



terra

Madrid, February 2000

Terra Networks



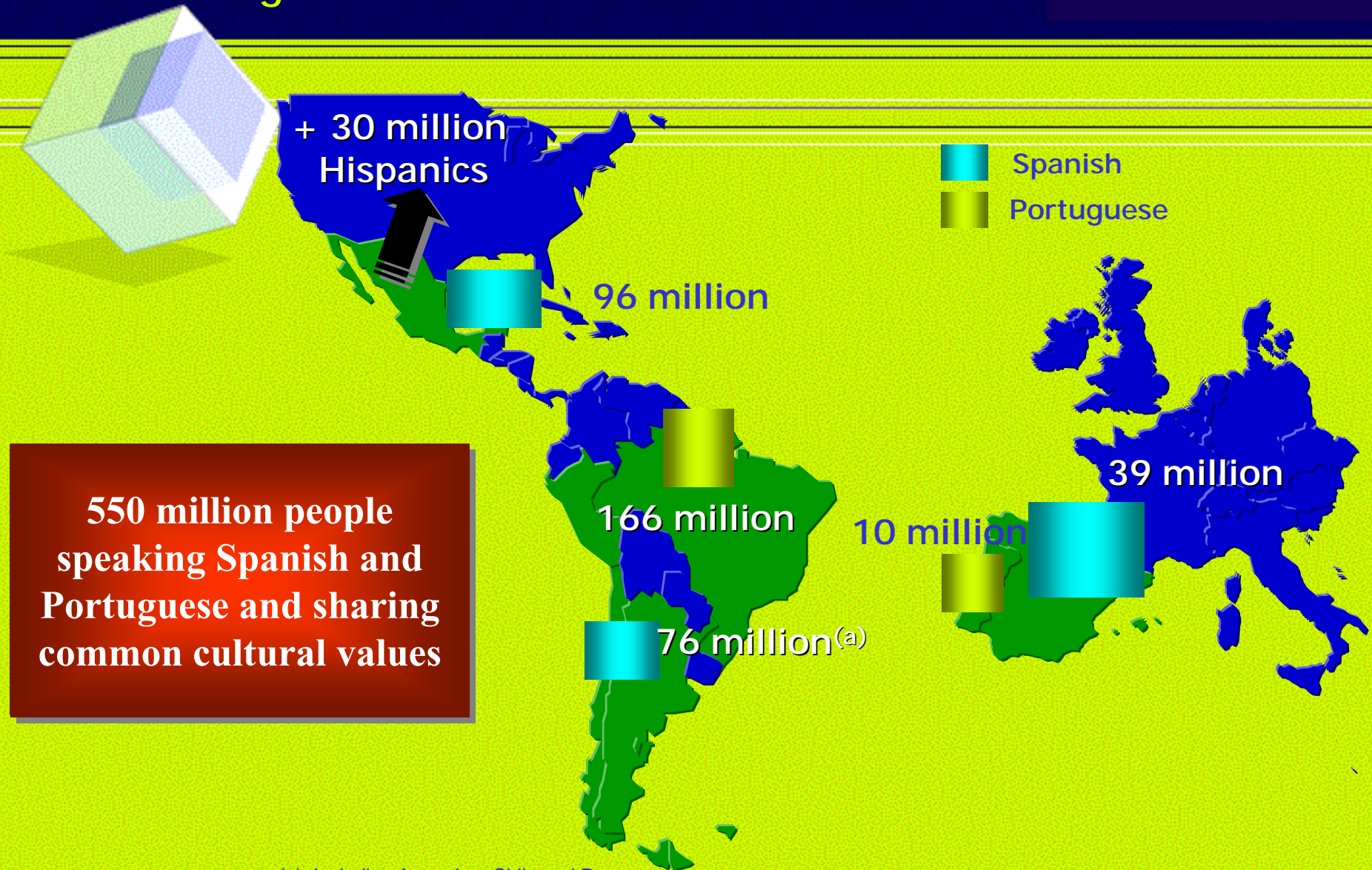
- ✓ Our Market Opportunity
- ✓ Creation of Terra
- ✓ Terra's Strategy and Business Model
- ✓ Financial performance



