



One Team, One Mission

Safe-Harbour Statement

This presentation contains forward-looking statements within the meaning of the “safe harbour” provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The forward-looking statements contained in this presentation address the following subjects: future financial and operating results and efficiency; future industry, revenue and customer growth; future internet penetration rates; and the timing and benefits of the merger.

The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: the risk that Terra’s and Lycos’ businesses will not be integrated successfully; costs related to the merger; failure of the Lycos stockholders to approve the merger; inability to further identify, develop and achieve success for new products, services and technologies; increased competition and its effect on pricing, spending, third-party relationships and revenues; inability to establish and maintain relationships with commerce, advertising, marketing, technology, and content providers; difficulties in having the internet accepted as an advertising medium; the growth of free internet access in many markets; adverse economic trends; and the effect of any future acquisitions.

For a detailed discussion of these and other cautionary statements, please refer to Terra’s filings with the Securities and Exchange Commission, including the Risk Factors section of Terra’s F-4 filing, as amended, initially filed on June 27, 2000 and Lycos’ filings with the Securities and Exchange Commission, including the section titled “Factors Affecting the Company’s Business, Operating Results and Financial Condition” of the Management’s Discussion and Analysis in its Form 10-K for the year ended July 31, 1999 and the Risk Factors section of Lycos’ S-3 filing that became effective in March, 2000.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE BUSINESS COMBINATION TRANSACTION REFERENCED IN THE FOREGOING INFORMATION BECAUSE IT CONTAINS IMPORTANT INFORMATION. Copies of the joint proxy statement/prospectus and other documents filed by Terra and Lycos with the Commission are available from the SEC’s Public Reference Room at 450 Fifth Street, N.W. Washington DC 20549, telephone 202-942-8090. The joint proxy statement/prospectus and these other documents may also be obtained for free from Terra.

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Introduction

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Vision

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Strategy

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Global Leadership

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Branding, Audience and Content

Coffee Break

6

Wireless Opportunity

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Q&A

Four Powerful Companies Join Forces



Bertelsmann

Telefonica

A Global Powerhouse is Born



All the Benefits, None of the Liabilities

Growth

Fastest in industry

Content

Proprietary content

Culture

Internet-centric

Distribution

Global reach

Operations

Limited overlap

Our Vision



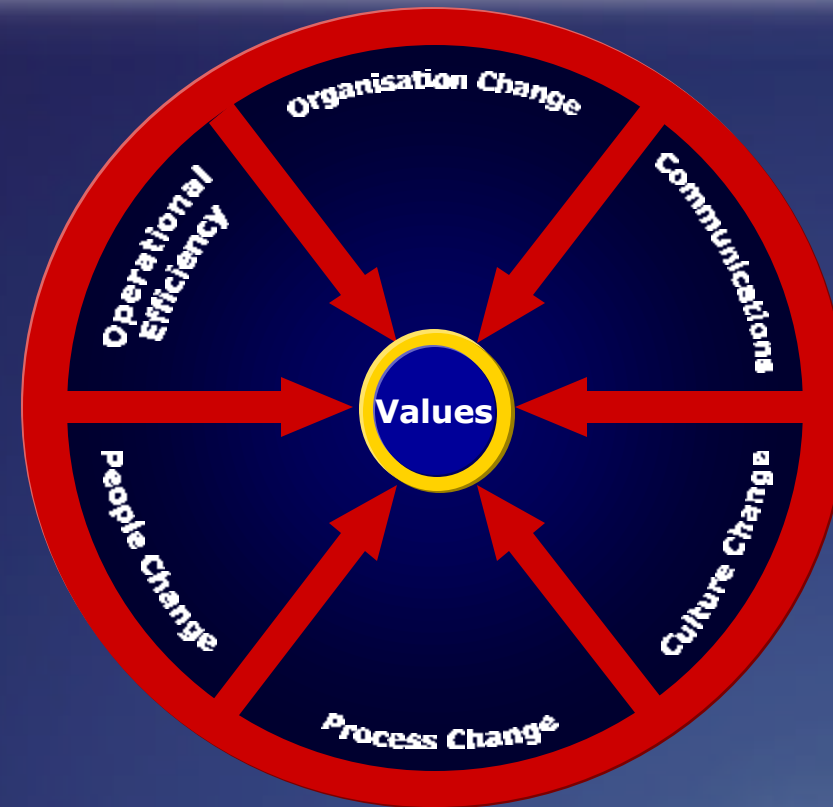
terra  lycos

Our Vision

**To be the
most visited online
destination in the
world**

Proven Integration Model

"One Team Committed to Customer Success"



Fast paced change on simultaneous fronts to take advantage of "Window of Opportunity"

Terra Lycos Integration Values

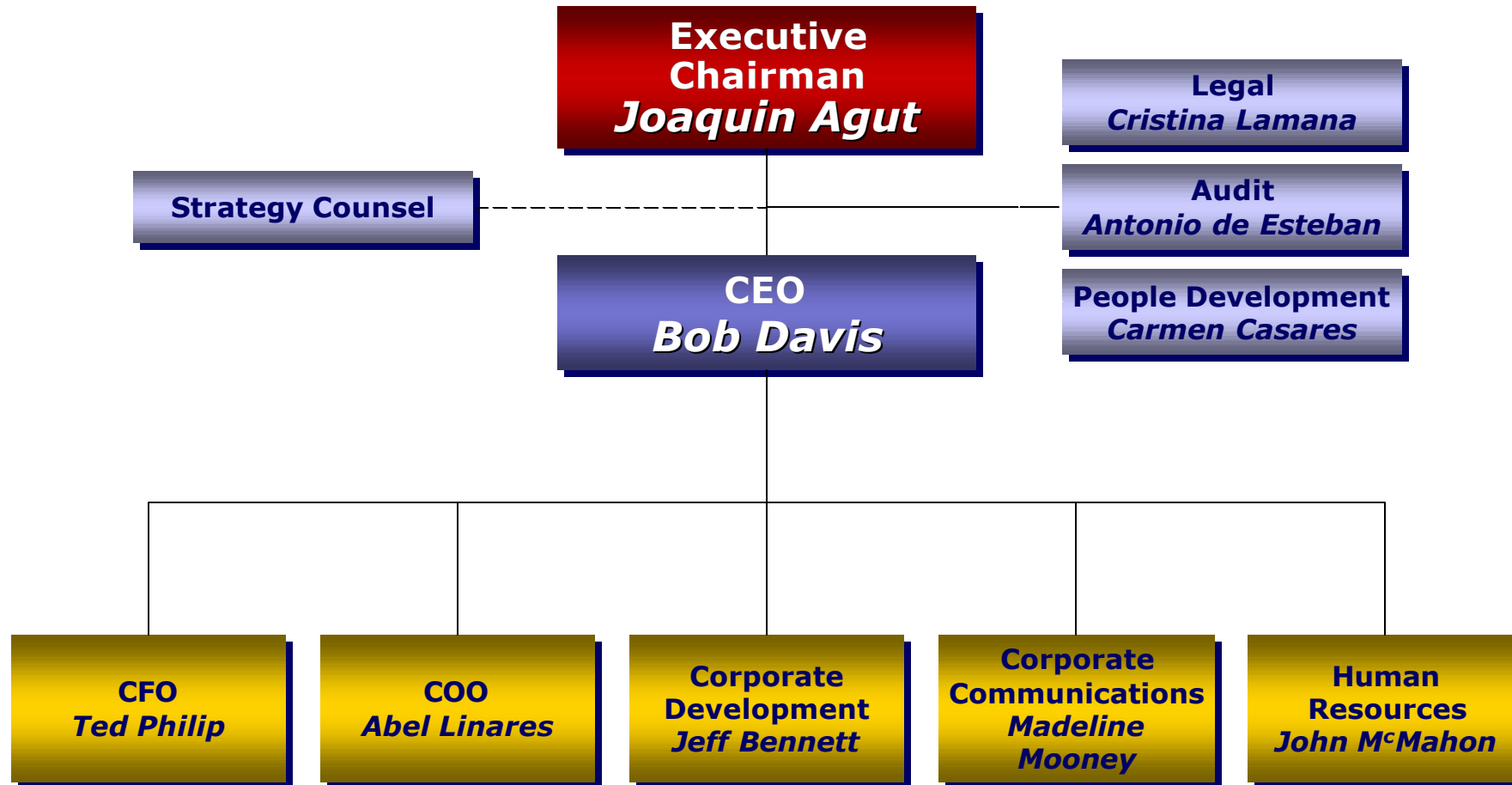
- **Organise for speed**
- **Financial responsibility and accountability**
- **Boundary less thinking . . . sharing best practices**

Profitable Growth

Common Internet Culture

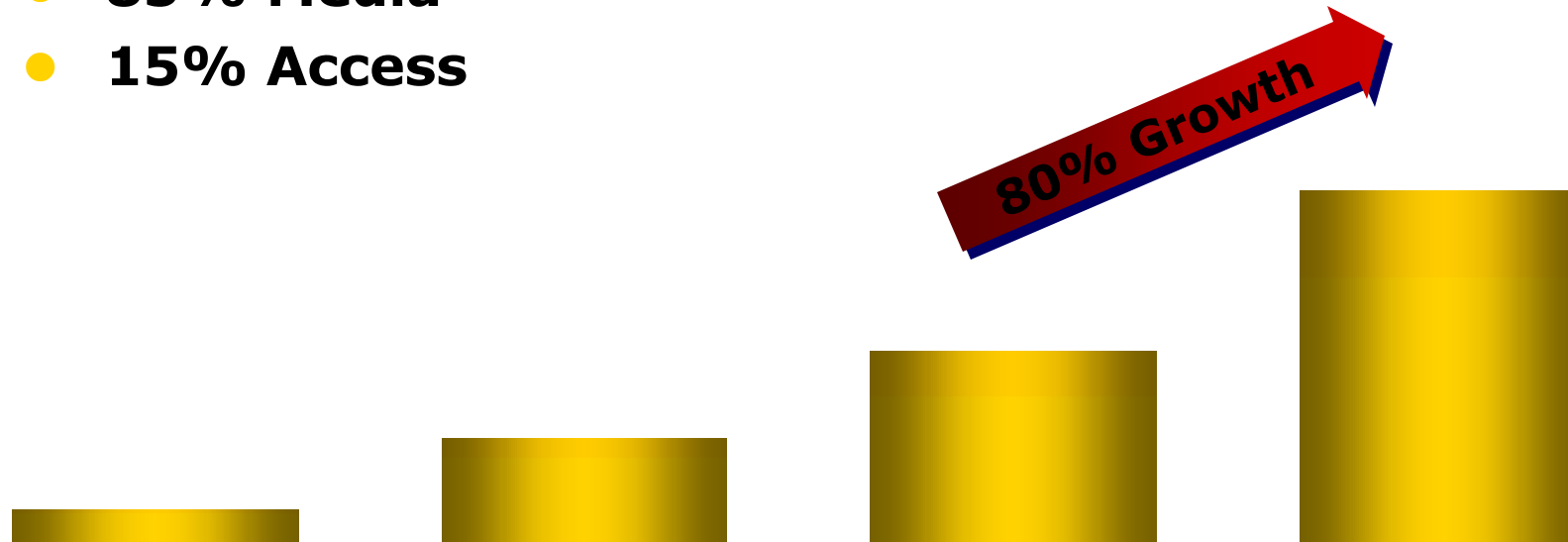
- **Similar employee profile**
- **User focus**
- **Agile**
- **Aggressive competitor**
- **Experienced integrators**

An Experienced Management Team



Industry Leading Revenue Growth

- EBITDA positive Q4 2001
- Long-term revenue mix:
 - 85% Media
 - 15% Access



- Pro-forma calendar year revenues for Terra and Lycos as if they were combined for all periods presented

Source: Historical results based on Terra Lycos Management Reports. Projected 2000 and 2001 based on Terra Lycos Management Projections

Investment Highlights...

- **# 1 Global Footprint**
- **# 1 Revenue Growth**
- **# 1 Wireless Platform**
- **# 4 World-wide Access Provider**
- **Leading Cash Position**
- **Market's Leading Convergence Vehicle**

...All With A Clear Path to Profitability

Note: Management estimates relative to Terra Lycos peer group

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The Market is Evolving...



Globalisation, Convergence, Profitability

...And We are Well Positioned



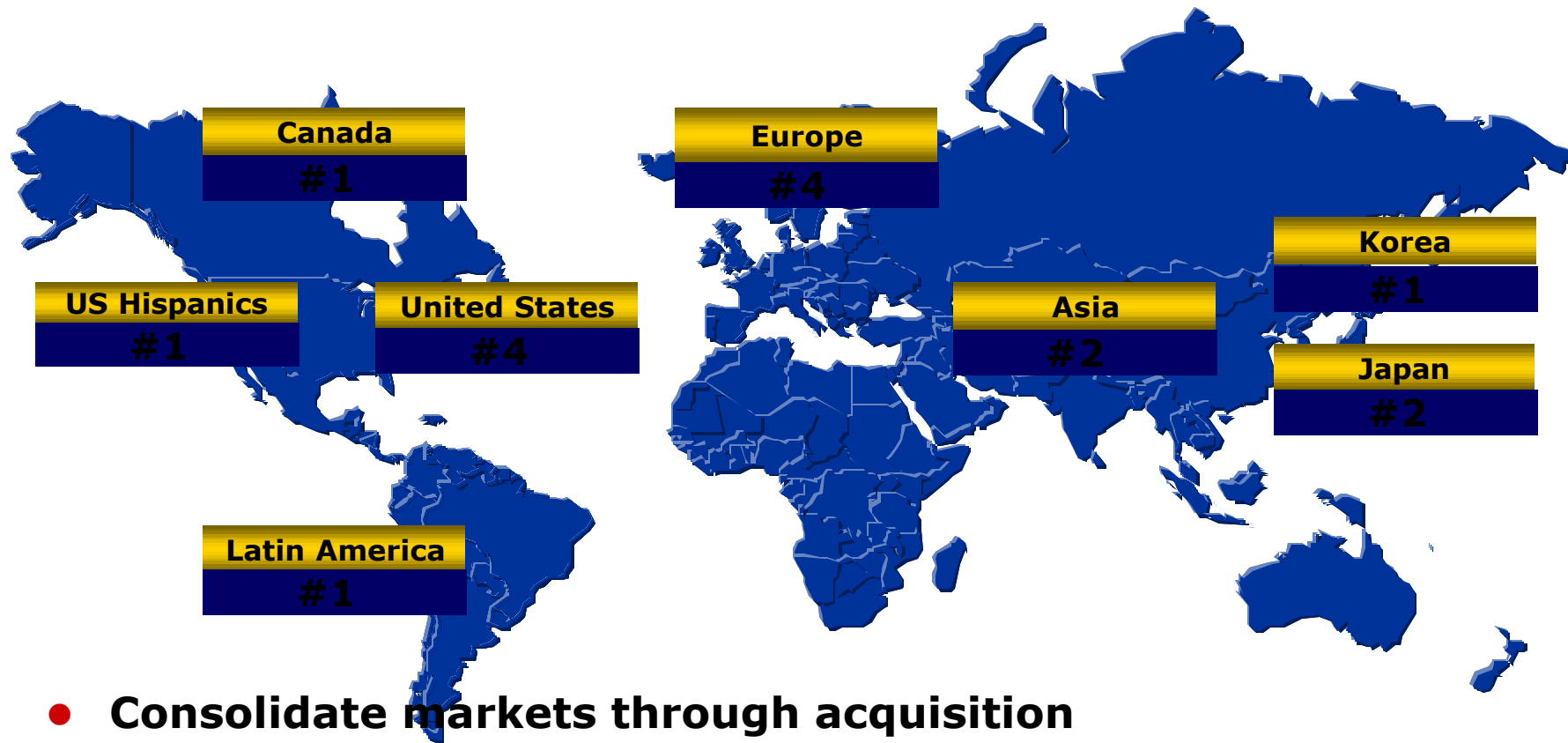
Globalisation, Convergence, Profitability

