

Information about the company

Research and development

On January 1, 2003, the Dutch Organization for Applied Scientific Research (TNO) acquired the research and development (R&D) activities of KPN and placed it with TNO Informatie- en Communicatietechnologie (TNO-IC). TNO-IC and KPN entered into a cooperation agreement, under which we have agreed to annual purchase commitments.

We intend to continue to benefit from the telecommunications and technology expertise of TNO-IC in order to support the technological innovations required for our business. Measures have been taken to obtain the critical mass for mid and long-term projects carried out by TNO-IC. In 2007, we extended the cooperation agreement with TNO for one year until December 31, 2011. The total remaining commitments until December 31, 2011 amount to EUR 48 million.

Our research and development expenditures with TNO-IC in 2007 totaled EUR 16 million as compared to EUR 17 million in 2006.

Intellectual property

Our current portfolio of intellectual property consists of approximately 25 registered core trademarks and 400 patent families. We continue to invest in the growth of our intellectual property portfolio, among others through our targeted long term R&D program. This R&D program runs in close cooperation with TNO-IC and comprises about 7% of our research spending.

We take the necessary steps to protect the intellectual property rights which we create and we generate value from these rights where appropriate. In order to protect these rights, we currently rely on a combination of patents, trademarks, service marks, trade secrets, copyrights, database protection, confidentiality agreements with our employees and third parties and protective contractual provisions. Approximately 15 of the patents that we own are essential for the commercial exploitation of telecommunications technology and services. A number of suppliers have entered into license agreements with us related to these and other of our patents.