



**TELEFÔNICA BRASIL S.A.**

Publicly-held Company

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

**NOTICE TO THE MARKET**

Telefônica Brasil S.A. ("Company") announces to its shareholders and to the market in general that, in May 8, 2019, entered into a contract for the sale of the Data Centers Tamboré, located in the city of Santana do Parnaíba, State of São Paulo, and Curitiba (CIC), located in the city of Curitiba, State of Paraná, with a company controlled by Asterion Industrial Partners SGEIC, S.A. ("Investor" and "Transaction").

The Transaction contemplates the agreement with the Investor of: (i) an Asset Purchase Agreement ("APA"), for the total approximate amount of R\$ 441 million; and (ii) a Housing Services Agreement between the Company and the Investor – Master Service Agreement ("MSA"), ensuring the continuity of the provision of housing services by the Company's B2B area. The conclusion and consummation of the Transaction are subject to some common conditions precedent to this type of Transaction.

The Transaction aims to optimize the Company's capital allocation, generating value to its shareholders.

The Company will keep its shareholders and the market informed about the Transaction.

São Paulo, May 8, 2019

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