

Fourth Quarter and Annual Results 2017

Strong progress in execution of Simplify, Grow, Innovate strategy

- Increased customer satisfaction and reduced spend levels driven by Simplification
 - Consumer NPS +13 (Q4 2016: +10), Business NPS -1 (Q4 2016: -3)
 - Second wave Simplification program delivered ~EUR 110m run-rate savings by end Q4 2017; target raised to at least EUR 350m by end 2019
- Growing through convergence and IT services
 - Strongest quarter of 2017 with convergence in Consumer; +64k households and +95k postpaid SIMs added to fixed-mobile bundles
 - Continued growth broadband base (+7k) and 4.8% higher ARPU per household in Q4 2017
 - Consumer mobile service revenues +0.7% in Q4 2017, excl. regulation and shift from handsets to SIM-only
 - Focus on value resulted in increased market share of ~43% in competitive mobile market
 - +158k multi play seats in Business in 2017 (2016: +57k)
 - Full year order intake in LE & Corporate increased by 14% y-on-y
- Innovation strategy to deliver excellent customer experience
 - InHome quality improvements supported by data & analytics delivering 4x higher NPS and 4x lower churn
 - Virtualization of network functions leading to promising possibilities for new services and lower spend

Key figures* (from continuing operations)

Group financials (unaudited) <i>(in EUR m, unless stated otherwise)</i>	Q4 2017	Q4 2016	Δ y-on-y	FY 2017	FY 2016	Δ y-on-y
Revenues	1,614	1,723	-6.3%	6,498	6,806	-4.5%
Adjusted revenues**	1,614	1,704	-5.3%	6,500	6,780	-4.1%
Adjusted revenues The Netherlands**	1,481	1,519	-2.5%	5,878	6,026	-2.5%
EBITDA	560	626	-11%	2,306	2,429	-5.1%
Adjusted EBITDA**	596	606	-1.7%	2,417	2,428	-0.5%
<i>Adjusted EBITDA margin The Netherlands</i>	40.1%	39.6%		40.8%	40.0%	
Operating profit (EBIT)	196	246	-20%	882	884	-0.2%
Profit for the period (net profit)	70	115	-39%	485	370	31%
Capex	394	298	32%	1,139	1,193	-4.5%
Free cash flow	223	381	-41%	815	741	10%

* All non-IFRS terms are explained in the safe harbor section

** Adjusted revenues and adjusted EBITDA reconciliations to be found on page 9 and 10

Financial performance

- Adjusted revenues for The Netherlands were 2.5% lower y-on-y in Q4 and FY 2017; Q4 2017 excluding the effect of regulation was 0.7% lower y-on-y. Growth driven by higher ARPU per household in Consumer and integrated solutions in Business was offset by less international traffic in Wholesale and continued price pressure in mobile
- Adjusted EBITDA was 1.7% lower y-on-y in Q4 2017, or 1.0% lower excluding the effect of regulation. Lower revenues, different phasing of marketing expenses and customer driven investments in Business were partly offset by ongoing Simplification savings. FY 2017 adjusted EBITDA for the Group was in line with last year
- FY 2017 net profit was EUR 115m higher y-on-y driven by EUR 176m lower net finance expenses, partly offset by EUR 61m higher taxes. Finance expenses in 2016 were negatively impacted by one-off expenses related to a bond tender in Q3 2016 (EUR 120m net of tax)
- FY 2017 Capex of EUR 1,139m declined 4.5% y-on-y, due to lower network investments
- Free cash flow excluding TEFD dividend was EUR 745m for FY 2017, 9.1% higher y-on-y¹, mainly driven by less interest paid and lower Capex

¹ 2016 excluding EUR 52m impact from cash optimization actions (EUR 40m working capital and EUR 12m accrued interest)

Message from the CEO, Eelco Blok

“Our Simplify, Grow, Innovate strategy has yielded substantial results in 2017. We have optimized our customer service and deployed a targeted household approach, which resulted in record-high customer satisfaction levels and strong up- and cross sell of services.

