



First Quarter Results 2005

10 May 2005



Safe harbor

Certain statements contained in this presentation constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on our operations, the OPTA investigation into discounts given in breach of OPTA regulation, our and our joint ventures' share of new and existing markets, general industry and macro-economic trends and our performance relative thereto, and statements preceded by, followed by or including the words “believes”, “expects”, “anticipates” or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside our control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in our 2004 Annual Report and Form 20-F.

All figures in this presentation are unaudited and based on IFRS. This presentation contains a number of non-GAAP figures, such as EBITDA and free cash flow. These non-GAAP figures should not be viewed as a substitute for our GAAP figures. Our non-GAAP measures may not be comparable to non-GAAP measures used by other companies. Certain figures may be subject to rounding differences. All market share information in this quarterly report is based on management estimates based on externally available information, unless indicated otherwise.

For IFRS, we refer to the disclaimer in our press release dated April 18, 2005. Please note that IFRS accounting policies are not yet final and may change as a result of (amongst other things) changes in IFRS standards and interpretations, changes in regulatory requirements, additional review and analyses (including market trends) and audit procedures.

Disclaimer

This presentation contains a number of non-GAAP figures, such as EBITDA and free cash flow. These non-GAAP figures should not be viewed as a substitute for our GAAP figures. Our non-GAAP measures may not be comparable to non-GAAP measures used by other companies. We define EBITDA as operating result before depreciation and impairments of PP&E and amortization and impairments of goodwill, licenses and other intangibles. The measure is used by financial institutions and credit-rating agencies as one of the key indicators of borrowing potential. Many analysts use EBITDA as a component for their (cash flow) projections. Note that our definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization. Either definition of EBITDA has limitations as an analytical tool and you should not consider it on isolation or as a substitute for analyses of our results as reported under IFRS or US GAAP.

In the past EBITDA was used as a measurement of certain aspects of operational performance and liquidity. We have used EBITDA as a component of our guidance. In view of the implementation of IFRS, and the resulting volatility of amortization, we believe that this is the most appropriate way of informing the financial markets on certain aspects of future company financial development. We do not view EBITDA as a measure of performance. In all cases a reconciliation of EBITDA and the nearest GAAP measure (operating result) will be provided. Going forward, we will continue to make comparison between guidance and actuals. For the purpose of this comparison, a number of items will be excluded

- Restructuring charges over € 20 million per event
- Impairments over € 20 million per event
- Book gains or losses over € 20 million per event

We define free cash flow as 'Cash flow from operating activities' minus 'Capital expenditures', both of which are common GAAP measures.

Agenda

Ad Scheepbouwer

Marcel Smits

Ad Scheepbouwer

- ◆ Introduction
- ◆ Financial perspective
- ◆ Business review



Ad Scheepbouwer

CEO

Introduction



Highlights

- ◆ Market share gains in both broadband and Mobile
- ◆ Free cash flow¹ of € 590 mn
- ◆ 2005 year-to-date share repurchases: 82.5 shares, or € 565 mn, with € 420 mn remaining to be returned to shareholders
- ◆ Net sales declined marginally (€ 30 mn, or 1%) following MTA tariff reductions of € 44 mn
- ◆ Operating result declined by € 159 mn, mainly due to additional investments in customer bases Mobile The Netherlands and Germany, UMTS amortization costs and MTA
- ◆ Reported EBITDA² down by 11%. Excluding certain book gains, restructuring charges and impairments for the purpose of comparing actual performance with guidance³, EBITDA² is down by 6.3%

1 Free cash flow is defined as net cash flow from operating activities minus Capex (2004: € 2,271 mn)

2 Defined as Operating result plus depreciation, amortization & impairments

3 For the purpose of this comparison, a number of items are excluded (restructuring charges over € 20 million per event, impairments over € 20 million per event, book gains or losses over € 20 million per event) – see sheet 9



Marcel Smits

CFO

Financial perspective



Reported group results

€ mn	Q1 '04	Q1 '05	%
Operating revenues	2,944	2,890	-1.8%
- of which Net sales	2,868	2,838	-1.0%
Operating expenses	2,269	2,374	4.6%
- of which Depreciation ¹	507	470	-7.3%
- of which Amortization ¹	47	108	129.8%
Operating result	675	516	-23.6%
Financial income/(expense)	-129	-145	12.4%
Share of profit of associates	3	3	
Profit/(Loss) before taxes	549	374	-31.9%
Taxes	-135	-101	-25.2%
Profit/(Loss) after taxes	414	273	-34.1%
Profit attributable to minority shareholders	4	-1	
Profit attributable to equity holders of the parent	410	274	-33.2%
Earnings per share²	0.16	0.12	-25.0%
Operating EBITDA³	1,229	1,094	-11.0%

1 Including impairments

2 Profit after taxes per ordinary share/ADS on a fully diluted basis (in €)

3 Defined as Operating result plus depreciation, amortization & impairments

Analysis for outlook¹ purposes

<i>Item</i>	FY 2005 Outlook	YTD '05
Group revenue¹	Flat, Including MTA reduction	- 0.6%
Group EBITDA^{1,2}	Decline by high single digit figure with greatest impact in Q1	- 6.3%
CAPEX	~ € 1.7 bn	232
Free cash flow³	> € 2 bn	590

<i>YTD reconciliation¹</i>	Operating revenues¹		EBITDA^{1,2}	
	2004	2005	2004	2005
Reported	2,944	2,890	1,229	1,094
Disposal Eutelsat Restructuring charges	-36		-36	24
Comparison with guidance	2,908	2,890	1,193	1,118
		-0.6%		-6.3%

1 Excluding restructuring charges, impairments and book gains/losses over € 20 mn, see disclaimer

2 Defined as Operating result plus depreciation, amortization & impairments

3 Free cash flow is defined as net cash flow from operating activities minus Capex (2004: € 2,271 mn)

Group cash flow

€ mn	Q1 '04	Q1 '05	%
Operating result	675	516	-23.6 %
Depreciation and amortization ¹	554	578	4.3 %
Interest paid/received	-2	-9	
Tax paid/received	83	-4	
Book gains ²	-36	-21	
Change in provisions ³	17	-22	
Change in working capital	-338	-216	-36.1 %
Net cash flow from operating activities	953	822	-13.7 %
Capex⁴	307	232	-24.4 %
Net cash flow from operating activities -/- Capex	646	590	-8.7 %

