

## Fourth quarter and full-year results 2018

### Operational highlights Q4 2018

- Ongoing success of convergence supported by value focus in Consumer
  - Consumer NPS of +14 (Q4 2017: +13)
  - 70% of KPN brand postpaid customers in fixed-mobile bundle (Q4 2017: 65%)
  - +32k fixed-mobile postpaid customers; +179k in 2018, reaching 57% of postpaid base (Q4 2017: 51%)
  - +18k fixed-mobile households; +91k in 2018, reaching 46% of broadband base (Q4 2017: 42%)
  - ARPU per household increased 4.3% y-on-y to € 46. Postpaid ARPU in line with Q4 2017 at € 18
  - +9k<sup>1</sup> broadband, +22k IPTV and -19k postpaid net adds
- Progress in Business is starting to deliver results
  - Business NPS of 0 (Q4 2017: -1)
  - 41% of SME customers migrated from traditional fixed voice or legacy broadband services
- Second wave Simplification program has generated ~€ 225m run-rate Capex and opex savings in 2017 and 2018
  - Final year rolls-over into the new opex reduction program started in 2019; to deliver ~€ 350m net indirect opex savings over the period 2019 – 2021<sup>2</sup>

### Key figures\* (from continuing operations)

Group financials (unaudited) <i>(in € m, unless stated otherwise)</i>	Q4 2018	Q4 2017	Δ y-on-y	FY 2018	FY 2017	Δ y-on-y
Revenues	1,436	1,452	-1.1%	5,639	5,742	-1.8%
<b>Adjusted revenues**</b>	<b>1,436</b>	<b>1,452</b>	<b>-1.1%</b>	<b>5,639</b>	<b>5,749</b>	<b>-1.9%</b>
EBITDA	530	531	-0.2%	2,186	2,169	0.8%
<b>Adjusted EBITDA**</b>	<b>572</b>	<b>567</b>	<b>1.0%</b>	<b>2,303</b>	<b>2,285</b>	<b>0.8%</b>
<b>Adjusted EBITDA margin</b>	<b>39.8%</b>	<b>39.0%</b>		<b>40.8%</b>	<b>39.7%</b>	
Operating profit (EBIT)	177	169	4.4%	789	755	4.4%
Profit for the period (net profit)	-45	56	n.m.	280	390	-28%
Profit for the period (excl. one-off DTA revaluation)	62	56	10%	387	390	-0.7%
<b>Capex</b>	<b>368</b>	<b>392</b>	<b>-6.0%</b>	<b>1,106</b>	<b>1,131</b>	<b>-2.2%</b>
Free cash flow (incl. TEFD dividend)	223	218	2.2%	858	800	7.2%
<b>Free cash flow (excl. TEFD dividend)</b>	<b>223</b>	<b>218</b>	<b>2.2%</b>	<b>804</b>	<b>730</b>	<b>10%</b>

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

\*\* Adjusted revenues and adjusted EBITDA reconciliations to be found on page 8 and 9

### Financial highlights Q4 2018

- Adjusted revenues 1.1% lower y-on-y
  - Growth in bundled services in Consumer and Professional Services in Business
  - Offset by a decline in legacy services and continued pressure in mobile
  - Adjusted EBITDA 1.0% higher y-on-y Lower revenues offset by ongoing savings related to Simplification and digitalization of services
  - FY 2018 adjusted EBITDA 0.8% higher y-on-y
- Net profit (excluding one-off DTA revaluation) of € 62m 10% higher y-on-y
  - One-off DTA revaluation of € 107m due to reduction of corporate income tax rate
  - FY 2018 net profit would have been 0.7% lower y-on-y excluding the one-off DTA revaluation
- FY 2018 free cash flow (excluding TEFD dividend) of € 804m, 10% higher y-on-y
  - Growth was mainly driven by less interest paid, lower Capex and higher EBITDA

<sup>1</sup> Corrected for migrations to and new customers of small business proposition (7k)

<sup>2</sup> Indirect opex adjusted for the impact of restructuring costs and incidentals

