



TELEFÔNICA BRASIL S.A.
Publicly-Held Corporation
CNPJ/MF 02.558.157/0001-62 - NIRE 35.3.001.5881-4

MATERIAL FACT

Telefônica Brasil S.A. ("Company" or "Telefônica Brasil"), in the manner and for the purposes of Article 157, paragraph 4, of Law 6404/76, as amended, and pursuant to CVM Instruction No. 358/12, as amended, hereby informs the following:

Considering the expiration of the share buyback program approved in June 9, 2017, the Board of Directors approved on this date, pursuant to article 17, item XV of the Bylaws and the CVM Instruction No. 567/15, a new Share Buyback Program for the acquisition of shares issued by the Company ("Program") for subsequent cancellation, sale or holding in treasury, as follows:

(i) Program Objective: acquisition of common and preferred shares issued by the Company for subsequent cancellation, sale or holding in treasury, with no capital reduction, for the purpose of increasing shareholder value through the efficient application of available cash, optimizing the Company's capital allocation.

(ii) Resources: the buybacks will be made through the use of the capital reserve balance included in the latest balance sheet published on September 30, 2018 (R\$ 3.7 billion), except the reserves referred to in Article 7, § 1, of ICVM 567.

(iii) Deadline: beginning from the date of the Board of Directors' resolution, shall remain in force up to June 6, 2020, and the acquisitions shall be made in Bolsa de Valores (B3 – Brasil, Bolsa e Balcão) at market prices, observing the legal limits.

(iv) Number of Shares to be acquired: up to a maximum of 583,422 common shares and 37,736,465 preferred shares.

(v) Number of Outstanding Shares: 31,609,447 common shares and 415,111,930 preferred shares; considering the 2,290,164 common shares and 983 preferred shares in treasury; and excluding shares held by controlling shareholders, by persons related to them, and by administrators, under Article 8, section I, § 3 of ICVM 567.



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(vi) Intermediary Financial Institutions: the operation will be performed through Bradesco Corretora S.A. CTVM, headquartered at Avenida Paulista, 1450 / 7th floor - São Paulo/SP.

Information about the Program for the Buyback of Shares Issued by the Company, including those required under the CVM Instructions No. 567/15 and No. 480/09, as amended, and additional documents are available to shareholders at the Company's headquarters, on the Company's website (<http://www.telefonica.com.br/ir>), as well as on CVM and Bolsa de Valores (B3 – Brasil, Bolsa e Balcão) websites.

São Paulo, December 7, 2018.

David Melcon Sanchez-Friera
CFO and Investor Relations Officer

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