Globalisation: The Opportunity Before Us



Source: eMarketer as of June 2000 and Jupiter Communications 2000

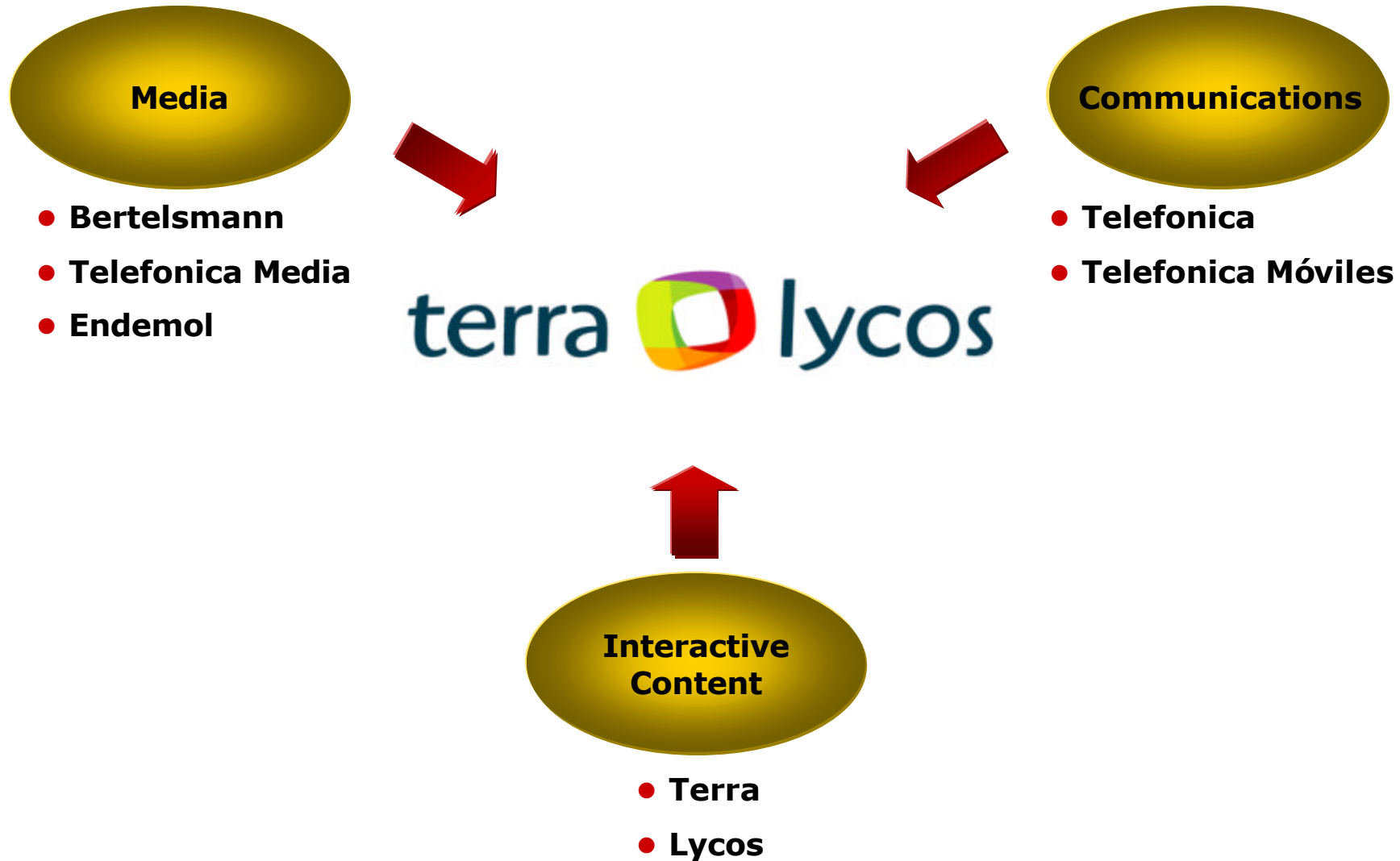
Globalisation Strategy: Extend Leadership



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

Source: Media Metrix and Terra Lycos Management

Convergence: On The Leading Edge



Convergence Strategy: Maximise Value Chain



- Leverage multiple access points for customer acquisition
- Exploit content to maximise page views and duration
- Diversify revenue streams
- Integrate best-of-breed convergence technologies

Profitability Strategy

- **Large and efficient sales force**
- **Unique global platform**
- **Strong management controls**
- **Market consolidation**
- **Operating efficiencies**
- **Significant economies of scale**
- **Best practices**

Measurement and accountability

Corporate Objectives

Globalisation

- Establish #1 or #2 position in each local market
- Be the undisputed leader in worldwide page views

Convergence

- Integrate Bertelsmann and Telefonica Media content
- Exploit the market's broadest range of access offerings

Profitability

- 80% revenue growth in 2001
- EBITDA positive by Q4 2001

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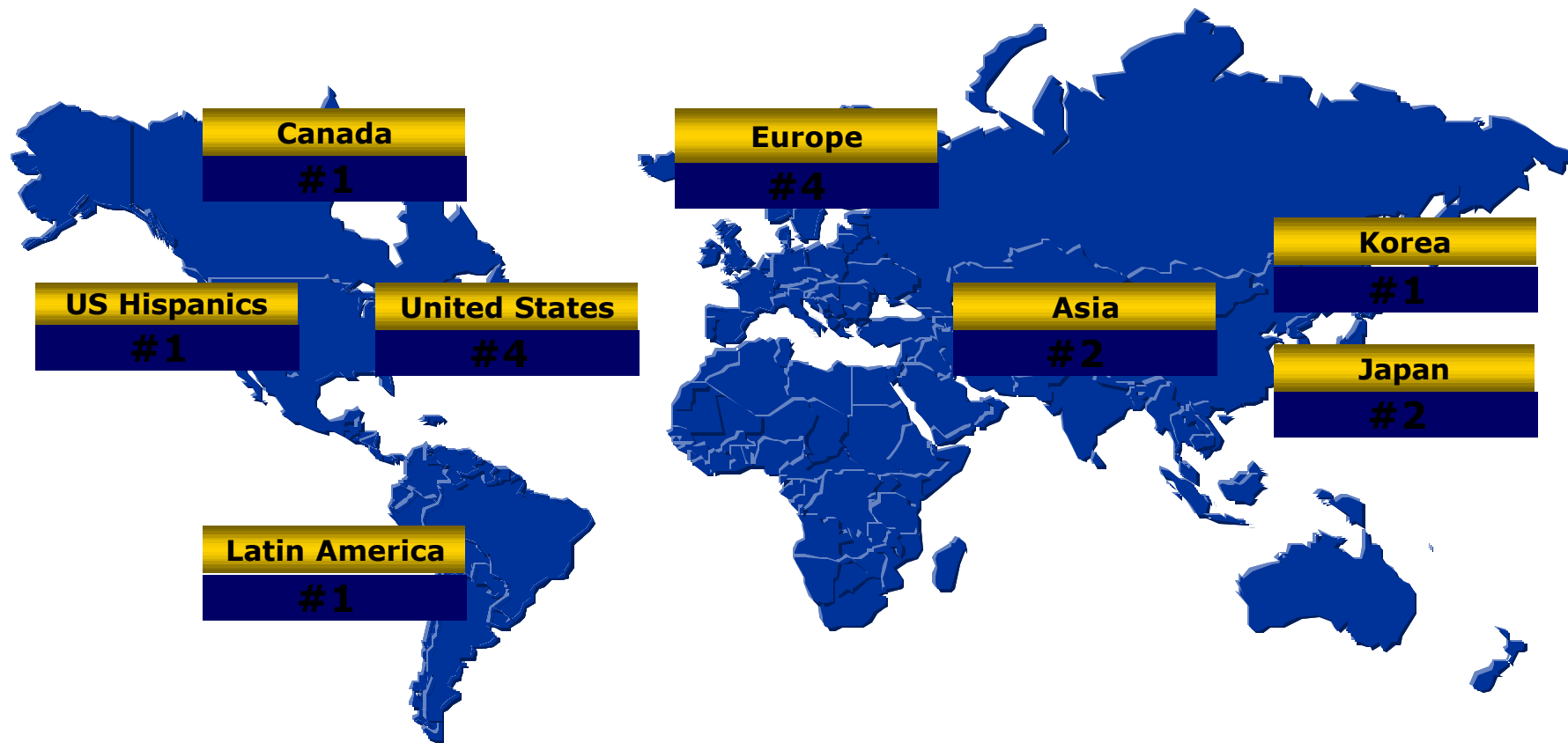
Building on a Great Foundation

- **Over 7 billion page views per month**
- **Nearly 5 million access subscribers**
- **60 million registered users**
- **91 million unique visitors**
- **\$3 billion in cash**
- **Over 3,000 advertising partners**
- **More than 5,000 stores**



Source: Terra Lycos Management

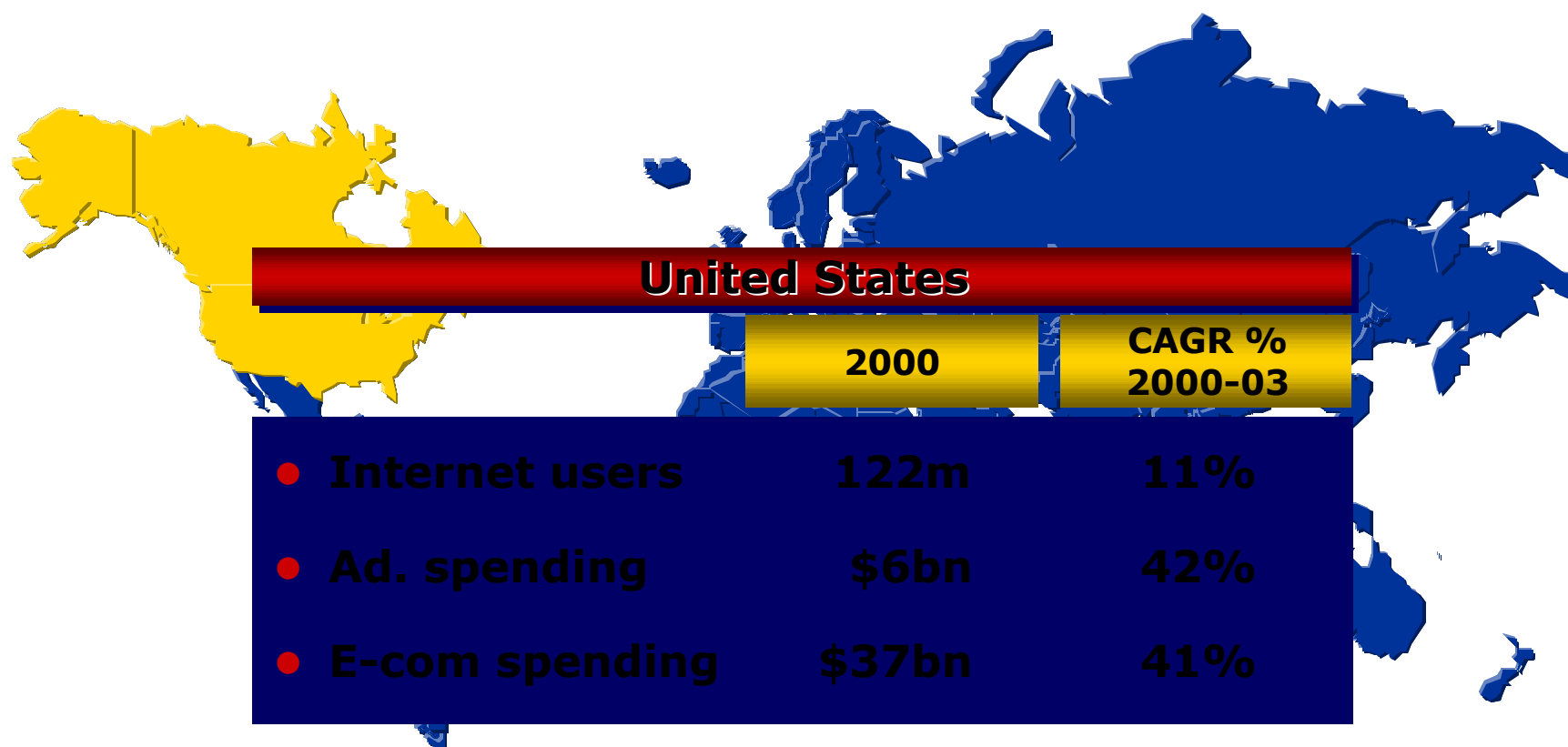
Global Leadership



Source: Media Metrix and Terra Lycos Management

US Market

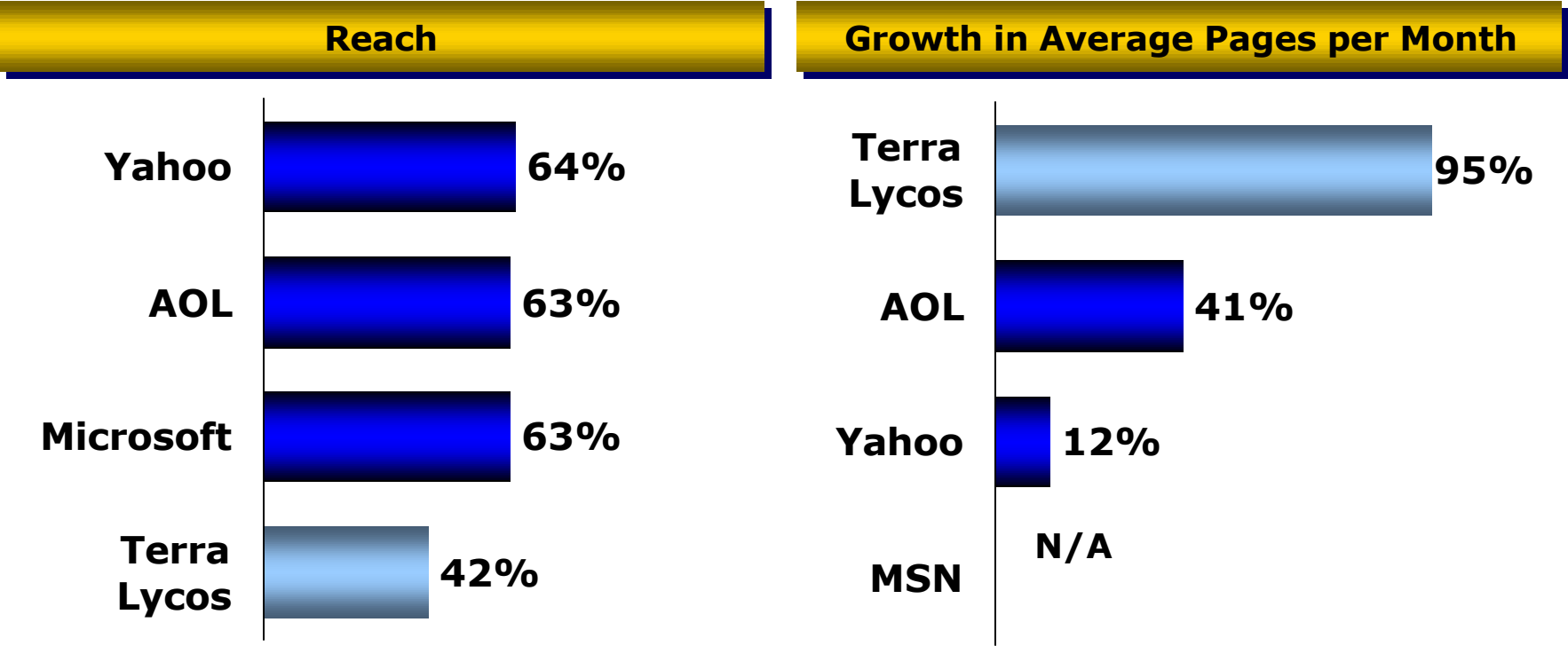
A Growing and Profitable Market



Source: eMarketer as of March 2000 and Jupiter Communications 2000

United States

Closing the Gap



Source: Media Metrix, as of July 2000 (all domains, home/work)