1 Including impairments

2 Included in cash flow from investing activities

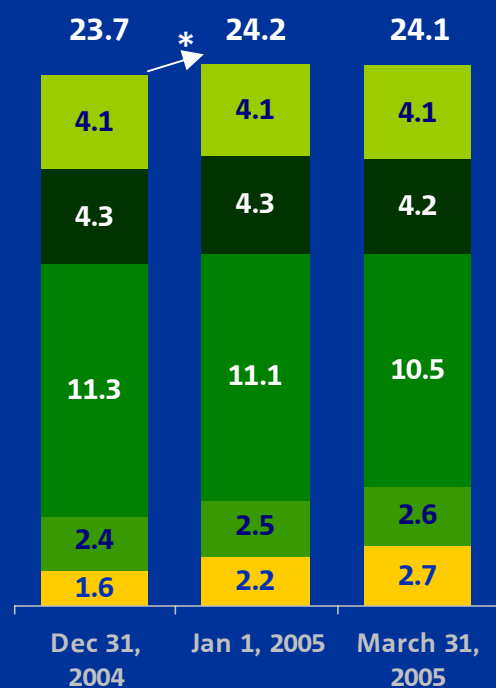
3 Excluding changes in deferred taxes

4 Including Property, Plant & Equipment and all software

Balance sheet

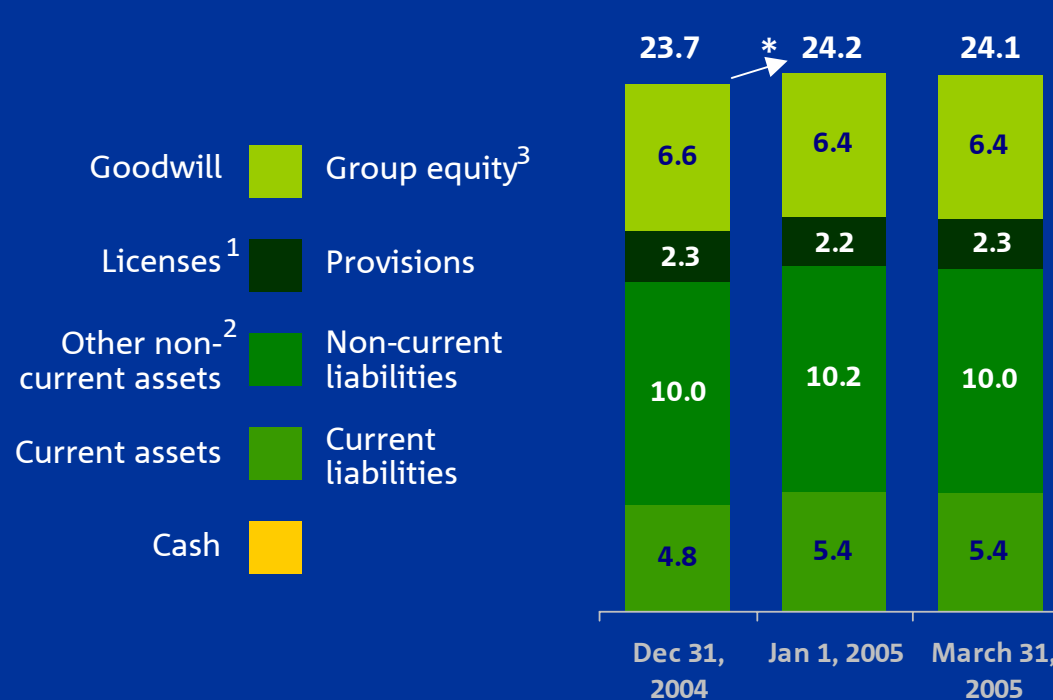
Assets

€ bn



Liabilities and equity

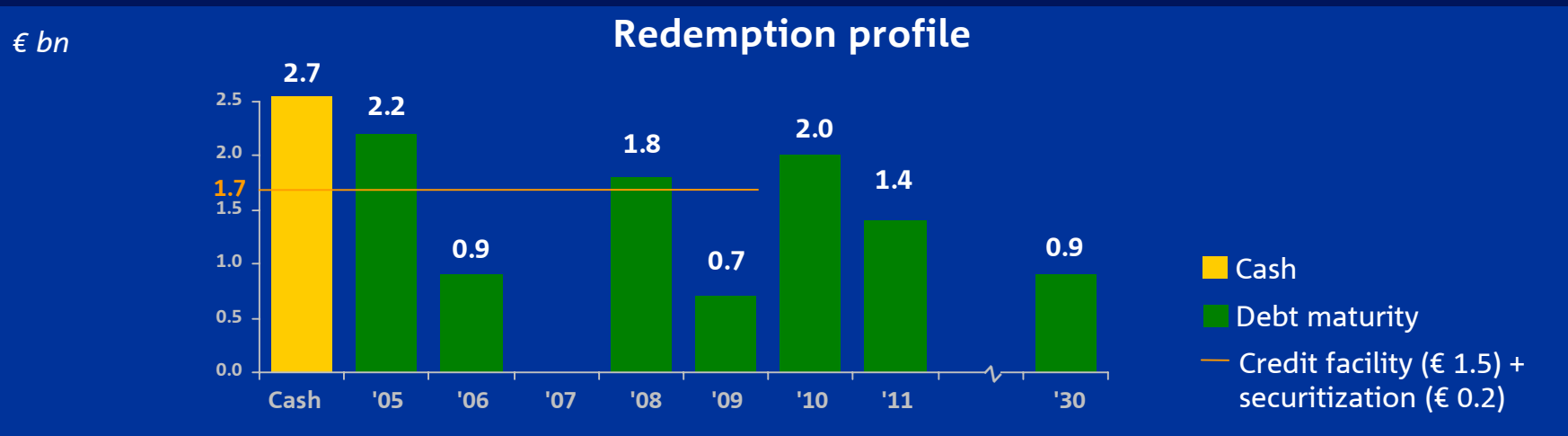
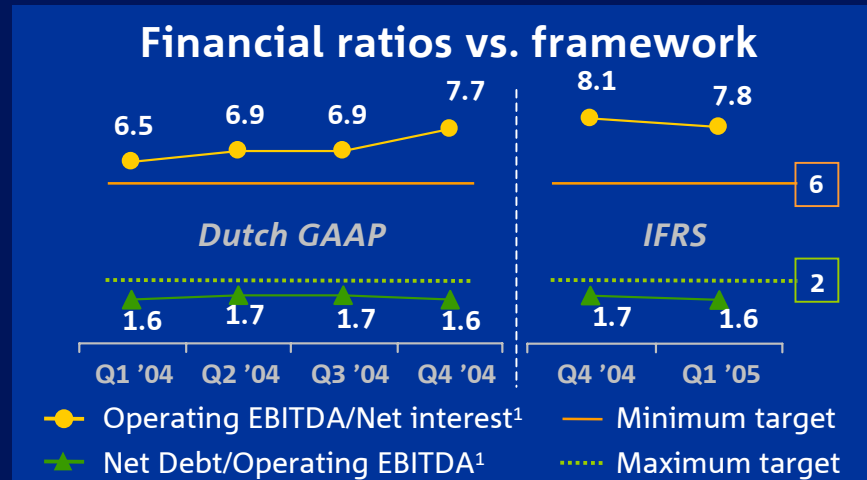
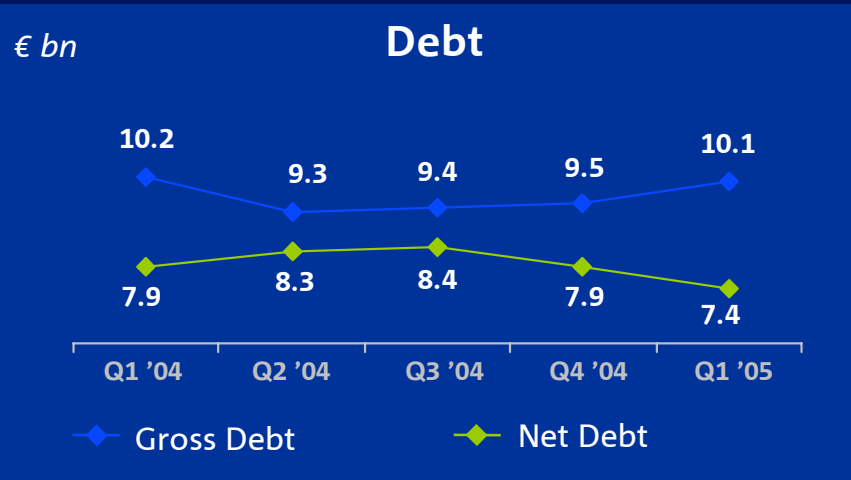
€ bn



* KPN has elected the IFRS 1 optional exemption to apply IAS 32 and IAS 39 (accounting for, and financial reporting of financial instruments and assets held for sale) as from January 1, 2005

- 1 Including other intangibles
- 2 Including Property, Plant & Equipment and all software
- 3 Including minority interest

Group financial profile



¹ Based on a 12 months rolling calculation excluding restructuring charges, impairments and book gains/losses over € 20 mn (see disclaimer). Operating EBITDA is used by financial institutions and credit rating agencies as one of the key indicators of borrowing potential. It is a non-GAAP content and is a measure which can be reconciled to GAAP by taking the Operating result and adding back depreciation, amortization & impairments.

Transition to IFRS

- ◆ Accounting and disclosure adjustments only, no significant impact on Free Cash Flow
- ◆ No impact on operational performance of underlying business or distribution policy

€ mn	P&L 2004			Balance sheet 2005 ¹	
	Operating revenue	Operating result	Net result ²	Net Debt ³	Group equity
Dutch GAAP	12,102	2,457	1,511	7,869	6,965
IFRS change	- 283	188	246	75	- 554
IFRS	11,819	2,645	1,757	7,944	6,411

1 As at January 1, 2005 (Dutch GAAP: December 31, 2004)

2 Net result under Dutch GAAP after deduction of minority interests (IFRS: before deduction of minority interests)

3 Net debt is defined as the book value of interest bearing financial liabilities plus the fair value of financial instruments related to these financial liabilities minus cash and cash equivalents as from January 1, 2005

Financial highlights - KPN Fixed

€ mn	Q1 '04	Q1 '05	%
Operating revenues	1,829	1,707	-6.7%
- of which Net sales	1,827	1,702	-6.8%
Operating expenses	1,404	1,299	-7.5%
- of which D&A	330	302	-8.5%
EBITDA	755	710	-6.0%
EBITDA margin	41.3%	41.6%	
Operating result	425	408	-4.0%

- ◆ Net sales down 6.8%
 - Of which 2.5% due to MTA reduction
- ◆ Operating expenses down 7.5%
 - Of which 3.3% due to MTA reduction
- ◆ EBITDA margin up from 41.3% to 41.6%
- ◆ Further growth broadband market share, decelerating market growth
 - Y-on-Y subscriber growth with 587k to 1.5 million
 - Completed acquisition of Freeler and CistroN
- ◆ Introduction ADSL only and wholesale ADSL

Financial highlights - Mobile

€ mn	Q1 '04	Q1 '05	%
Operating revenues	1,234	1,304	5.7%
- of which Net sales	1,205	1,287	6.8%
Operating expenses	1,011	1,197	18.4%
- of which D&A	204	258	26.5%
EBITDA	427	365	-14.5%
EBITDA margin	34.6%	28.0%	
Operating result	223	107	-52.0%