The improved revenue trend in Business supports our view that we are on track to stabilize Business revenues. KPN strengthened its position in a growing IT market through acquisitions in key areas, such as security and managed workspaces. We see strong momentum in growth of KPN ÉÉN in SME and higher order intake in LE & Corporate.

In 2017, we made a successful start to the second wave of our Simplification program focused on further digitalization, integration of our network interaction IT layer and preparing for network virtualization.

I am proud of the strong progress we have made in the execution of our strategy over recent years and that we are recognized as most sustainable telecom operator worldwide. I am confident that my successor will guide KPN through these exciting times as the successful execution of our strategy continues.”

Outlook 2018 (continuing operations)²

- Adjusted EBITDA in line with 2017
- Capex ~EUR 1.1bn
- Free cash flow (excl. TEFD dividend) growing
- Additional cash flow via dividend from stake in Telefónica Deutschland

Shareholder remuneration and financial profile

KPN intends to pay a regular dividend per share of EUR 11 cents in respect of 2017. The final regular dividend of EUR 7.3 cents per share is expected to be paid following shareholder approval in April 2018. The provisional ex-dividend date is 20 April 2018 and the provisional payment date is 26 April 2018. KPN intends to pay a regular dividend of EUR 12 cents in respect of 2018 and to grow the regular dividend in line with its free cash flow growth profile thereafter.

At the end of 2017, KPN owned a stake of 8.6% in Telefónica Deutschland which is treated as a financial investment. KPN benefits from dividend payments by Telefónica Deutschland and additional financial flexibility. KPN intends to pass-through potential dividend received from Telefónica Deutschland to its shareholders.

KPN remains committed to an investment grade credit profile and expects to utilize excess cash for operational and financial flexibility, (small) in-country M&A and/or shareholder remuneration. KPN has credit ratings of Baa3 with a stable outlook by Moody's, BBB with a stable outlook by Fitch Ratings and BBB- with a positive outlook by Standard & Poor's.

² IFRS 15 compliant

All related documents can be found on KPN's website:
ir.kpn.com

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Safe harbor

Alternative performance measures and management estimates

This financial report contains a number of alternative performance measures (non-GAAP figures) to provide readers with additional financial information that is regularly reviewed by management, such as EBITDA and Free Cash Flow ('FCF'). These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures and are not uniformly defined by all companies including KPN's peers. Numerical reconciliations are included in KPN's quarterly factsheets and in the Integrated Annual Report 2016. KPN's management considers these non-GAAP figures, combined with GAAP performance measures and in conjunction with each other, most appropriate to measure the performance of the Group and its segments. The non-GAAP figures are used by management for planning, reporting (internal and external) and incentive purposes. KPN's main alternative performance measures are listed below.

*KPN defines **EBITDA** as operating result before depreciation (including impairments) of PP&E and amortization (including impairments) of intangible assets. Note that KPN's definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS as adopted by the European Union. In the **Net Debt / EBITDA ratio**, KPN defines **Net Debt** as the nominal value of interest bearing financial liabilities excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments, less net cash and short-term investments, and defines EBITDA as a 12 month rolling total excluding restructuring costs, incidentals and major changes in the composition of the Group (acquisitions and disposals). **Free Cash Flow** is defined as cash flow from continuing operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software. **Operating free cash flow** is defined as adjusted EBITDA minus Capex. **Revenues** are defined as the total of revenues and other income unless indicated otherwise. **Adjusted revenues** and **adjusted EBITDA** are derived from revenues (including other income) and EBITDA, respectively, and are adjusted for the impact of restructuring costs and incidentals. The term service revenues refers to wireless service revenues.*

All market share information in this financial report is based on management estimates based on externally available information, unless indicated otherwise. For a full overview on KPN's non-financial information, reference is made to KPN's quarterly factsheets available on ir.kpn.com

Forward-looking statements

Certain statements contained in this financial report constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, KPN's and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the Integrated Annual Report 2016.