United States

Key Accomplishments

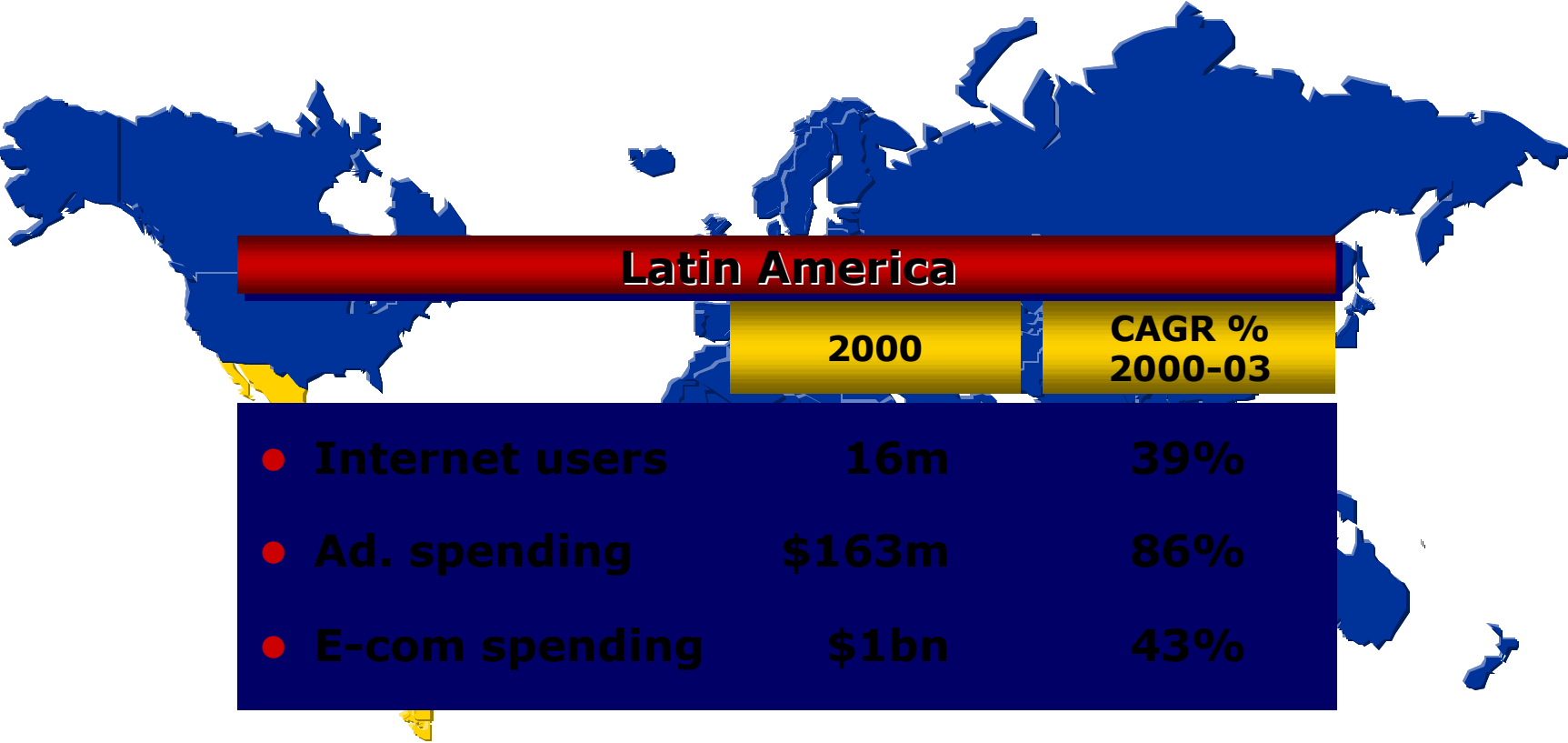
- **Growth in operating margins, EPS and cash**
- **46% increase in user loyalty metrics**
- **Industry leading traffic growth**
- **Integration of 5 companies**
- **Leading position among US Hispanic community**

Key 18 Month Objectives

- **Capture #1 reach position**
- **Leverage European wireless platform into US**
- **Monetise Bertelsmann content**
- **Integrate Terra content**
- **Continue to build US Hispanic market**

Latin America

Fastest Growing Market Worldwide



Source: eMarketer as of June 2000 and Jupiter Communications 2000

Commanding Leadership



Source: Terra Lycos Management

Latin America

Key Accomplishments

- **16 countries in 14 months**
- **Page view growth of 298%**
- **Revenue growth of 180%**
- **Reach of over 80% in Brazil and Mexico**
- **Strong alliances with leading media groups**

Key 18 Month Objectives

- **Maintain and grow leadership position**
- **Launch Lycos products**
- **Expand #1 wireless position**
- **Grow broadband services**
- **Leverage US advertising and commercial alliances**
- **Improve process efficiency; transfer best practices**

Source: Terra Lycos Management, including internal estimates

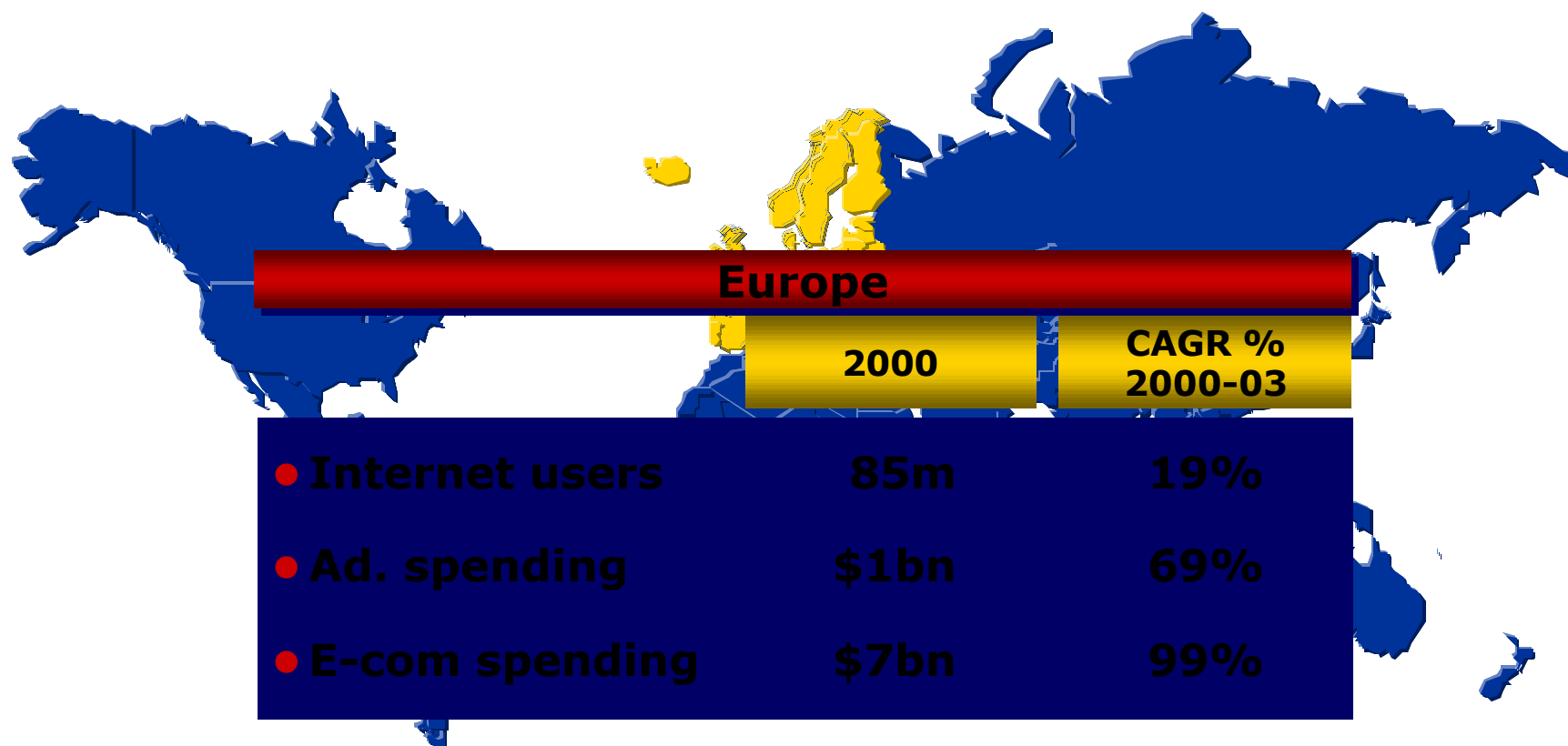
Europe and Asia

Joint Venture Strategy

- **Think global – act local**
- **Joint ownership with local market leaders**
- **Strong partner funding of operations**
- **Market share and value driver**

European Market

A Combination of Size, Growth and Wealth



Source: eMarketer as of June 2000 and Jupiter Communications 2000

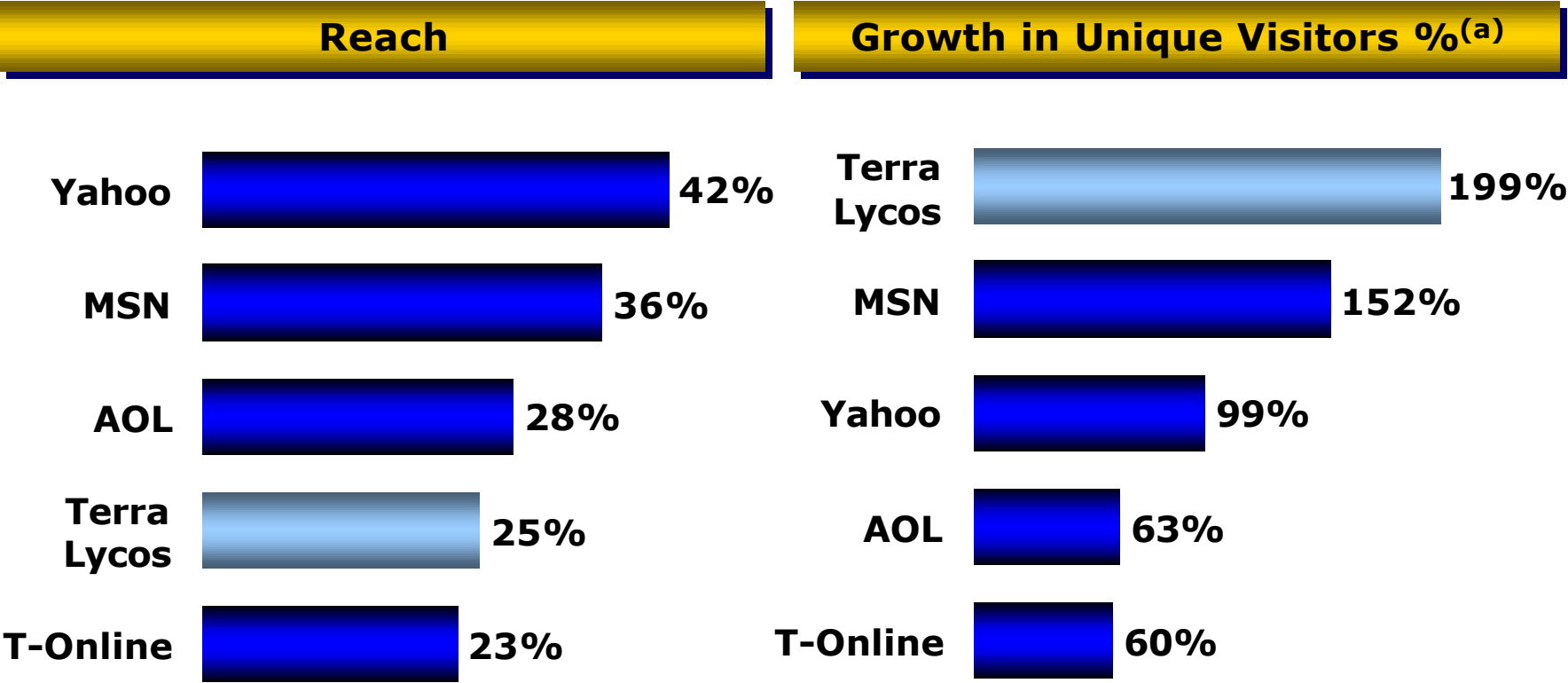
Pan-European Franchise



Source: Terra Lycos Management

Europe

Strong Market Position



(a) Annualised growth between October 1999 and July 2000

Source: Media Metrix, as of July, 2000 for Europe. European figures only consider UK, Germany and France includes only "at home" users

Europe

Key Accomplishments

- **Raised \$650m in IPO for Lycos Europe**
- **Lycos.de overtook Yahoo in Germany**
- **Launched Comundo in Germany, France, Netherlands, Italy and UK**
- **90% reach in Spain**
- **Grew annual revenues by 271%**

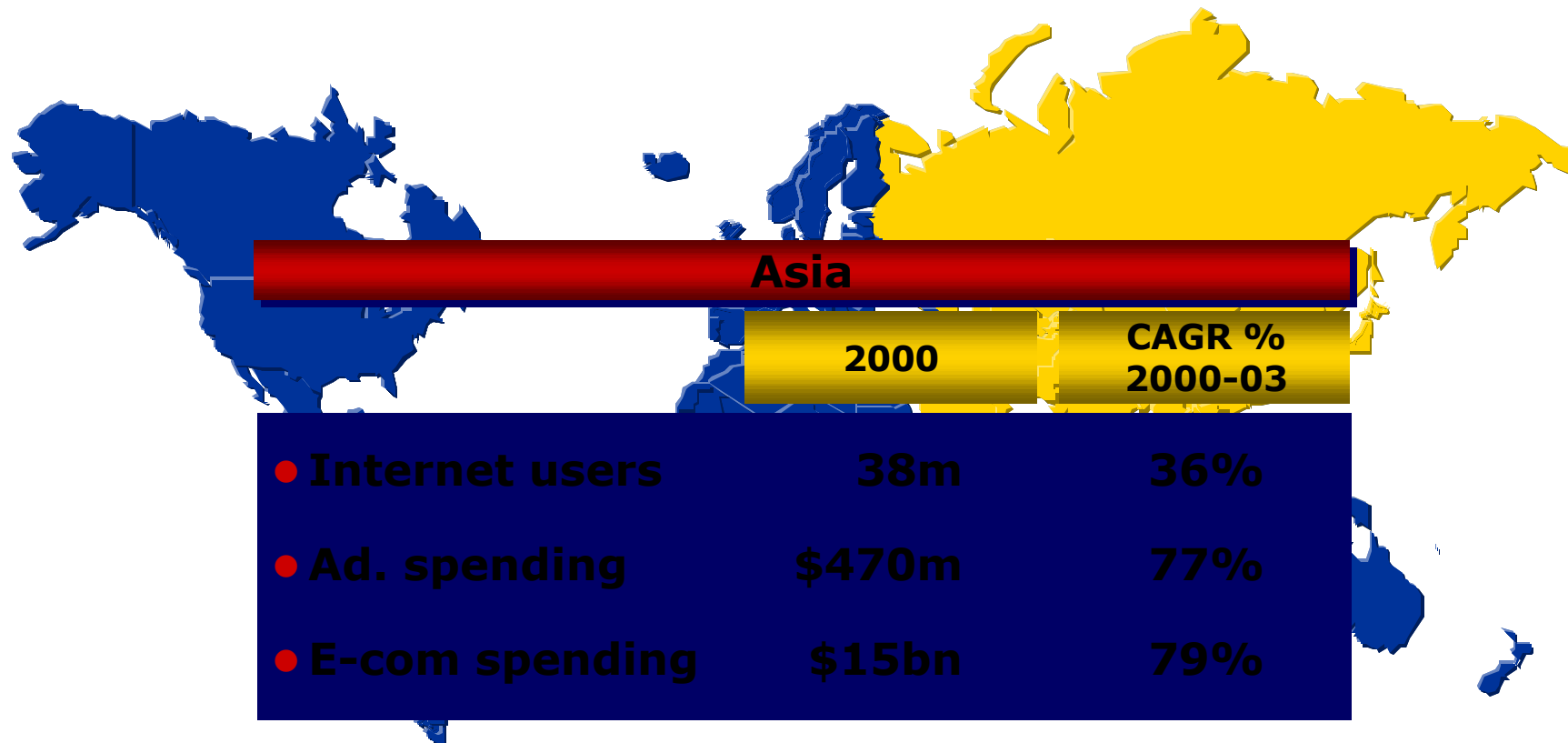
Key 18 Month Objectives

- **Grow position in France, Germany, Italy, UK and Scandinavia**
- **Pan-European launch of Hotbot and Fireball**
- **Expand wireless platform**
- **Leverage US best practices**

Source: Terra Lycos Management, including internal estimates

Asian Market

Key Growth Market of the Future



Source: eMarketer as of June 2000

Extended Reach in Asia



Source: Terra Lycos Management

Asia

Key Accomplishments

Japan:

- #2 portal
- Raised \$32m in strategic financing with Kadokawa
- Launched Lycos internet magazine

Korea:

- #1 portal
- 8 million unique users
- #1 in community with 2m Tripod members

Rest of Asia:

- Launched sites in China, India, Hong Kong, Taiwan, Singapore, Malaysia, and the Philippines
- Launched wireless portal

Key 18 Month Objectives

- Grow market share in Japan and China
- Maintain and grow leadership in Korea
- Invest aggressively in content and distribution partnerships
- Enhance China business scope

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Terra Lycos Network

**A Global Family
of Brands**

Multibrand Strategies Dominate Media.....

