

TELEFONICA BRASIL S.A.
Form 6-K
November 27, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

For the month of November, 2013

Commission File Number: 001-14475

TELEFÔNICA BRASIL S.A.

(Exact name of registrant as specified in its charter)

TELEFONICA BRAZIL S.A.

(Translation of registrant's name into English)

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Av. Eng° Luís Carlos Berrini, 1376 - 28° andar

São Paulo, S.P.

Federative Republic of Brazil

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F

☒ X

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes

No

☒ X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes

No

☒ X

TELEFÔNICA BRASIL S.A.

QUARTERLY INFORMATION

SEPTEMBER 30, 2013

CE-0853/13 ING

REPORT OF QUARTERLY INFORMATION REVIEW

To the Shareholders, Board Members and Directors of

TELEFÔNICA BRASIL S.A.

São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim accounting information of **TELEFÔNICA BRASIL S.A.** and subsidiaries, contained in the ITR (Quarterly Information Form), referring to the quarter ended on September 30, 2013, which comprises the balance sheet and related statements of income and of comprehensive income for the three and nine-month period then ended, and of changes in shareholders' equity and of cash flows for the nine-month period then ended, including the notes thereto.

The management is responsible for the preparation of the individual interim accounting information according to CPC Technical Pronouncement CPC 21 – Interim Statement and interim consolidated accounting information according to CPC 21 and international standard IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board – IASB, as well as for the presentation of such information according to standards issued by CVM (SEC), applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international standards of review of interim information (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of inquiries, mainly to those responsible for financial and accounting matters, and the application of analytical procedures and other review procedures.

The scope of a review is significantly less in scope than an audit and, consequently, it did not allow us to obtain assurance that we became aware of all significant matters which could be identified in an audit. Accordingly, we did not express an audit opinion.

Conclusion on individual interim information

Based on our review, we are not aware of any fact which makes us believe that the individual interim accounting information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of Quarterly Information (ITR) and presented in accordance with the Brazilian SEC (CVM) regulations.

Conclusion on consolidated interim information

Based on our review, we are not aware of any fact which makes us believe that the consolidated interim accounting information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR) and presented in accordance with Brazilian SEC (CVM) regulations.

Emphasis

Restatement of corresponding amounts

As mentioned in note 2, as a consequence of changes in the accounting policy introduced by the adoption of IFRS 11, the corresponding amounts, individual and consolidated, related to the balance sheet of the year ended December 31, 2012, and the interim accounting information related to the statement of income, of comprehensive income, of changes in shareholders' equity, of cash flow and of value added (supplementary information), referring to the nine-month period ended September 30, 2013, presented for comparison purposes, were adjusted and are being restated according to CPC 23 – Políticas Contábeis, Mudança de Estimativa e Retificação de Erro (Accounting Policies, Change in Estimate and Ratification of Error) and CPC 26(R1) - Apresentação das Demonstrações Contábeis (Presentation of Financial Statements). Our conclusion did not change regarding this matter.

Other matters

Interim statement of value added

We have also reviewed the individual and consolidated statement of value added (SVA), referring to the nine-month period ended September 30, 2013, the presentation of which in the interim information is required according to standards issued by CVM, regulations applicable to the preparation of the Quarterly Information – ITR and considered as supplementary information by IFRS's standards, which do not require the presentation of the SVA. These statements were submitted to the same review procedures previously described and, based on our review, we have no knowledge of any fact which could make us believe that they were not prepared, in all material aspects, in accordance with individual and consolidated interim accounting information taken as a whole.

São Paulo, November 06, 2013.