Financial and operating review The Netherlands

(in EUR m)	Q4 2017	Q4 2016	Δ y-on-y	FY 2017	FY 2016	Δ y-on-y
Adjusted revenues						
Consumer	791	802	-1.4%	3,152	3,143	0.3%
Business	565	573	-1.4%	2,198	2,309	-4.8%
Wholesale	162	185	-12%	678	734	-7.6%
Network, Operations & IT	5	3	67%	21	17	24%
Other (incl. eliminations)	-42	-44	-4.5%	-171	-177	-3.4%
The Netherlands	1,481	1,519	-2.5%	5,878	6,026	-2.5%

Consumer

KPN's targeted household approach in Consumer, supported by its market leading data & analytics capabilities, led to successful up- and cross-sell of services and higher value per household. This was visible in further increased fixed-mobile bundling, more SIMs per fixed-mobile household, and a solid take-up of value added services with the skinny bundles introduced in residential in July 2017. Furthermore, digitalization is strengthening customer relationships through refining customer service and improving quality of InHome connections. Customer satisfaction further increased to an NPS of +13 in Q4 2017 (Q4 2016: +10).

Adjusted revenues in Consumer declined by 1.4% y-on-y in Q4 2017 fully driven by the effect of regulation. An increasing ARPU per household and further base growth led to 2.5% higher residential revenues in Q4 2017, compared to the same quarter last year. Mobile service revenues declined by 7.7% y-on-y in Q4 2017 due to the effect of regulation, a continued shift from handset to SIM-only propositions and lower base growth compared to last year. Excluding the effect of regulation and lower share of handset transactions compared to last year, mobile service revenues would have increased by 0.7% y-on-y in Q4 2017.

KPN continued to build on its position as the leading converged operator in the Dutch market, which delivers clear benefits in terms of improved customer satisfaction, lower churn levels and reduced marketing expenses. In Q4 2017, the number of fixed-mobile postpaid subscribers grew by 95k to 1,886k, representing 51% of the postpaid customer base (Q4 2016: 43%). Fixed-mobile penetration for postpaid customers of the high value KPN brand reached 65% (Q4 2016: 56%). The number of fixed-mobile households grew by 64k to 1,253k, equivalent to 42% of the broadband customer base (Q4 2016: 37%).

KPN added 21k IPTV customers and 7k broadband customers to its base in Q4 2017. ARPU per household grew 4.8% y-on-y to EUR 44. KPN further improved the stability and reliability of its IPTV product, reflected in a leading position in the Netflix ISP speed index.

In a competitive mobile market, the continued focus on value has led to an increasing share of the premium KPN brand in mobile service revenues (Q4 2017: ~79% vs. Q4 2016: ~77%). Despite lower postpaid customer growth compared to last year, this resulted in a higher market share for mobile service revenues (Q4 2017: ~43% vs. Q4 2016: ~42%). Postpaid net adds for the KPN brand were 8k³ in Q4 2017, although the no frills brands remained under pressure from the ongoing competitive dynamics in this segment of the market. As a result, the total postpaid base declined by 9k³. Postpaid ARPU declined 7.7% y-on-y in Q4 2017 to EUR 24 due to the effect of regulation and the shift towards SIM-only.

³ Excluding 6k clean-up

Business

In the Business segment, customer needs are continuously shifting from tailor made single play solutions towards standardized bundled services, and from traditional on-premise to cloud-based (IT) solutions. Anticipating these developments, KPN significantly simplified its portfolio in 2017, while expanding its IT services capabilities including security and workspace services. KPN has seen strong growth in KPN ÉÉN in SME and increased momentum in bundled communications & IT services. While traditional services remained under pressure, these developments led to several landmark deals in the year, driving increased order intake in the LE & Corporate segment.

In 2017, KPN successfully strengthened its position as leading ICT service provider through the acquisitions of QSight IT (consolidated as per 1 December 2017) and Dearbytes (both in security services), and CAM IT (healthcare workspace management). KPN's workspace service was rewarded the maximum 100% outsourcing recommendation score in Garte's client satisfaction benchmark, outperforming competition in the Dutch market. Business NPS rose to -1 in Q4 2017 (Q4 2016: -3).