Our Market Opportunity

Size of the Market

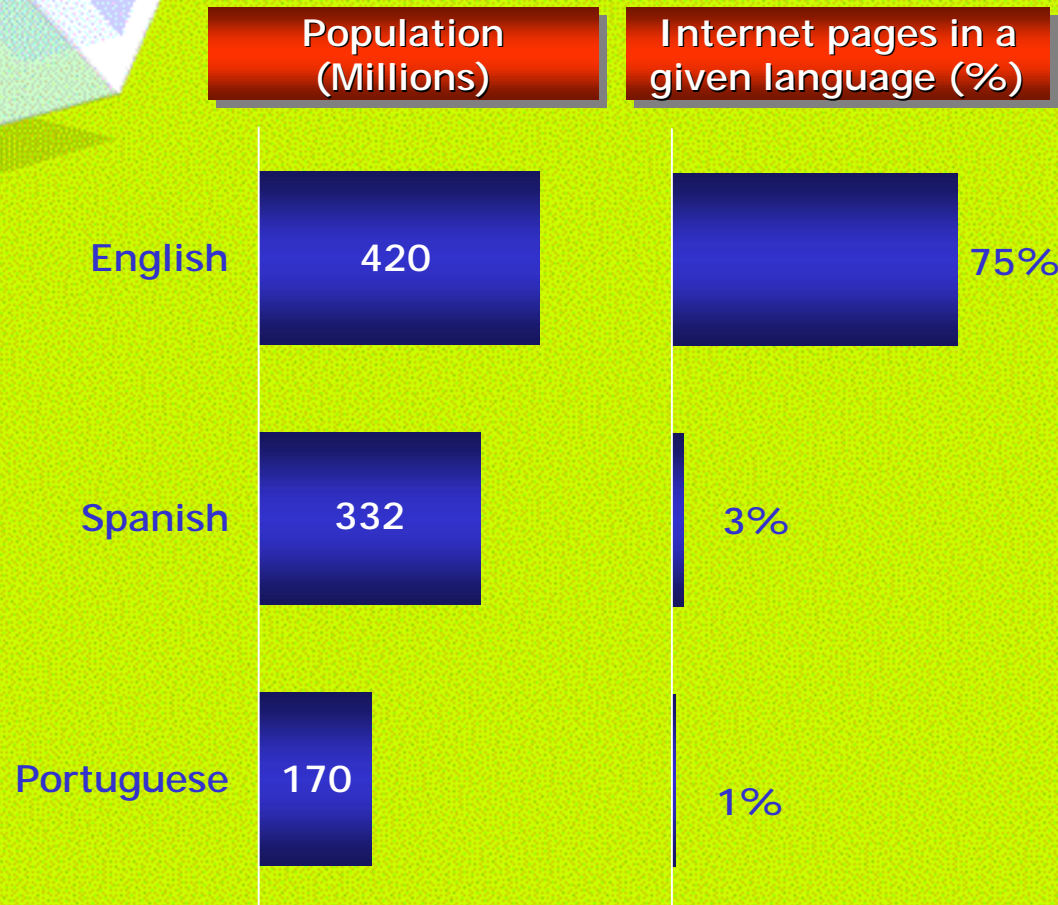
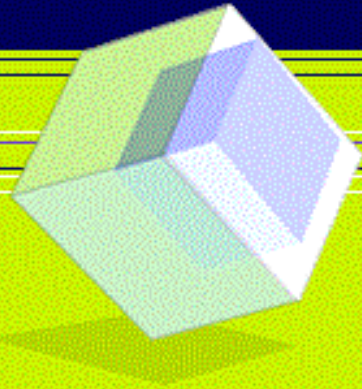
Large Size of Core Market



(a) Including Argentina, Chile and Peru

Sharing Language and Culture

A Key Barrier to Entry



- The language of the Internet does not reflect the language of the people in our target markets
- This discrepancy creates two opportunities:
 - Internet access to the Spanish and Portuguese speaking population
 - Content specifically targeted at the Spanish and Portuguese speaking population

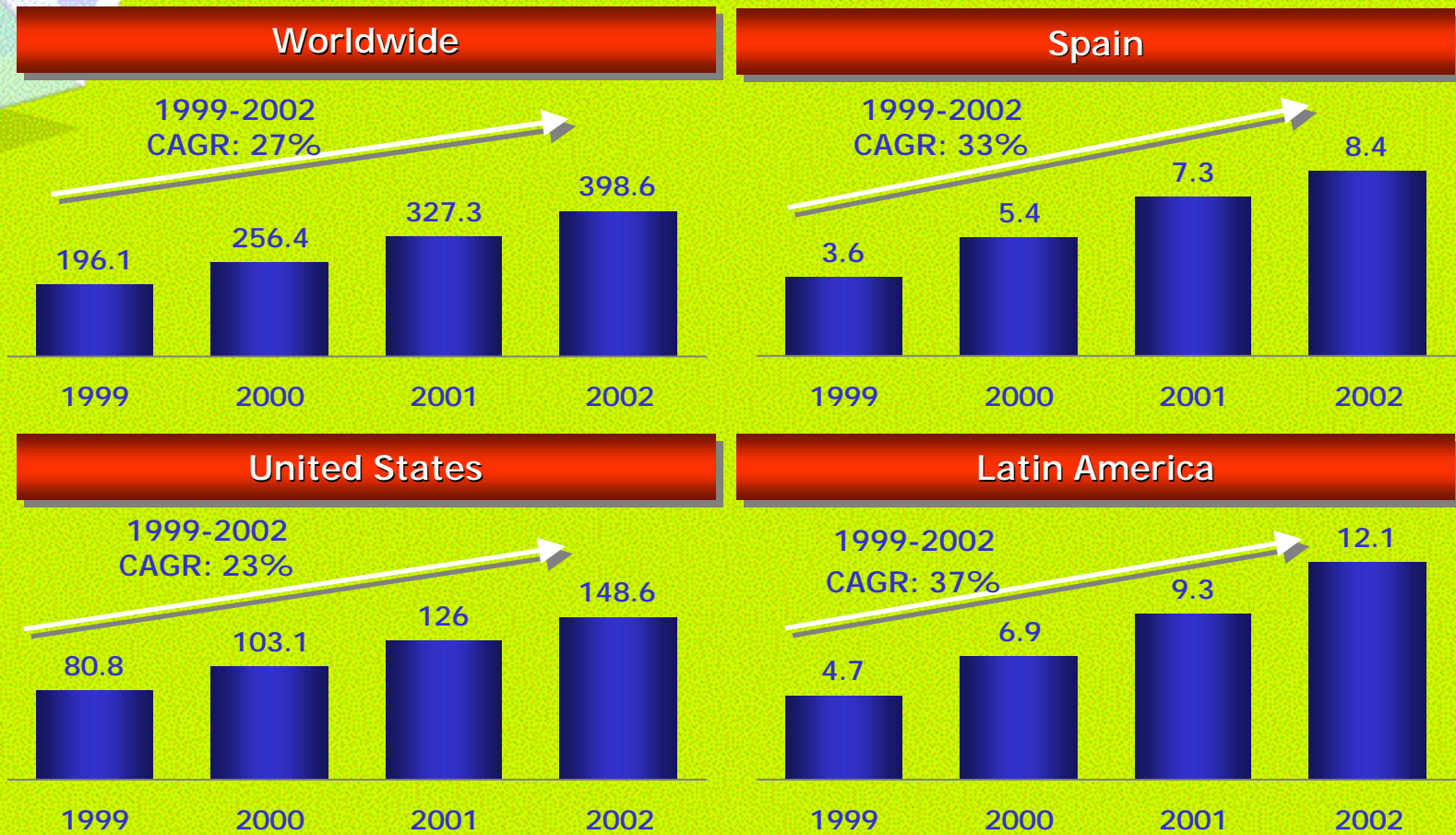
(a) English population includes: USA, English-speaking population in Canada, UK, Australia, New Zealand, South Africa
Source: Funredes (Networks and Development Foundation)