CRC Nº 2SP013002/O-3

Clóvis Ailton Madeira

CTCRC Nº 1SP106895/O-1 "S"

TELEFÔNICA BRASIL S. A.**Balance sheets****At September 30, 2013 and December 31, 2012****(In thousands of reais)**

ASSETS	Note	Company		Consolidated		LIABILITIES AND EQUITY	Note	Company	
		09.30.13	12.31.12	09.30.13	12.31.12			09.30.13	12.31.12
CURRENT ASSETS		18,192,709	6,515,094	18,531,767	16,209,181	CURRENT LIABILITIES		14,749,922	5,910,000
Cash and cash equivalents	3	8,505,037	3,079,282	8,630,208	7,133,485	Personnel, social charges and benefits	13	441,348	205,000
Short-term investments pledged as collateral	3	411,010	-	411,010	-	Trade accounts payable	14	6,073,695	2,191,000
Trade accounts receivable, net	4	5,471,495	2,150,724	5,688,339	5,512,272	Taxes, charges and contributions	15	1,520,258	529,000
Inventories	5	614,509	24,403	640,604	387,809	Loans, financing and lease	16.1	1,328,194	756,000
Taxes recoverable	6.1	2,131,226	602,328	2,160,812	2,052,421	Debentures	16.2	734,351	702,000
Judicial deposits and garnishments	7	179,085	-	179,085	126,625	Dividend and interest on equity	17	2,347,048	467,000
Derivative transactions	34	61,415	39,197	61,415	41,109	Provisions	18	541,835	334,000
Prepaid expenses	8	444,812	26,610	446,371	248,337	Derivative transactions	34	56,466	8,000
Dividend and interest on equity	17	1,140	394,105	1,140	1,140	Deferred income	19	792,674	69,000
Other assets	9	372,980	198,445	312,783	705,983	Reverse split of fractional shares		389,272	345,000
						Authorization license		76,016	
NONCURRENT ASSETS		53,315,607	51,067,347	52,983,891	54,041,911	Other liabilities	20	448,765	298,000
Short-term investments pledged as collateral	3	119,376	23,920	119,597	109,708				
Trade accounts receivable, net	4	144,866	-	241,976	93,378	NONCURRENT LIABILITIES		13,127,319	6,991,000
Taxes recoverable	6.1	382,194	549,225	382,194	738,965	Taxes, charges and	15	504,310	30,000

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Deferred taxes	6.2	-	-	200,129	1,027,888	contributions			
Judicial deposits						Deferred taxes	6.2	705,652	1,216,
and						Loans,			
garnishments	7	4,169,861	3,068,256	4,193,735	3,909,268	financing and			
Derivative						lease	16.1	3,588,380	582,
transactions	34	375,764	21,465	375,764	286,278	Debentures	16.2	3,562,418	2,253,
Prepaid						Provisions	18	3,923,689	2,457,
expenses	8	28,042	16,720	28,678	31,396	Derivative			
Other assets	9	151,924	75,587	130,100	92,308	transactions	34	12,407	3,
						Deferred			
Investments	10	11,044,532	21,561,061	134,154	142,881	income	19	265,928	39,
Property, plant						Post-retirement			
and equipment,						benefit plans	33	414,798	372,
net	11	17,413,952	10,020,263	17,462,604	17,604,144	Other liabilities	20	149,737	35,
Intangible									
assets, net	12	19,485,096	15,730,850	29,714,960	30,005,697				
						TOTAL			
						EQUITY		43,631,075	44,681,
						EQUITY		43,631,075	44,681,
						Capital	21	37,798,110	37,798,
						Capital			
						reserves	21	2,686,897	2,686,
						Income			
						reserves	21	1,101,699	1,100,
						Premium on			
						acquisition of			
						non-controlling			
						interest	21	(70,448)	(70,4
						Other			
						comprehensive			
						income	21	13,272	17,
						Proposed			
						additional			
						dividend	21	-	3,148,
						Retained			
						earnings	21	2,101,545	
						TOTAL			
						LIABILITIES			
TOTAL ASSETS		71,508,316	57,582,441	71,515,658	70,251,092	AND EQUITY		71,508,316	57,582,

TELEFÔNICA BRASIL S. A.**Income statements****Nine-month periods ended September 30, 2013 and 2012****(In thousands of reais)**

