

TELEFONICA BRASIL S.A.
Form 6-K
August 08, 2016

**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 August, 2016

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)

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

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

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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

JUNE 30, 2016



São Paulo Corporate Towers

Av. Presidente Juscelino Kubitschek, 1.909

Vila Nova Conceição

04543-011 - São Paulo - SP - Brasil

Tel: +55 11 2573-3000

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A free translation from Portuguese into English of Independent Auditor's Report on interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Independent auditor's report on interim financial information

A free translation from Portuguese into English of Independent Auditor's Report on interim financial information prepared

To Shareholders, Board of Directors and Officers

Telefônica Brasil S.A.

São Paulo - SP

We have reviewed the individual and consolidated interim financial information of Telefônica Brasil S.A., (“Company”), contained in the Quarterly Information Form (Informações Trimestrais - ITR) for the quarter ended on June 30, 2016, which comprise the balance sheet as of June 30, 2016 and the related statements of income and of comprehensive income for the three-month and six-month period ended on June 30, 2016, and changes in equity and of cash flows for the six-month period then ended, including other explanatory information.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Standard CPC 21 (R1) Interim Financial Reporting (*Demonstração Intermediária*) issued by *Comitê de Pronunciamentos Contábeis* - CPC and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information Form (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 Brazilian and International Standards on Review Engagements (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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

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Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Information Form (ITR) referred to above were not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

São Paulo Corporate Towers

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Other matters

Statements of value added

We have also reviewed the individual and consolidated interim Value Added Statement for the six-month period ended on June 30, 2016, prepared under management's responsibility, whose presentation in the interim financial information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of the Quarterly Information Form (ITR), and as supplementary information under IFRS, which do not require Value Added Statement presentation. This statement has been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that it is not fairly presented, in all material respects, in relation to the overall accompanying interim financial information.

São Paulo, July 25, 2016.

ERNST & YOUNG

Auditores Independentes S.S.

CRC-2SP015199/O-6

Luiz Carlos Passetti

Contador CRC-1SP144343/O-3

TELEFÔNICA BRASIL S.A.**Balance****Sheets****At June 30, 2016****and December****31, 2015****(In
thousands of
reais)**

ASSETS	Note	Company		Consolidated		LIABILITIES AND	Note	Company	12
		06.30.16	12.31.15	06.30.16	12.31.15	SHAREHOLDERS'		06.30.16	12
						EQUITY			
Current assets		17,576,182	15,185,519	18,541,442	17,909,303	Current liabilities		18,706,671	15,94
Cash and cash equivalents	4	5,063,123	4,206,595	5,675,712	5,336,845	Personnel, social charges and benefits	14	765,811	52
Trade accounts receivable, net	5	8,201,726	7,000,379	8,586,366	8,285,319	Trade accounts payable	15	7,405,874	7,49
Inventories, net	6	438,128	558,264	478,512	603,631	Taxes, charges and contributions	16	1,505,615	1,17
Taxes recoverable	7.1	2,128,408	2,164,544	2,172,151	2,521,292	Dividends and interest on equity	17	4,214,731	2,20
Judicial deposits and garnishments	8	263,895	235,343	263,928	235,343	Provisions and contingencies	18	1,008,714	89
Prepaid expenses	9	838,045	317,325	853,030	356,446	Deferred revenues	19	454,075	56
Dividends and interest on equity	17	18,156	18,645	-	489	Loans, financing, financial lease and contingent consideration	20	1,521,326	1,81
Derivative transactions	33	78,750	81,306	78,750	81,306	Debentures	20	122,343	12
Other assets	10	545,951	603,118	432,993	488,632	Derivative transactions	33	184,992	15
						Other liabilities	21	1,523,190	1,00
Non-current assets		83,683,674	82,387,176	83,006,119	83,775,761	Non-current liabilities		14,233,419	13,05
Short-term investments pledged as		97,626	90,863	97,636	109,864				

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collateral										
Trade accounts receivable, net	5	164,173	217,621	267,490	330,451	Personnel, social charges and benefits	14	27,562	1	
Taxes recoverable	7.1	551,605	337,477	552,807	409,653	Trade accounts payable	15	67,742		
Deferred taxes	7.2	457,372	-	609,588	711,590	Taxes, charges and contributions	16	58,695	5	
Judicial deposits and garnishments	8	5,714,185	4,880,489	5,785,751	5,518,120	Deferred taxes	7.2	-	15	
Prepaid expenses	9	27,909	28,632	29,697	30,609	Provisions and contingencies	18	6,242,582	5,07	
Derivative transactions	33	179,374	417,558	179,374	417,558	Deferred revenues	19	438,553	35	
Other assets	10	55,137	55,228	55,935	62,799	Loans, financing, financial lease and contingent consideration	20	3,553,454	3,14	
Investments	11	1,374,295	24,342,692	87,680	101,161	Debentures	20	3,430,209	3,42	
Property, plant and equipment, net	12	30,248,885	22,019,076	30,313,493	30,476,765	Derivative transactions	33	61,417	8	
Intangible assets, net	13	44,813,113	29,997,540	45,026,668	45,607,191	Liabilities for post-retirement benefits plans	32	80,465	7	
						Other liabilities	21	272,740	66	
						Equity		68,319,766	68,56	
						Capital	22	63,571,416	63,57	
						Capital reserves	22	1,347,952	1,34	
						Income Reserves	22	2,415,453	2,41	
						Premium on acquisition of equity interest	22	(75,388)	(75	
						Other comprehensive income	22	(571)	2	
						Additional dividend proposed	22	-	1,28	
						Retained earnings	22	1,060,904		
TOTAL ASSETS		101,259,856	97,572,695	101,547,561	101,685,064	TOTAL LIABILITIES AND EQUITY		101,259,856	97,57	