Growth Potential

Growing Number of Internet Users



Millions of WWW users



Source: International Data Corporation



Constitution of Terra

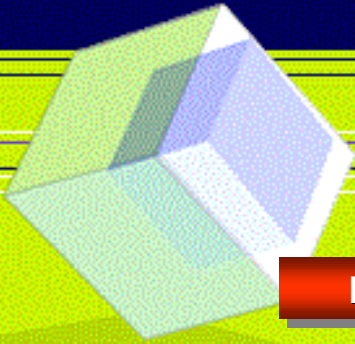
Terra's Mission



- Terra's mission is to dominate the Internet space in the Spanish and Portuguese speaking world.
- Terra was created in december 1998
- Terra was born with a unique position to be the largest player in its market, in an overall view.



Creation of Terra



DEC 98

Creation of Terra

APR 99

Acquisition of Olé (Spanish portal)

JUN 99

Acquisition of ZAZ (Brazil)

JUL 99

Acquisition of Infovía (Guatemala)

SEP 98

Acquisition of Gaucho Net and Donde.com

OCT 99

Acquisition of Infotel (México)

OCT 99

Acquisition of Internet assets (T. Del Peru)

OCT 99

Acquisition of CTC Internet

OCT 99

Joint venture with IDT

Terra's Leading Position

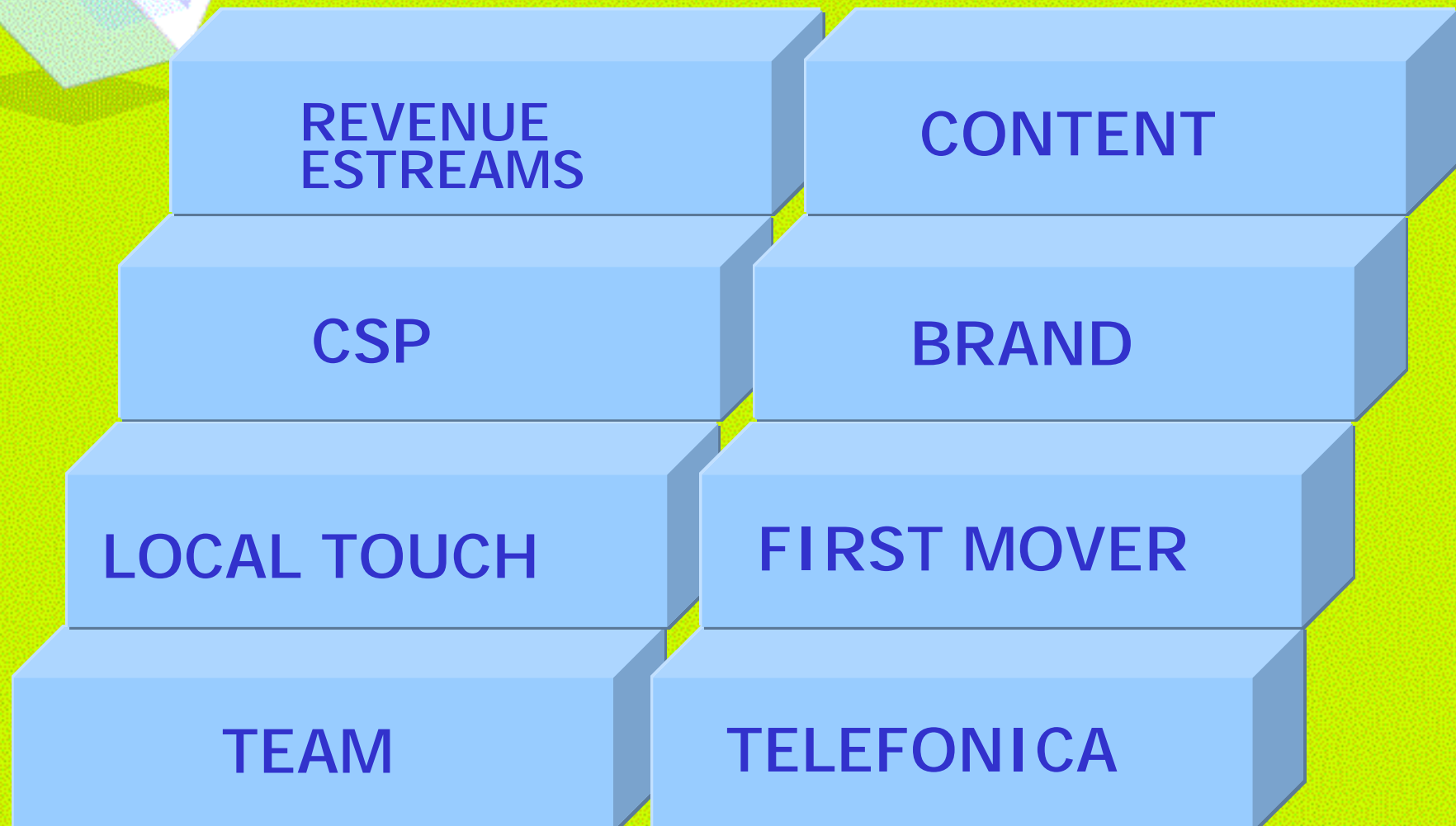
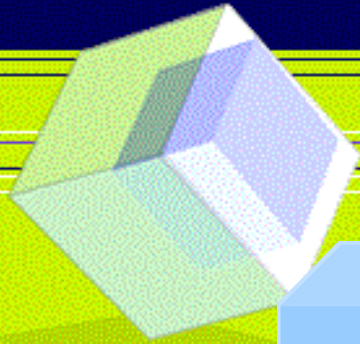