	Note	Company		Consolidated	
		2013	2012	2013	2012
OPERATING REVENUE, NET	22	14,562,788	9,634,159	25,665,195	25,012,254
Cost of services rendered and products sold	23	(8,287,473)	(5,721,941)	(13,203,611)	(12,284,293)
GROSS PROFIT		6,275,315	3,912,218	12,461,584	12,727,961
OPERATING INCOME (EXPENSES)		(3,298,820)	(612,545)	(8,976,143)	(7,933,874)
Selling expenses	24	(3,991,814)	(2,344,813)	(7,039,241)	(6,528,318)
General and administrative expenses	25	(838,181)	(529,718)	(1,680,193)	(1,596,435)
Equity pickup	10	1,831,343	2,436,034	(4,790)	(284)
Other operating income (expenses), net	26	(300,168)	(174,048)	(251,919)	191,163
OPERATING INCOME BEFORE FINANCIAL INCOME (EXPENSES)		2,976,495	3,299,673	3,485,441	4,794,087
Financial income	27	856,722	398,637	1,349,681	831,990
Financial expenses	27	(1,030,529)	(474,299)	(1,480,699)	(997,917)
INCOME BEFORE TAXES		2,802,688	3,224,011	3,354,423	4,628,160
Income and social contribution taxes	28	(318,059)	(244,688)	(869,794)	(1,650,229)
NET INCOME FOR THE PERIOD		2,484,629	2,979,323	2,484,629	2,977,931
Attributable to:					
Non-controlling interest		-	-	-	(1,392)
Controlling interest		2,484,629	2,979,323	2,484,629	2,979,323
Basic and diluted earnings per common share		2.07	2.49		
Basic and diluted earnings per preferred share		2.28	2.74		

TELEFÔNICA BRASIL S. A.**Statements of changes in equity****Period ended September 30, 2013****(In thousands of reais)**

			Capital reserves			Income reserves			
	Capital	Premium on acquisition of non-controlling interest	Special goodwill reserve	Capital reserve	Treasury stock	Legal reserve	Incentive reserve	Retained earnings	
Balances at December 31, 2011	37,798,110	(29,929)	63,074	2,735,930	(79,339)	877,322	-	-	
Additional dividend proposed for 2011	-	-	-	-	-	-	-	-	(1,000)
Expired dividends and interest on equity	-	-	-	-	-	-	-	62,340	
Other changes	-	-	-	-	-	-	-	(3,240)	
Repurchase of shares	-	-	-	-	(32,768)	-	-	-	
Noncontrolling interest	-	(40,519)	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	
Net income for the period	-	-	-	-	-	-	-	2,979,323	
Balance at September 30, 2012	37,798,110	(70,448)	63,074	2,735,930	(112,107)	877,322	-	3,038,423	
Expired dividends and interest on equity	-	-	-	-	-	-	-	27,352	
Other comprehensive income	-	-	-	-	-	-	-	(46,056)	
Net income for the year	-	-	-	-	-	-	-	1,474,250	

Allocation of
income:

Legal reserve	-	-	-	-	-	222,678	-	(222,678)
Interim dividend	-	-	-	-	-	-	-	(1,122,522)
Additional dividend proposed	-	-	-	-	-	-	-	(3,148,769)

Balances at December 31, 2012	37,798,110	(70,448)	63,074	2,735,930	(112,107)	1,100,000	-	-
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Additional dividend proposed for 2012	-	-	-	-	-	-	-	- (3)
Expired dividends and interest on equity	-	-	-	-	-	-	-	59,045
Tax incentives – July to September 2013	-	-	-	-	-	-	1,699	(1,699)
Other comprehensive income	-	-	-	-	-	-	-	(430)
Net income for the period	-	-	-	-	-	-	-	2,484,629
Interim interest on equity	-	-	-	-	-	-	-	(440,000)

Balance at September 30, 2013	37,798,110	(70,448)	63,074	2,735,930	(112,107)	1,100,000	1,699	2,101,545
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Outstanding shares (in thousands)
VPA – equity value of Company's shares

