

TELEFONICA S A
Form CB
July 25, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM CB

TENDER OFFER/RIGHTS OFFERING NOTIFICATION FORM

Please place an X in the box(es) to designate the appropriate rule provision(s) relied upon to file this Form:

Securities Act Rule 801 (Rights Offering)

Securities Act Rule 802 (Exchange Offer)

Exchange Act Rule 13e-4(h)(8) (Issuer Tender Offer)

Exchange Act Rule 14d-1(c) (Third Party Tender Offer)

Exchange Act Rule 14e-2(d) (Subject Company Response)

Filed or submitted in paper if permitted by Regulation S-T Rule 101(b)(8)

Terra Networks, S.A.
(Name of Subject Company)
Terra Networks, Inc.
(Translation of Subject Company's Name into English (if applicable))
Kingdom of Spain
(Jurisdiction of Subject Company's Incorporation or Organization)
Telefonica, S.A.
(Name of Person(s) Furnishing Form)
American Depository Shares CUSIP 88100W103/ISIN US88100W1036
Common Stock ISIN ES0178174019

(CUSIP Number of Class of Securities (if applicable))

Antonio Alonso Ureba

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(Name, Address (including zip Code) and Telephone Number (including area code)
of Person(s) Authorized to Receive Notices and Communications on Behalf of Person(s) Furnishing Form)

Not Applicable

(Date Tender Offer/Rights Offering Commenced)

part I - information sent to security holders

Item 1. Home Jurisdiction Documents.

Not Applicable

Item 2. Informational Legends.

Not Applicable

part ii - information not required to be sent to security holders

The following exhibit is attached to this Form CB as Exhibit A:

Final information regarding the number of acceptances of the public tender offer for shares of

Terra Networks, S.A

part iii - consent to service of process

On May 29, 2003, Telefonica filed with the Commission a written irrevocable consent and power of attorney on Form F-X.

part iv - signatures

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

TELEFONICA, S.A.

By: /s/ ANTONIO ALONSO UREBA

Name: Antonio Alonso Ureba

Title: General Secretary and Secretary

to the Board of Directors

EXHIBIT A TO FORM CB

TELEFÓNICA S.A., as provided in article 82 of the Spanish Stock Market Act (Ley del Mercado de Valores), hereby reports the following

SIGNIFICANT EVENT

Pursuant to the July 25th, 2003 notice of the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores), the total number of securities included in the acceptances tendered in the public tender offer for shares of TERRA NETWORKS, S.A. has been 202,092,043 shares (33.60%), bringing the direct interest held in the share capital after the offer to 71.97%.

Consequently, TELEFÓNICA, S.A. has decided to waive the minimum acceptance threshold requirement established as a condition for this tender offer and will therefore acquire all of the securities tendered.

Madrid, July 25th, 2003