## Message from the CEO, Maximo Ibarra

*“We delivered on our 2018 outlook: Adjusted EBITDA grew with 0.8% y-on-y, Capex was € 1.1 billion and free cash flow was up 10% y-on-y reaching € 804 million. In 2018, we saw significant growth in our converged customer base, resulting in higher customer satisfaction and lower churn. In Consumer, our focus on value is demonstrated by a growing ARPU per household, despite continued competitive pressure. The improving revenue trend in Business also indicates that we are on the right track. The second wave of the Simplification program has yielded significant savings and the final year will roll-over into our new multi-year sustainable opex reduction program starting in 2019.*

*The full-year results provide a strong foundation on which to execute our 2019-2021 strategy, which we presented at our Capital Markets Day in November last year. We are active in a highly competitive environment within an evolving landscape. This requires a flexible organization that is capable to have faster time-to-market, and to bring innovation faster to our customers. Our acceleration will position KPN as a high quality and lean telco with strong premium Consumer and Business customer relations. We will continue investing in our infrastructure to become the undisputed quality leader in The Netherlands, by expanding our FttH footprint and modernizing our mobile network.*

*We are determined to deliver organic and sustainable growth of Adjusted EBITDA and free cash flow. One-off elevated restructuring costs in 2019 will deliver financial benefits from 2020 and onwards. I am confident that our strategy will maximize value for all our stakeholders.”*

## Outlook 2019 (continuing operations) and 2019 – 2021 ambitions

	Outlook 2019	2019 – 2021 ambitions
<b>Adjusted EBITDA</b>	In line with 2018	Organic growth
<b>Capex</b>	€ 1.1bn	Stable at € 1.1bn annually
<b>Free cash flow</b> (excl. TEFD dividend)	Front-end loaded restructuring charges leading to incidentally lower FCF compared with 2018	Three-year mid-single digit CAGR* driven by EBITDA growth
<b>Regular DPS</b>	€ 12.5 cents	Progressive dividend, supported by FCF

\* Three-year CAGR calculated from the end of 2018 to the end of 2021

## Shareholder remuneration and financial profile

KPN intends to pay a regular dividend per share of € 12 cents in respect of 2018. The final regular dividend of € 8 cents per share is subject to shareholder approval at the Annual General Meeting of Shareholders on 10 April 2019. The provisional ex-dividend date is 12 April 2019 and the provisional payment date is 18 April 2019.

At the end of 2018, KPN owned a stake of 4.4% in Telefónica Deutschland, which provides KPN with additional financial flexibility and is treated as a financial investment.

KPN remains committed to an investment grade credit profile and aims for a net debt to EBITDA ratio of <2.5x in the medium-term (Q4 2018: 2.5x). KPN has a credit rating of Baa3 with a stable outlook from Moody's, BBB with a stable outlook from Fitch Ratings and BBB- with a positive outlook from Standard & Poor's.

All related documents can be found on KPN's website:

[ir.kpn.com](http://ir.kpn.com)

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**Formal disclosures:**

**Royal KPN N.V.**

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Inside information: No

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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 2017. 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. The figures shown in this report were rounded in accordance with standard business principles. As a result, totals indicated may not be equal to the precise sum of the individual figures.*

*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.*

*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](http://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 2017. Forward-looking financial information does not take into account the impact of new IFRS standards or interpretations effective for future reporting periods (such as IFRS 16 Leasing). All forward-looking statements and ambitions stated in this financial report that refer to a growth or decline, refer to such growth or decline relative to the situation per 31 December 2018, unless stated otherwise.*

## Financial and operating review KPN Group

<i>(in € m)</i>	Q4 2018	Q4 2017	Δ y-on-y	FY 2018	FY 2017	Δ y-on-y
<b>Adjusted revenues</b>						
Consumer	758	766	-1.1%	2,992	3,044	-1.7%
Business	549	562	-2.2%	2,143	2,183	-1.9%
Wholesale	157	159	-1.5%	618	672	-8.0%
Network, Operations & IT	9	5	91%	30	21	45%
Other (incl. eliminations)	-36	-40	-8.8%	-145	-171	-15%
<b>KPN Group (continuing operations)</b>	<b>1,436</b>	<b>1,452</b>	<b>-1.1%</b>	<b>5,639</b>	<b>5,749</b>	<b>-1.9%</b>

### Consumer

KPN will continue to leverage its strong market position to drive growth in convergence. KPN's strategic focus for Consumer is summarized in three key priorities: 1) Invest in the best household access and customer experience, 2) Growing the converged customer base and increased product penetration, and 3) Focus on delivering value.