	España	Brasil	México	Chile	Peru	Guatemala	Argentina	USA
ISP	1	2	2	1	1	1		
Portal	1	2	1					



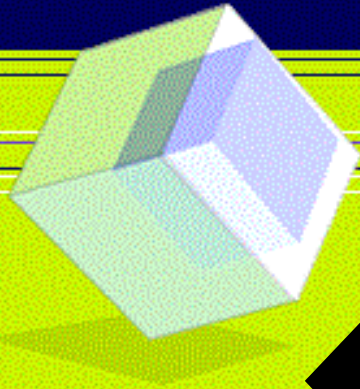
Terra's Strategy and Business Model

Our Business Model



Our Business Strategy

Terra 's Business Model



Access +
VAS

Portal

E-commerce

Strategic
Ventures

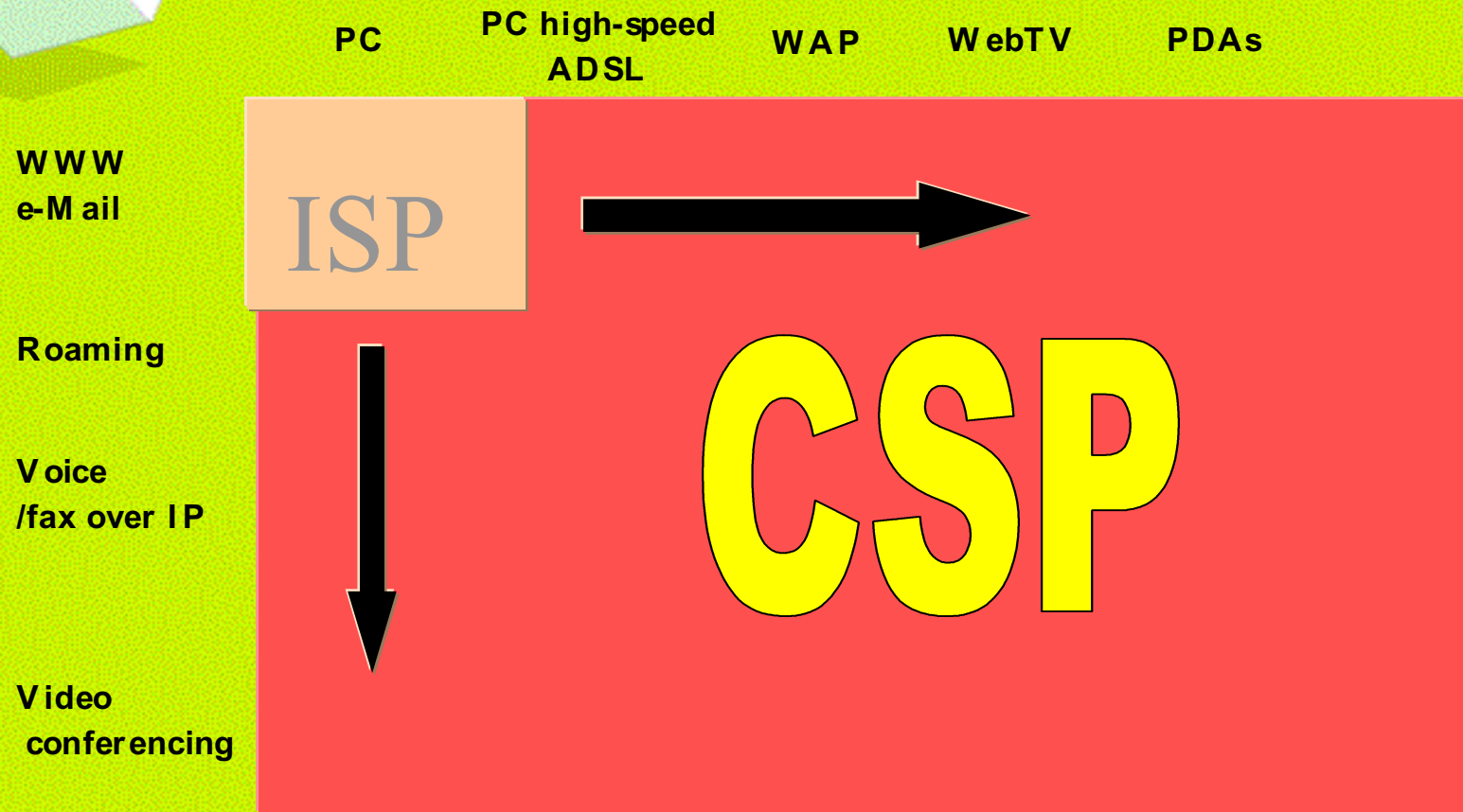
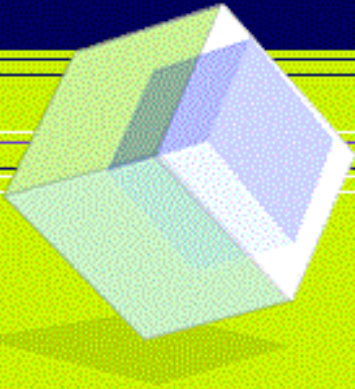
...not just an ISP but an CSP

Terra's Business Model

terra

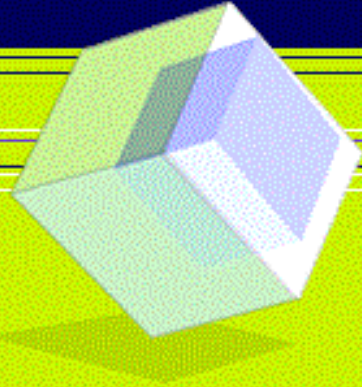


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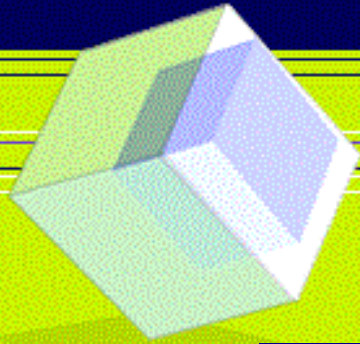
Local Touch