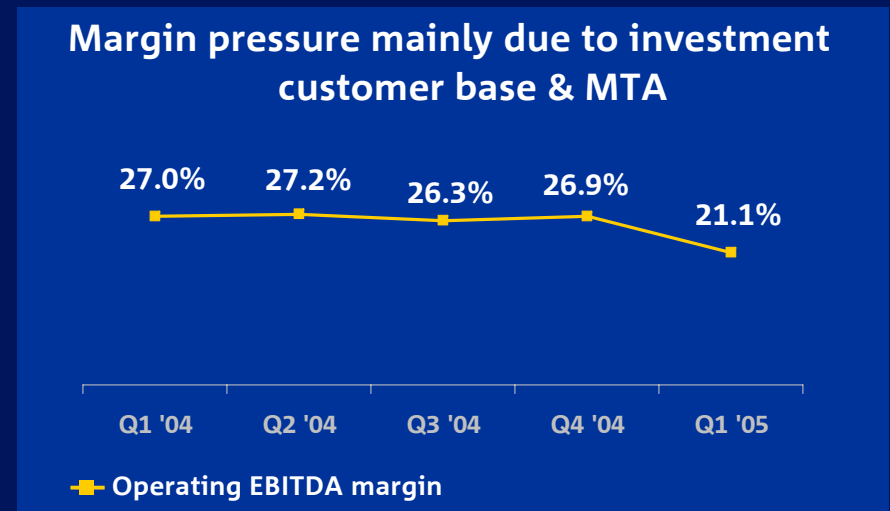
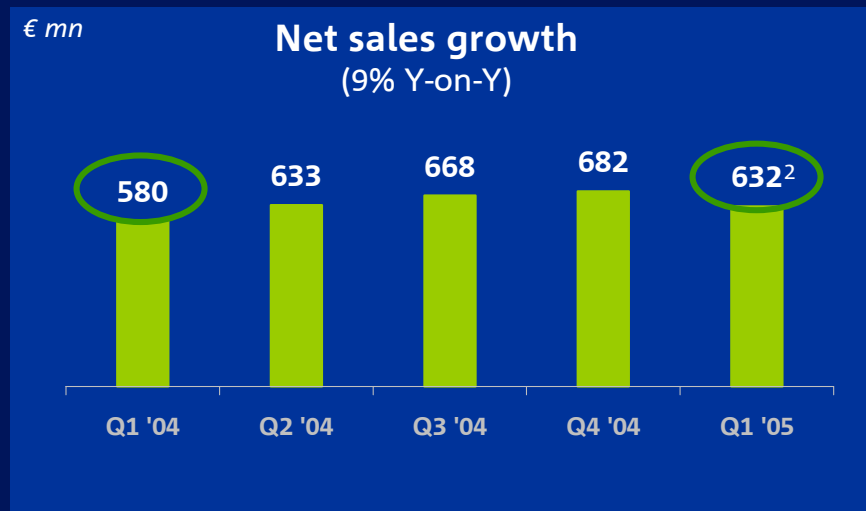
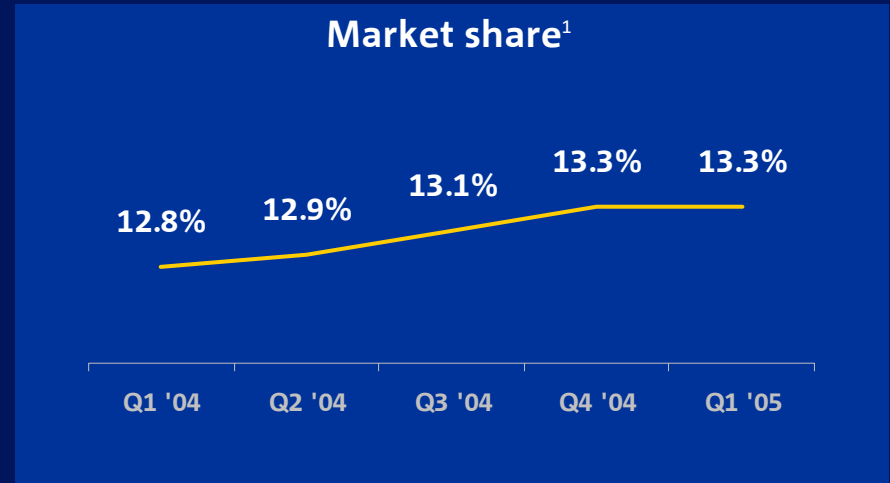
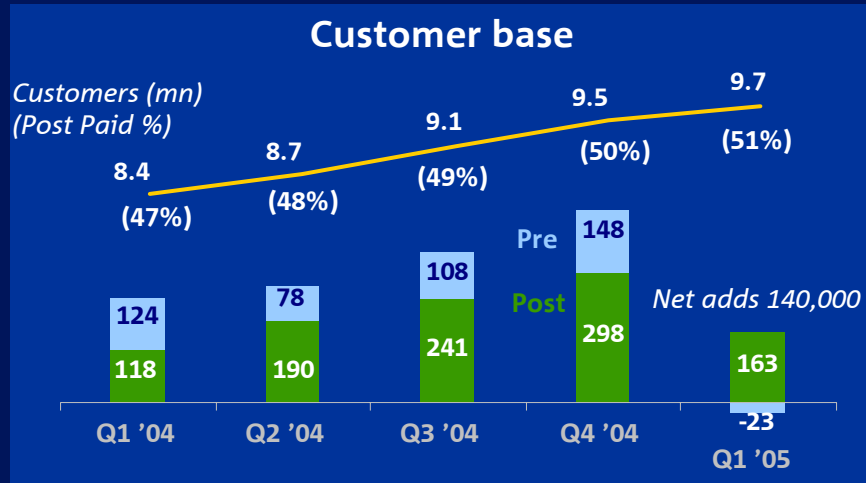
- ◆ Net sales up 6.8%, driven by all 3 operators
 - **E-Plus**: Increased competitiveness German market (sales¹ ↑ & market share ↔)
 - **KPN Mobile (NL)**: Growth customer base starts to translate in revenue growth (sales² ↑ & market share ↑↑)
 - **BASE**: Continued strong performance (sales ↑↑ & market share ↑↑)
- ◆ Margin pressure mainly related to investment in customer base
 - **E-Plus**: Effect +/- € 65 mn vs. Q1 2004 on EBITDA
 - **KPN Mobile (NL)**: Effect +/- € 54 mn vs. Q1 2004 on EBITDA
- ◆ **E-Plus** and **KPN Mobile (NL)** UMTS license amortization as from Q4 '04

1 MTA effect: +/- € 23 mn

2 MTA effect: +/- € 19 mn

Operating review E-Plus

Continued growth in more competitive market

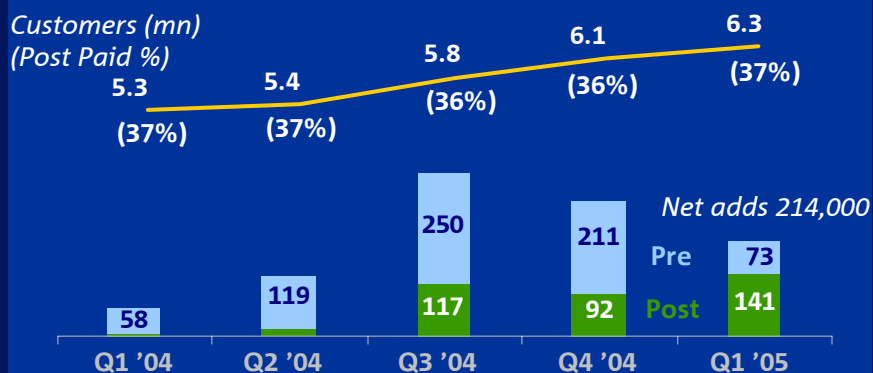


1 Management estimates, based on number of customers
2 Including +/- € 23 mn MTA effect

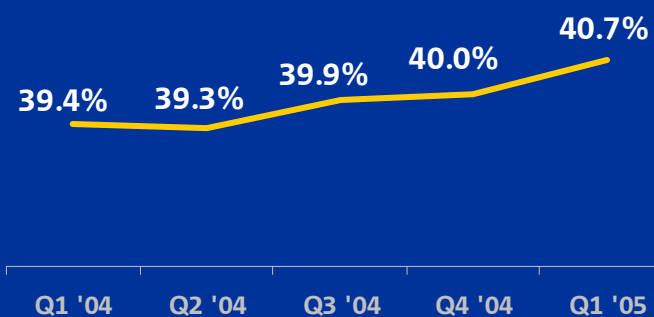
KPN Mobile The Netherlands

Net Sales / market share on the way up, margin pressure

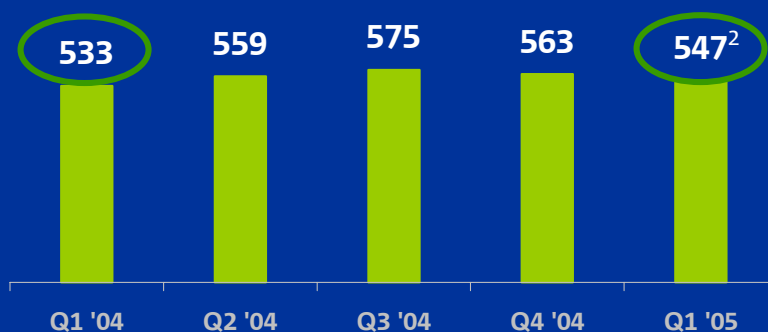
Growth, Post Paid in particular



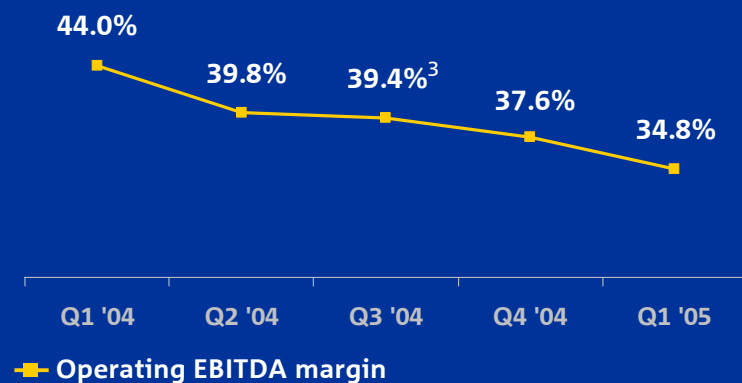
Recovery market share¹



Net sales increasing again



Investment in customer base results in margin pressure



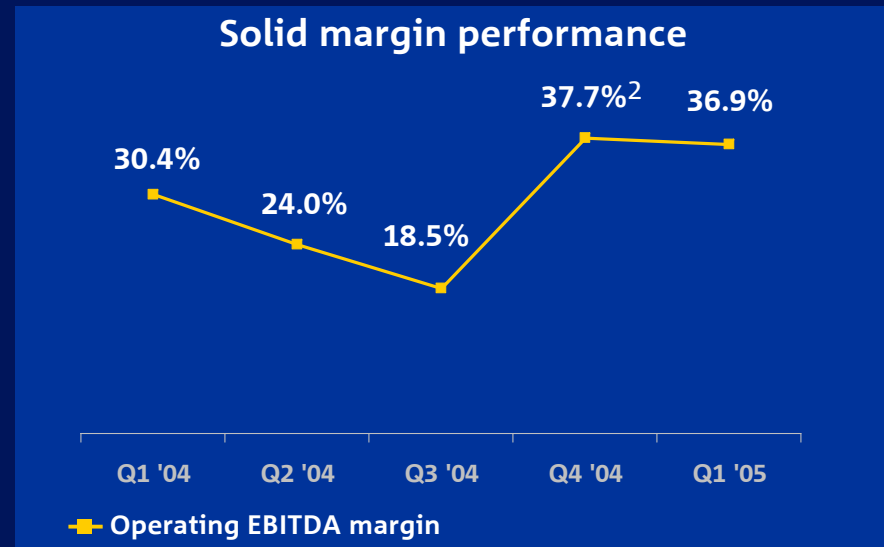
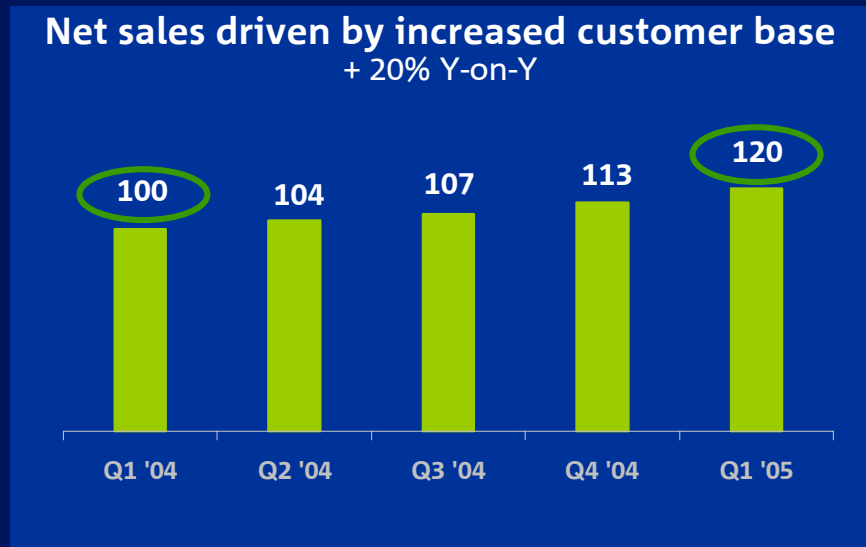
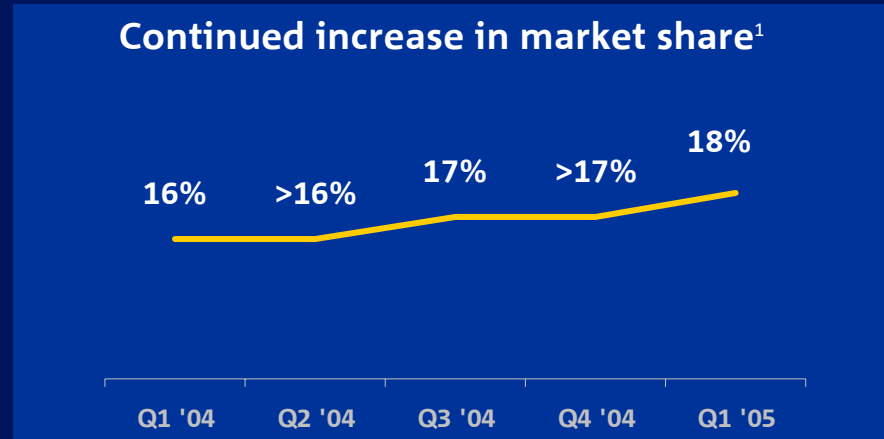
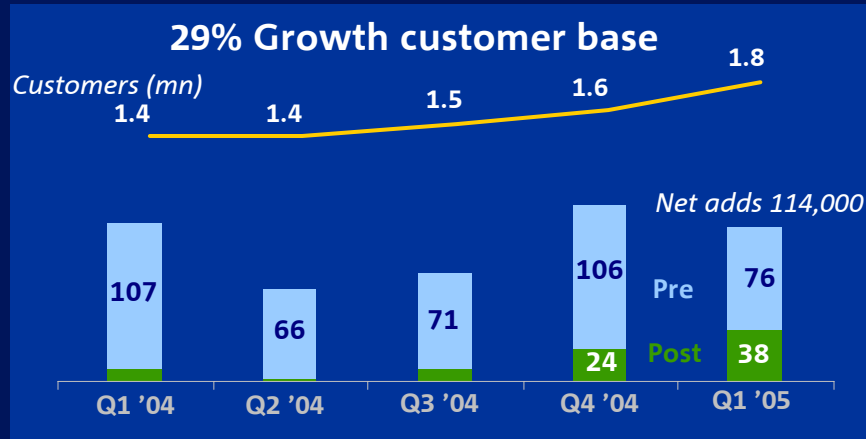
1 Management estimates (numbers of customers), based on industry filings

