

# Adjustments to reporting format

15 March 2016



# Executive summary

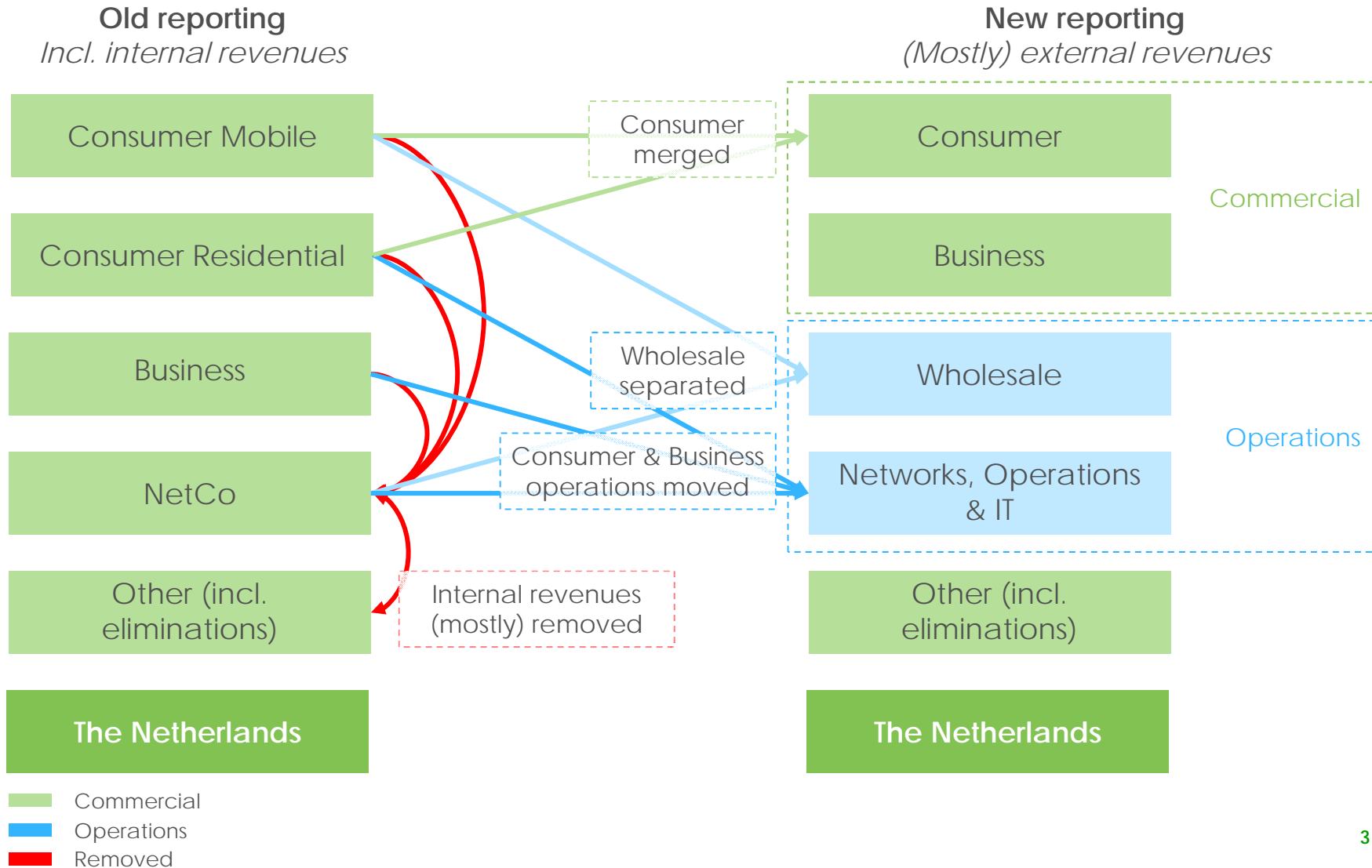
## Adjustments to reporting format per Q1 '16