'Terra 's Business Model



Team

'Terra's Business Model



¡Olé!



infosel

CTC
INTERNET

Telefónica
Servicios Internet

donde!
la vía más rápida

GauchaNet
argentina en internet



terra

Multinational Internet Company



Successful Business Model



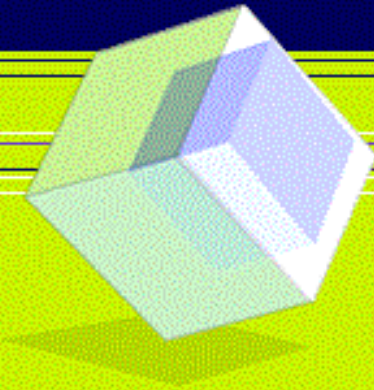
Enough Size to Succeed



SUCCESSFUL ENTERPRISE

Content

Terra's Business Model



LOCAL

**INTERNAL
DEVELOPMENT**

**BRANDED
CONTENT**

IMPORTED

FROM OTHER TERRA'S
PORTALS



Brand

Terra's Business Model

terra 



***Olé!**



 **infosel**

terra



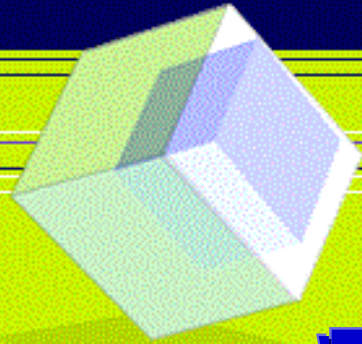
donde!
la vía más rápida

 **Telefónica**
Servicios Internet

CTC
INTERNET

Panregional Presence

Terra's Business Model



First Mover Advantage



Telefonica and Terra

'Terra's Business Model

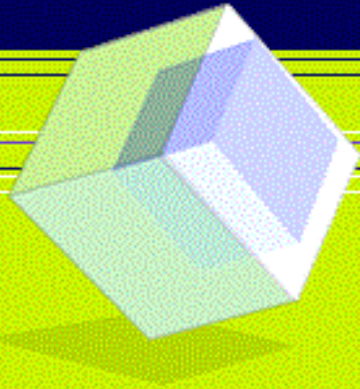


Internet Platforms	Telefonica's Presence	Current Status
Traditional Fixed Line	Telefonica & Latin American Telcos	Active on ISP arrangement with Telefonica Data
ISDN/ADSL	Telefonica & Latin American Telcos	Rollout ADSL in Spain in October 1999
Broadband Cable	Telefonica Cable	Cable modem rollout in Spain in July and in Brazil expected in 4 th Q 1999
Satellite	T Data / Vía Digital	Cooperation with T Data and Vía Digital
PC/TV	Antena 3	Cooperation with Antena 3 / Vía Digital
Mobile	Telefónica Moviles	WAP accesss



Financial and Operating Highlights

ISP Revenues



SUSCRIPTIONS
(BUNDLING)

