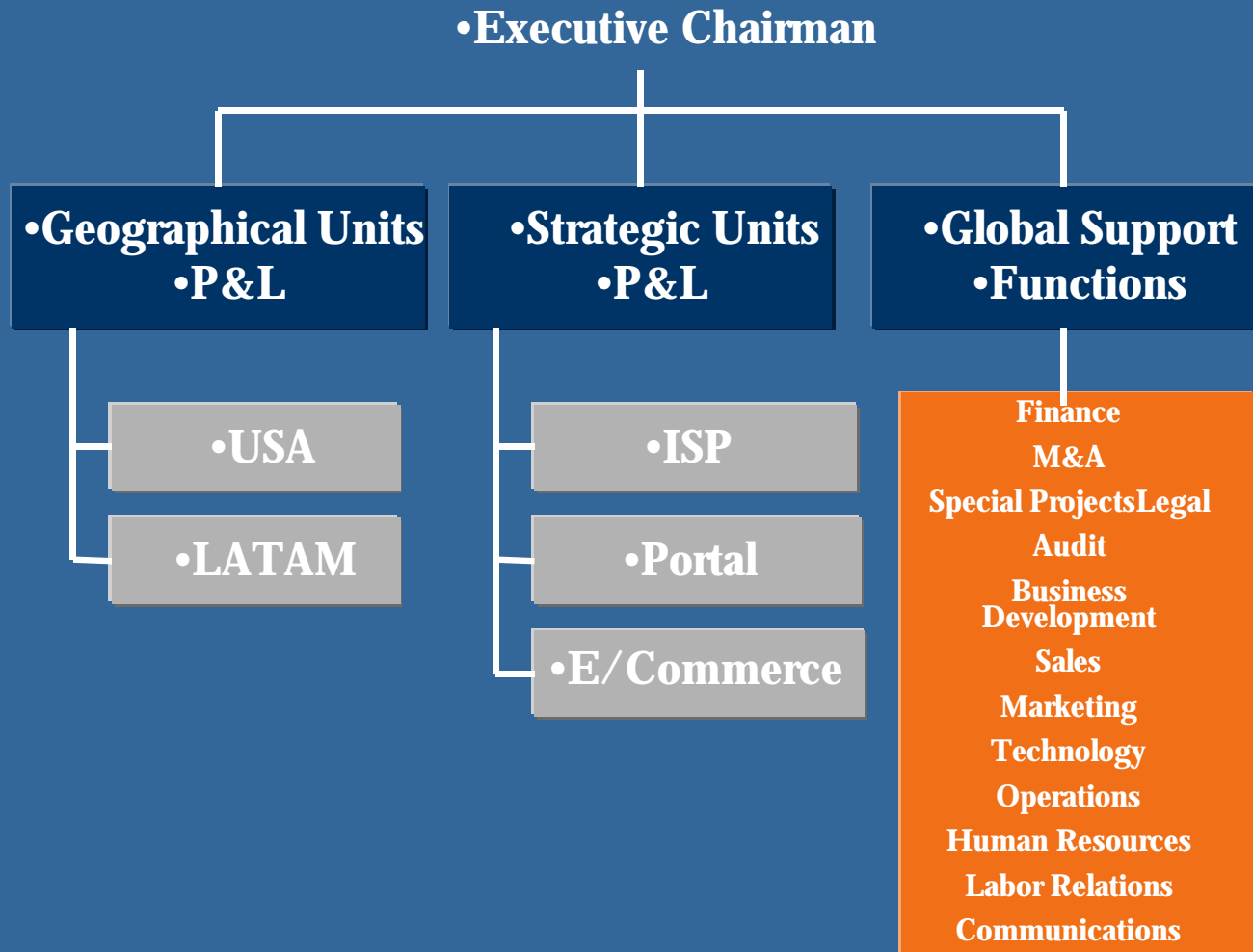
- **Background:**
 - Follow experienced model and best practices of both
 - Very limited geographical overlaps
 - Same Internet culture
 - *'Think global act local'* approach
- **Initial steps**
 - Focus on 4Q 2000: Above analyst consensus estimates
vs \$155M and EBITDA per share (-
vs
 - Finance & Administration: integrated across both former
 - Commercial teams working together: Miami, Brazil ,rest
of

Integration Background and Status

- **In Process**

- **New organization announced: clear accountability and measurements (matrix P&Ls)**
- **Integration priorities defined: business driven.**
- **Scale through technology, strategic marketing and customer service centralization**
- **Organization development criteria based on common languages, proximity, market size and scale**

New Organization



Terra Lycos: A Winning Internet Company

- **#1 Global presence - in breadth and depth**
- **#1 Mobile platform – revenues and technologies**
- **#1 In Revenue growth – from 2x to 5x others**
- **#1 Balance sheet – no debt and \$2.4 billion in cash**
- **Unencumbered alliances with leading telecommunications and media**
- **Vast content reserves at negligible cost**
- **The most complete investment vehicle for convergence**

...all with a clear path to profitability



A Global Powerhouse Is Born