In the fourth quarter, KPN further strengthened household relationships through its continued focus on value and convergence. This was visible in increased fixed-mobile penetration among broadband customers and more SIMs per converged household. KPN's InHome WiFi campaign, supported by online self-help tools, contributed to an improved customer experience. Consumer NPS increased to +14 in Q4 2018 (Q4 2017: +13).

Adjusted revenues in Consumer declined 1.1% y-on-y in Q4 2018, fully driven by lower mobile hardware revenues and lower not-bundled fixed service revenues. Residential revenues declined 0.4%, driven by a declining base for Digtente and traditional voice services. This effect was offset by increasing ARPU per household and more households taking bundled services. Mobile service revenues declined 2.2% y-on-y, mainly driven by lower base of mobile-only customers and continued pressure on the prepaid segment.

In Q4 2018, the number of fixed-mobile postpaid subscribers grew by 32k to 2,065k, representing 57% of the postpaid customer base (Q4 2017: 51%). Fixed-mobile penetration for the high-value KPN brand reached 70% of postpaid customers (Q4 2017: 65%). The number of fixed-mobile households grew by 18k to 1,343k, or 46% of the broadband base (Q4 2017: 42%).

KPN added 9k broadband customers during Q4 2018, adjusted for migrations from Consumer to the proposition for small businesses and new customers for this proposition (7k). ARPU per household increased by 4.3% y-on-y to € 46 in Q4 2018. KPN added 22k IPTV customers.

The mobile market was characterized by year-end promotions during the fourth quarter. KPN continued its focus on retention of high-value postpaid customers, resulting in a postpaid ARPU in line with Q4 2017 at € 18 (Q4 2017: € 18). The postpaid customer base declined 19k in Q4 2018. The Telfort and Simyo brand were impacted most by the continued competitive dynamics in the no frills segment of the market, leading to a decline of 11k customers for these brands.

### Business

In the Business segment, KPN will continue to build on its high quality and trusted brand, and strong reputation in the coming years. KPN continues to upgrade customers with improved access speeds and focus on a simplified product portfolio with converged services on the KPN EEN platform. This allows for transformation of the operating platform with lean and digital operations. Furthermore, KPN will have a clear value over volume approach and focus on profitable revenues.

In the fourth quarter, KPN continued to migrate customers to its converged offering. Currently, 41% of SME customers have migrated from traditional fixed voice or legacy broadband services. While this provides improved opportunities for up- and cross-sell of services over time, it initially leads to lower revenues due to repricing related to the migrations. The strengthened IT infrastructure enables faster delivery of services and improved digital customer interaction, resulting in an improved customer experience. Business NPS improved to 0 (Q4 2017: -1).

Adjusted revenues in Business declined 2.2% y-on-y in Q4 2018. Strong growth in Professional Services was offset by lower revenues from traditional single-play services and continued mobile price pressure.

Revenues from Communication Services declined 7.6% y-on-y in Q4 2018, mainly driven by lower Mobile service revenues (-6.3% y-on-y) and lower revenues from Fixed Voice (-9.2% y-on-y). Revenues from KPN's Internet of Things (IoT) proposition declined 10% y-on-y as a result of contract adjustments at some of our larger customers in Q3 2018. Over the past 12 months, KPN's M2M base grew by 1.3m SIMs to 5.0m at the end of December 2018. Furthermore, KPN continues to add customers to its fully integrated KPN Things platform.

Revenues from IT Services declined 1.5% y-on-y in Q4 2018. Growth in security and cloud services was mainly offset by declining revenues from legacy IT products (PBX).

Revenues from Professional Services & Consultancy increased by 15% y-on-y in Q4 2018. The higher revenues were supported by additional project-based work in Q4 2018.

## Wholesale

Adjusted revenues in Wholesale declined € 2m or 1.5% y-on-y in Q4 2018. This was mainly driven by less visitor roaming traffic, partly offset by higher mobile service revenues due to a slightly higher customer base and increasing ARPU.