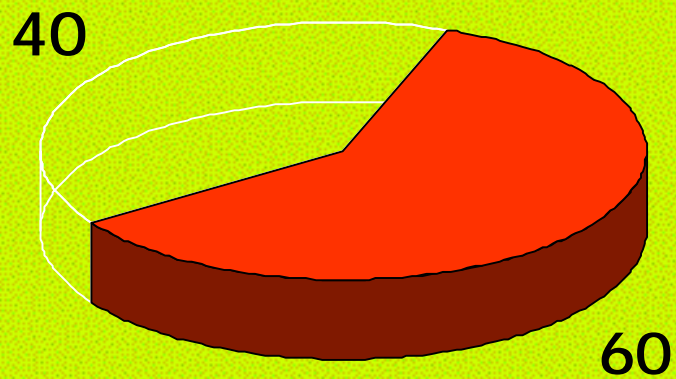
VALUE ADDED SERVICES

TRAFFIC INDUCEMENT

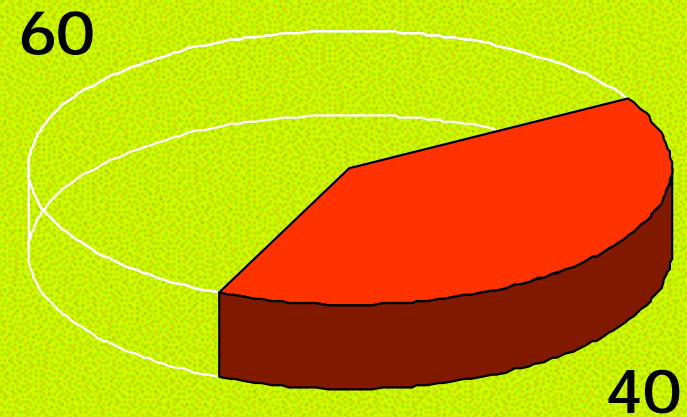
CALL CENTERS

TODAY

LONG TERM



■ Subscriptions □ Other



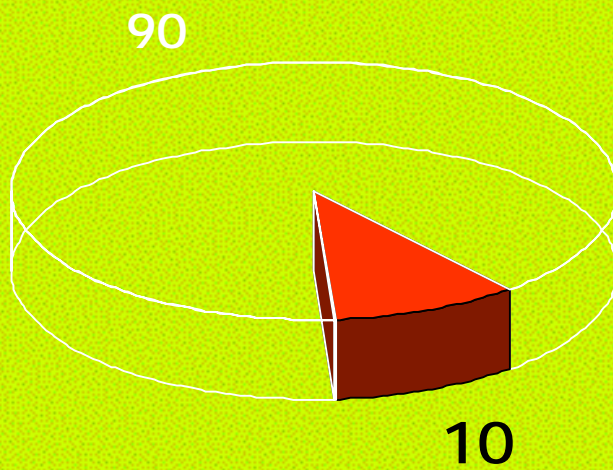
■ Subscriptions □ Other

Portal Revenues



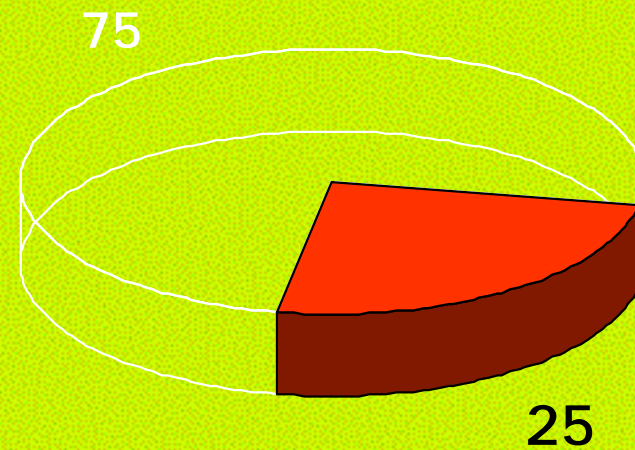
ADVERTISING REVENUES

TODAY



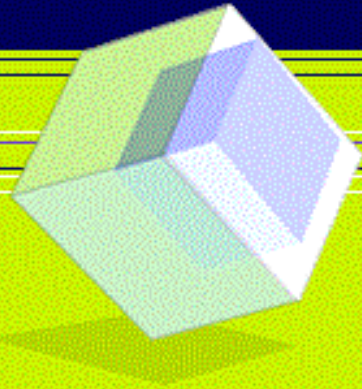
■ Advertising □ Other

LONG TERM