2 Includes +/- € 19 mn MTA effect

3 Q3 '04: EBITDA includes € 19 mn release several accruals, among which partial release from the NMa claim

Operating review BASE

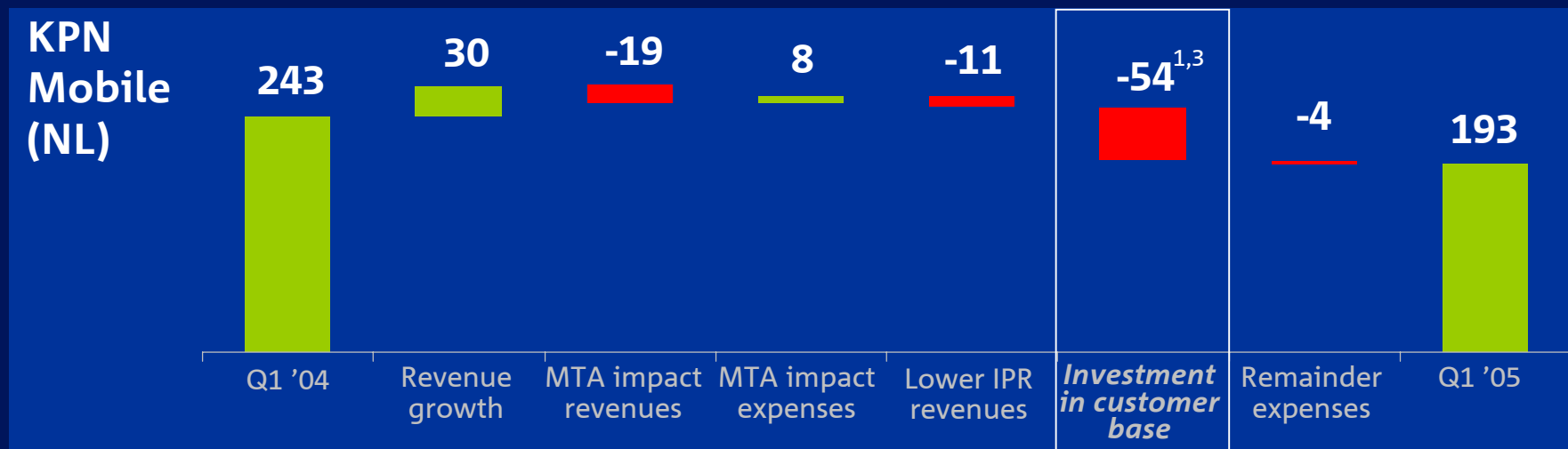
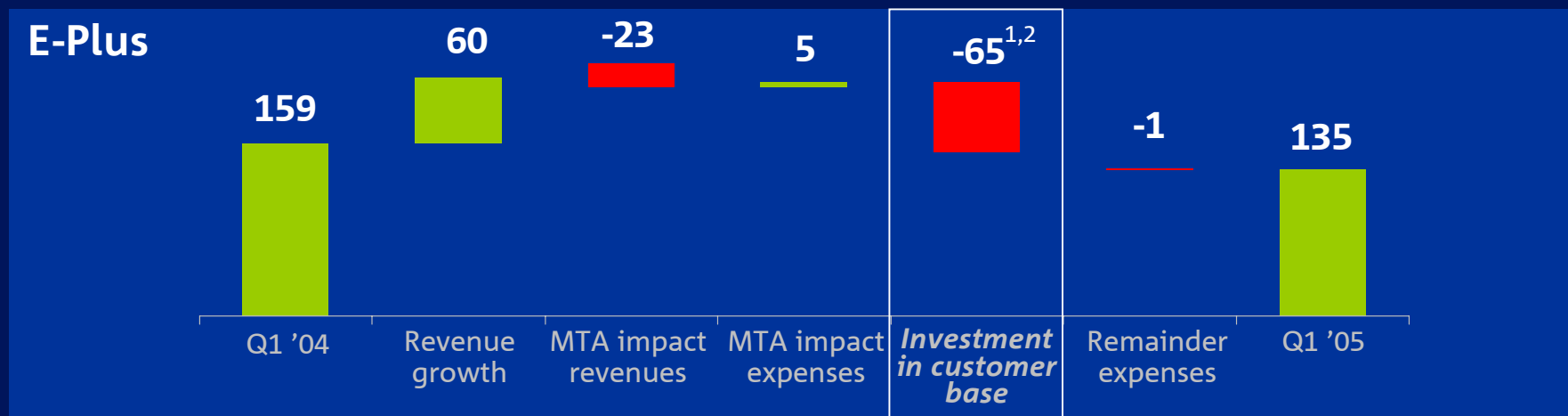
Strong momentum continues



1 Management estimates, based on numbers of customers
 2 Approx. 6 percentage points related to incidental effects

EBITDA development E-Plus and KPN Mobile (NL)

Pressure on EBITDA mainly related to investment in growth



- 1 Divided by the number of gross additions and retentions, this results in the average subscriber acquisition and retention costs (SAC/SRC) as mentioned in slides 58-60
- 2 Contains components of revenues (€ 15 mn) and expenses (-/- € 80 mn)
- 3 Contains components of revenues (€2 mn) and expenses (-/- € 56 mn)

Mobile: next steps

Medium term objectives	Initiatives
<p>E-Plus</p> <p>Subscribers > 11mn</p> <p>EBITDA margin > 30%</p>	<ul style="list-style-type: none"> ◆ ‘Fixed Mobile substitution’ tariffs ◆ Increase number of (partner)shops ◆ Focus on business market
<p>KPN M (NL)</p> <p>Revenue market share > 40%</p> <p>EBITDA margin > 40%</p>	<ul style="list-style-type: none"> ◆ Strong growth customer base previous quarters to translate into revenue and margin development ◆ Focus on Post Paid ◆ Portfolio innovation ◆ Increased emphasis on Internet distribution
<p>BASE</p> <p>Subscribers > 2 mn</p> <p>EBITDA margin > 30%</p>	<ul style="list-style-type: none"> ◆ Increased focus on retention ◆ Upselling including migration Pre to Post Paid

Mobile: analysing the success of BASE

- ◆ Strategy initiatives
 - Network upgraded
 - Operations simplified, partially outsourced
 - Attractive consumer propositions, clear communication to market
 - Developed own niche brands in addition to BASE brand
 - Established several MVNO relationships

- ◆ Successful execution evidenced by
 - Net sales growth of 20%
 - EBITDA margin growth from 30.4% to 36.9%
 - Cash flow positive



Ad Scheepbouwer

CEO

Business review



Strategy Update

Attack

Defend

Exploit

- ◆ All 2005 initiatives started and on track
- ◆ Bi-annual reporting on initiatives, starting Q2 2005

Restructuring Fixed implemented as of April 1, 2005

Split between Wholesale & Operations and two retail service providers

Rationale

- ◆ Increased transparency
- ◆ Allows for internal simplification and facilitates efficiency drive
- ◆ Clarity of roles: in particular market orientation of service providers

Division Fixed		
Consumer	Business	Focus on customers, customer acquisition, revenue and margin
Wholesale & Operations		Focus on assets, costs and operational excellence

Impact on financial reporting

- ◆ Reporting on three segments up to operating result level
- ◆ More transparency on business developments per segment
- ◆ A technical adjustment of historical figures for comparative reasons will be released end Q2

Restructuring International Mobile operations

Announced today

- ◆ International Mobile operations Germany and Belgium brought under single management
- ◆ Restructuring further aligns group structure with strategy
- ◆ KPN's international operations pursue “challenger” growth strategies as opposed to KPN Mobile The Netherlands which pursues a “market leadership strategy”

