



TELEFÔNICA BRASIL S.A.

Publicly-held Company

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

**NOTICE TO THE MARKET
DELIBERATION OF INTEREST ON CAPITAL**

Continuing the Notice to Shareholders of September 5, 2018, published in the editions of September 6, 2018 of the newspapers Diário Oficial do Estado de São Paulo and Valor Econômico, Telefônica Brasil S.A. ("Company") announces to its shareholders that there were no acquisitions, divestitures or cancellations of shares held in treasury under the Company's Share Buyback Program (Material Fact released on June 9, 2017). Thus, the amounts per share for the Interest on Capital deliberated by the Board of Directors on September 5, 2018 remain unchanged as 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	1.55501324615	0.23325198692	1.32176125923
Preferred shares (*)	1.71051457077	0.25657718562	1.45393738515

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

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 September 17, 2018. After this date the shares will be considered as "ex-Interest on Own Capital". The payment of these proceeds will be carried out before the end of the fiscal year of 2019, in a date to be defined by the Company's Board.

São Paulo, September 17, 2018

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