Adjusted revenues in Business declined 1.4% y-on-y in Q4 2017, due to regulation, lower revenues from traditional services, and mobile price pressure. This was partly offset by strong revenue growth from integrated solutions and IT services, and additional low-margin hardware revenues.

In SME, KPN continues to reduce its exposure to traditional services through active migrations to its integrated product KPN ÉÉN. KPN started to use the RoutIT distribution platform for delivery of KPN ÉÉN. Customer satisfaction for service and delivery of KPN ÉÉN grew significantly to +2 in Q4 2017 (Q4 2016: -45), while orders for KPN ÉÉN grew nine-fold y-on-y. KPN realized continued strong growth of multi play seats (Q4 2017: 38k vs. Q4 2016: 27k), leading to 42% y-on-y growth of Multi play revenues in Q4 2017. Traditional fixed-only revenues declined 19% y-on-y and now represent only 14% of total Business revenues (Q4 2016: 19%). The effect of regulation, repricing and a declining mobile-only customer base due to migrations to KPN ÉÉN SME (Multi play) and KPN ÉÉN LE (Customized solutions) led to a decline in Single play wireless revenues of 24% y-on-y.

In LE & Corporate, revenues from Network & IT services grew 8.1% y-on-y in Q4 2017. The segment benefited from strong growth in IT related services, such as IT licenses and workspace management. Furthermore, Network & IT services were supported by the connection of new Business customers, leading to higher hardware revenues. Revenues from Customized solutions grew by 0.7% y-on-y, supported by migrations from Single play wireless, partly offset by rationalization and repricing.

Revenues from New services increased 38% y-on-y in Q4 2017, driven by strong growth in security and Internet of Things (IoT). KPN's leading position in the Dutch market for IoT is reflected in strong M2M base growth over the last 12 months, adding 1.0m SIMs to its M2M base (3.6m SIMs end Q4 2017). Furthermore, KPN was first to introduce geolocation on LoRa in The Netherlands, delivering an up to 25% ARPU increase for customers taking these services. To support further growth in IoT, KPN activated its LTE-M network in multiple locations in The Netherlands. The LTE-M network is complementary to the existing nationwide LoRa network and is expected to be rolled out nationwide in 2018.

Wholesale

Adjusted revenues in Wholesale decreased by EUR 23m or 12% y-on-y in Q4 2017. Fixed Wholesale revenues were impacted by lower regulated tariffs (MTA/FTA) and less low-margin international traffic. Mobile Wholesale revenues were impacted by competitive dynamics in the Dutch mobile market leading to lower revenues from MVNOs. In Q4 2017, KPN joined the local alliance network of ngena (next generation enterprise network alliance) to deliver a broader range of services to international customers.

Network, Operations & IT

KPN continued to upgrade the capacity and quality of its best-in-class integrated network and ICT infrastructure. In Q4 2017, KPN further expanded its decentralized content delivery network (D-CDN), providing an improved customer experience. Routing IPTV traffic through D-CDN represents approximately 35% spend savings. KPN continued to implement its hybrid access strategy in larger cities and to business parks, ensuring an optimized connection in each neighborhood to deliver the optimal customer experience. To improve customer experience in rural areas, KPN scaled up a pilot to roll-out hybrid fixed-mobile technology, delivering substantially improved access speeds.

Furthermore, KPN is starting pilots with business partners to identify the value of 5G technologies. Through these use cases, KPN will determine the value of new technologies for different industries.

KPN is preparing for virtualization of network functions to be able to move from a network architecture with dedicated hardware for different network functions to a software defined network using generic hardware. This provides opportunities for increased revenues by offering new services to customers while also providing opportunities to reduce spend.

