KPN announces new measures to operate effectively in changing business market

10 Dec 2014 08:00 CET/CEST KPN today announces new efficiency measures for its Business segment against a background of continued rationalization and optimization by its customers and at the same time increased customer demand for a variety of new services. KPN intends to restructure its Business segment to achieve stronger customer focus and increased standardization. This will result in an additional FTE reduction of up to 580 FTE at KPN's Business segment. At the same time, within the Consumer segment, KPN will hire an additional 200 FTEs to connect new customers and service existing customers.

KPN's business customers continue to migrate from traditional services to IP based services with growing demand for new services such as Cloud & Hosting, Security and M2M solutions. At the same time, many Dutch businesses are downsizing their operations, postponing their investments and rationalizing their ICT spend. This is causing a decline in the total business market size and consequently pressure on KPN's revenues, which is not fully offset by revenues from new services. As a result, KPN today announces additional measures to restructure its Business segment towards a leaner operating model whilst also investing in new services and further improving its quality of service.

The additional FTE reduction in the Business segment will lead to a provision in the first half of 2015 of approximately EUR 50m and is expected to be finalized in 2015. Annual cost savings of approximately EUR 45m are expected by 2016.

KPN has submitted a request for advice to the works council.

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