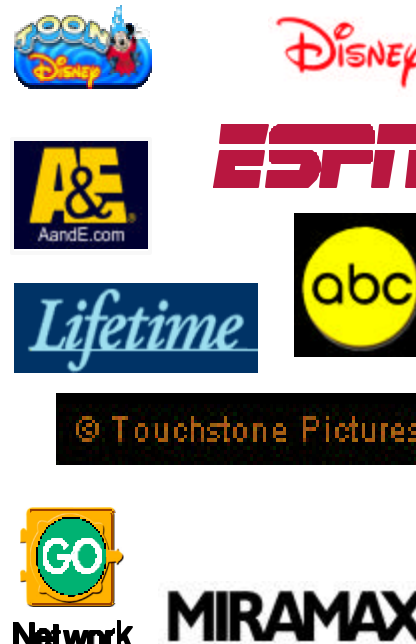
**Bertelsmann/
Gruner+Jahr**



**AOL-
TimeWarner**



Disney



Viacom

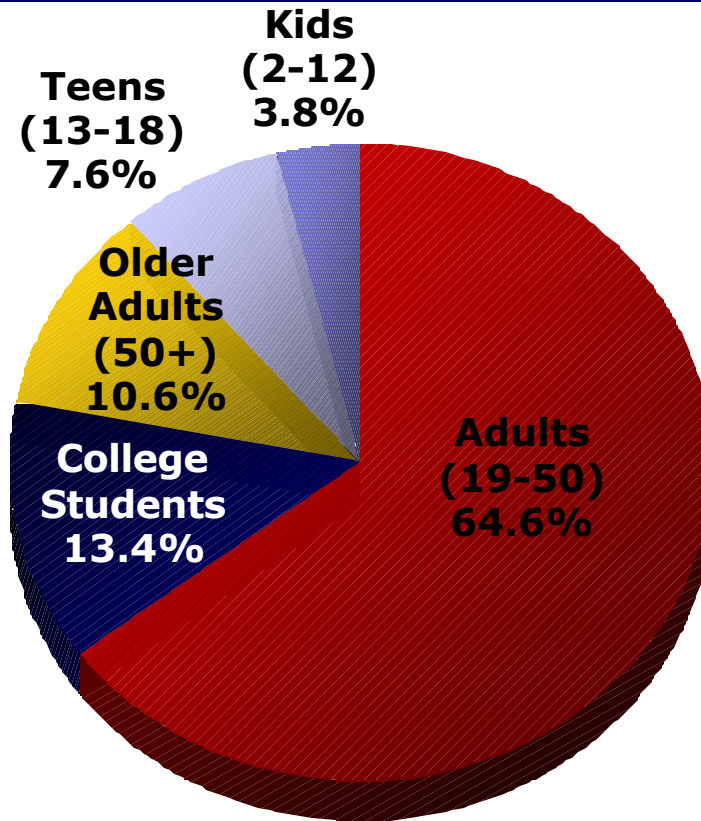


...And Will Dominate on the Internet

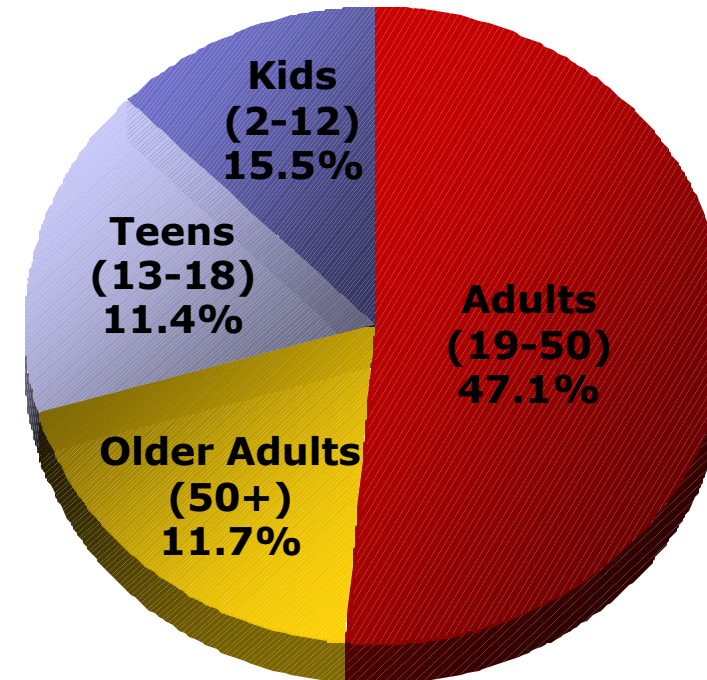


As Audience Fragmentation Accelerates...

1996

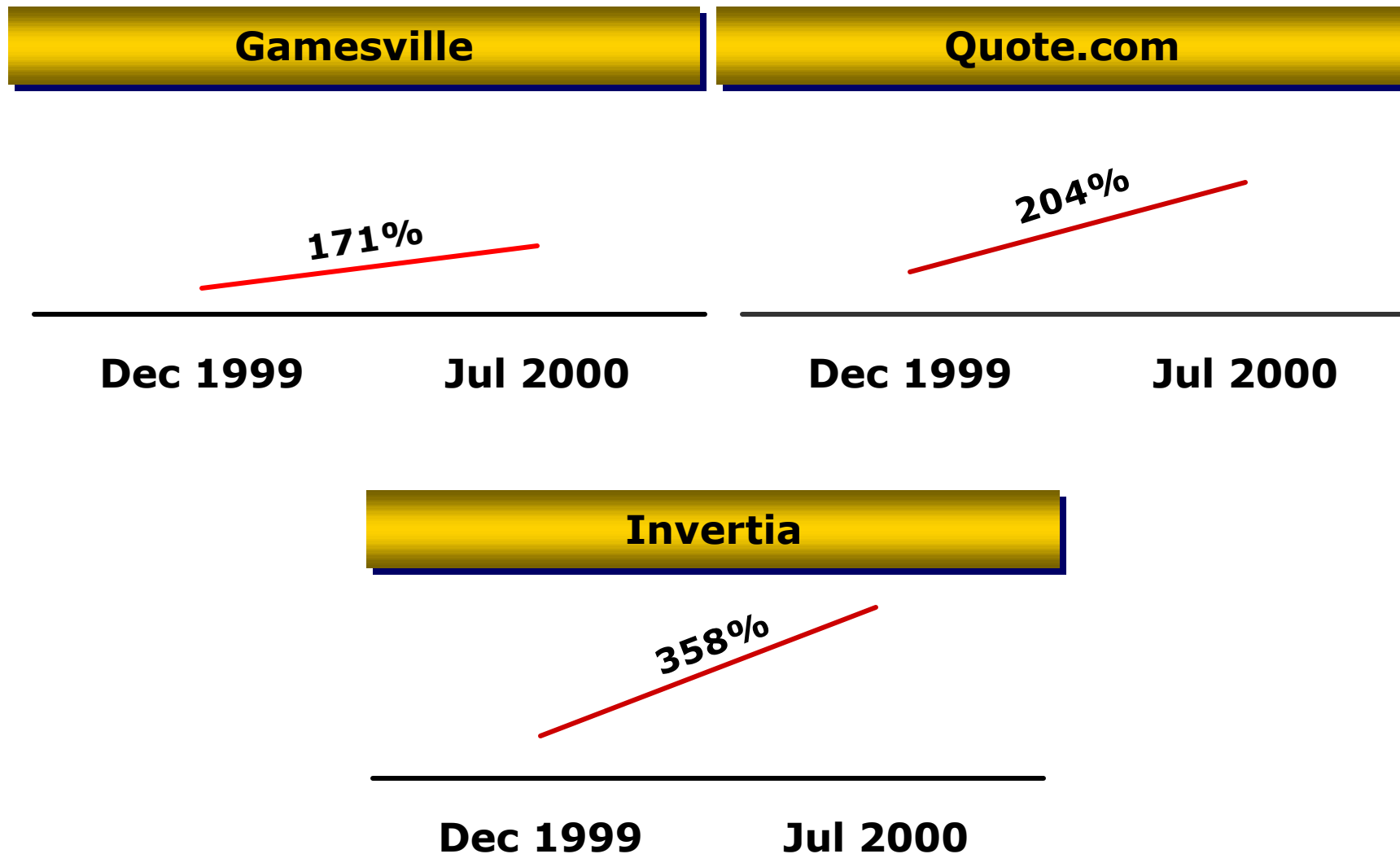


2003



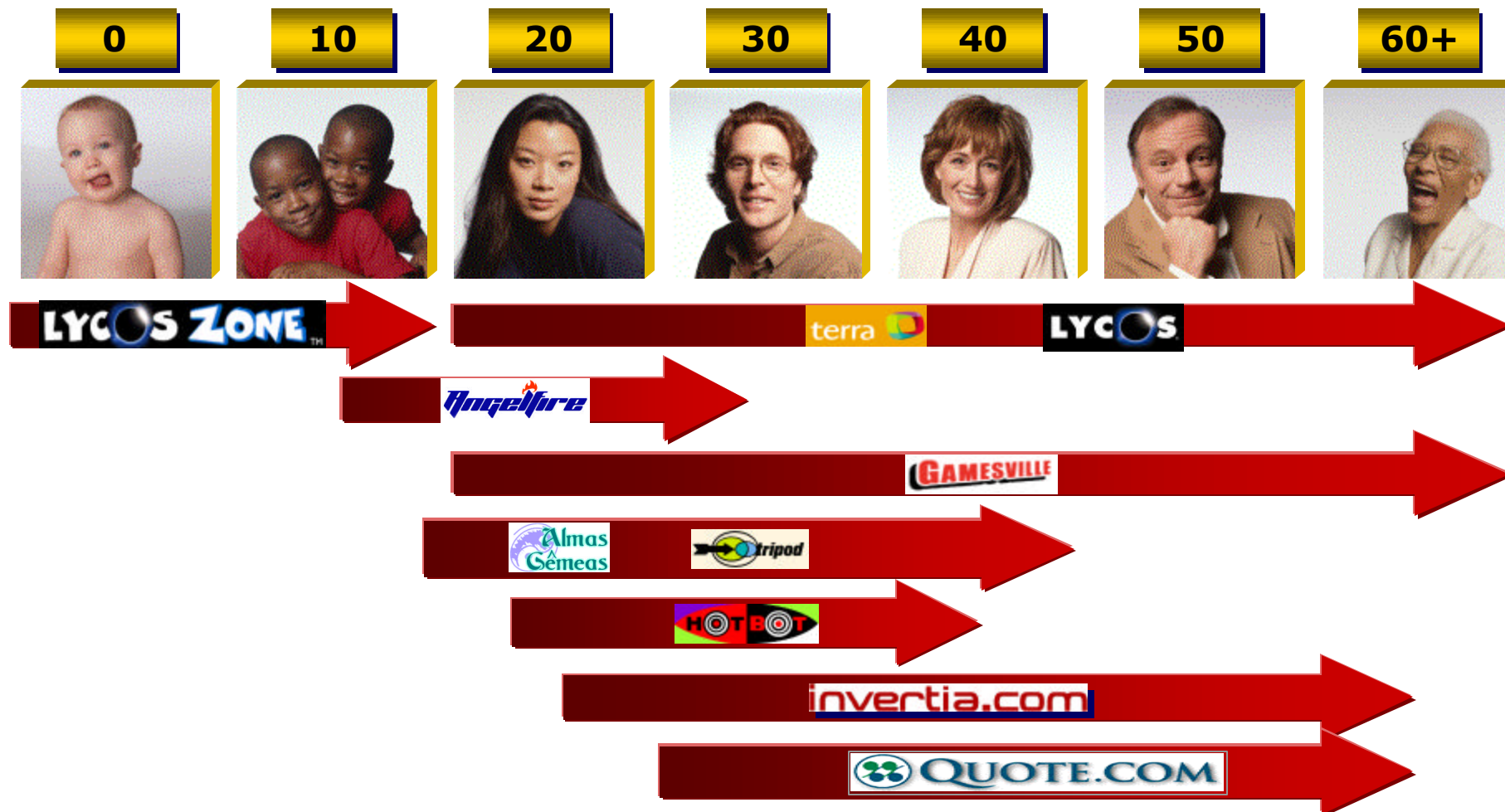
...A Network Gains Momentum

Growth in Traffic

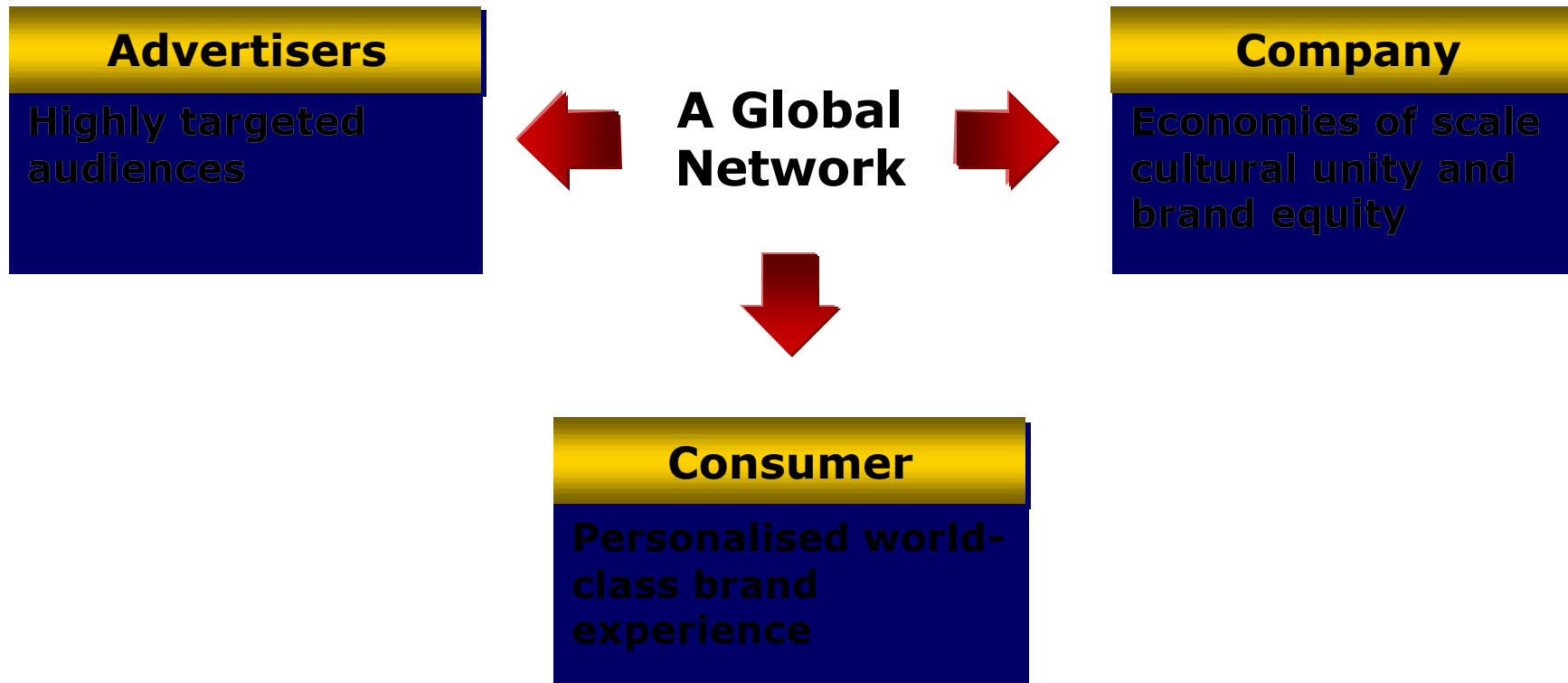


Source: Terra Lycos Management

Multibrand — Appealing to a Fragmenting Web Audience



Key Advantages Across All Segments



A Web Network Offers Significant Efficiencies

- **A global passport for registration**
- **Common selling organisation**
- **Precise advertising targeting**
- **Audience circulation and cross-promotion**