Operating expenses The Netherlands

<i>(in EUR m)</i>	Q4 2017	Q4 2016	Δ y-on-y	FY 2017	FY 2016	Δ y-on-y
Opex The Netherlands (excl. D&A)*	887	917	-3.3%	3,477	3,615	-3.8%
Cost of goods & services	346	360	-3.9%	1,368	1,421	-3.7%
Personnel expenses	282	285	-1.1%	1,119	1,149	-2.6%
IT/TI	126	143	-12%	502	547	-8.2%
Other operating expenses	133	129	3.1%	488	498	-2.0%
Adjusted EBITDA The Netherlands	594	602	-1.3%	2,401	2,411	-0.4%

* Adjusted for restructuring costs and incidentals

In Q4 2017, adjusted EBITDA for The Netherlands was 1.3% lower y-on-y, or -0.7% excluding the effect of regulation. Lower revenues, different phasing of marketing expenses and customer driven investments in Business were partly offset by ongoing Simplification savings and lower traffic costs. FY 2017 adjusted EBITDA for The Netherlands was relatively flat as lower revenues were largely offset by Simplification savings. The adjusted EBITDA margin for The Netherlands stood at 40.8% in FY 2017, compared to 40.0% in FY 2016.

In Q4 2017, costs of goods and services were supported by lower traffic costs, partly offset by higher roaming costs, higher content costs in Consumer and customer driven investments, related to higher order intake in Business. Subscriber acquisition and retention costs were in line with the same period last year as the positive effect from the shift to SIM-only was offset by a higher end-of-contract base.

The Simplification program is delivering significant quality improvements and structural savings in personnel expenses, IT/TI costs and other operating expenses. However, different phasing of employee benefits compared to last year led to only marginally lower personnel expenses in Q4 2017. Other operating expenses were negatively impacted by higher marketing expenses compared to last year due to different intrayear phasing, partly offset by lower costs for housing & facilities in Q4 2017.

KPN started the second wave of its Simplification program in 2017, realizing run-rate savings (opex and Capex) of approximately EUR 110m compared to the end of 2016. Due to increased visibility on the savings, KPN has raised its target to at least EUR 350m run-rate savings by the end of 2019. Simplification and digitalization are embedded in KPN's operations, enabling an improved customer experience and creating opportunities to lower spend and increase revenues. KPN expects to complete the integration of its business support systems in 2018 and will start to integrate its network interaction IT layer, the operating support system (OSS). This will allow KPN to serve its customers in a more efficient and faster way and will enable KPN to decommission legacy IT platforms, leading to substantial run-rate spend savings.

Financial and operating review iBasis

In Q4 2017, iBasis continued to be impacted by price pressure and lower volumes in the international wholesale voice carrier market. Traffic volumes at iBasis declined approximately 20% y-on-y, including the loss of traffic due to the divestments of E-Plus and BASE Company. In Q4 2017, iBasis continued to strengthen its position in the domain of mobile data services, supporting the transition to global mobile data connectivity. After launching its IoT solution in Q4 2017, iBasis is expanding its IoT customer base.

iBasis (in EUR m)	Q4 2017	Q4 2016	Δ y-on-y	FY 2017	FY 2016	Δ y-on-y
Revenues	146	210	-30%	705	867	-19%
Adjusted revenues	146	210	-30%	705	867	-19%
EBITDA	6	5	20%	24	23	4.3%
Adjusted EBITDA	6	5	20%	24	23	4.3%

Adjusted revenues at iBasis decreased by 30% y-on-y in Q4 2017 (including a 5.2% unfavorable currency effect), driven by lower traffic and ongoing price pressure. iBasis benefitted from certain market volatility, leading to a temporary uplift in margin. As a result, the adjusted EBITDA margin was 4.1% in Q4 2017, compared to 2.4% in Q4 2016.

Profit, Capex, FCF and financial position KPN Group

Group operating profit (EBIT) declined 20% y-on-y to EUR 196m in Q4 2017 due to lower EBITDA, partly offset by lower amortization charges. Net profit of EUR 70m in Q4 2017 was EUR 45m lower compared to last year, driven by lower EBIT, partly offset by lower finance expenses.

