TELEFONICA BRASIL S.A.
Form 6-K
August 18, 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 August, 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. Engº 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

TELEFÔNICA BRASIL S.A.

Publicly-held Company

CNPJ MF 02.558.157/0001-62 - NIRE 35.3.001.5881-4

NOTICE TO SHAREHOLDERS

PAYMENT OF INTEREST ON OWN CAPITAL

Telefônica Brasil S.A. – (“Company”) announces to its shareholders that the Board of Directors, at its meeting held on August 18, 2014, deliberated, *ad referendum* of the General Shareholders’ Meeting, the credit of Interest on own capital, related to the fiscal year of 2014, in accordance with article 28 of the Company’s Bylaws, article 9 of the Law 9,249/95 and CVM´s Instruction nº 683/2012, in the gross amount of R$ 299,385,000.00 (two hundred and ninety nine million and three hundred and eighty five reais), subject to withholding tax of 15%, resulting in a net amount of R$ 254,477,250.00 (two hundred and fifty four million, four hundred and seventy seven thousand and two hundred and fifty reais), based on the net profit shown in the balance sheet of June 30, 2014. The estimated value per share is described in the table below:

Amount per share (R$)	Immune or Exempt Legal Entities (gross value)	Withholding tax (15%)	Taxed Legal Entities and Individuals (Net value)
Common shares	0.250016158897	0.037502423834	0.212513735063
Preferred shares (*)	0.275017774786	0.041252666218	0.233765108568

(*) 10% higher than the amount granted to each common share, in accordance with article 7 of the Company’s Bylaws.

In accordance to the article 28 of the Company's Bylaws, such Interest on own capital will be charged to the mandatory minimum dividend for the fiscal year of 2014, *ad referendum* of the General Shareholders' Meeting.

The credit of Interest on own capital will be made on individual basis for each shareholder, in accordance to the shareholder registry book position by the end of the day, on August 29, 2014, including. After this date the shares will be considered as "ex-Interest on own capital". The payment of these proceeds will be carried out until the end of the fiscal year of 2015, in a date to be defined by the Company's Board.

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Publicly-held Company

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The Immune or Exempt Legal Entities, according to the current legislation, must provide proof of such condition until September 05, 2014 to the “Departamento de Ações e Custódia” of Banco Bradesco S.A., the depositary bank, located at Cidade de Deus, Amarelo Velho Building, subsoil – Vila Yara – Zip code: 06029-900 – Osasco – SP.

São Paulo, August 18, 2014.

Alberto Manuel Horcajo Aguirre

Investor Relations Officer

Telefônica Brasil – Investor Relations

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Email: ir.br@telefonica.com

Available information: www.telefonica.com.br/ir

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TELEFÔNICA BRASIL S.A.

Date: August 18, 2014

By: /s/ Luis Carlos da Costa Plaster
Name: Luis Carlos da Costa Plaster
Title: Investor Relations Director