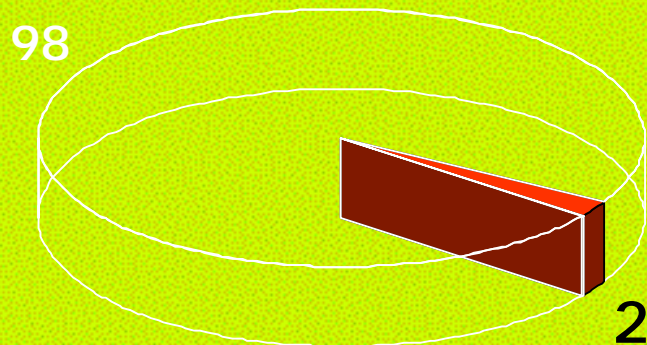
■ Advertising □ Other

E-Commerce Revenues



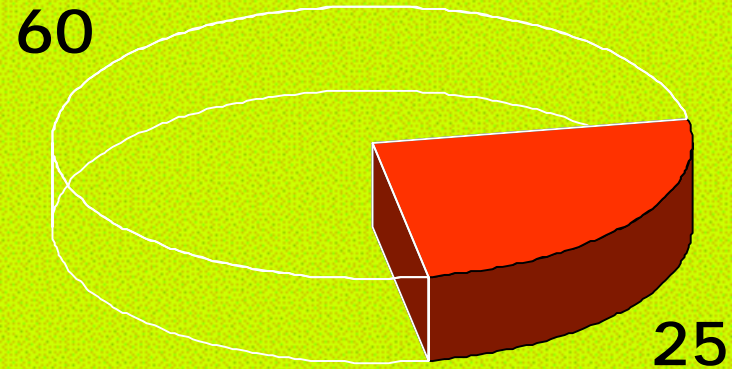
COMMISSIONS

TODAY



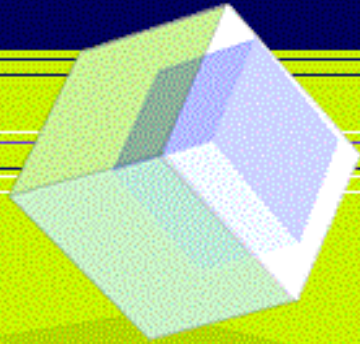
■ E-Commerce □ Other

LONG TERM

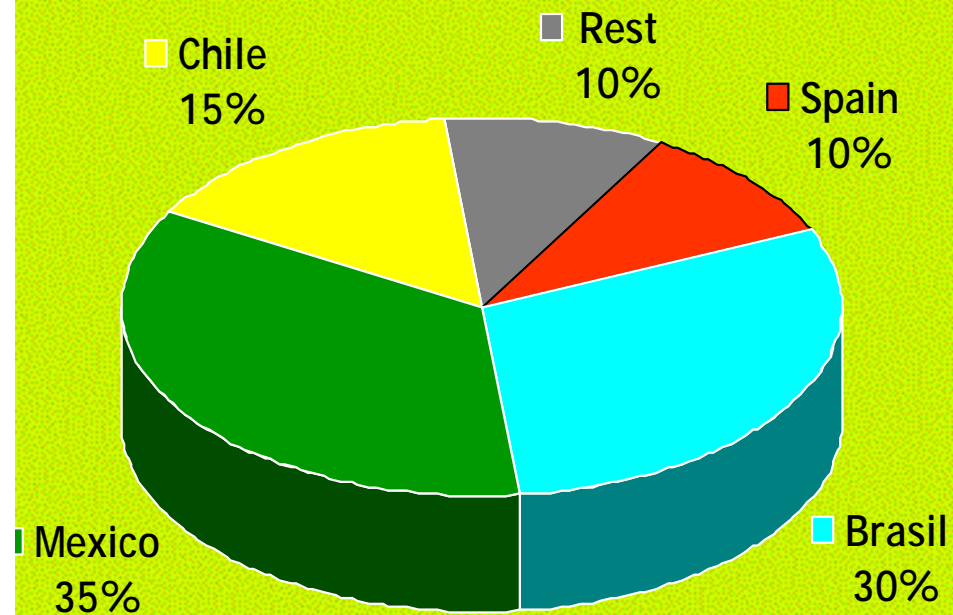


■ Advertising □ Other

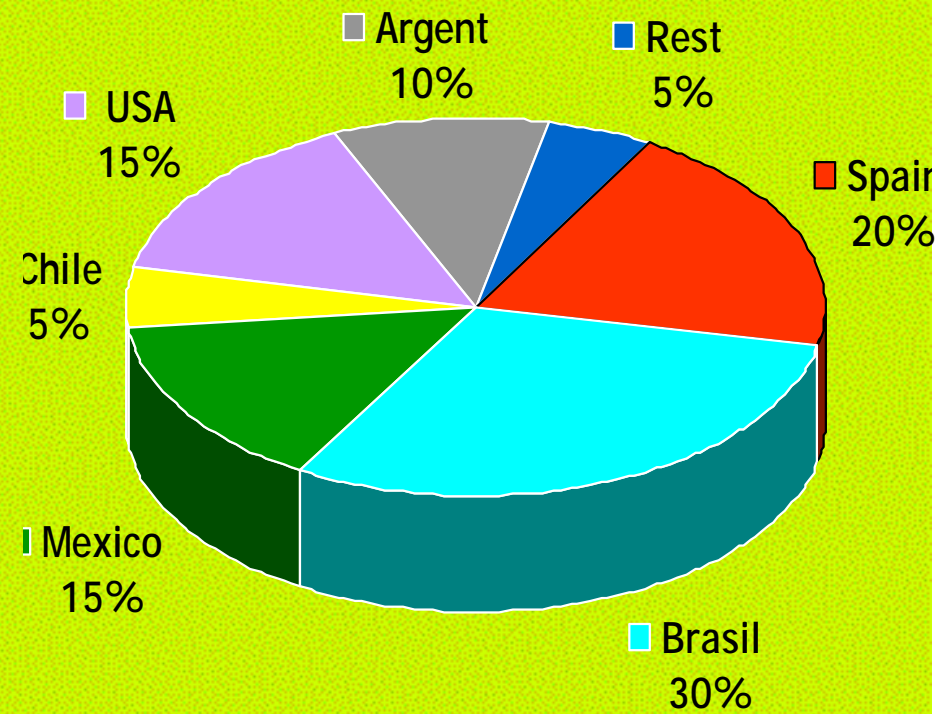
Revenues by Country



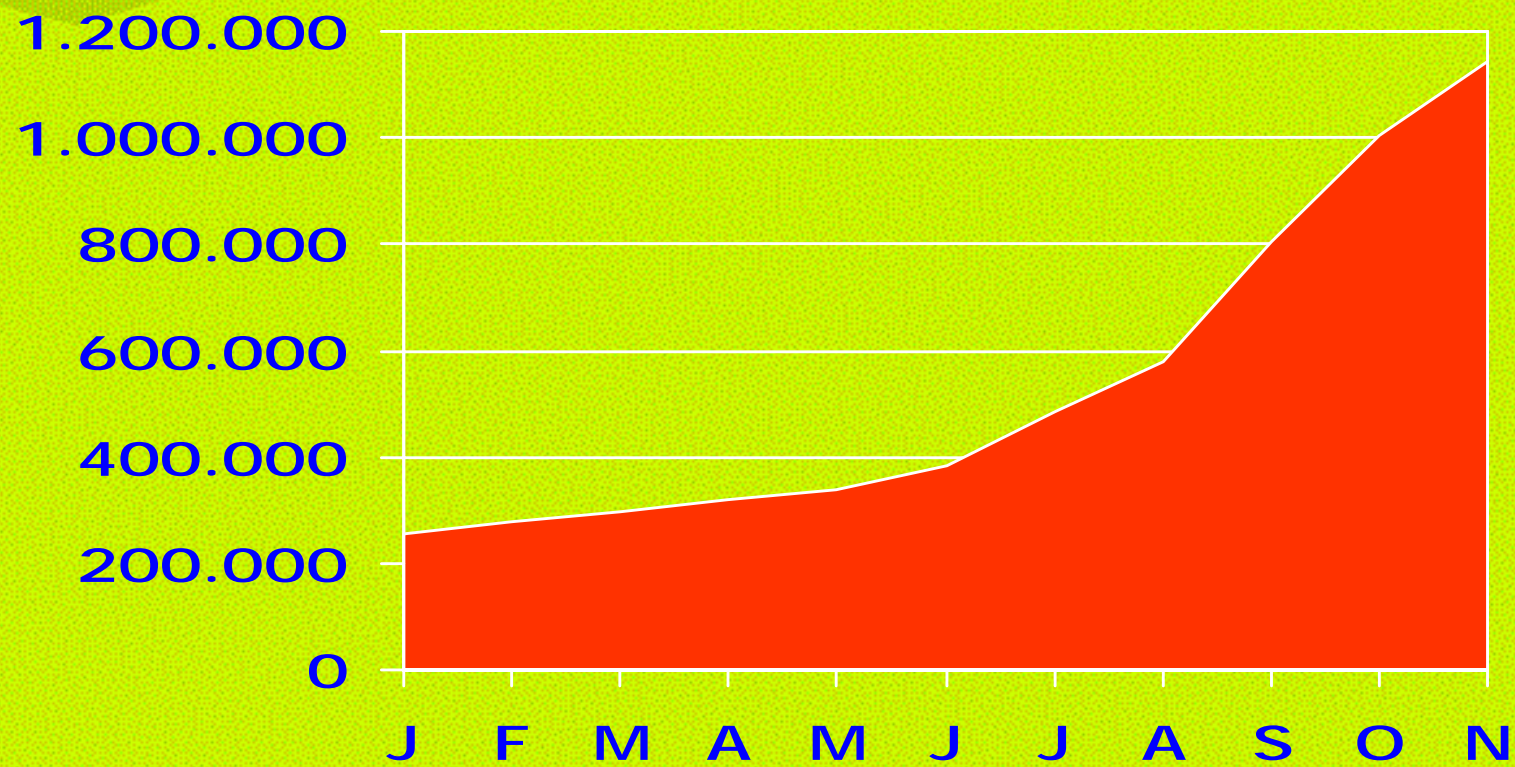
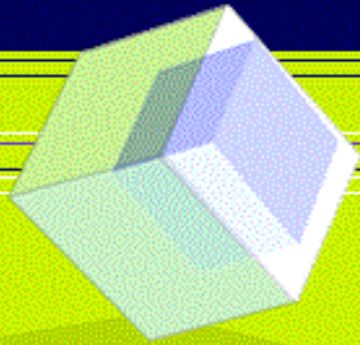
TODAY