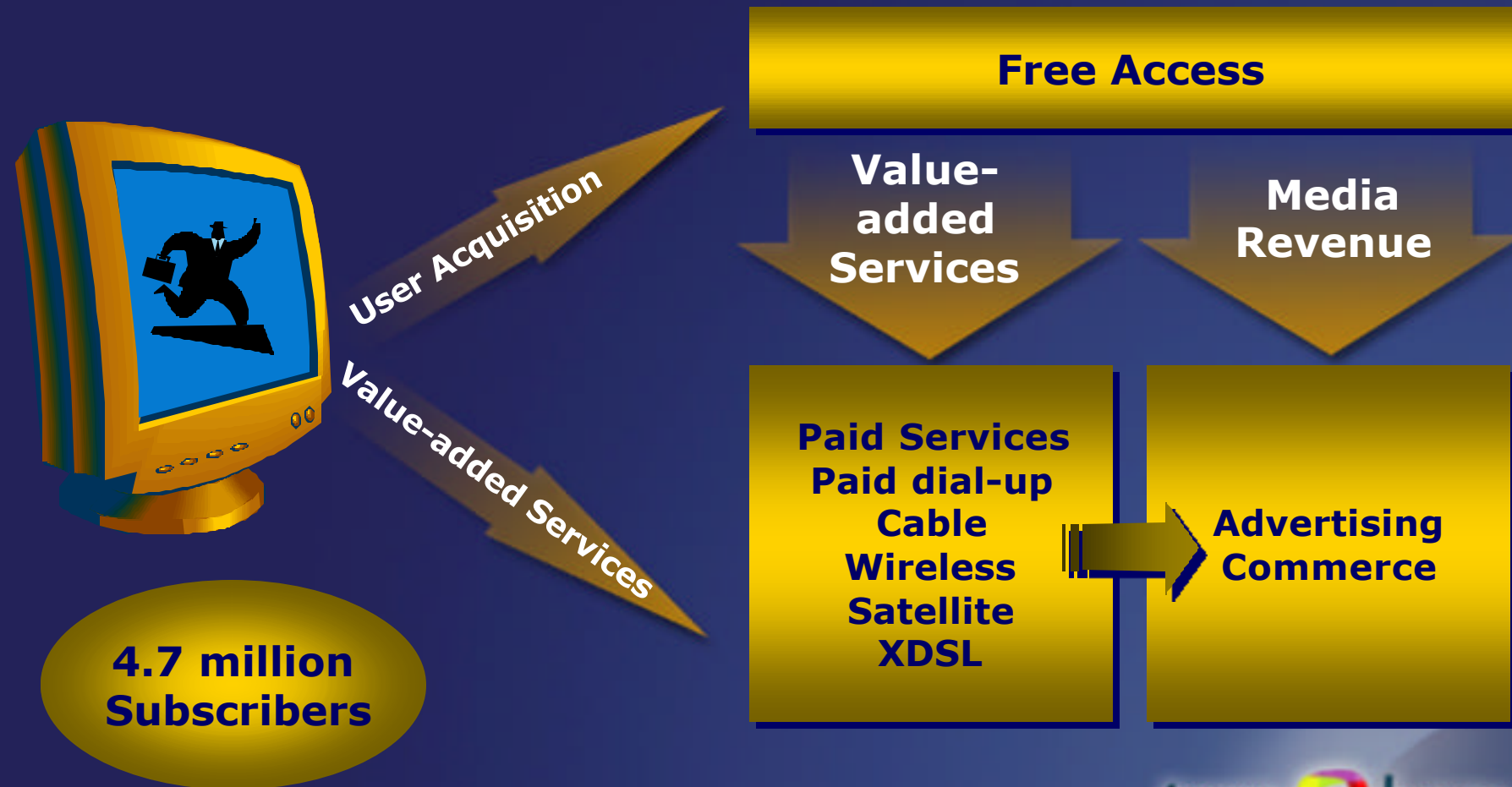
Powerful Model for Growth and Consolidation

- **No user disruption**
- **Seamless positioning adjustment**
- **Multiple brands always lead to larger audiences**

Exploiting Convergence Trends



The Access Model



Exploiting Convergence Trends



Comprehensive Audience Aggregation Products

Search



Community



Commerce



Search Strategy



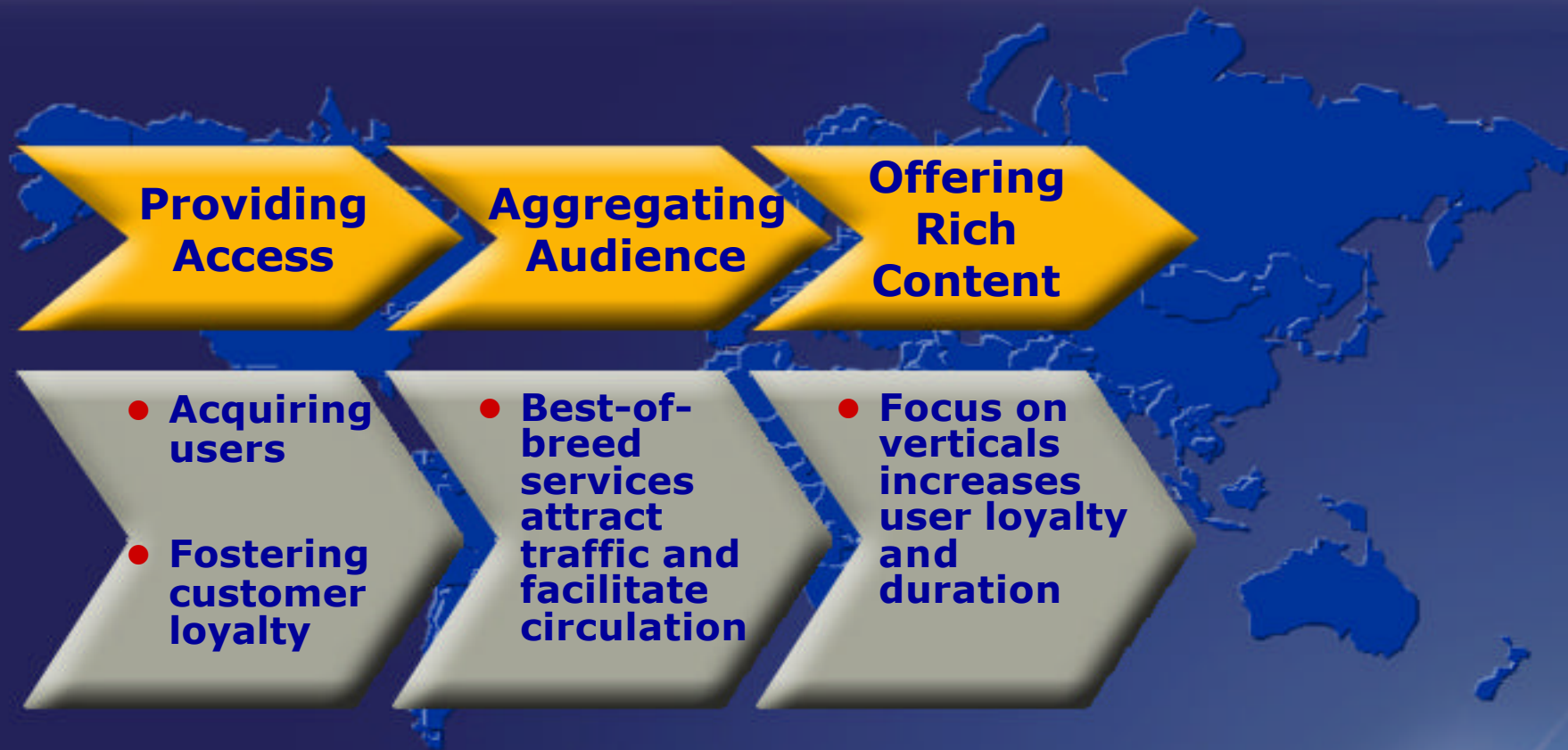
- **Widely recognised properties**
- **Drive traffic from search to content destinations**

Community Strategy



- **Expand state-of-the-art integrated community platform**
 - Textmail, voicemail, videomail
- **Community as a vertical driver**
- **Customise community platforms to meet global needs**

Exploiting Convergence Trends



Targeted Vertical Content

Vertical Content



Vertical Content Strategy

 QUOTE.COM

 GAMESVILLE

 invertia.com



- **Established and emerging verticals**
- **Grow sticky content sites**
- **Leverage Bertelsmann and Telefonica media content**
- **Cross-pollinate Terra and Lycos content and content partnerships**
- **Drive network traffic into destinations**
- **Locally relevant content**

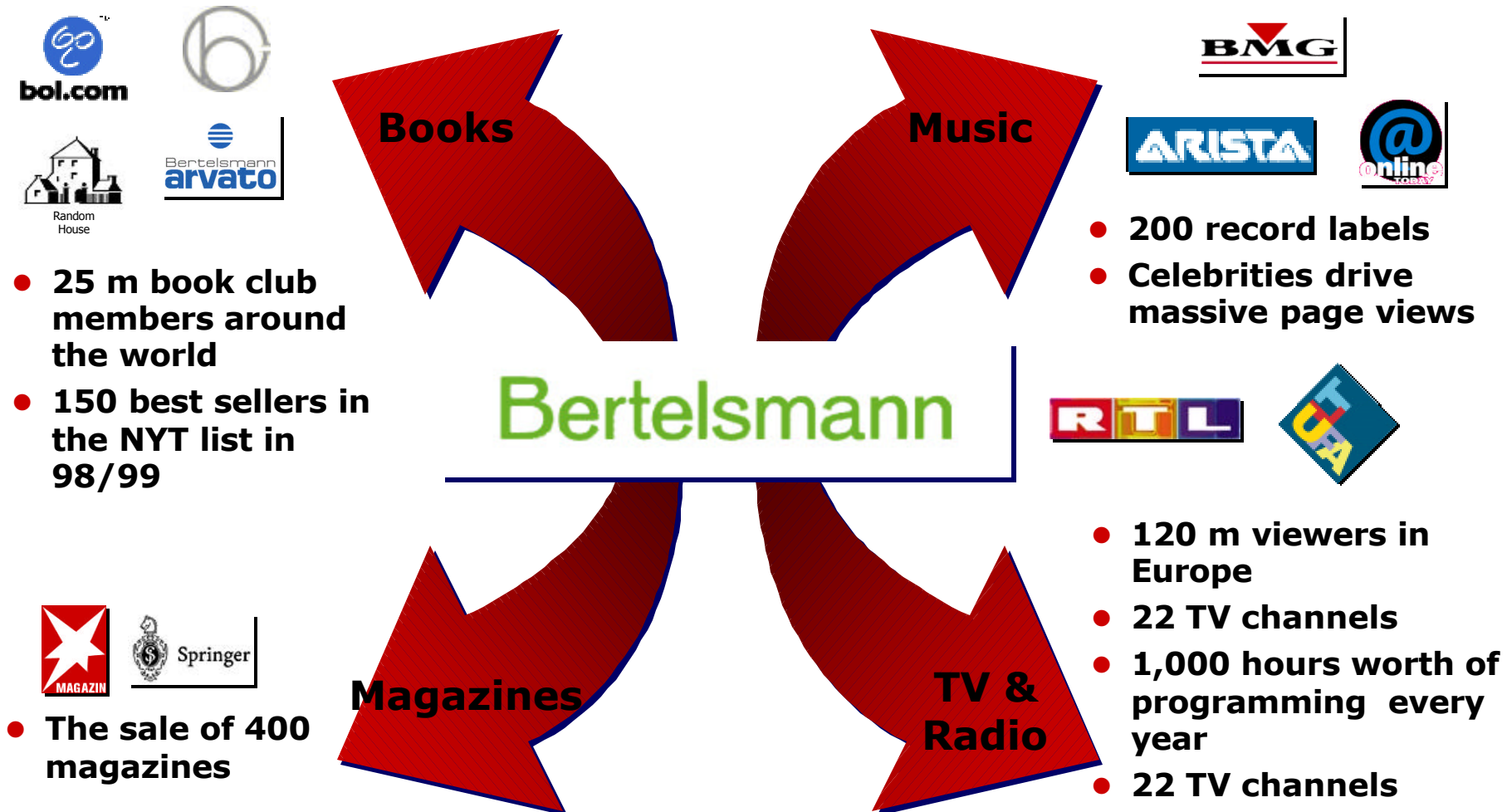
Strategic Content Partnerships



Source: Terra, Lycos and Telefonica Management Reports

Bertelsmann: Global Media Powerhouse

600 Companies in 54 Countries



Source: Terra Lycos and Bertelsmann Management



DIGITAL SHEET MUSIC

Pop

Download-Print-Play

LYCOS MUSIC

SEARCH: ☒ Artists ☐ SongsFOR:

Search!

[Search Help](#)[Downloads](#)[News](#)[Concerts](#)[Charts](#)[Radio](#)[Videos](#)LOCATION: [Lycos](#) > [Music](#) > Featured Artist - Toni Braxton

Featured Artist - Toni Braxton

Toni Braxton Free Download

Five-time Grammy winner, Toni Braxton, has returned with her newest album, a musical tour-de-force entitled *The Heat*.

This album showcases Toni's creative growth as a songwriter and producer as she continues to explore themes of love, passion and romance. "Spanish Guitar," the newest single from the album, is a gorgeous and sultry track accompanied by sensual Latin guitar. Once again, Toni proves herself worthy of her pop diva status.

"Spanish Guitar" is available as a free download on Lycos Music -- but only for a limited time.

DOWNLOAD NOW

(U.S. residents only)

File Info: Windows Media file, 4.45 MB, free, unlimited play for 14 days

System Requirements: PC, Netscape 4 or IE4 and above, Windows Media Player

Download: [Windows Media Player](#)

Visit [click2music.com](#) to [enter to win](#) a Toni Braxton "Beat the Heat" prize pack including an autographed CD, Vinyl, and other items to beat the summer Heat.



Get the Music

**WATCH** ([Real Player](#) required)

The video of Toni's single "[He Wasn't Man Enough](#)"

BUY

The album [The Heat](#) from [Barnes&Noble.com](#)

Get more information on [Toni Braxton](#) from Lycos Music.