## Network, Operations & IT

KPN aims to be the undisputed quality leader with the best access networks and delivering a premium customer experience. To realize this KPN will focus on offering the best converged smart infrastructure, which is essential to grow the convergence take-up in Consumer and Business and deliver profitable growth. Furthermore, to improve flexibility and reduce spend, KPN focuses on enabling innovative technologies in its core network and accelerating simplification and digitalization of the IT operating model.

KPN continued to implement its hybrid access strategy to larger cities and business parks, ensuring an optimized connection to deliver an excellent customer experience. During the fourth quarter, KPN experienced limited network disruptions, contributing to better customer experience for both Consumer and Business customers.

In Q4 2018, KPN completed the first phase of its operating support system (OSS) integration, meaning basic transport functions (MDF and Ethernet connections) now run via the new OSS. KPN successfully migrated all Consumer customers to the new OSS for these functions. Furthermore, KPN made the necessary preparations for expanding its FttH footprint by one million new households by the end of 2021. These preparations include building the right capabilities for the project organization, planning the initial roll-out and making the necessary agreements with the main contractors.

## Operating expenses

(in € m)	Q4 2018	Q4 2017	Δ y-on-y	FY 2018	FY 2017	Δ y-on-y
<b>Opex (excl. D&amp;A)*</b>						
Cost of goods & services	343	346	-0.9%	1,302	1,365	-4.6%
Personnel expenses	282	280	0.5%	1,141	1,121	1.8%
IT/TI	113	123	-8.8%	442	493	-10%
Other operating expenses	127	136	-6.6%	451	486	-7.2%
<b>Adjusted EBITDA (continuing operations)</b>	<b>572</b>	<b>567</b>	<b>1.0%</b>	<b>2,303</b>	<b>2,285</b>	<b>0.8%</b>

\* Adjusted for restructuring costs and incidentals

Adjusted EBITDA was 1.0% higher in Q4 2018. Lower revenues were offset by ongoing savings from Simplification and digitalization of services. In Q4 2018, the adjusted EBITDA margin improved to 39.8% (Q4 2017: 39.0%). The FY 2018 adjusted EBITDA margin was 110 basis points higher y-on-y at 40.8%.

Due to Simplification and digitalization initiatives, IT/TI costs declined 8.8% y-on-y in Q4 2018. Personnel expenses were slightly higher in Q4 2018 compared to last year due to the impact from a new Collective Labor Agreement. Other operating expenses were 6.6% lower y-on-y and benefitted mainly from less costs related to billing & collection and housing & facilities.

By the end of 2018, the second wave of KPN's Simplification program realized run-rate Capex and opex savings of approximately € 225m, compared to the end of Q4 2016. Since the start of KPN's Simplification program in 2014, approximately € 685m run-rate savings have been realized as at the end of Q4 2018. The final year of this program will roll-over into a new multi-year sustainable opex reduction program starting in 2019. KPN expects this new program to result in approximately € 350m net indirect opex savings over the period 2019 – 2021<sup>3</sup>.

## iBasis (discontinued operations)

On 7 March 2018, KPN announced that it reached an agreement to sell iBasis to Tofane Global. Therefore, KPN has accounted for iBasis as a discontinued operation as per Q1 2018. iBasis continues to be included in KPN's segment reporting until the sale is completed.

<sup>3</sup> Indirect opex adjusted for the impact of restructuring costs and incidentals

## **Profit, Capex, FCF and financial position KPN Group** (continuing operations)

Group operating profit (EBIT) increased 4.4% y-on-y to € 177m in Q4 2018. The increase was mainly driven by lower depreciation charges and higher adjusted EBITDA, partly offset by higher restructuring costs. EBIT for FY 2018 of € 789m was € 33m (+4.4%) higher y-on-y.

Q4 2018 net profit was a loss of € 45m, compared to a net profit of € 56m in Q4 2017. Higher operating profit was further supported by lower finance expenses due to an adjustment of the interest duration on KPN's bond portfolio earlier in 2018. However, this was offset by higher tax expenses, related to a one-off € 107m revaluation of KPN's deferred tax asset driven by the lower corporate tax rate in The Netherlands. Excluding this one-off tax impact, net profit would have been € 62m in Q4 2018, 10% higher y-on-y. FY 2018 net profit declined 28% compared to last year as higher operating profit was offset by lower interest income and higher tax expenses. FY 2018 net profit would have been 0.7% lower y-on-y, excluding the one-off tax impact.