- Organizational change driving adjustments to reporting format
  - Management structure with CCO and COO managing Commercial and Operations respectively
- Adjustments to reporting format
  - Reporting segments
    - Commercial
      - Consumer
      - Business
    - Operations
      - Wholesale
      - Network, Operations & IT (mostly former NetCo)
  - Main changes in financial reporting
    - Elimination of internal revenues; Network, Operations & IT set up as a cost center
    - Consumer Residential and Consumer Mobile merged into Consumer segment
    - Consumer & Business operations (incl. field engineers) moved from Consumer and Business segments to Network, Operations & IT
    - Wholesale separated from Consumer Mobile and NetCo
    - Corporate Center transferred from Other activities to Other The Netherlands
    - New functional split in operating expenses
  - Main changes in segment revenue breakdown and KPI set
    - New bundle focused revenue split and KPI set for Consumer
    - Business revenue split and KPI set changed to reflect market segmentation approach
- Adjusted reporting format published ahead of Q1 '16 results
  - Restated facts and figures per quarter provided for full year 2014 and 2015
  - Consensus request and Q1 '16 results will be based on new reporting format

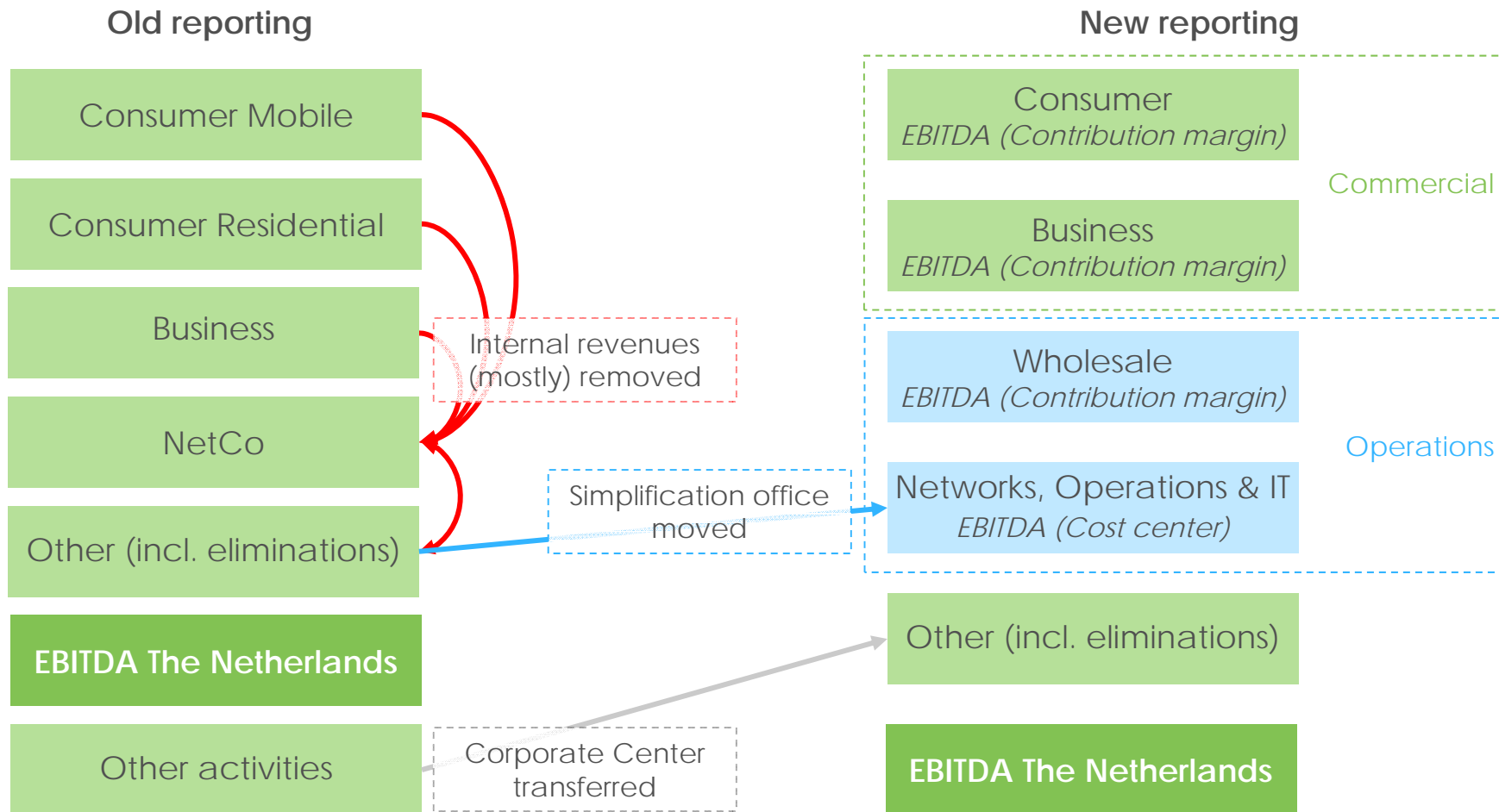
# Revenue segmentation

Decoupling Commercial & Operations and eliminating internal revenues



# EBITDA segmentation

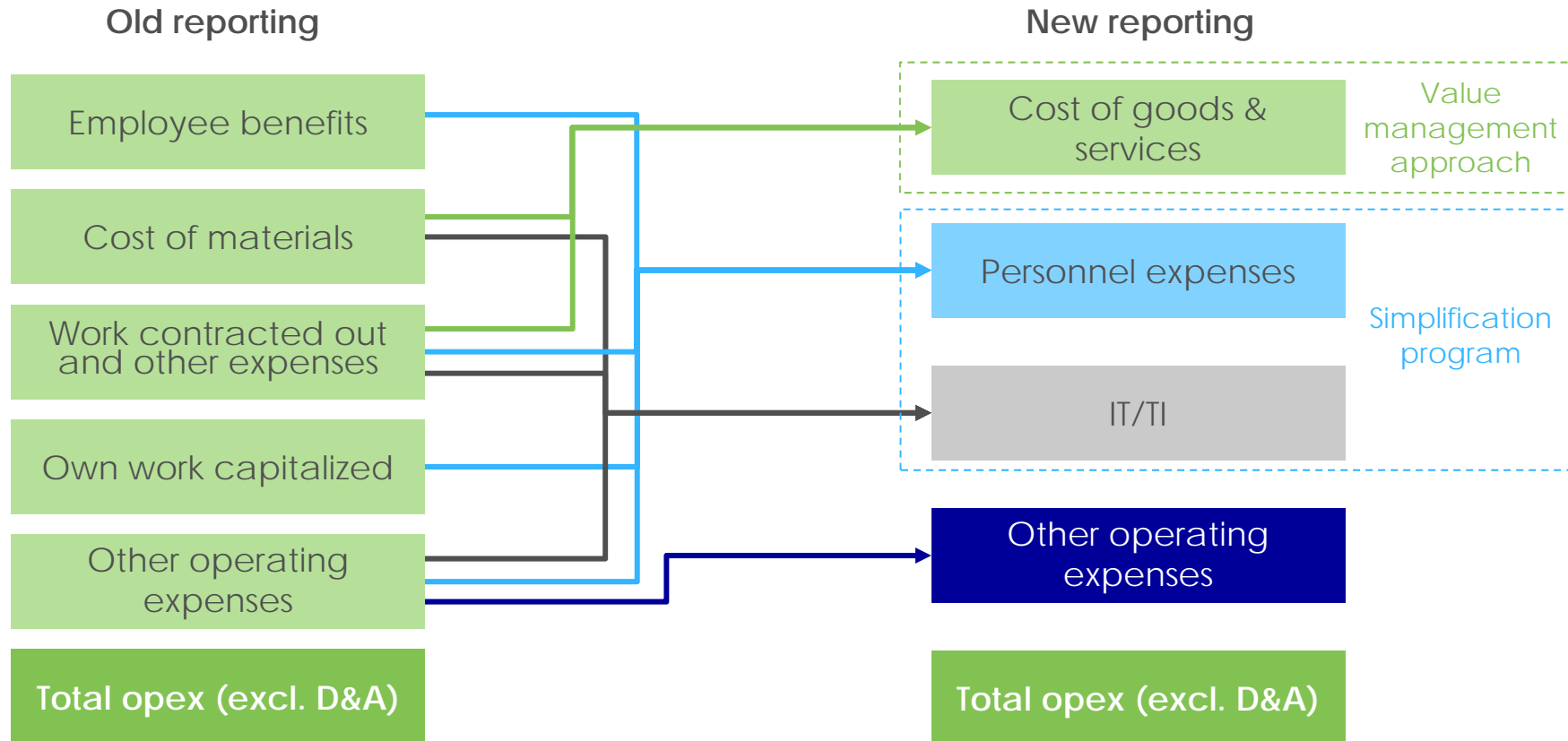
Changed EBITDA segment figures due to elimination internal revenues