TELEFÔNICA BRASIL S. A.**Cash flow statements**

Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	2013	2012	2013	2012
Cash generated by operating activities				
Income before taxes	2,802,688	3,224,011	3,354,423	4,628,160
Items not affecting cash				
Expenses (revenues) not representing changes in cash	1,888,273	217,247	5,655,164	4,615,151
Depreciation and amortization	2,709,578	1,970,491	4,214,142	4,054,760
Foreign exchange variation on loans	33,701	4,424	61,193	5,226
Monetary variations	42,847	(10,723)	49,703	(12,453)
Equity pick-up	(1,831,343)	(2,436,034)	4,790	284
Gain (loss) on assets write-off/disposal	(47,192)	12,059	(130,967)	(413,829)
Provision for impairment of accounts receivable	313,128	211,155	569,342	507,740
Provision (reversal) of accounts payable	(4,265)	126,092	(88,542)	(223,910)
Provision (write-offs and reversals) for impairment of inventory	(9,381)	(1,696)	908	19,379
Pension plans and other post-employment benefits	19,881	(3,517)	19,737	(10,193)
Provisions for tax, labor, civil and regulatory contingencies	320,076	167,386	486,879	302,537
Interest expenses	335,885	184,055	443,033	387,693
Reversal of provision for demobilization	855	(188)	17,107	(6,969)
Provisions for customer loyalty programs	1,064	-	7,834	13,505
Other	3,439	(6,257)	5	(8,619)
(Increase) decrease in operating assets:	(712,481)	130,966	(1,816,859)	(335,817)
Trade accounts receivable	(618,183)	(285,383)	(894,007)	(599,485)
Inventories	(134,273)	6,716	(253,703)	(11,408)
Taxes recoverable	(47,488)	590,933	(375,759)	557,964
Other current assets	187,722	(36,618)	(297,503)	(29,433)
Other noncurrent assets	(100,259)	(144,682)	4,113	(253,455)
Increase (decrease) in operating liabilities:	53,111	(817,138)	(379,645)	(2,258,649)
Personnel, social charges and benefits	25,391	(4,550)	29,736	(30,259)
Trade accounts payable	70,813	(427,130)	306,503	(795,973)
Taxes, charges and contributions	439,147	(123,265)	703,028	(69,753)
Interest paid	(307,443)	(150,380)	(431,732)	(321,332)
Income and social contribution taxes paid	-	(9,484)	(807,878)	(868,344)
Other current liabilities	(200,473)	(91,294)	(155,621)	(98,444)
Other noncurrent liabilities	25,676	(11,035)	(23,681)	(74,544)
Total cash from operating activities	4,031,591	2,755,086	6,813,083	6,648,845
Net cash provided by (used in) investing activities				

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Advance for future capital contribution in subsidiaries	(65,250)	-	-	-
Additions to PP&E and intangible assets (net of donations)	(2,644,160)	(1,556,884)	(4,657,961)	(3,535,618)
Cash received from sale of PP&E items	41,268	6,274	430,085	596,993
Cash from investing activities	-	7,551	-	10,069
Capital increase in subsidiaries	-	(23,638)	-	-
Redemption of (short-term) investments in guarantee	(143,195)	-	(386,401)	-
Dividends and interest on equity received	1,320,449	1,208,218	-	8,217
Effect of cash and cash equivalents per merger/split-off	3,371,178	-	-	-
Total cash from (used in) investing activities	1,880,290	(358,479)	(4,614,277)	(2,920,339)

Net cash from (used in) financing activities

Payment of loans, financing and debentures	(444,903)	(742,766)	(669,566)	(1,061,553)
Loans and debentures raised	1,551,019	2,000,000	1,569,015	2,815,302
Derivative agreements payment, net	(7,498)	(7,944)	(16,788)	(41,012)
Payments referring to grouping of shares	(237)	-	(237)	-
Dividends and interest on equity - paid	(1,584,507)	(1,573,713)	(1,584,507)	(1,573,713)
Acquisition of noncontrolling interest	-	(44,172)	-	(44,172)
Repurchase of treasury stock	-	(32,768)	-	(32,768)
Total cash from (used in) financing activities	(486,126)	(401,363)	(702,083)	62,084

Increase in cash and cash equivalents	5,425,755	1,995,244	1,496,723	3,790,590
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