

# KPN announces Eurobond and Tender Offer

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KPN announces its intention to issue a dual-tranche Eurobond under its Global Medium Term Note programme. The proceeds from the new bond offering will be used to repurchase existing Eurobonds through a tender offer and for general corporate purposes.

KPN is targeting a maximum tender amount of EUR 750 million across seven series of Euro denominated senior unsecured bonds maturing between 2017 and 2024. Terms are set out in the Tender Offer Memorandum dated 30 August 2016 and can be obtained upon request from the Tender Agent.

The purpose of this transaction is to extend the average maturity of KPN's outstanding debt liabilities and to further optimise its debt structure. The transaction is expected to lower the average coupon level of KPN's bond portfolio and reduce near term refinancing requirements.

KPN's net debt amounted to EUR 6.8 billion and its net debt<sup>[1]</sup> to EBITDA<sup>[2]</sup> ratio stood at 2.8x at the end of Q2 2016. KPN has credit ratings of Baa3 with a stable outlook by Moody's, BBB- with a stable outlook by S&P and BBB with a stable outlook by Fitch. KPN remains committed to an investment grade credit profile.

Credit Suisse, Société Générale and UniCredit have been appointed to act as Structuring Advisers for the tender offer. ABN AMRO, ING and Rabobank together with the Structuring Advisers have been appointed to act as Joint Dealer Managers on the tender offer. Credit Suisse, ING, Société Générale and UniCredit have been appointed to act as Joint Lead Managers for the new issue. ABN AMRO and Rabobank together with the Joint Lead Managers have been appointed to act as Managers for the new issue. Citigroup has been appointed as Tender Agent.

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The offer of bonds referred to in this announcement shall be limited to qualified investors only. The bonds are not and will not be registered under the US Securities Act of 1933, as amended (the US Securities Act) and will also not be registered with any authority competent with respect to securities in any state or other jurisdiction of the United States of America. The bonds may not be offered or sold in the United States of America without either registration of the securities or an exemption from registration under the US Securities Act being applicable.

[1] 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

[2] based on 12 month rolling total excluding restructuring costs, incidentals and major changes in the composition of the Group (acquisitions and disposals)