EBIT for FY 2017 was in line with FY 2016 (-0.2% y-on-y) as lower EBITDA was largely offset by lower amortization charges. Net profit for the full year increased by EUR 115m to EUR 485m, mainly driven by EUR 176m lower net finance expenses in 2017. In 2016, KPN recorded EUR 160m additional finance expenses (EUR 120m net of tax) related to a bond tender, while in 2017 interest costs on senior bonds were EUR 73m lower as a result of a lower gross debt level compared to previous year. This was partly offset by EUR 40m lower dividend received from Telefónica Deutschland in 2017.

Capex decreased 4.5% y-on-y to EUR 1,139m in FY 2017. The reduction in Capex was mainly due to lower fixed network investments, benefitting from elevated investments in recent years. To deliver the highest quality of service to its customers, KPN continued to invest in Simplification, its leading integrated fixed and mobile network and fiber connections to homes, streets, mobile sites and business parks.

Free cash flow (excl. TEFD dividend) for FY 2017 of EUR 745m was EUR 62m (9.1%) higher y-on-y⁴. The increase was mainly driven by EUR 99m lower interest paid and EUR 54m lower Capex. This was partly offset by EUR 13m taxes paid in FY 2017, versus EUR 50m tax received in FY 2016 (mainly due to a tax reimbursement of EUR 59m).

At the end of 2017, net debt amounted to EUR 6.0bn, EUR 0.3bn lower compared to the end of Q3 2017, driven by free cash flow generation during the quarter. As of 31 December 2017, net debt to EBITDA was 2.5x (Q3 2017: 2.6x). This includes the equity credit on the hybrid bonds representing 0.4x net debt to EBITDA. The average coupon on senior bonds declined y-on-y to 3.9% (Q4 2016: 4.1%), mainly due to an adjustment of the interest duration of KPN's bond portfolio and the redemption of a EUR 720m bond (4.75% coupon) in January 2017.

At the end of 2017, Group equity amounted to EUR 3,358m, a decrease of EUR 49m compared to the end of Q3 2017. This was mainly driven by a revaluation of KPN's stake in Telefónica Deutschland, partly offset by net income generated during the quarter.

IFRS 15

IFRS 15 introduces new guidance on the recognition and measurement of revenues. The new requirements are effective as of 1 January 2018. KPN applies IFRS 15 in 2018 retrospectively, including restatement of the 2017 quarterly factsheets (to be published in March).

Estimated IFRS 15 impact (FY 2017) (in EUR m)	IAS 18 actual	IFRS 15 estimated delta
Adjusted revenues KPN Group	6,500	~ -130
Adjusted EBITDA KPN Group	2,417	~ -100
Free cash flow (excluding TEFD dividend)	745	No change
Equity (per 01/01/2017)	3,601	~ +285

The main changes under IFRS 15 reporting vs. IAS 18 reporting are related to different timing of revenue recognition for handset transactions via direct and indirect channels, and a higher threshold probability in revenue related disputes (variable consideration).

Under IFRS 15, revenues for handsets sold via direct channels are recognized in the P&L as non-service revenues at date of the transaction, matching the associated handset costs. Revenues (non-service) and fees (SAC) for handsets sold via indirect channels are no longer recognized in the P&L, but reported in the balance sheet. The threshold in revenue related disputes (variable consideration) is raised, meaning that revenues are only recognized when highly probable (>75%), up from >50% under IAS 18.

⁴ 2016 excluding EUR 52m impact from cash optimization actions (EUR 40m working capital and EUR 12m accrued interest)

Analysis of adjusted results Q4 2017

The following table shows the key items between reported and adjusted revenues:

Revenues (in EUR m)	Q4 2017 reported	Incidentals	Q4 2017 adjusted	Q4 2016 reported	Incidentals	Q4 2016 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
Consumer	791	-	791	802	-	802	-1.4%	-1.4%
Business	565	-	565	573	-	573	-1.4%	-1.4%
Wholesale	162	-	162	204	19	185	-21%	-12%
Network, Operations & IT	5	-	5	3	-	3	67%	67%
Other (incl. eliminations)	-42	-	-42	-44	-	-44	-4.5%	-4.5%
The Netherlands	1,481	-	1,481	1,538	19	1,519	-3.7%	-2.5%
iBasis	146	-	146	210	-	210	-30%	-30%
Other activities	1	-	1	3	-	3	-67%	-67%
Intercompany revenues	-14	-	-14	-28	-	-28	-50%	-50%
KPN Group	1,614	-	1,614	1,723	19	1,704	-6.3%	-5.3%

The following table specifies the revenue incidentals in more detail:

Revenue incidentals (in EUR m)	Segment	Q4 2017	Q4 2016
Change in revenue related provisions	Wholesale	-	19
KPN Group		-	19

The following table shows the key items between reported and adjusted EBITDA:

EBITDA (in EUR m)	Q4 2017 reported	Incidentals	Restructuring	Q4 2017 adjusted	Q4 2016 reported	Incidentals	Restructuring	Q4 2016 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
The Netherlands	561	-12	-21	594	609	13	-6	602	-7.9%	-1.3%
iBasis	6	-	-	6	5	-	-	5	20%	20%
Other activities	-7	-	-3	-4	12	14	-1	-1	n.m.	>100%
KPN Group	560	-12	-24	596	626	27	-7	606	-11%	-1.7%

The following table specifies the EBITDA incidentals in more detail:

EBITDA incidentals (in EUR m)	Category	Q4 2017	Q4 2016
Release of revenue related provision	Revenue	-	19
Addition to asset retirement obligation	Other operating expenses	-7	
Change in provision	Other operating expenses	-5	-6
Release of pension provision	Personnel expenses	-	14
KPN Group		-12	27

The following table shows the key items between reported and adjusted revenues for FY 2017:

Revenues (in EUR m)	FY 2017 reported	Incidentals	FY 2017 adjusted	FY 2016 reported	Incidentals	FY 2016 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
Consumer	3,152	-	3,152	3,143	-	3,143	0.3%	0.3%
Business	2,198	-	2,198	2,309	-	2,309	-4.8%	-4.8%
Wholesale	676	-2	678	760	26	734	-11%	-7.6%
Network, Operations & IT	21	-	21	17	-	17	24%	24%
Other (incl. eliminations)	-171	-	-171	-177	-	-177	-3.4%	-3.4%
The Netherlands	5,876	-2	5,878	6,052	26	6,026	-2.9%	-2.5%
iBasis	705	-	705	867	-	867	-19%	-19%
Other activities	1	-	1	4	-	4	-75%	-75%
Intercompany revenues	-84	-	-84	-117	-	-117	-28%	-28%
KPN Group	6,498	-2	6,500	6,806	26	6,780	-4.5%	-4.1%

The following table specifies the revenue incidentals in more detail:

Revenue incidentals (in EUR m)	Segment	FY 2017	FY 2016
Change in revenue related provisions	Wholesale	-2	26
KPN Group		-2	26

The following table shows the key items between reported and adjusted EBITDA for FY 2017:

EBITDA (in EUR m)	FY 2017 reported	Incidentals	Restructuring	FY 2017 adjusted	FY 2016 reported	Incidentals	Restructuring	FY 2016 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
The Netherlands	2,300	-25	-76	2,401	2,402	32	-41	2,411	-4.2%	-0.4%
iBasis	24	-	-	24	23	-	-	23	4.3%	4.3%
Other activities	-18	-	-10	-8	4	14	-4	-6	n.m.	33%
KPN Group	2,306	-25	-86	2,417	2,429	46	-45	2,428	-5.1%	-0.5%

The following table specifies the EBITDA incidentals in more detail:

EBITDA incidentals (in EUR m)	Category	FY 2017	FY 2016
Change in revenue related provisions	Revenue	-2	26
Addition to asset retirement obligation	Other operating expenses	-7	-
Change in provisions	Other operating expenses	-16	6
Release of provision	Other operating expenses	-	14
KPN Group		-25	46