- Operations
- Removed
- Transfer to NL

# Opex split

Increasing cost visibility





# Consumer Residential KPIs

New KPI set addressing shift to bundles

## Old reporting

KPN The Netherlands: Consumer Residential
<b>Market penetration</b>
- Broadband
- VoIP
<b>Market share</b>
- Broadband - KPN ISP Retail (subscribers)
- TV (subscribers)
<b>Access Lines (*1,000)</b>
- Traditional voice
- VoIP (package broadband, voice)
<b>Net line loss (*1,000)</b>
<b>RGUs per customer</b>
<b>ARPU per customer</b>
<b>Traditional voice ARPU</b>
<b>Broadband ISP customers (*1,000)</b>
<b>Number of triple play (fixed) packages (*1,000)</b>
<b>% triple play (fixed) of total broadband customers</b>
<b>Number of fixed-mobile bundles (*1,000)</b>
- of which: in quad play packages (*1,000)
- % fixed-mobile bundles of total broadband customers
<b>Broadband ARPU (blended)</b>
<b>TV subscribers (*1,000)</b>
- IPTV (copper & FttH)
- Other
<b>TV copper ARPU (blended)</b>
<b>FttH (activated) (*1,000)</b>

## New reporting

Consumer Residential KPIs
<b>Total Consumer Residential households (*1,000)</b>
- Fixed-Mobile households
- Fixed-only households
<b>Market share</b>
- Broadband subscribers
- TV subscribers
<b>Households (*1,000)</b>
- Unbundled
- of which: Broadband only
- of which: Traditional voice
- of which: Digitenne only
- Dual Play
- Triple Play
<b>ARPU per household</b>
<b>Total RGUs (*1,000)</b>
- Voice
- Broadband
- TV
- of which: IPTV
- of which: Other
<b>RGUs per household</b>

# Business KPIs

New revenue split reflecting market segmentation approach



## Old reporting

Revenues - Business
Voice & Internet wireline
Data network services
Wireless services
IT Solutions
Other income
Other revenues (incl. intercompany)
<b>Business</b>

## New reporting

Business revenues
<b>Mainly SME</b>
Multi play revenues
Mobile-only revenues
Fixed-only revenues
<b>Mainly LE/Corporate</b>
Network and IT services
Customized solutions
<b>New services</b>
<b>Other</b>
<b>Total Business revenues</b>
- of which: total mobile Business service revenues

# Business KPIs (cont'd)

New KPI set reflecting market segmentation approach



## Old reporting

KPN The Netherlands: Business	
<b>Voice &amp; Internet wireline</b>	
<b>Access Lines (*1,000)</b>	
- Connections Traditional voice	
- Connections VoIP	
<b>VPN connections (*1,000)</b>	
<b>Business DSL (*1,000)</b>	
<b>Traditional voice ARPU</b>	
- Access	
- Traffic	
<b>Traditional voice MoU (originating)</b>	
<b>Wireless services</b>	
<b>Customers excl. M2M (*1,000)</b>	
- of which: single play mobile	
- of which: in multi play	
<b>Subscribers M2M (*1,000)</b>	
<b>Service revenues (in m)</b>	
<b>ARPU single play</b>	
<b>SAC/SRC</b>	
<b>Multi play</b>	
<b>Multi play seats (*1,000)</b>	
<b>Multi play revenues (in m)</b>	

## New reporting

Business KPIs - aggregated	
<b>Total Mobile customer base (*1,000)</b>	
- Mainly SME	
- of which: Mobile in multi play	
- of which: Mobile-only	
- Mainly LE/Corporate	
<b>Mainly SME - Fixed-Mobile KPIs</b>	
<b>Multi play seats (*1,000)</b>	
<b>ARPU per multi play seat</b>	
<b>Mainly SME - Mobile-only KPIs</b>	
<b>Mobile-only customers (*1,000)</b>	
<b>Mobile-only ARPU</b>	
<b>SAC/SRC</b>	
<b>Mainly SME - Fixed-only traditional KPIs</b>	
<b>Fixed-only voice lines (*1,000)</b>	
<b>Fixed-only voice ARPU</b>	
<b>Fixed-only broadband lines (*1,000)</b>	
<b>Fixed-only broadband ARPU</b>	

*No separate KPI set for Large Enterprise/ Corporate given majority of revenues is based on customized solutions*