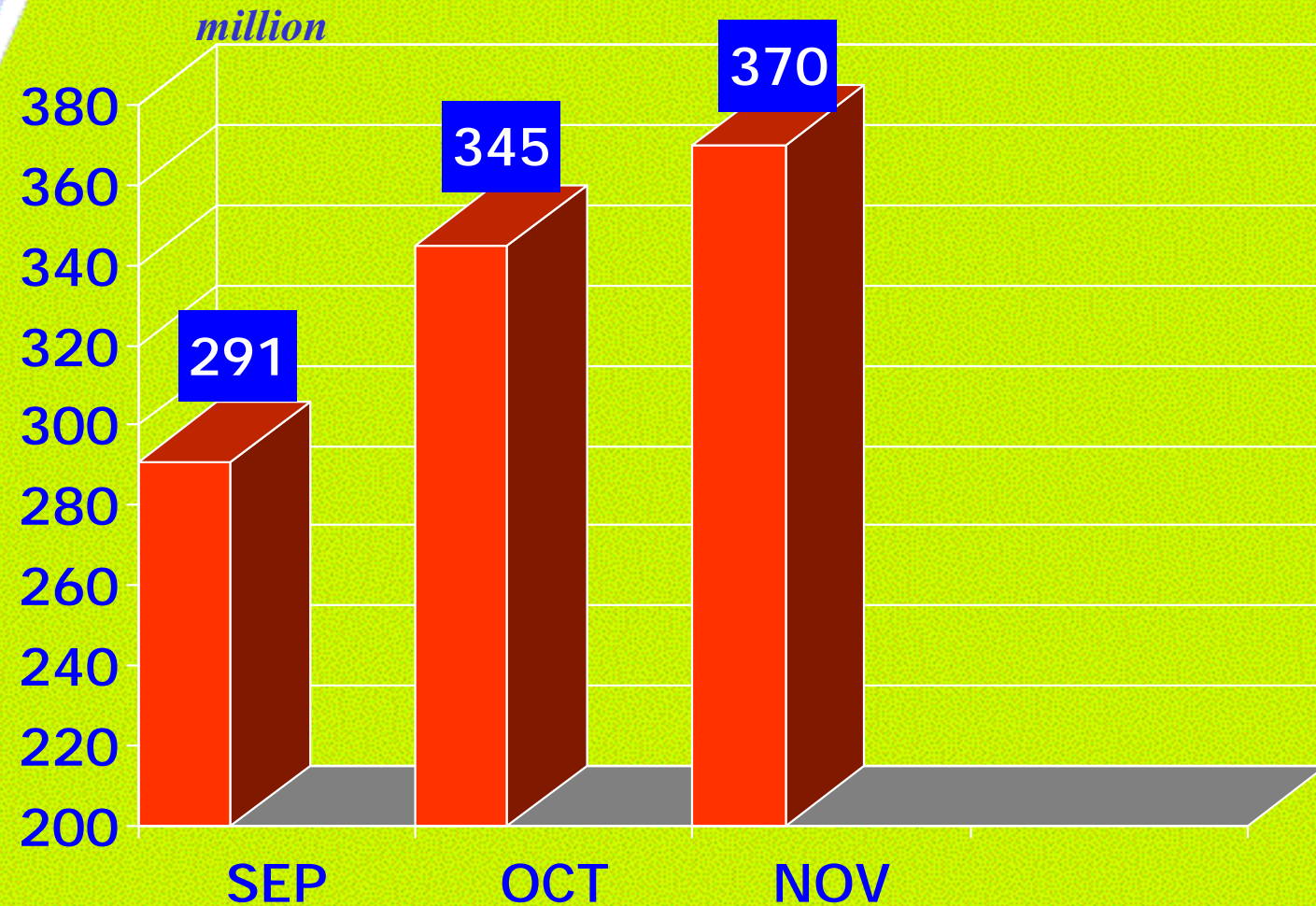
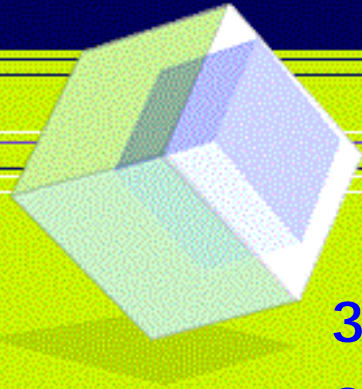
LONG TERM



Suscribers



Page Views (per month)





Terra's Strategy Going Forward



ACCESS

PORTAL

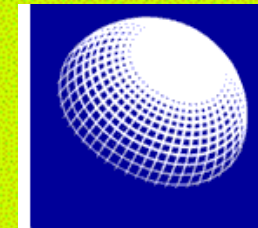
E-COMMERCE

ADSL

WAP

CABLE

BUNDLING



amadeus

Uno-e

