TELEFONICA BRASIL S.A.
Form 6-K
February 26, 2014

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 February, 2014

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 - 28º 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

Highlights

- **Total accesses** reached 92.6 million in the quarter (+0.9% q-o-q), of which 77.2 million in the mobile business and 15.3 million in the fixed-line business;

- **Fixed voice accesses** recorded quarterly growth of 123 thousand accesses in 4Q13, with the FWT technology having recorded 165 thousand net additions in the period;

- **Fixed broadband** net gain records 39 thousand accesses in 4Q13, growing specially in FTTH, which accesses base reached 204 thousand customers in 2013;
- Increased quarterly growth in TV accesses, +52 thousand accesses or +8.9% q-o-q, driven by the additions in DTH and IPTV;

- Consistentleadership in higher revenue mobile segments, with acceleration in the **postpaid accesses** growth (+26.0% y-o-y in 4Q13 over +23.3% y-o-y in 3Q13) and new record of net additions reaching 1,555 thousand in the quarter;

- Strong improve in the **customer mix** with 30.7% of the accesses base in the postpaid segment, +1.8 p.p. over 3Q13;
- **Mobile ARPU** recorded annual growth of 4.5% in 2013, stimulated by the growth in Data ARPU, +19.8% in the same period;

- **Total Net Revenue** recorded, in the quarter, growth of +5.1% q-o-q and +2.4% y-o-y in the year;

- **Mobile Services Revenue** recorded variation of +5.3% y-o-y in the quarter and of +6.1% year-to-date compared to 2012. Excluding the effect of the MTR reduction in April/13, the variation in the quarter would be of +7.1% y-o-y in relation to 4Q12;

- **Data and VAS Revenue** already account for 32.4% of the Mobile Services Revenue, leveraged by the growth of the mobile internet revenue, which increased by 35.1% y-o-y in 4Q13;

- **Recurrent EBITDA** in 4Q13 recorded R$ 2.8 billion with **EBITDA Margin** of 31.2% (+3.6 p.p. q-o-q) in the period. In 2013 the Recurrent EBITDA Margin was 30.4% (-3.7 p.p. y-o-y);
- **Investments** of R$ 6.0 billion in the year (of which R$ 451 million referring to license upgrade), with focus on quality assurance, 4G coverage and fiber;

- **Interest on own capital** and **Dividends**, declared over 2013 income, recorded R$ 3.5 billion, resulting in a payout of 95% on profit for the period.

CEO's Comments

"Our industry is substantially changing worldwide, consolidation is already happening, data demand is booming, services are maturing and new technologic cycles are becoming more and more capex intensive.

MTR cut, new spectrum auctions, high competitiveness and regulatory issues are among the challenges we have this year.

Besides chasing efficiency in everything we do, we intend to optimize our investment model focusing on technologies that will differentiate us in the market.

Fiber and 4G, the right service and price mix and solid partnerships will improve our returns on capital and increase our value generation.

We are proud to have captured 2/3 of the market growth in mobile revenues this year and to continue to lead in satisfaction and quality indicators from ANATEL. This is showing that we are executing well our strategy having quality as one of our key drivers.

I am confident that we are ahead of our competitors and in the right path to deliver strong results for our shareholders."