Capex decreased 6.0% y-on-y to € 368m in Q4 2018. Capex for FY 2018 amounted to € 1,106m, € 25m lower compared to FY 2017.

Q4 2018 free cash flow (excl. TEFD dividend) of € 223m was 2.2% higher compared to the same period last year. Free cash flow (excl. TEFD dividend) for FY 2018 of € 804m was € 74m (+10%) higher y-on-y. The increase was mainly driven by € 41m less interest paid, € 25m lower Capex and € 17m higher EBITDA.

At the end of 2018, net debt amounted to € 5.9bn, € 0.3bn lower compared to the end of Q3 2018, driven by free cash flow generation and the sale of Telefónica Deutschland shares during the quarter. As of 31 December 2018, net debt to EBITDA ratio was 2.5x (Q3 2018: 2.7x). This includes the equity credit on the hybrid bonds representing 0.2x net debt to EBITDA. The average coupon on senior bonds declined y-on-y to 3.8% (Q4 2017: 3.9%), mainly due to an adjustment of the interest duration of KPN's bond portfolio.

At the end of 2018, Group equity amounted to € 1,946m, a decline of € 78m compared to the end of Q3 2018. This was mainly driven by the revaluation of the deferred tax asset due to a reduction of the corporate income tax rate in The Netherlands.

## Analysis of adjusted results Q4 2018

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

Revenues (in € m)	Q4 2018 reported	Incidentals	Q4 2018 adjusted	Q4 2017 reported	Incidentals	Q4 2017 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
Consumer	758	-	758	766	-	766	-1.1%	-1.1%
Business	549	-	549	562	-	562	-2.2%	-2.2%
Wholesale	157	-	157	159	-	159	-1.5%	-1.5%
Network, Operations & IT	9	-	9	5	-	5	91%	91%
Other (incl. eliminations)	-36	-	-36	-40	-	-40	-8.8%	-8.8%
<b>The Netherlands</b>	<b>1,436</b>	-	<b>1,436</b>	<b>1,452</b>	-	<b>1,452</b>	<b>-1.1%</b>	<b>-1.1%</b>
<i>iBasis (discontinued operations)</i>	129	-	129	146	-	146	-12%	-12%
Other activities	-	-	-	-	-	-	-59%	-59%
Intercompany revenues	-13	-	-13	-13	-	-13	0.5%	0.5%
<b>KPN Group</b>	<b>1,552</b>	-	<b>1,552</b>	<b>1,585</b>	-	<b>1,585</b>	<b>-2.1%</b>	<b>-2.1%</b>
<i>of which discontinued operations</i>	-115	-	-115	-133	-	-133	-13%	-13%
<b>KPN Group continuing operations</b>	<b>1,436</b>	-	<b>1,436</b>	<b>1,452</b>	-	<b>1,452</b>	<b>-1.1%</b>	<b>-1.1%</b>

There were no revenue related incidentals in Q4 2018 and Q4 2017.

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

EBITDA (in € m)	Q4 2018 reported	Incidentals	Restruc- turing	Q4 2018 adjusted	Q4 2017 reported	Incidentals	Restruc- turing	Q4 2017 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
<b>The Netherlands</b>	<b>539</b>	<b>-11</b>	<b>-23</b>	<b>572</b>	<b>538</b>	<b>-11</b>	<b>-20</b>	<b>570</b>	<b>0.2%</b>	<b>0.5%</b>
<i>iBasis (disc. operations)</i>	4	-	-	4	7	-	-	7	-42%	-42%
Other activities	-9	-5	-4	-	-7	-	-4	-3	30%	n.m.
<b>KPN Group</b>	<b>534</b>	<b>-16</b>	<b>-26</b>	<b>576</b>	<b>538</b>	<b>-11</b>	<b>-24</b>	<b>573</b>	<b>-0.7%</b>	<b>0.5%</b>
<i>of which disc. operations</i>	-4	-	-	-4	-7	-	-	-7	-39%	-39%
<b>KPN Group cont. ops.</b>	<b>530</b>	<b>-16</b>	<b>-26</b>	<b>572</b>	<b>531</b>	<b>-11</b>	<b>-24</b>	<b>567</b>	<b>-0.2%</b>	<b>1.0%</b>