TELEFÔNICA BRASIL S. A.**Income Statements****For the three- and six-month periods ended June 30, 2016 and 2015****(In thousands of reais)**

	Note	Company				Three-m e
		Three-month periods ended		Six-month periods ended		
		06.30.16	06.30.15	06.30.16	06.30.15	06.30.1
Operating revenue, net	23	9,912,641	8,414,876	18,270,754	16,836,157	10,510,04
Cost of sales and services	24	(5,007,150)	(4,303,895)	(9,164,401)	(8,592,857)	(5,300,26
Gross profit		4,905,491	4,110,981	9,106,353	8,243,300	5,209,78
Operating income (expenses)		(3,931,561)	(3,269,175)	(6,656,268)	(6,517,559)	(3,962,77
Selling expenses	24	(3,092,816)	(2,686,978)	(5,675,176)	(5,369,141)	(3,105,13
General and administrative expenses	24	(680,228)	(456,692)	(1,218,879)	(877,733)	(699,36
Other operating income	25	89,265	130,938	721,937	243,712	90,47
Other operating expenses	25	(247,782)	(256,443)	(484,150)	(514,397)	(248,74
Operating income		973,930	841,806	2,450,085	1,725,741	1,247,01
Financial income	26	699,109	1,568,219	1,446,710	2,181,793	722,43
Financial expenses	26	(1,027,368)	(1,512,814)	(2,071,416)	(2,374,344)	(1,028,49
Equity pickup	11	194,369	123,002	450,380	327,452	47
Income before taxes		840,040	1,020,213	2,275,759	1,860,642	941,42
Income and social contribution taxes	27	(140,544)	(150,397)	(358,033)	(411,107)	(241,93
Net income for the period		699,496	869,816	1,917,726	1,449,535	699,49
Basic and diluted earnings per share (in R\$)						
Common shares	28	0.39	0.56	1.07	1.05	
Preferred shares	28	0.43	0.62	1.17	1.16	

TELEFÔNICA BRASIL S.A.
Statements of Changes in Shareholders' Equity
Six-month periods ended June 30, 2016 and 2015
(In thousands of reais)

	Capital	Premium on acquisition of interest	Capital reserves Other capital reserves	Trea Sh
Balances as of December 31, 2014	37,798,110	(70,448)	2,799,004	(112)
Additional dividends proposed for year 2014	-	-	-	-
Expired equity instruments	-	-	-	-
DIPJ (Corporate Income Tax Return) Adjustment - Tax incentives	-	-	-	-
Cancellation of treasury shares, according to EGM of March 12, 2015	-	-	(112,107)	112
Capital increase - EGM of April 28, 2015	15,812,000	-	-	-
Direct costs on capital increases (net of taxes), according to EGM of April 28, 2015	-	-	(62,812)	-
Capital increase - EGM of April 30, 2015	295,285	-	-	-
Direct costs on capital increases (net of taxes), according to EGM of April 30, 2015	-	-	(3,776)	-
Capital increase - merger of shares in GVTPart – EGM of May 28, 2015	9,666,021	-	(1,188,707)	-
Dissenters' right - Acquisition of GVTPart.	-	-	-	(86)
Other comprehensive income	-	-	-	-
Net income for the period	-	-	-	-
Interim interest on equity	-	-	-	-
Interim dividends	-	-	-	-
Balances as of June 30, 2015	63,571,416	(70,448)	1,431,602	(86)
Expired equity instruments	-	-	-	-
DIPJ (Corporate Income Tax Return) Adjustment - Tax incentives	-	-	-	-
Direct costs on capital increases (net of taxes), according to EGM of April 28, 2015	-	-	4,155	-
Dissenters' right - Acquisition of GVTPart.	-	-	-	(1)
Premium on acquisition of equity interest by TData	-	(4,940)	-	-
Other comprehensive income	-	-	-	-
Net income for the period	-	-	-	-
Income allocation:				
Legal reserve	-	-	-	-
Interim interest on equity	-	-	-	-
Expansion and modernization reserve	-	-	-	-
Additional dividend proposed	-	-	-	-
Balances as of December 31, 2015	63,571,416	(75,388)	1,435,757	(87)

TELEFÔNICA BRASIL S. A.
Statements of Comprehensive Income
For the three- and six-month periods ended June 30, 2016 and 2015
(In thousands of reais)

	Company			
	Three-month		Six-month periods	
	periods ended		ended	
	06.30.16	06.30.15	06.30.16	06.30.15
Net income for the year	699,496	869,816	1,917,726	1,449,530
Unrealized gains (losses) on investments available for sale	66	206	(172)	(783)
Taxes on unrealized gains (losses) on investments available for sale	(23)	(70)	58	26
	43	136	(114)	(511)
Gains (losses) on derivative transactions	6,141	3,206	(17,277)	(1,050)
Taxes on gains (losses) on derivative transactions	(2,088)	(1,090)	5,874	35
	4,053	2,116	(11,403)	(695)
Cumulative translation adjustments (CTA) on foreign currency transactions	(10,311)	423	(14,522)	5,211
Other net comprehensive income to be reclassified into income in subsequent periods	(6,215)	2,675	(26,039)	4,000
Gains (losses) on derivative transactions	-	(945,914)	-	(336,120)
Taxes on gains (losses) on derivative transactions	-	321,611	-	114,280
	-	(624,303)	-	(221,840)
Losses on other comprehensive income (loss)	-	-	-	-
Interest in comprehensive income of subsidiaries	-	(580)	-	(580)