Telefonica Content Alliance

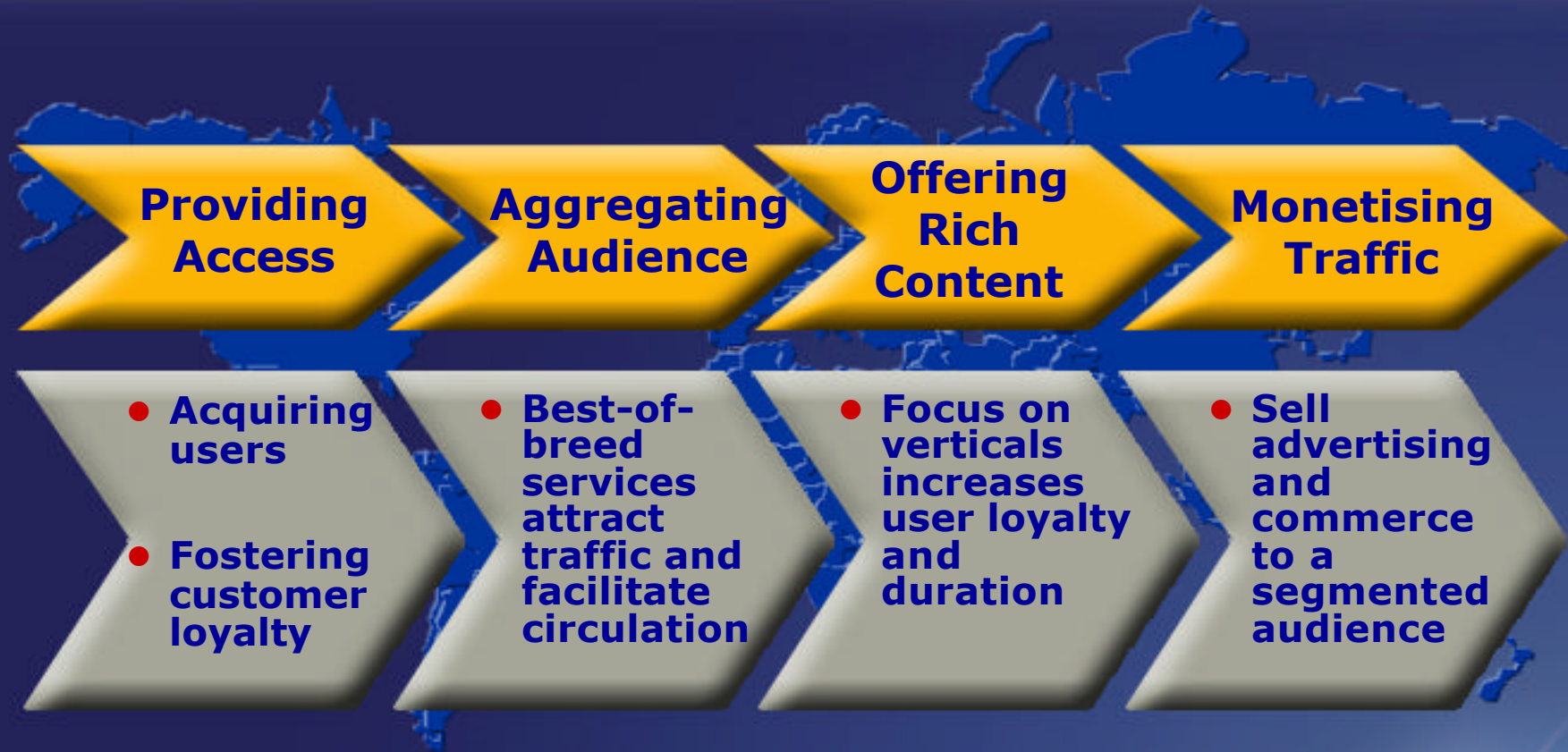


Source: Terra Lycos and Telefonica Management

Rich Local Content Partnerships

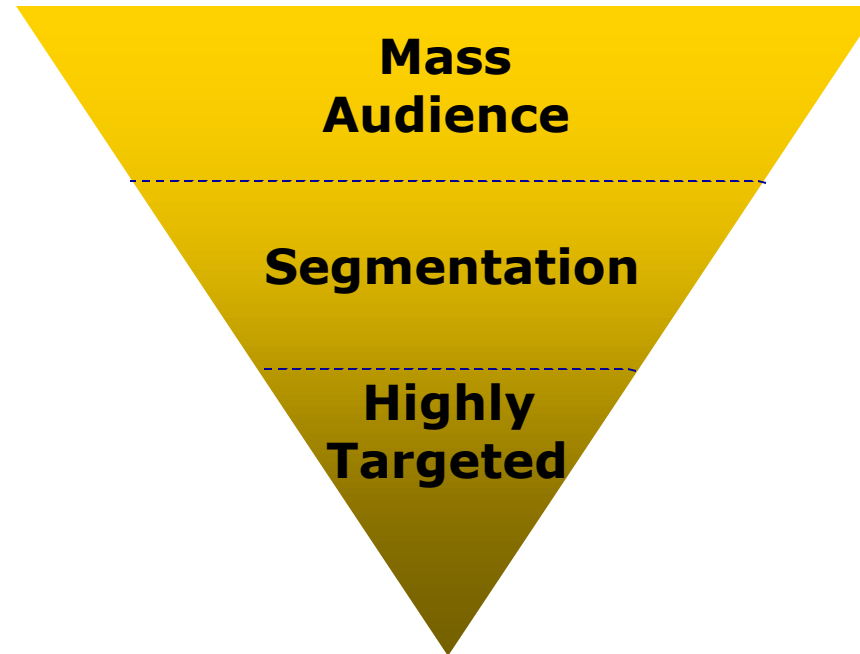


Exploiting Convergence Trends



Distinct Media Model

- **Geographic diversification**
- **Unique global platform**
- **Single point of contact**
- **Direct marketing**



Powerful Media Platform

World-Class Advertising and Commerce Partners



Half of the Fortune 50

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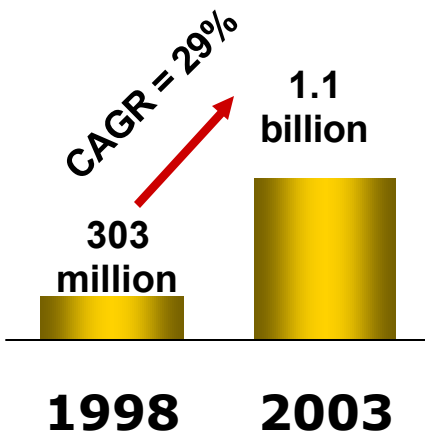
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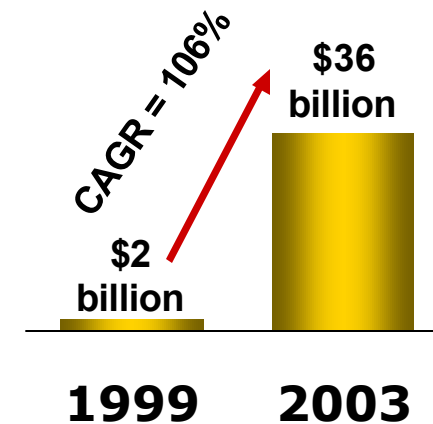
Huge Wireless Market Opportunity

Growth in Wireless Handsets



is at the centre of an exploding market opportunity

Wireless Internet Revenue

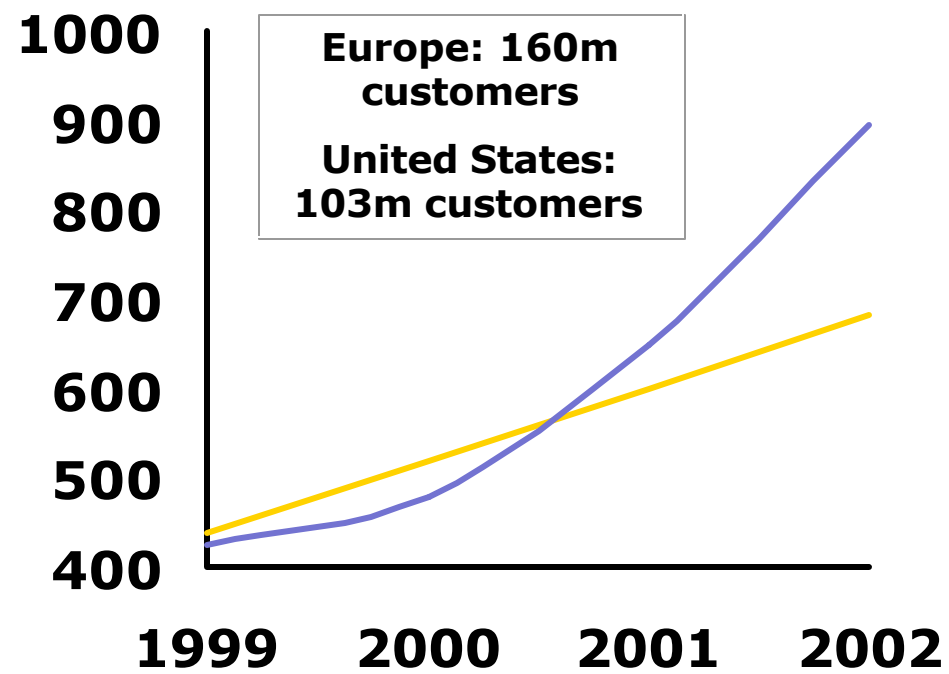


Source: IDC, Goldman Sachs, excludes Intranet users, estimated to be 133 million in 2001

Wireless Revolution

Mass Market Internet Opportunities

PC Installed Base,
Wireless
Subscribers



WIRELESS

PC

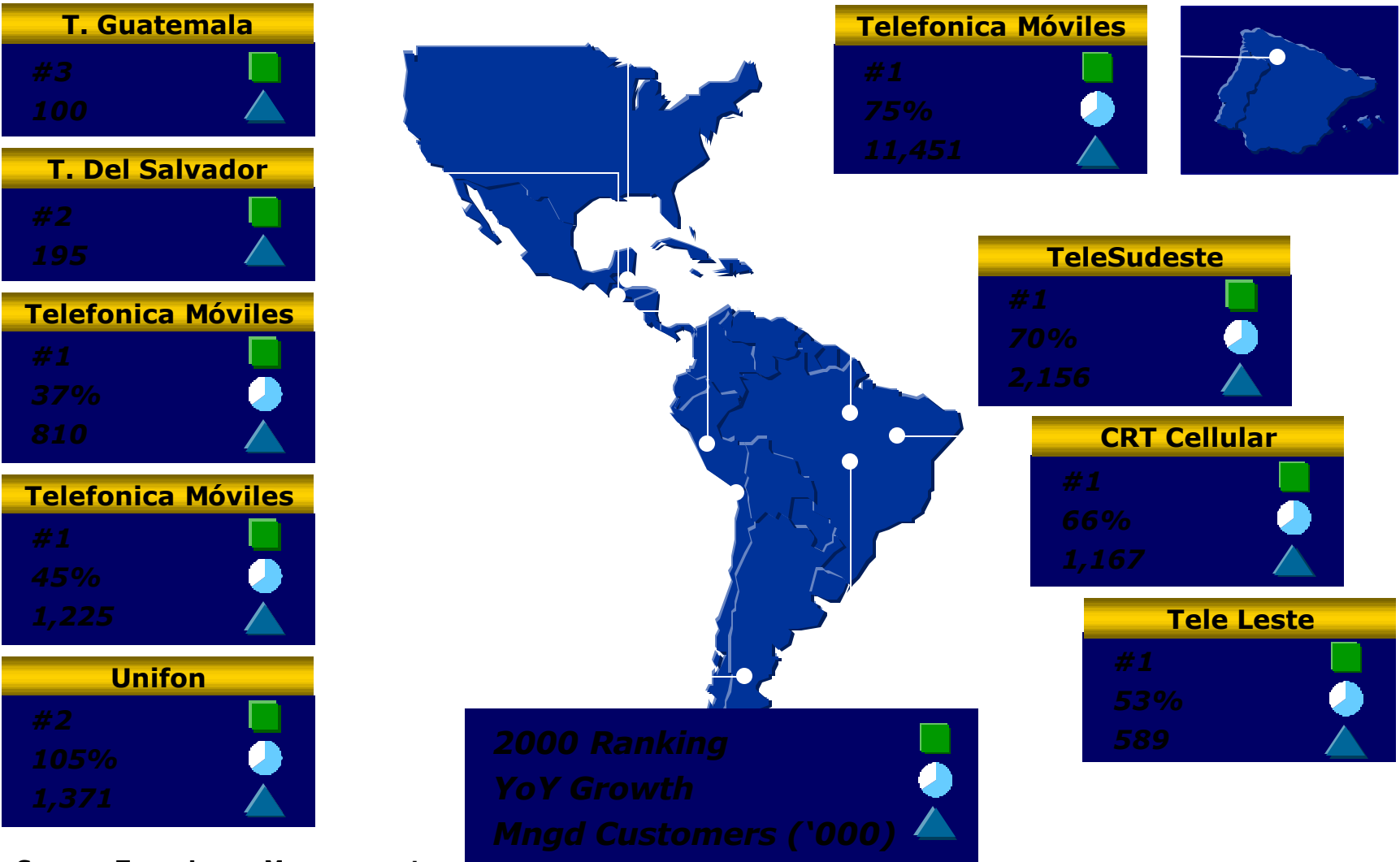
CAGR (%)
1999 - 2002

28.0%

15.9%

Source: eTForecasts as of March 2000 and IDC as of March 2000.
Forrester December, 1999

Commanding Leadership



Leading Wireless Carriers

	Proportionate Subscribers (in million)	UMTS
Vodafone	39	Germany, Netherlands, Spain, UK
NTT DoCoMo	34	Japan
Telecom Italia	25	Spain
France Telecom	23	Germany, Netherlands, Spain, UK
Deutsche Tel	22	Germany, Netherlands
Telefonica	17	Germany, Spain
AT&T Wireless	12	-
BT	12	Germany, Netherlands, Spain, UK