Simplified Group Structure as of April 1, 2005

- ◆ Dismantling of
 - KPN Mobile division Headquarters
 - “KPN Services”: Central Shared Service Unit
- ◆ Activities and personnel restructured, or reassigned to other units
 - Partially to the business: Fixed and Mobile (NL)
 - Partially to Corporate Centre
- ◆ Rationale
 - Eliminating duplication and simplify
 - Reduce complexity of top structure
- ◆ Impact on historical financial figures all three divisions (Mobile, Fixed, Other) and will be part of technical adjustment for fixed restructuring

Attack: VAS



- ◆ Successful introduction of mobile-like handsets with voice bundles
 - Offering based on several BelPlus bundles
 - Attractive new handsets
- ◆ Introduction of ISDN-1 product
 - Mitigate ARPU-decline through alternative for remigration to PSTN-ADSL combination
 - Attractive package for new ADSL users
- ◆ Planet Internet service extensions
 - Home installation and repair
 - Music (Q1) and Video on Demand

Attack: Continuous growth of Broadband

Number of Dutch broadband connections¹



Results Q1 '05

- ◆ Further increase market share (now 44.3%³), deceleration market growth
- ◆ KPN Retail market share increased to ~32%⁴ (from ~30% Q4 2004)
- ◆ ADSL only service launched, targeted at mobile only users
- ◆ Completion acquisition ISPs CistroN and Freeler
- ◆ Introduction wholesale ADSL

- 1 Of which currently approximately 80% consumers and 20% (small) businesses (management estimates)
- 2 Excluding Bitstream
- 3 Including Freeler, excluding CistroN
- 4 Including Freeler and CistroN

Attack: Enablers

- ◆ Approximately 60% of the ADSL network meanwhile upgraded to ADSL2+
- ◆ KPN will offer ADSL2+ based services (e.g., IP TV) as from Q3 2005
- ◆ VDSL-pilot (approximately 3,500 households)
 - Network adjustments completed
 - Services to customers available as from Q4 2005
- ◆ In 2006 KPN will connect large new residential areas with fiber

Attack: KPN-VoIP for consumer market

Simple, safe and at a compelling price

◆ Proposition

- Flat fee voice and internet
- Wireless home network for telephony and internet
- Video calling and conferencing services
- Customer self care via KPN.com
- KPN remote managed residential gateway



◆ Commercial introduction in May

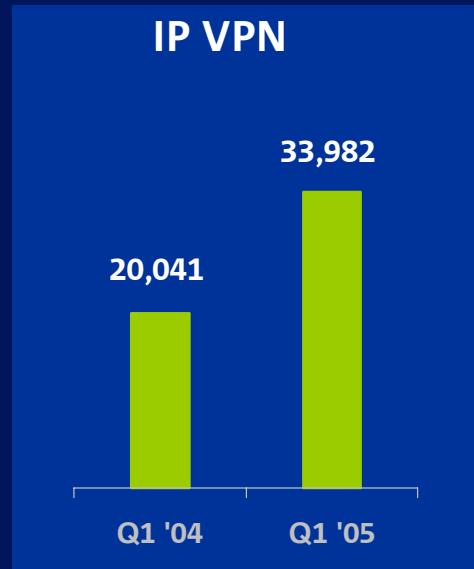
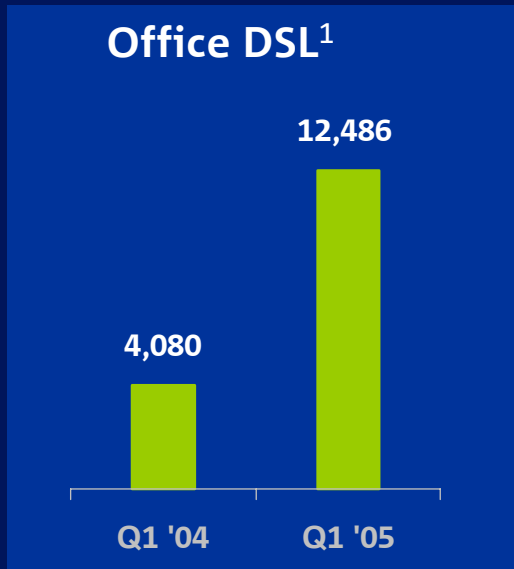


Attack: New business - KPN TV

- ◆ Majority of KPN TV customers unsubscribe to cable
- ◆ End of Q1 over 46,000 customers
- ◆ Initiatives to improve offer
 - Further roll-out of network
 - Further improve quality
 - Extension of distribution channels
 - Simplified distribution formula ‘cash & carry’
 - Aggressive marketing
 - ◆ Free tuner for KPN ADSL customers
 - ◆ First four months for free



Attack: Business Market initiatives



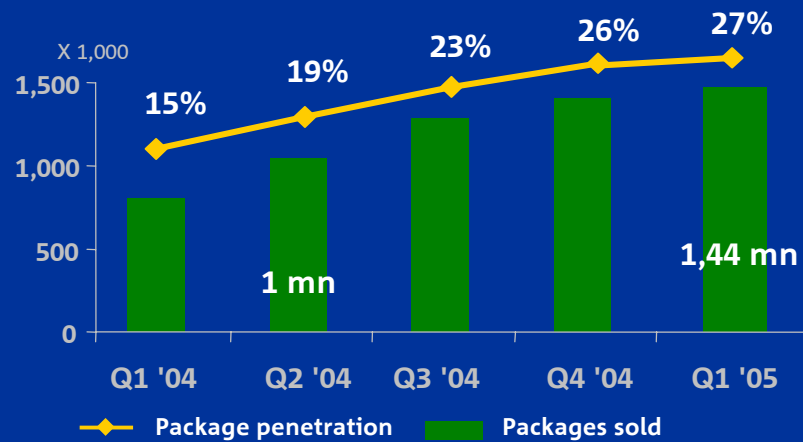
Key focus areas



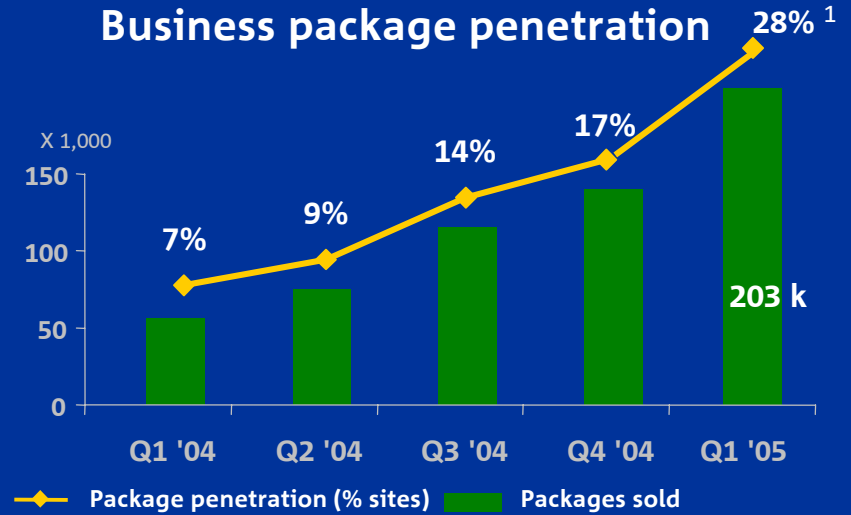
¹ Including Business DSL of XS4ALL

Defend: Maintain share in traditional voice market

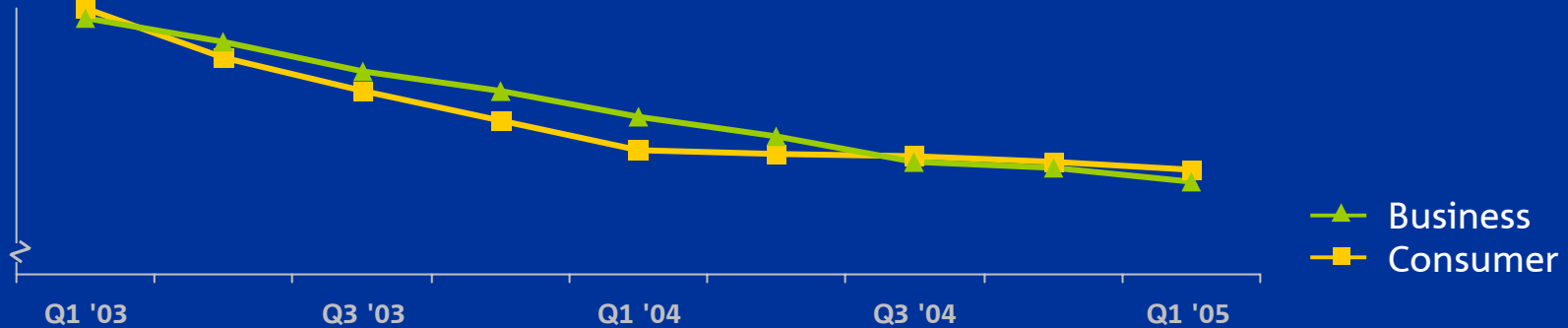
Consumer package penetration



Business package penetration



Market share voice minutes



1 As of Q1 '05 includes customers migrated from 'FlexiBel' to 'BelZakelijk'

Update Regulation the Netherlands

- ◆ Market analysis mobile markets, March 17, draft OPTA decision
 - All mobile operators designated as SMP¹ on own networks for termination
 - As of July 2008 call termination rates equal
 - KPN Mobile no longer designated as operator with SMP¹
 - Subject to consultation, expected to come into force (late) summer 2005

- ◆ VoIP
 - OPTA announced in March it currently has no authority to regulate VoIP
 - Under new regulatory framework this is likely to be different
 - VoIP included in market analysis fixed telephony (draft decision mid June)

- ◆ Timeline draft decisions under new regulatory framework
 - Broadcasting (cable) mid May
 - Broadband, fixed telephony and leased lines, mid June



Q & A





Annex

For more information please contact
KPN Investor Relations

Tel: +31 70 44 60986

Fax: +31 70 44 60593

mail to: ir@kpn.com

www.kpn.com



Analysis of results

Key items worth mentioning in results interpretation

During Q1 '05		Operating revenues	Operating EBITDA	Profit before tax
Reduction MTA tariffs	Group	×	×	×
€ 21 mn book gain on sale of Intelsat / Infonet	Other	×	×	×
€ 4 mn IPR	KPN M (NL)	×	×	×
€ 24 mn restructuring charges	Group		×	×
€ 64 mn UMTS license amortization	Mobile			×
€ 11 mn impairment on Vitalicom loans	SNT			×

