

Information about the company

Organizational structure 2007

In January 2007, KPN announced a new organizational structure in The Netherlands built around customer segments rather than products, creating a customer centric organization. KPN's former Fixed division (Fixed) and KPN Mobile The Netherlands (Mobile) were reorganized into Consumer, Business and Wholesale & Operations Segments. Consequently, KPN's financial reporting changed to reflect the new organizational structure and provides the comparative financials for the years 2005 and 2006.

The organizational integration is a further evolution of KPN's strategy to increase customer focus in a telecommunications world in which distinctions between technologies are fading rapidly and in which customers increasingly are looking for integrated propositions. The new organizational structure in The Netherlands provides us with the opportunity for an integrated customer approach. We can offer integrated services, both as a multimedia company in the Consumer market (fixed, mobile, TV and Internet) and as a managed ICT company in the Business market. KPN is one of the first in the market with such an integrated approach. We expect this will contribute to further profitable market share and revenue growth.

The acquisition of Getronics strengthens KPN's ICT strategy in the Business market. In 2007 we defined Getronics as a separate segment within The Netherlands on the same reporting level as the Business segment. Getronics has international operations which are managed from its headquarters in Amsterdam, The Netherlands. In 2008 we expect further integration between Getronics and the Business segment and the disposal of certain non-core Getronics activities.

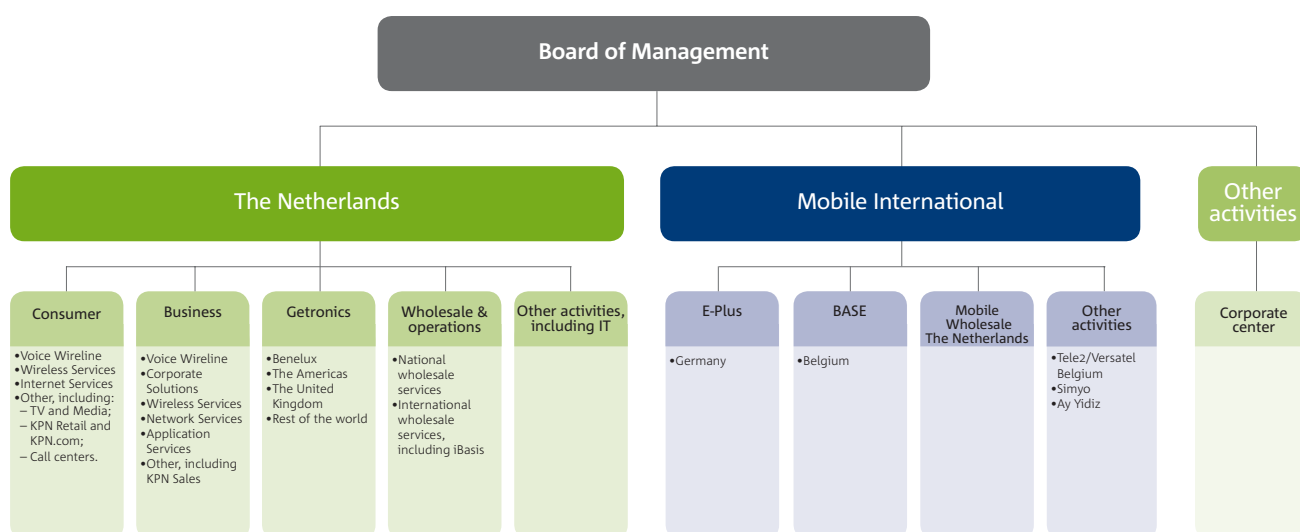
KPN's international voice wholesale business, which is included in the Wholesale & Operations segment, merged into iBasis in 2007. KPN has a 51% equity interest in iBasis. iBasis' results of operations are consolidated in the Wholesale & Operations segment.

New organization

KPN's new integrated organization in The Netherlands consists of five segments: Consumer, Business, Getronics, Wholesale & Operations and Other activities including IT The Netherlands. The Segments for Consumer, Business and Getronics operate with a strong market and customer focus, whereas the Wholesale & Operations Segment provides network services to both internal KPN segments and external wholesale customers with a strong emphasis on operational excellence.

Outside The Netherlands, the Mobile International division contains the subsidiaries E-Plus in Germany, BASE and Tele2/Versatel in Belgium and, given the similar nature of the business, our Dutch mobile wholesale activities.

The overview below reflects our organizational structure as of December 31, 2007.



For more information, see 'Legal structure', under 'Additional information for shareholders'.