Source: Brokers research, proportionate equity subscribers, company reports

Our Unique Wireless Platform

Mobile Operator

- User knowledge
- Billing relationship
- Technology
- Infrastructure



- 17 million users world-wide

Portals

- Content expertise
- Services offerings
- E-commerce relationships

+

terra

- 91 million unique users



lycos

- 1.3 million users in Finland, Sweden, Germany and UK

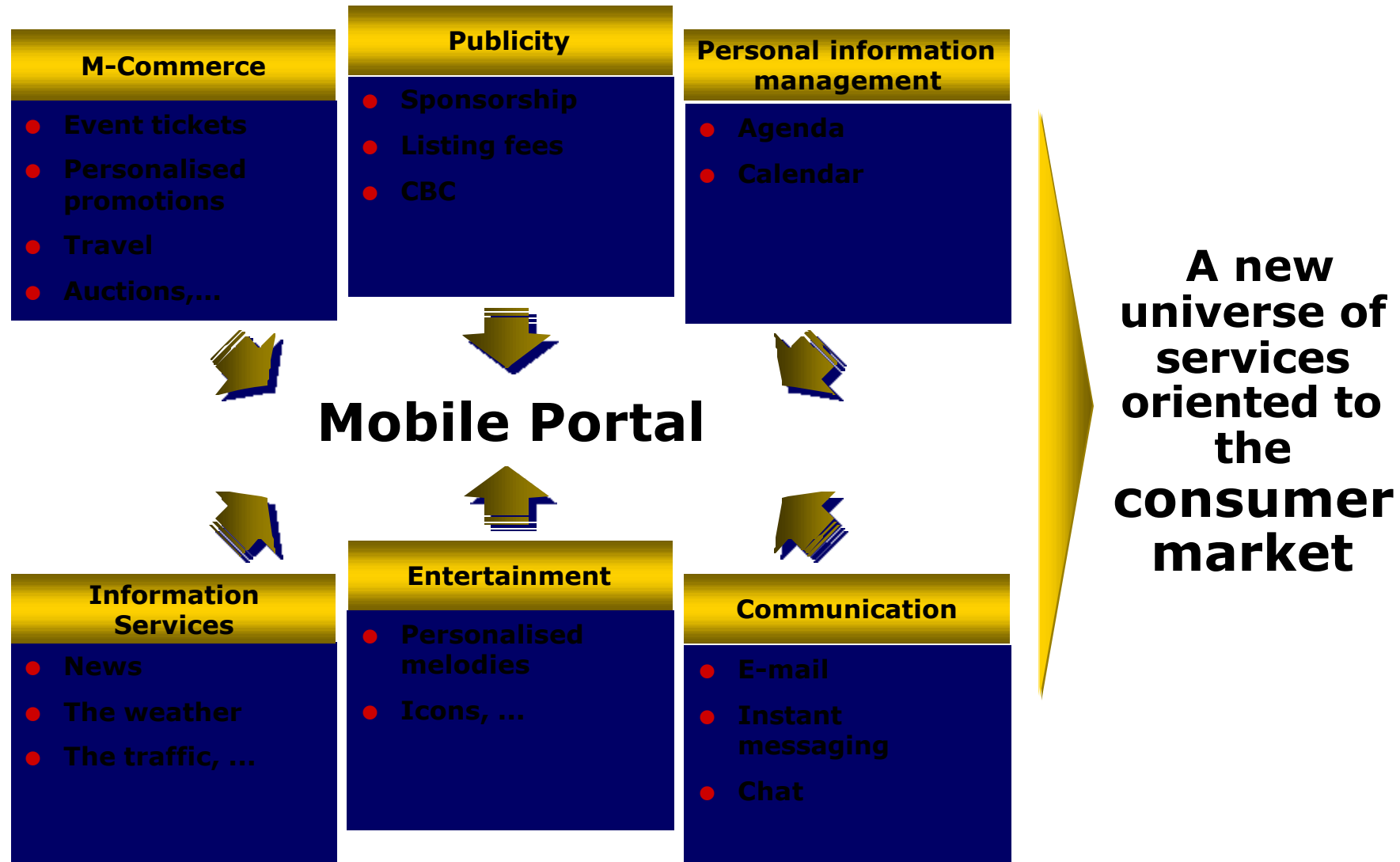
iobox

Wireless Portals

- Development of killer applications
- Niche applications
- Management focus

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

Terra Mobile Portal



Information Services

**Users can access a wide range of contents,
classified by channels or sections in order to offer
the easiest interface to find the more interesting
and suitable information**

Entertainment

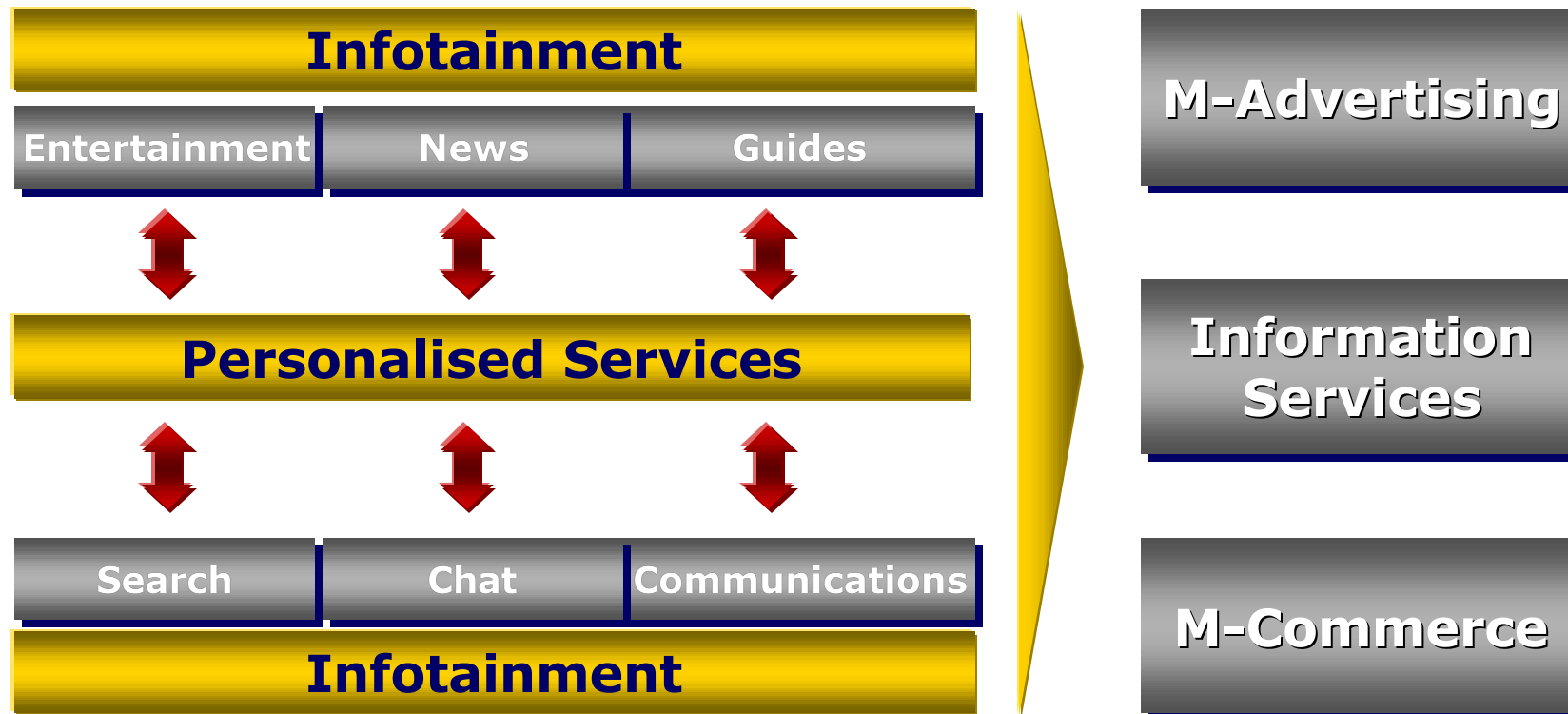
**A great set of games and entertainment
ideas specially designed
for the mobile device**

M-Commerce

The mobile device allows secure payments and transactions in order to purchase products, contents or services

TV Promotional Campaign

Terra Lycos Mobile Value Proposition



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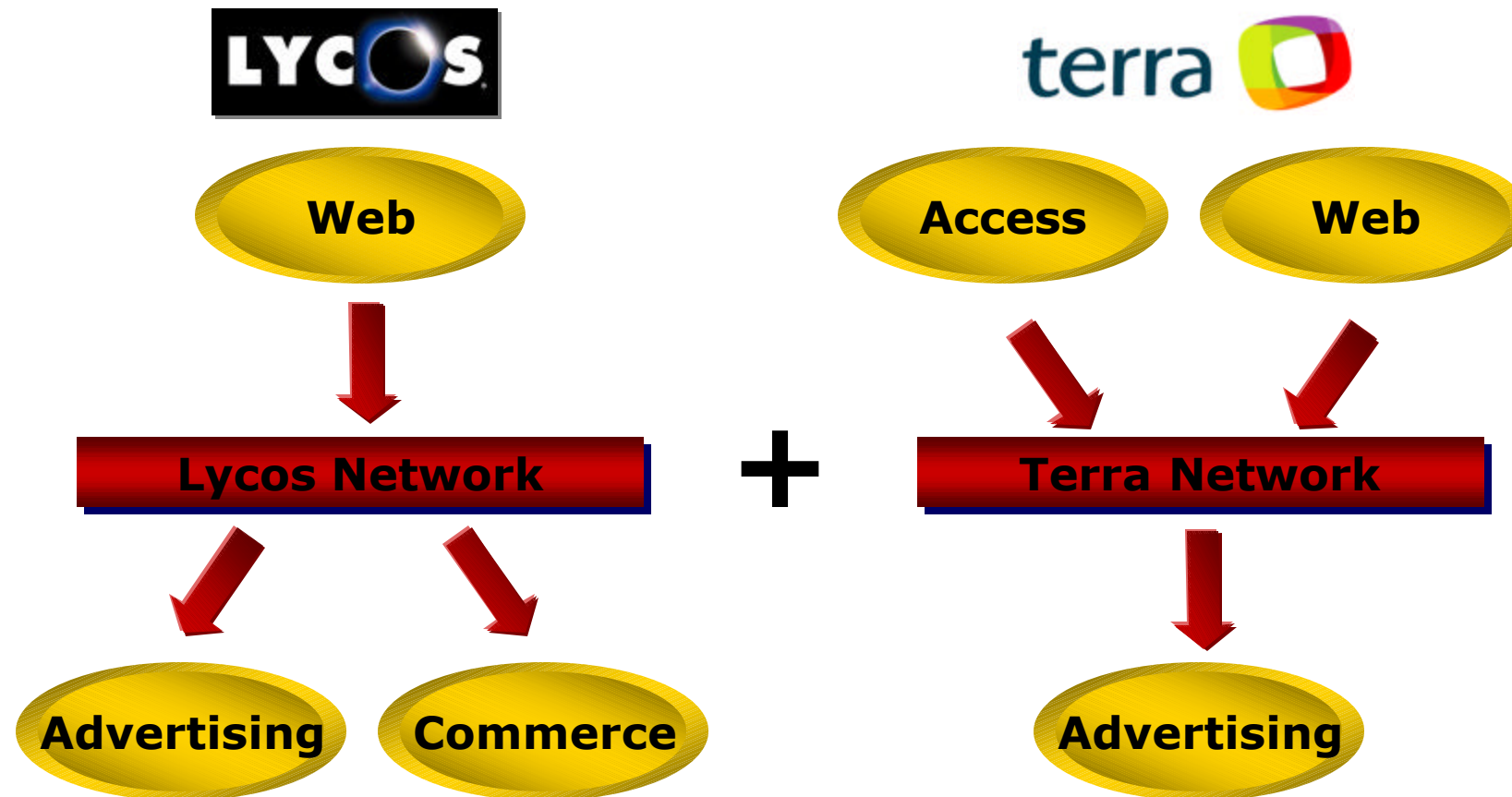
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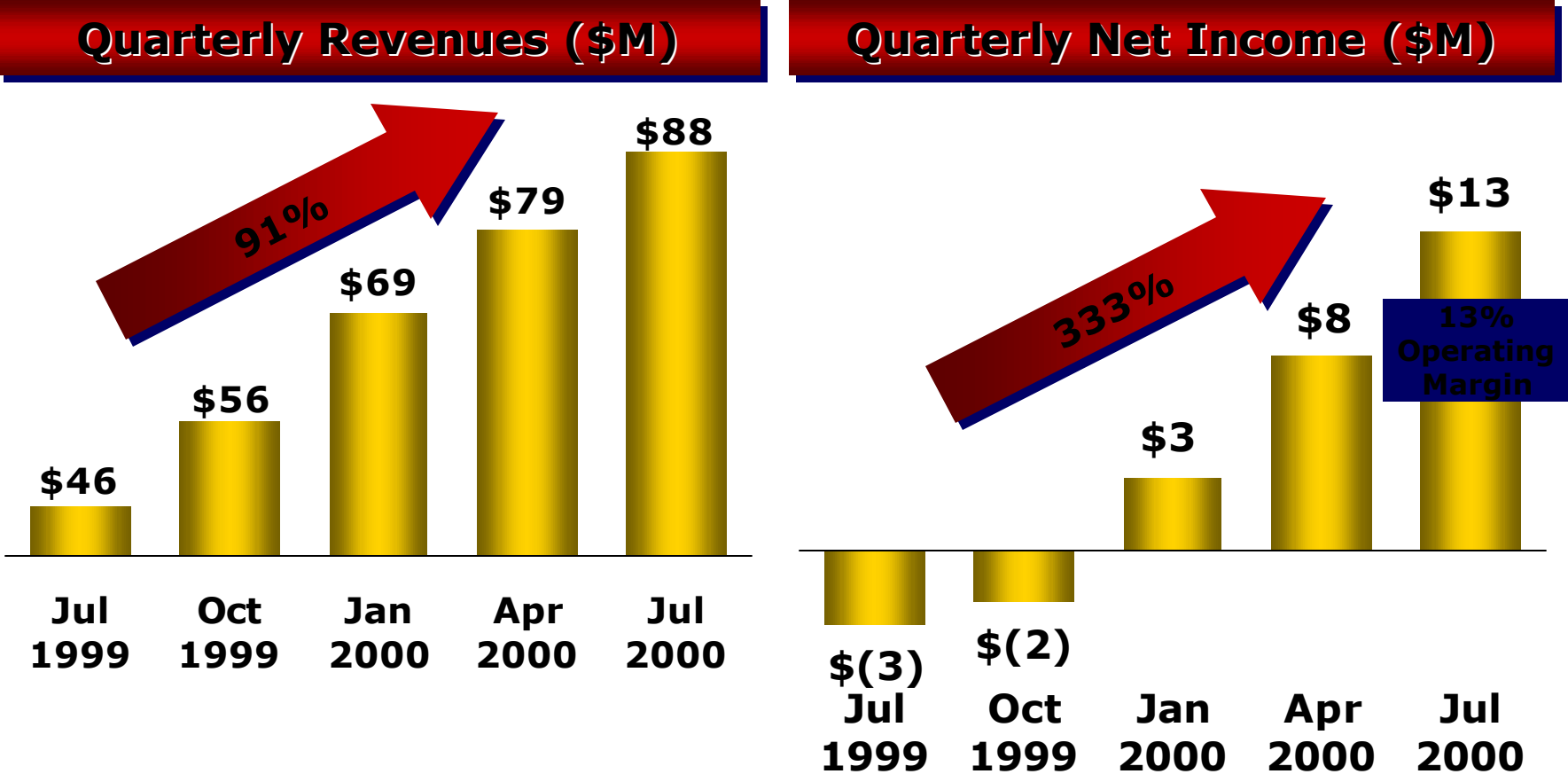
Summary