During Q1 '04		Operating revenues	Operating EBITDA	Profit before tax
Reduction MTA tariffs	Group	×	×	×
€ 36 mn book gain on sale of Eutelsat	Other	×	×	×
€ 15 mn IPR	KPN M (NL)	×	×	×
€ 19 mn restructuring charges	Group		×	×
€ 7 mn reversal of impairment on PTC loan	Other			×

Impact MTA reduction¹ in Q1

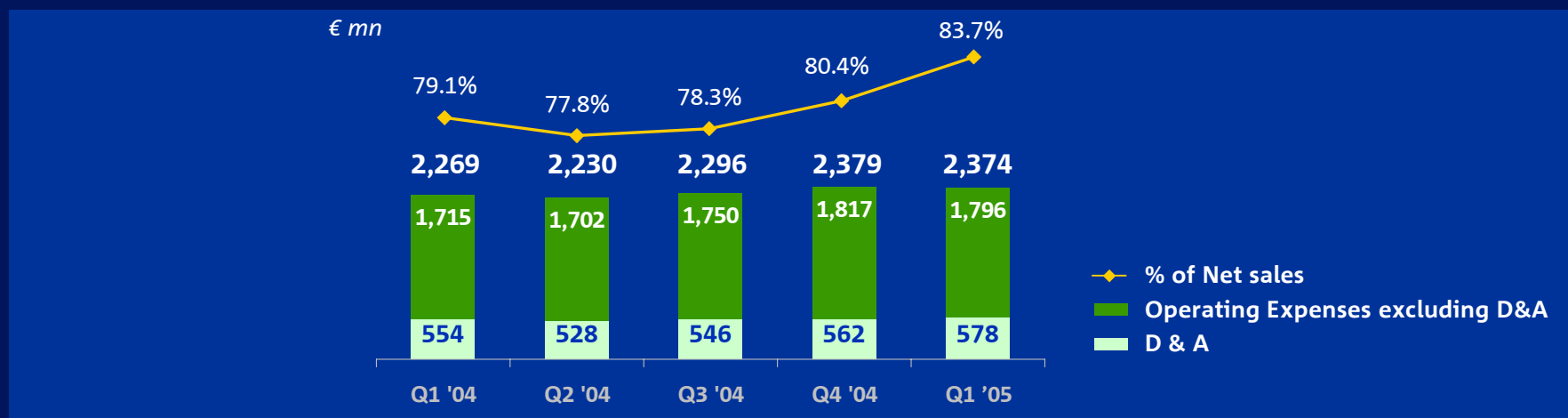
€ mn	Net sales	EBITDA ²
KPN Mobile (NL)	-19	-11
E-Plus	-23	-18
Total Mobile	-42	-29
Fixed Telephony	-13	-
Carrier Services	-33	-
Total Fixed	-46	-
Intercompany	44	-
KPN Group	-44	-29

1 Additional decline compared to Q1 '04

2 Defined as Operating result plus depreciation, amortization & impairments

Operating expenses

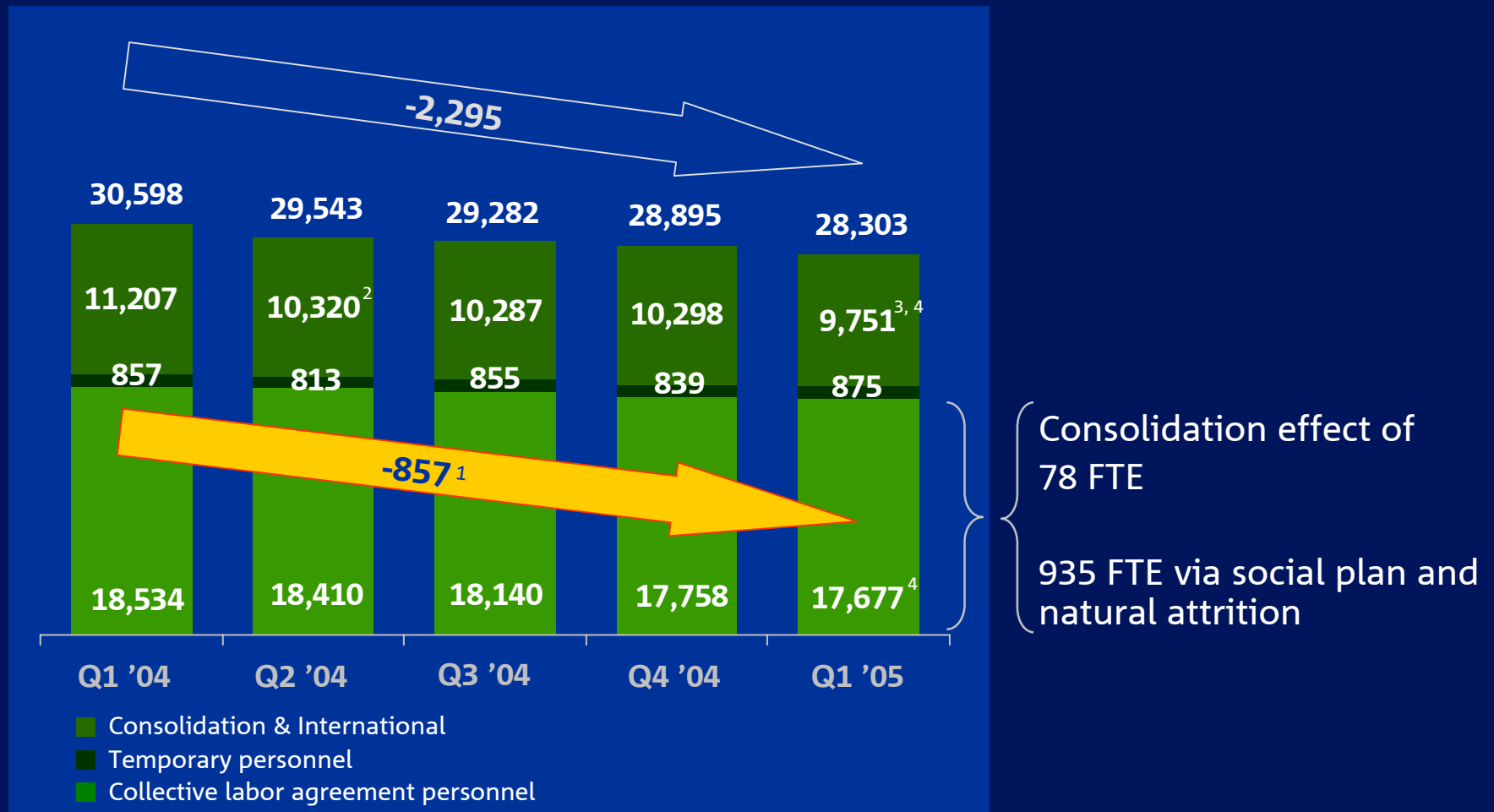
€ mn	Q1 '04	Q1 '05	%
Salaries and social security contributions	424	403	-5.0%
Cost of materials	210	263	25.2%
Work contracted out and other expenses	970	996	2.7%
Own work capitalized	-33	-28	-15.2%
Other	144	162	12.5%
Depreciation ¹	507	470	-7.3%
Amortization ¹	47	108	129.8%
Total	2,269	2,374	4.6%



1 Including impairments

Personnel

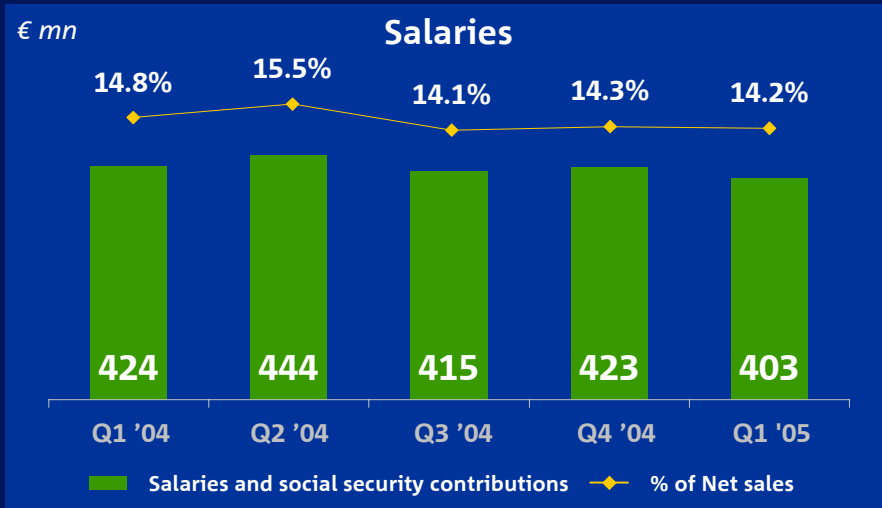
Continuing decline



- 1 Collective labor agreement personnel, including consolidation effect of 78 FTE
- 2 Q-on-Q increase mainly relates to SNT (natural attrition), Euroweb (deconsolidation) and BASE
- 3 Q-on-Q decrease mainly relates to sale of PanTel
- 4 Q-on-Q effect relates to transfer of internet activities (PMG) from participation to Collective labour agreement personnel

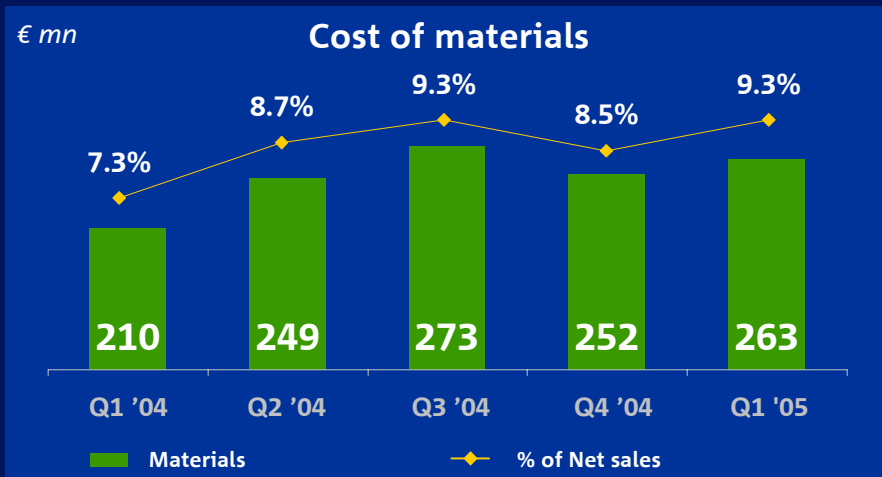
Analysis operating expenses

Salaries & Cost of materials



Y-on-Y decrease & Q-on-Q decrease

- ◆ Lower number of FTE due to sale of PanTel and ongoing reorganization. In part offset by further consolidation of SNT

