

KPN improves wholesale access terms to open fiber network

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KPN improves wholesale offer for (virtual) unbundled access to existing and new fiber networks
Rates of these wholesale services >10%-30% lower for eight year period
Long term certainty important for large scale fiber investment program

KPN intends to improve the terms and conditions for access to its open fiber networks for wholesale customers. KPN has informed the ACM about this in writing and requested the ACM to declare the new conditions and tariffs binding. The offer will then be valid for a period of eight years. This enables access to superfast internet at accessible pricing for Dutch households. In addition, KPN intends to prevent potential competitive risks that the regulator sees. This offer creates long-term certainty for KPN and all market parties, which is important to continue the roll out of fiber at the current pace. The improved offer is conditional on a commitment decision of the ACM pursuant to article 12h of the Establishment Act of the Netherlands Authority for Consumers and Markets (Instellingswet ACM) declaring KPN's commitments binding.

For existing and new fiber networks

The proposed new conditions and tariffs apply to services offered over both existing and new fiber networks. The existing fiber networks (ODF-footprint of approximately 3 million addresses), where wholesale customers can also invest in equipment themselves are now in a mature phase. Therefore, the access terms are simplified into one nationwide tariff. The line price for wholesale customers will be lowered by over 10% (from € 18.56 to € 16.56).

The VULA tariffs on the networks rolled out as of 2020, where fiber access is shared with other addresses (PON), will be lowered by more than 10% to 30%, depending on the scale of the wholesale provider and access speed. This concerns (virtual) unbundled access, whereby wholesale providers can decide which services they want to offer to their customers. The current fiber PON footprint is approximately 200,000 addresses.

KPN commits to a moderate annual CPI-adjustment on these wholesale services over the next eight years.

Growing awareness

Chris Figeo, CFO, member of the Executive Board and responsible for KPN Wholesale: 'This initiative makes our open networks even more attractive for wholesale customers and gives consumers in the Netherlands a wide choice of many different providers. We commit to this offer in a growing awareness that it is becoming increasingly important that fast and stable internet is within reach for everyone. Long term certainty is of great importance for KPN to continue the extensive fiber investments and to provide the whole of the Netherlands with fiber at a fast pace. We have asked ACM to declare this offer binding, which would provide clarity to the market for the next eight years.'

Ambition: fiber accessible to all Dutch households

In November 2020, KPN presented its *Accelerate to grow* strategy. KPN has the ambition to cover the Netherlands with fiber and invests hundreds of millions of euros annually in the roll out of a modern fiber network, to replace its existing copper network. Together with the joint venture Glaspoort, KPN has the ambition to cover approximately 80% of all households in the Netherlands with fiber by the end of 2026. With the improved wholesale offer announced today, these plans remain fully intact. KPN reiterates its FY 2022 outlook and FY 2023 ambitions.

End of Announcement - EQS News Service