Combination of Two Powerful Business Models



Lycos Historical Results

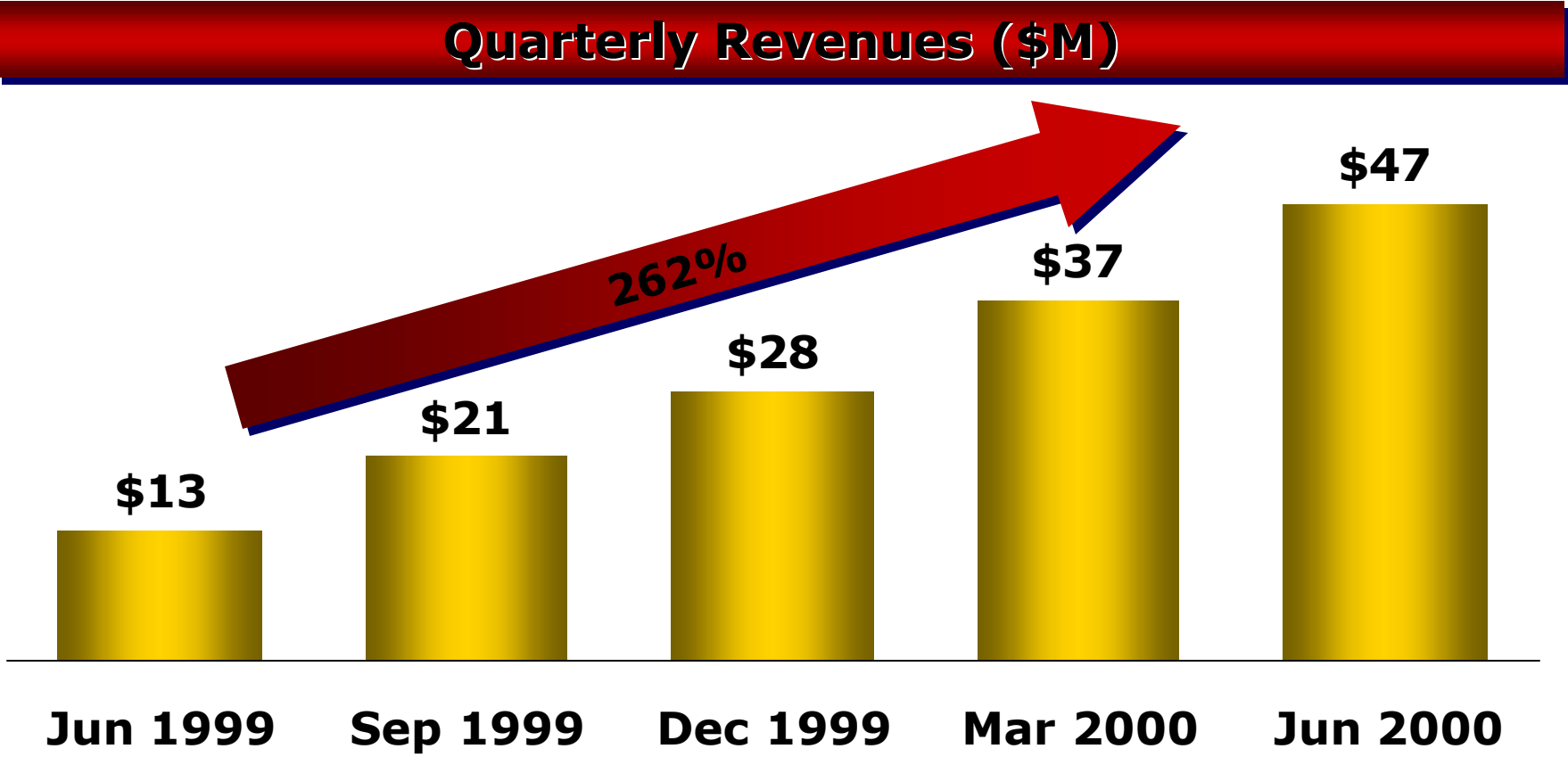
Track Record of Fast Growth and Profitability



Source: Terra Lycos Management Reports

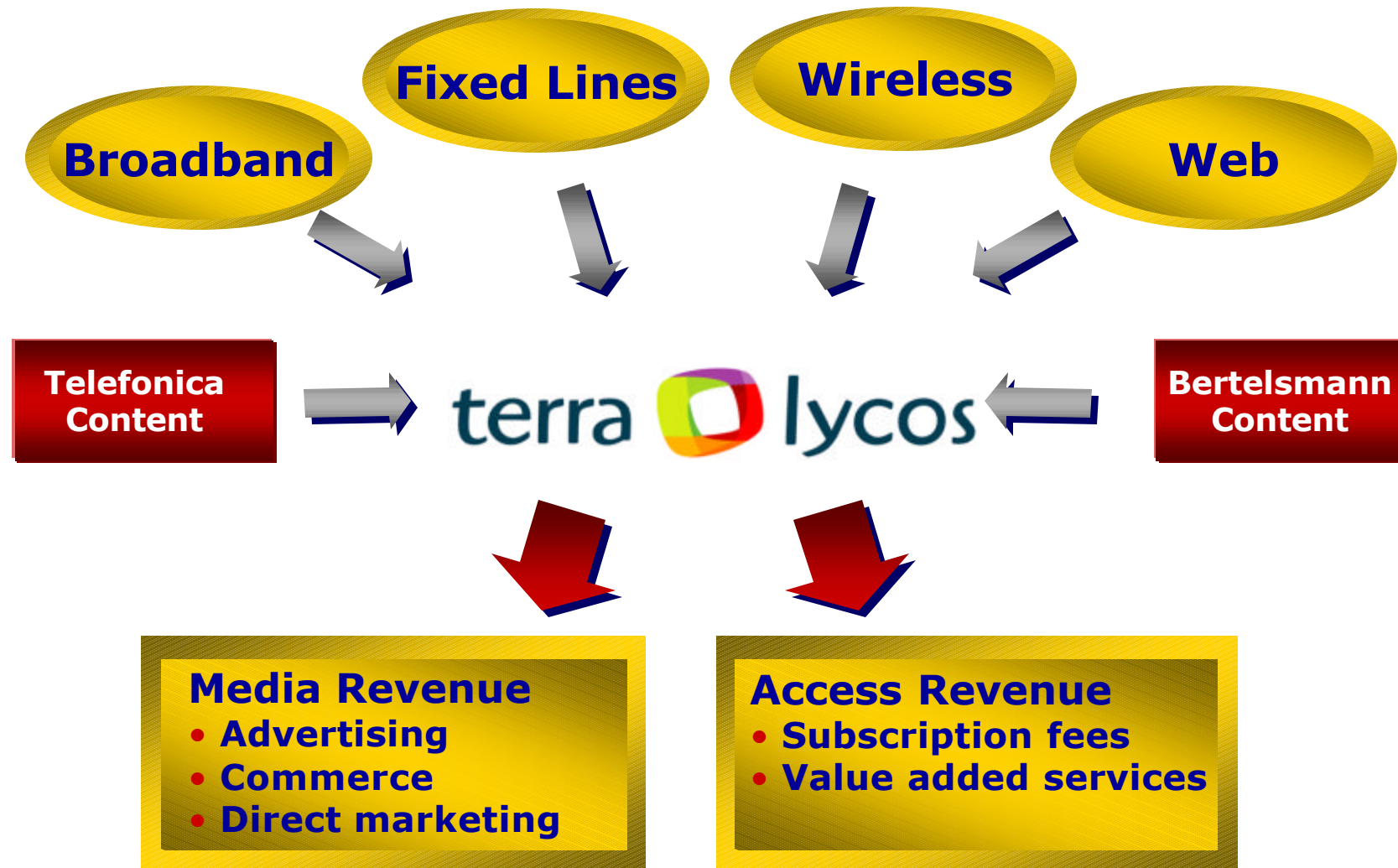
Terra Historical Results

Accelerated Growth Profile



Source: Terra Lycos Management Reports

Next Generation Business Model



Key Business Model Drivers

Media

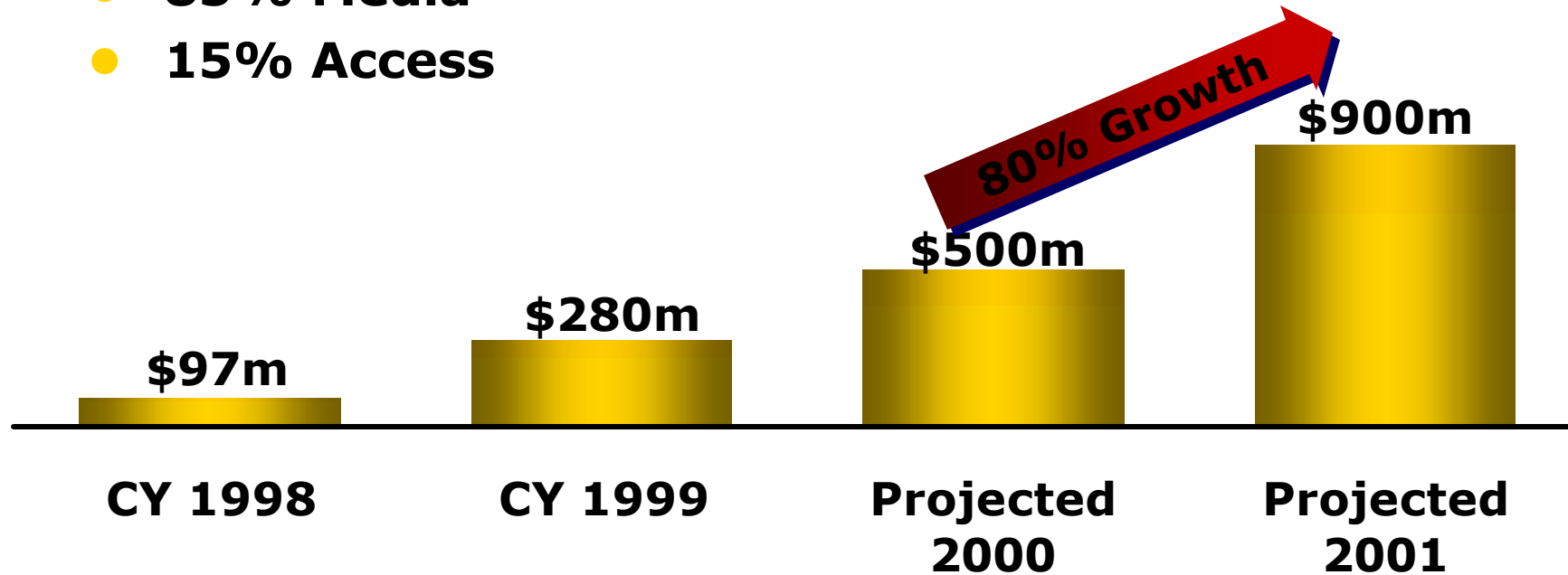
- Page views
- Targeted inventory
- Sell-through rate
- CPMs
- Transactions

Access

- Subscribers
- Pricing
- Retention rate

Industry Leading Revenue Growth

- EBITDA positive Q4 2001
- Long-term revenue mix:
 - 85% Media
 - 15% Access



- Pro-forma calendar year revenues for Terra and Lycos as if they were combined for all periods presented

Source: Historical results based on Terra Lycos Management Reports. Projected 2000 and 2001 based on Terra Lycos Management Projections

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 Telefonica content
- Integrate Terra and Lycos content across network

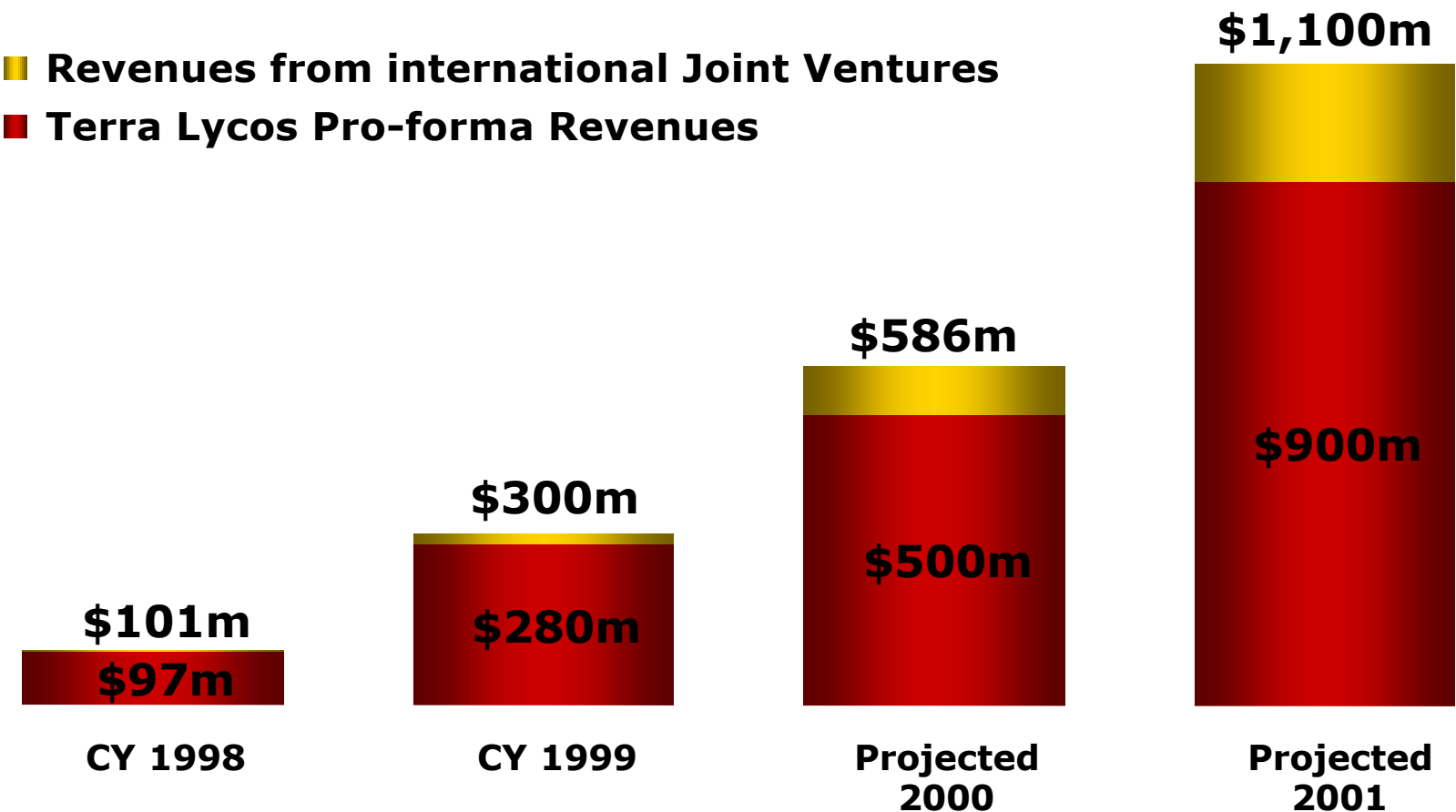
Wireless

- Joint Venture with Telefonica Móviles

Potential Revenue Upside

International Joint Venture Revenues

- Revenues from international Joint Ventures
- Terra Lycos Pro-forma Revenues



- Pro-forma calendar year revenues for Terra and Lycos as if they were combined for all periods presented

Source: Historical results based on Terra Lycos Management Reports. Projected 2000 and 2001 based on Terra Lycos Management Projections

Accelerated Path to Profitability











Operating Leverage

- **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 America**
- **Lycos avoids investments in Latin America**

Successful Acquisition Track Record

Terra Acquisitions	Growth Since Acquisition	Lycos Acquisitions	Growth Since Acquisition
	338%		312%
	149%		153%
	478%		172%
	300%		204%
	400%		107%

Page view growth since acquisition

Future Acquisition Strategy

- **\$3 billion in cash and strong equity currency**
- **Lead consolidation across geographies**
- **Acquisition targets**
 - **Vertical content**
 - **Enabling technologies**
 - **Audience aggregators**
 - **Wireless**
- **Fundamental criteria for acquisitions**
 - **Time to market**
 - **Market share**
 - **Management talent**
 - **Cultural fit**
 - **Financial momentum**

Long-Term Operating Model

	Media	Access	Total
Revenue	100%	100%	100%
Gross margin	85-90	50-55	80-85
Research & development	10-12	2-5	8-10
Sales & marketing	30-35	30-35	30-35
General & administrative	5-8	3-6	5-8
Operating margin	35-40%	10-15%	30-35%

Source: Terra Lycos Management Reports

Fact Sheet

- **Accounting**
- **Fiscal year**
- **Revenue lines**
- **Listing**
- **Trading symbol**
- **Shares outstanding**
- **Proforma ownership***

Spanish and US GAAP

December 31st

Media and Access

Madrid and NASDAQ

**Madrid - TRR
Nasdaq - TRLY**

560 – 600 million

Lycos	47%
Terra	16%
Telefonica	37%

*** Assumes midpoint of the range**

Milestones

Globalisation

- **Strengthened position in key geographic markets**
- **Consolidate markets through acquisitions**

Convergence

- **Worldwide wireless rollout**
- **Bertelsmann content integration**

Profitability

- **\$900 million in 2001 revenue**
- **EBITDA positive in Q4 2001**

Note: Profitability and revenue projections based on Terra Lycos Management reports

Agenda

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Introduction

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Vision

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Strategy

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Global Leadership

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Branding, Audience and Content

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Wireless Opportunity

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Financials

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Summary

Investment Highlights...

- **# 1 Global Footprint**
- **# 1 Revenue Growth**
- **# 1 Wireless Platform**
- **# 4 World-wide Access Provider**
- **Leading Cash Position**
- **Market's Leading Convergence Vehicle**

...All With A Clear Path to Profitability

Note: Management estimates relative to Terra Lycos peer group