KPN and several suppliers agree to reduce payment terms

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KPN and several of its suppliers have agreed better conditions that significantly reduce the payment terms in return for discounts. These mutual beneficial agreements will give both KPN and its suppliers greater financial flexibility. KPN will record a one-off cash payment of approximately EUR 225m in the fourth quarter of 2014, which is seen as a change in phasing and therefore excluded from KPN's outlook.

The agreements align KPN's payment terms and increase KPN's flexibility in selecting suppliers, resulting in a more adaptable and lower cost base. This agreement is part of KPN's strategy to use the majority of the cash proceeds of the sale of E-Plus to increase its financial flexibility and support the execution of its strategy in The Netherlands and Belgium.

Jan Kees de Jager, CFO of KPN
"We are pleased to have reached mutual beneficial agreements with several suppliers over reduced payment terms in return for attractive discounts. This agreement is the latest in a sequence of important management actions, including the acquisition of Reggefiber, the bond tender and the conversion of KPN's active pension plans, enabling us to simplify and strengthen our balance sheet and increase our financial flexibility."

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