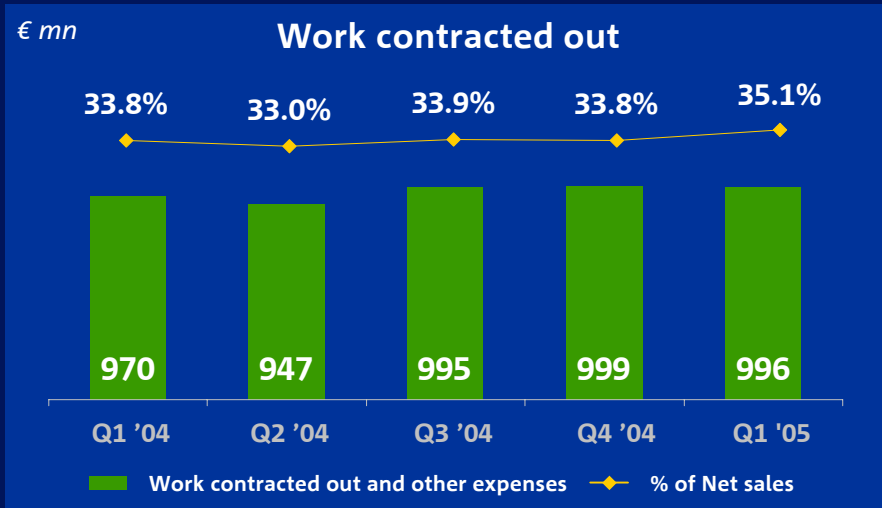


Y-on-Y increase

- ◆ Increased handset sales following stepped up marketing efforts in Germany and The Netherlands
- ◆ Increased project costs due to delivery of projects at Business Solutions

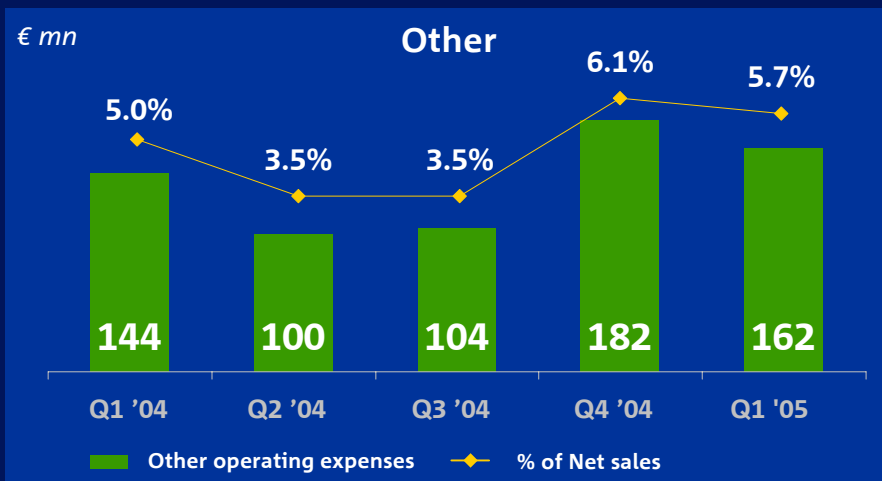
Analysis operating expenses

Work contracted out & other



Y-on-Y increase

- ◆ Lower traffic volumes at Fixed and lower MTA tariffs
- ◆ Offset by increased distribution fees following stepped up marketing efforts in Germany and The Netherlands



Y-on-Y increase

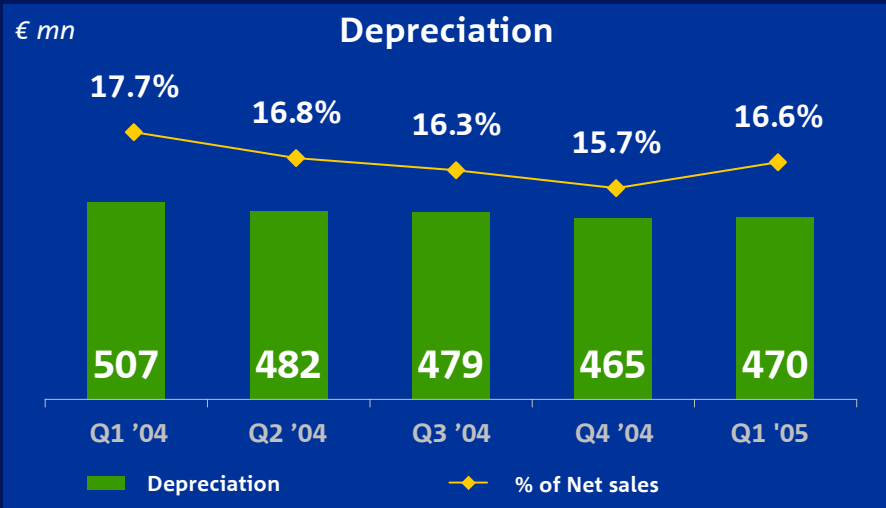
- ◆ € 5 mn increase in restructuring charges

Q-on-Q decline

- ◆ Q4 '04 contains higher marketing efforts, mainly ADSL and E-Plus

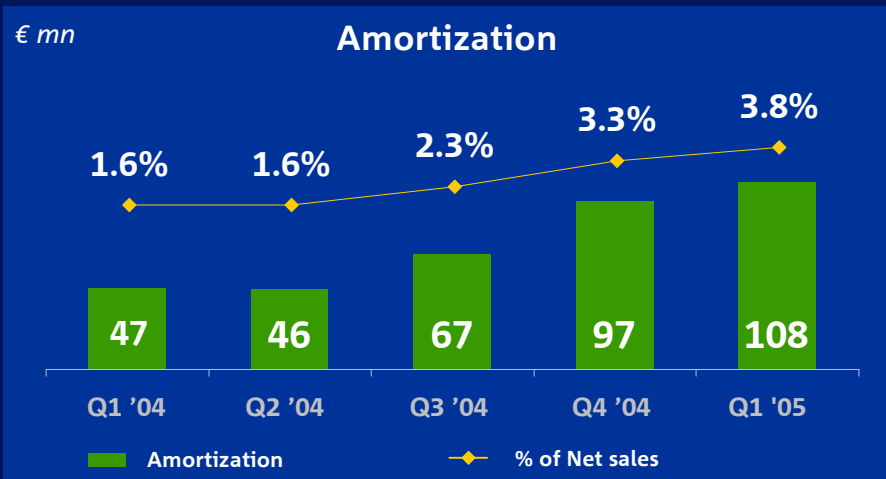
Analysis operating expenses

Depreciation & Amortization



Y-on-Y decline

- ◆ Lower Capex spendings during prior years



Y-on-Y increase

- ◆ Amortization of UMTS licenses in Germany and The Netherlands

Q-on-Q increase

- ◆ Q4 '04 contains € 16 mn reversal of impairment on UMTS license BASE

Tax

€ mn	Q1 '04		Q1 '05	
	P&L charge	Payments (-) Receipts (+)	P&L charge	Payments (-) Receipts (+)
Fiscal unities				
Fixed division & Other activities	-104	83	-68	
German Mobile activities	2			
Dutch Mobile activities	-49		-41	-4
Belgian Mobile activities	16		8	
Total	-135	83	-101	-4

Share buyback progression

€ 565 mn returned to shareholders in YTD 2005

- ◆ Introduced second trading line on March 2, 2005
- ◆ Recommenced open market repurchases on March 23, 2005
- ◆ Now also executing buybacks in closed period

<i>Q1 '05¹</i>	value € mn	mn shares	avg. share price
Second trading line	159.8	22.6	7.07
Open market	68.1	9.9	6.89
Total	227.8	32.5	7.02

<i>April 1 – May 9¹</i>	value € mn	mn shares	avg. share price
Second trading line	252.9	37.5	6.74
Open market	84.2	12.5	6.74
Total	337.1	50.0	6.74

Buybacks totaling € 564.9 mn or 82.5 mn shares since March 1, 2005
73 % via second trading line

Total cash flow

€ mn	Q1 '04	Q1 '05
Net cash flow provided by operating activities	953	822
Capex ¹	-307	-232
Disposals	71	171
Other	-6	-21
Net cash flow from investing activities	-242	-82
Dividends paid	-	-
Share repurchase	-249	-164
Shares purchased for option plan	-	-
Proceeds from borrowings	-	-
Repayments of borrowings	-39	-32
Other	-	11
Net cash flow used in financing activities	-288	-185
Changes in cash and cash equivalents	423	555

1 Including Property, Plant & Equipment and all software

Net cash flow from operating activities

€ mn	Q1 '04	Q1 '05
Operating Result	675	516
Depreciation, amortization and impairments	554	578
Interest paid/received	-2	-9
Income tax paid/received	83	-4
Book gains	-36	-21
Change in provisions	17	-22
Net cash flow from operating activities before changes in working capital	1,291	1,038
Inventory	-17	30
Trade receivables	-4	-93
Other current assets	-62	-82
Current liabilities	-255	-71
Change in working capital	-338	-216
Net cash flow from operating activities	953	822
Capex ¹	307	232
Net cash flow from operating activities minus Capex¹	646	590

1 Including Property, Plant & Equipment and all software

Capex¹

€ mn	Q1 '04	Q1 '05	%
Fixed	130	115	-11.5%
<i>% net sales Fixed</i>	<i>7.1%</i>	<i>6.8%</i>	
Fixed Networks	100	97	-3.0%
<i>% net sales Fixed Networks</i>	<i>6.3%</i>	<i>6.5%</i>	
Business Solutions	30	18	-40.0%
<i>% net sales Business Solutions</i>	<i>5.9%</i>	<i>4.0%</i>	
Mobile	167	115	-31.1%
<i>% net sales Mobile</i>	<i>13.9%</i>	<i>8.9%</i>	
E-Plus	121	63	-47.9%
<i>% net sales E-Plus</i>	<i>20.9%</i>	<i>10.0%</i>	
KPN Mobile (NL)	36	30	-16.7%
<i>% net sales KPN Mobile (NL)</i>	<i>6.8%</i>	<i>5.5%</i>	
BASE	9	22	144.4%
<i>% net sales BASE</i>	<i>9.0%</i>	<i>18.3%</i>	
Other	1	0	
Other	10	2	-80.0%
Total	307	232	-24.4%
<i>% net sales</i>	<i>10.7%</i>	<i>8.2%</i>	

