



TELEFÔNICA BRASIL S.A.

Publicly-held Company

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

NOTICE TO SHAREHOLDERS

DELIBERATION OF INTEREST ON OWN CAPITAL

Telefônica Brasil S.A. – (“Company”) announces to its shareholders that the Board of Directors, at its meeting held on December 4, 2018, deliberated the credit of Interest on Own Capital (“IOC”), related to the fiscal year of 2018, 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\$700,000,000.00 (seven hundred million reais), subject to withholding tax of 15%, resulting in a net amount of R\$595,000,000.00 (five hundred and ninety-five million reais), based on the balance sheet of the period. 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	0.38875331153	0.05831299673	0.33044031480
Preferred shares (*)	0.42762864269	0.06414429641	0.36348434628

(*) 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 2019, *ad referendum* of the General Shareholders’ Meeting to be held in 2020.

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 February 28, 2019. 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 2020, in a date to be defined by the Company’s Board. The Company clarifies that the effective payment of the IOC declared on this date is limited to the effective value to be determined in its financial statements, under the terms of the law.

The Immune or Exempt Legal Entities, according to the current legislation, must provide proof of such condition until March 6, 2019 to the “Departamento de Ações e Custódia” of Banco



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Bradesco S.A., the depositary bank, located at Cidade de Deus, s/n, Amarelo Velho Building, sub-solo – Vila Yara – Zip Code: 06029-900 – Osasco – SP.

Note: Values of Interest on Capital per common and preferred share may suffer future adjustments until February 28, 2019, due to possible acquisitions of shares within the Program for the Buyback of Shares to be held in treasury for subsequent sale and/or cancellation.

São Paulo, February 15, 2019.

David Melcon Sanchez-Friera
CFO and Investor Relations Officer

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