Paulo Cesar Teixeira - CEO

HIGHLIGHTS

Net Operating Revenues	9,056.7	8,618.2	5.1	8,907.4	1.7	34,721.9	33,919.7	2.4
Net Operating Services Revenues	8,733.1	8,317.7	5.0	8,559.1	2.0	33,410.8	32,958.9	1.4
Net operating mobile revenues	5,762.7	5,438.7	6.0	5,474.3	5.3	21,691.1	20,436.7	6.1
Net operating fixed revenues	2,970.4	2,879.0	3.2	3,084.8	(3.7)	11,719.7	12,522.2	(6.4)
Net handset revenues	323.6	300.5	7.7	348.3	(7.1)	1,311.1	960.9	36.4
Recurrent Net Operating Revenues	*8,890.9*	*8,618.2*	*3.2*	*8,907.4*	*(0.2)*	*34,556.1*	*33,919.7*	*1.9*
Operating costs	(6,185.5)	(6,236.9)	(0.8)	(5,054.0)	22.4	(24,146.3)	(21,217.0)	13.8
Recurrent Operating costs	*(6,112.6)*	*(6,236.9)*	*(2.0)*	*(5,729.7)*	*6.7*	*(24,063.2)*	*(22,359.5)*	*7.6*
EBITDA	2,871.2	2,381.3	20.6	3,853.4	(25.5)	10,575.6	12,702.7	(16.7)
EBITDA Margin %	31.7%	27.6%	4.1 p.p.	43.3%	(11.6) p.p.	30.5%	37.4%	(7.0) p.p.
Recurrent EBITDA	2,778.3	2,381.3	*16.7*	3,177.7	*(12.6)*	10,492.9	11,560.2	*(9.2)*

Recurrent EBITDA Margin %	*31.2%*	*27.6%*	*3.6 p.p.*	*35.7%*	*(4.4) p.p.*	*30.4%*	*34.1%*	*(3.7) p.p.*
Net income	1,231.3	760.2	62.0	1,474.3	(16.5)	3,715.9	4,452.2	(16.5)
Capex	2,204.9	1,867.9	18.0	2,845.5	(22.5)	6,033.2	6,117.1	(1.4)
Total accesses (thousand)	92,557	91,712	0.9	91,116	1.6	92,557	91,116	1.6
Total mobile accesses	77,245	76,614	0.8	76,137	1.5	77,245	76,137	1.5
Total fixed accesses	15,312	15,098	1.4	14,978	2.2	15,312	14,978	2.2

Telefônica Brasil S.A. (BM&FBOVESPA: VIVT3 and VIVT4, NYSE: VIV), discloses today its results for the fourth quarter and for the year of 2013, presented in accordance with the International Financial Reporting Standards (IFRS) and with the pronouncements, interpretations and guidelines provided by the Accounting Pronouncements Committee. Totals are subject to differences due to rounding up or down. Until the second quarter of 2013, the results of the following direct and indirect subsidiaries are consolidated in the Company’s statements: Vivo S.A., Telefônica Data S.A., A. Telecom S.A., Telefônica Sistema de Televisão S.A., Ajato Telecomunicações Ltda., GTR Participações e Empreendimentos S.A., TVA Sul Paraná S.A., Lemontree S.A., Comercial Cabo TV São Paulo S.A., Aliança Atlântica Holding B.V., Companhia AIX de Participações and Companhia ACT de Participações. As from the third quarter of 2013, after the corporate restructuring, Telefônica Data S.A. is the remaining subsidiary consolidated in the Company´s statements.

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OPERATING PERFORMANCE

Mobile total accesses	77,245	76,614	0.8	76,137	1.5	77,245	76,137	1.5
Postpaid	23,693	22,138	7.0	18,802	26.0	23,693	18,802	26.0
Prepaid	53,552	54,476	(1.7)	57,335	(6.6)	53,552	57,335	(6.6)
Market Share (*)	28.5%	28.6%	(0.1) p.p.	29.1%	(0.6) p.p.	28.5%	29.1%	(0.6) p.p.
Postpaid	39.8%	38.9%	0.9 p.p.	36.9%	2.9 p.p.	39.8%	36.9%	2.9 p.p.
Mobile broadband (modem only)	50.8%	49.6%	1.2 p.p.	47.3%	3.5 p.p.	50.8%	47.3%	3.5 p.p.
Net additions	630	415	52.0	(668)	n.a.	1,108	4,584	(75.8)
Postpaid	1,555	1,453	7.0	848	83.4	4,891	2,687	82.0
Market Share of net additions (*)	22.3%	16.4%						