

Information about the company

History and developments

KPN is the leading telecommunications and ICT service provider in The Netherlands, offering wireline and wireless telephony, internet and TV to consumers and end-to-end telecom and ICT services to business customers. KPN's subsidiary Getronics operates a global ICT services company with a market leading position in the Benelux, offering end-to-end solutions in infrastructure and network-related IT. In Germany and Belgium, KPN pursues a multi-brand strategy in its mobile operations and holds number three market positions through E-Plus and BASE. KPN provides wholesale network services to third parties and operates an efficient IP-based infrastructure with global scale in international wholesale through iBasis.

Koninklijke KPN N.V. was incorporated under the laws of The Netherlands on January 1, 1989. On June 28, 1998 our name was changed from Koninklijke PTT Nederland N.V. to Koninklijke KPN N.V. We have our corporate seat in The Hague, The Netherlands. We are registered under number 02045200 at the Commercial Register of the Chamber of Commerce, The Hague, The Netherlands, and our executive offices are located at Maanplein 55, 2516 CK The Hague, The Netherlands. Our telephone number is +31 (0)70 4460986.

Our main objectives, as described in article 4 of our Articles of Association, are to participate in and to manage other enterprises and companies, including companies that operate in the field of the transmitting, storing and converting of information, as well as to manage and dispose of information and to let our subsidiaries carry out the concessions or licenses that are granted by the government in the field mentioned above. Our Articles of Association are accessible at the Chamber of Commerce and filed with the SEC as an exhibit to this Annual Report on Form 20-F.

KPN was incorporated with two main subsidiaries: PTT Telecom B.V., offering telecommunications services, and PTT Post B.V., serving as the primary postal company in The Netherlands. In the period from incorporation until the listing of our shares on Euronext Amsterdam in June 1994, the State of The Netherlands was our sole shareholder. As of the end of 2006, the State held no interest in our outstanding shares, down from a 7.76% interest as of the end of 2005.

The demerger of our mail, express and logistics business operations to TNT Post Group was completed in 1998. In November 1999, we transferred our mobile business to a separately incorporated subsidiary, KPN Mobile N.V. KPN Mobile issued new shares to NTT DoCoMo in August 2000, as a result of which NTT DoCoMo held a 15% interest in KPN Mobile. In connection with a financial restructuring of KPN Mobile in December 2002, NTT DoCoMo elected not to exercise its anti-dilution rights, resulting in a decrease of its interest to 2.16%. In October 2005, we purchased NTT DoCoMo's remaining interest in KPN Mobile N.V.

In the period from 2000 to 2002, we acquired E-Plus and BASE, mobile network operators in Germany and Belgium, respectively. Following these acquisitions and the purchase of UMTS licenses, KPN initiated a refinancing program. The refinancing included share offerings in 2000 and 2001 and the sale of certain non-core assets.

In October 2005 we acquired Telfort, a Dutch mobile network operator. In March 2006, we acquired Nozema, a Dutch broadcast services company. In September 2006, KPN reached an agreement with Tiscali SpA regarding the acquisition of their Dutch operations. In June 2007 the deal was finalized for consideration of EUR 236 million.

KPN agreed to merge its international voice wholesale business into iBasis, a VoIP and international wholesale provider. In October 2007 KPN acquired 51% of iBasis, in exchange for the KPN Global Carrier Services business unit and USD 55 million in cash. In October 2007, KPN acquired Getronics, an international provider of ICT services and solutions, based in The Netherlands. Furthermore, KPN acquired Tele2/Versatel, a Belgium service provider for voice, internet and data to residential, business and carrier customers.

Over the last several years, KPN has also disposed of a number of businesses; please see 'Other Consolidated Results of Operations' for more information.