The following table specifies the EBITDA incidentals in more detail:

EBITDA incidentals (in € m)	Category	Q4 2018	Q4 2017
Addition to asset retirement obligation	Other operating expenses	-11	-7
Change in provision	Other operating expenses	-5	-5
<b>KPN Group</b>		<b>-16</b>	<b>-11</b>

The following table shows the key items between reported and adjusted revenues for FY 2018:

Revenues (in € m)	FY 2018 reported	Incidentals	FY 2018 adjusted	FY 2017 reported	Incidentals	FY 2017 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
Consumer	2,992	-	2,992	3,044	-	3,044	-1.7%	-1.7%
Business	2,143	-	2,143	2,183	-	2,183	-1.9%	-1.9%
Wholesale	618	-	618	665	-7	672	-7.0%	-8.0%
Network, Operations & IT	30	-	30	21	-	21	45%	45%
Other (incl. eliminations)	-145	-	-145	-171	-	-171	-15%	-15%
<b>The Netherlands</b>	<b>5,638</b>	-	<b>5,638</b>	<b>5,741</b>	<b>-7</b>	<b>5,749</b>	<b>-1.8%</b>	<b>-1.9%</b>
iBasis	528	-	528	705	-	705	-25%	-25%
Other activities	1	-	1	1	-	1	39%	39%
Intercompany revenues	-59	-	-59	-84	-	-84	-30%	-30%
<b>KPN Group</b>	<b>6,108</b>	-	<b>6,108</b>	<b>6,364</b>	<b>-7</b>	<b>6,371</b>	<b>-4.0%</b>	<b>-4.1%</b>
<i>of which discontinued operations</i>	<i>-469</i>	-	<i>-469</i>	<i>-622</i>	-	<i>-622</i>	<i>-25%</i>	<i>-25%</i>
<b>KPN Group continuing operations</b>	<b>5,639</b>	-	<b>5,639</b>	<b>5,742</b>	<b>-7</b>	<b>5,749</b>	<b>-1.8%</b>	<b>-1.9%</b>

The following table specifies the revenue incidentals in more detail:

Revenue incidentals (in € m)	Segment	FY 2018	FY 2017
Change in revenue related provisions	Wholesale	-	-7
<b>KPN Group</b>		<b>-</b>	<b>-7</b>

The following table shows the key items between reported and adjusted EBITDA for FY 2018:

EBITDA (in € m)	FY 2018 reported	Incidentals	Restruc- turing	FY 2018 adjusted	FY 2017 reported	Incidentals	Restruc- turing	FY 2017 adjusted	Δ y-on-y reported	Δ y-on-y adjusted
<b>The Netherlands</b>	<b>2,205</b>	<b>-11</b>	<b>-91</b>	<b>2,307</b>	<b>2,187</b>	<b>-29</b>	<b>-76</b>	<b>2,292</b>	<b>0.8%</b>	<b>0.6%</b>
iBasis	23	-	-	23	24	-	-	24	-4.8%	-4.8%
Other activities	-19	-5	-11	-3	-18	-	-11	-8	2.3%	-65%
<b>KPN Group</b>	<b>2,209</b>	<b>-16</b>	<b>-102</b>	<b>2,327</b>	<b>2,193</b>	<b>-29</b>	<b>-86</b>	<b>2,309</b>	<b>0.7%</b>	<b>0.8%</b>
<i>of which disc. operations</i>	<i>-24</i>	-	-	<i>-24</i>	<i>-24</i>	-	-	<i>-24</i>	<i>-2.3%</i>	<i>-2.3%</i>
<b>KPN Group cont. ops.</b>	<b>2,186</b>	<b>-16</b>	<b>-102</b>	<b>2,303</b>	<b>2,169</b>	<b>-29</b>	<b>-86</b>	<b>2,285</b>	<b>0.8%</b>	<b>0.8%</b>

The following table specifies the EBITDA incidentals in more detail:

EBITDA incidentals (in € m)	Category	FY 2018	FY 2017
Change in revenue related provisions	Revenue	-	-7
Addition to asset retirement obligation	Other operating expenses	-11	-7
Change in provisions	Other operating expenses	-5	-16
<b>KPN Group</b>		<b>-16</b>	<b>-29</b>