1 Including Property, Plant & Equipment and all software

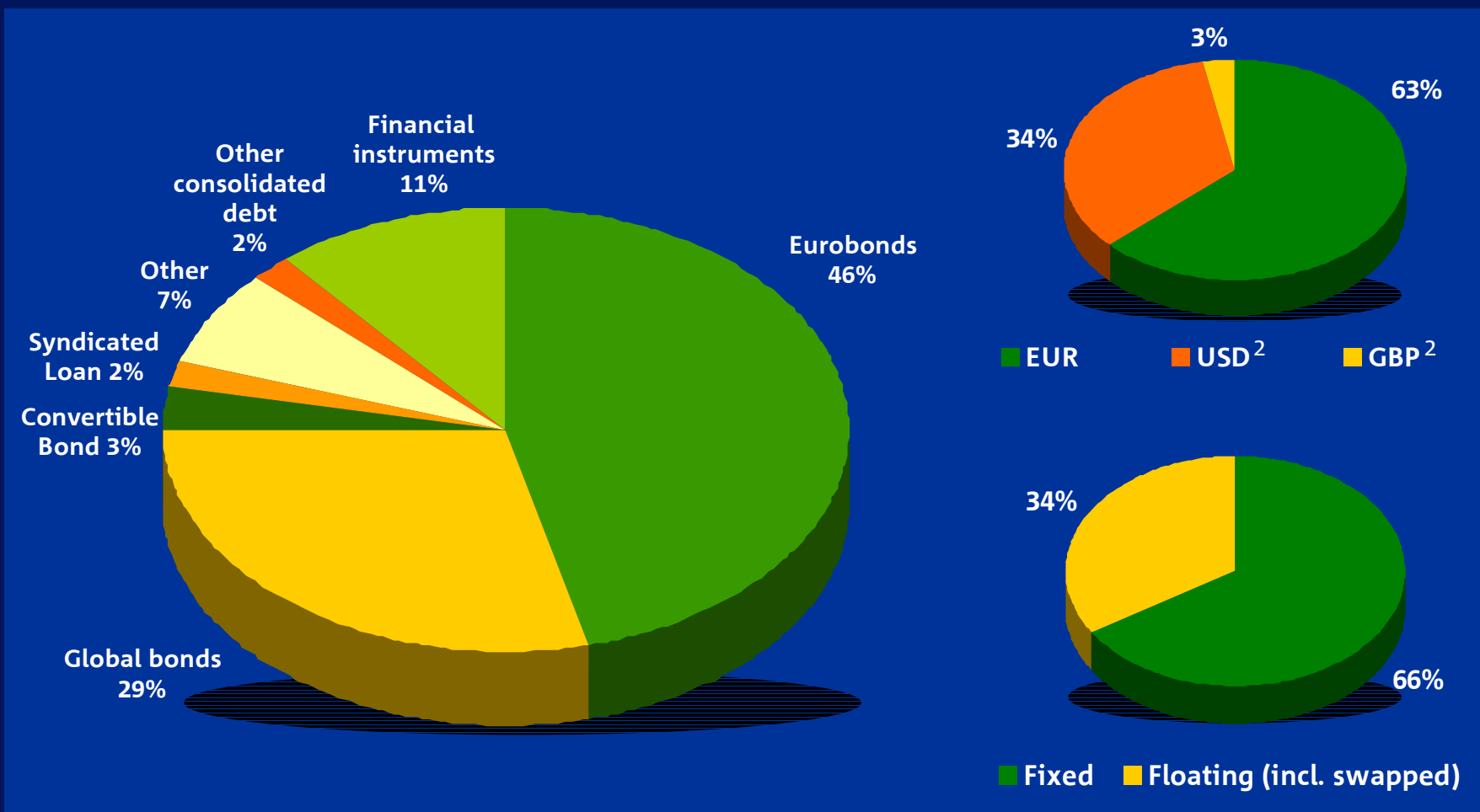
Debt summary

€ bn	Q1 '04	Q4 '04	Q1 '05
Subordinated convertible bonds	1.1	0.3	0.3
Eurobonds	4.6	4.7	4.6
Global bonds	3.9	3.9	3.0
Other loans at Royal KPN	0.3	0.3	0.9
Consolidated debt	0.2	0.2	0.2
<i>E-Plus</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
<i>Other</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
Fair value financial instruments	-	-	1.1
Total debt	10.1	9.4	10.1
<i>of which short-term</i>	<i>1.0</i>	<i>1.7</i>	<i>2.2</i>
Cash and cash equivalents	2.3	1.6	2.7
Total net debt	7.9	7.9	7.4

- ♦ Following the adoption of IAS 32/39 as from January 1, 2005 cash balances no longer netted; approx. € 0.6 bn increase in both cash and gross debt

Debt portfolio

Gross debt at Q1 '05: € 10.1 bn¹



1 Book value of interest bearing financial liabilities plus the fair value of financial instruments related to these financial liabilities

2 Foreign currency amounts hedged into Euro

KPIs Fixed

Fixed Networks

	Q1 '04	Q4 '04	Q1 '05
Market shares			
<i>Local</i>	±75%	>70%	>70%
<i>National</i>	>60%	±60%	>55%
<i>International</i>	>45%	±45%	±45%
<i>Fixed to Mobile</i>	>60%	±60%	±60%
Channels (x 1,000)	9,806	9,551	9,471
Lines (x 1,000)	7,628	7,434	7,373
<i>PSTN</i>	6,080	5,922	5,871
<i>ISDN 1/2/15/20/30</i>	1,528	1,512	1,502
Call rate¹	2.65	2.33	2.29
Call duration²	265	226	222
Minutes (in bn)			
BU Fixed Telephony	8.97	7.04	6.66
<i>Local/National</i>	5.23	4.63	4.49
<i>Internet</i>	2.86	1.56	1.34
<i>International</i>	0.27	0.24	0.24
<i>Fixed to Mobile</i>	0.61	0.61	0.59
BU Carrier Services	11.30	10.62	10.48
Total Division Fixed	20.00	17.42	16.90

1 Number of calls per channel per day

2 Average duration per call in seconds

KPIs Fixed

Internet and ADSL (1)

	Q1 '04	Q4 '04	Q1 '05
Market shares			
<i>Consumer broadband</i>	41.0%	43.8%	44.3%
<i>DSL</i>	76.7%	74.6%	74.1%
<i>Retail market share consumer broadband</i>	25.5%	29.7%	31.8%
ISP customers (X 1,000)			
<i>Planet Internet</i>	736	757	759
<i>Het Net</i>	596	606	611
<i>XS4ALL</i>	220	264	281
<i>Freeler</i>	-	-	98
<i>CistroN</i>	-	-	5
Total	1,552	1,627	1,754
Broadband subscriptions ISPs (X 1,000)			
<i>Planet Internet</i>	311	435	475
<i>Het Net</i>	106	236	272
<i>XS4ALL</i>	136	177	185
<i>Freeler</i>	-	-	28
<i>CistroN</i>	-	-	5
<i>Direct ADSL</i>	15	88	112
Total	568	936	1,077

KPIs Fixed

Internet and ADSL (2)

<i>X 1,000</i>	Q1 '04	Q4 '04	Q1 '05
Local exchanges			
<i>Number DSL enabled</i>	1,354	1,361	1,361
<i>ADSL coverage NL¹</i>	99%	99%	99%
<i># MDF access lines</i>	1,242	1,898	2,072
<i>of which # line sharing^{2,3}</i>	1,194	1,834	1,998
ADSL⁴			
Installed			
% Slim (288/128 kbit/s)	--	4%	3%
% Go (800/256 kbit/s)	11%	27%	32%
% Lite (1,600/512 kbit/s)	54%	46%	44%
% Basic (3,200/768 kbit/s)	31%	20%	18%
% Extra (8,000/1,024 kbit/s)	4%	3%	3%

1 % of central offices that is ADSL enabled

2 Restated in Q3 '04 to include Bitstream

3 Includes KPN ADSL connections (installed), line sharing other telcos and KPN Bitstream

4 Bandwidth as of February 2005

KPIs Fixed

Business Solutions

	Q1 '04	Q4 '04	Q1 '05
Leased lines (x 1,000)			
<i>Analogue</i>	70%	72%	77%
<i>Digital</i>	30%	28%	23%
VAS			
Frame Relay (# ports)	7,572	4,665	4,108
MVPN-routers	8,178	9,901	10,960
IP-VPN connections	20,041	30,164	33,982
VPNs (# customers)	975	1,409	1,504

KPIs Mobile

E-Plus

	Q1 '04	Q4 '04	Q1 '05
Market share base¹	12.8%	13.3%	13.3%
Customers (x 1,000)	8,448	9,511	9,651
Post Paid	3,995	4,724	4,887
<i>Of which i-mode</i>	470	670	684
Pre Paid	4,453	4,787	4,764
<i>Of which i-mode</i>	181	423	449
MoU (minutes)	74	76	71
Post Paid	131	134	123
Pre Paid	23	22	20
ARPU (€)	21	22	20
Post Paid	37	37	34
Pre Paid	7	7	6
Non-voice as % of ARPU	15%	16%	15%
SAC/SRC (€)²	137	150	189
Post Paid	198	213	253
Pre Paid	53	30	54

1 Management estimates, based on numbers of customers

2 SAC and SRC previously disclosed separately, split discontinued for competitive reasons

KPIs Mobile

KPN Mobile (NL)

	Q1 '04	Q4 '04	Q1 '05
Market share base¹	39.4%	40.0%	40.7%
Customers (x 1,000)	5,269	6,076	6,290
Post Paid	1,959	2,186	2,327
<i>Of which i-mode</i>	249	237	243
Pre Paid	3,310	3,890	3,963
<i>Of which i-mode</i>	260	424	473
MoU (minutes)	125	120	112
Post Paid	272	280	264
Pre Paid	37	29	26
ARPU (€)	33	30	28
Post Paid	70	68	64
Pre Paid	11	9	7
Non-voice as % of ARPU	11%	12%	13%
SAC/SRC (€)²	156	240	256
Post Paid	291	318	366
Pre Paid	46	61	40

1 Management estimates (numbers of customers) based on industry filings

2 SAC and SRC previously disclosed separately, split discontinued for competitive reasons

KPIs Mobile

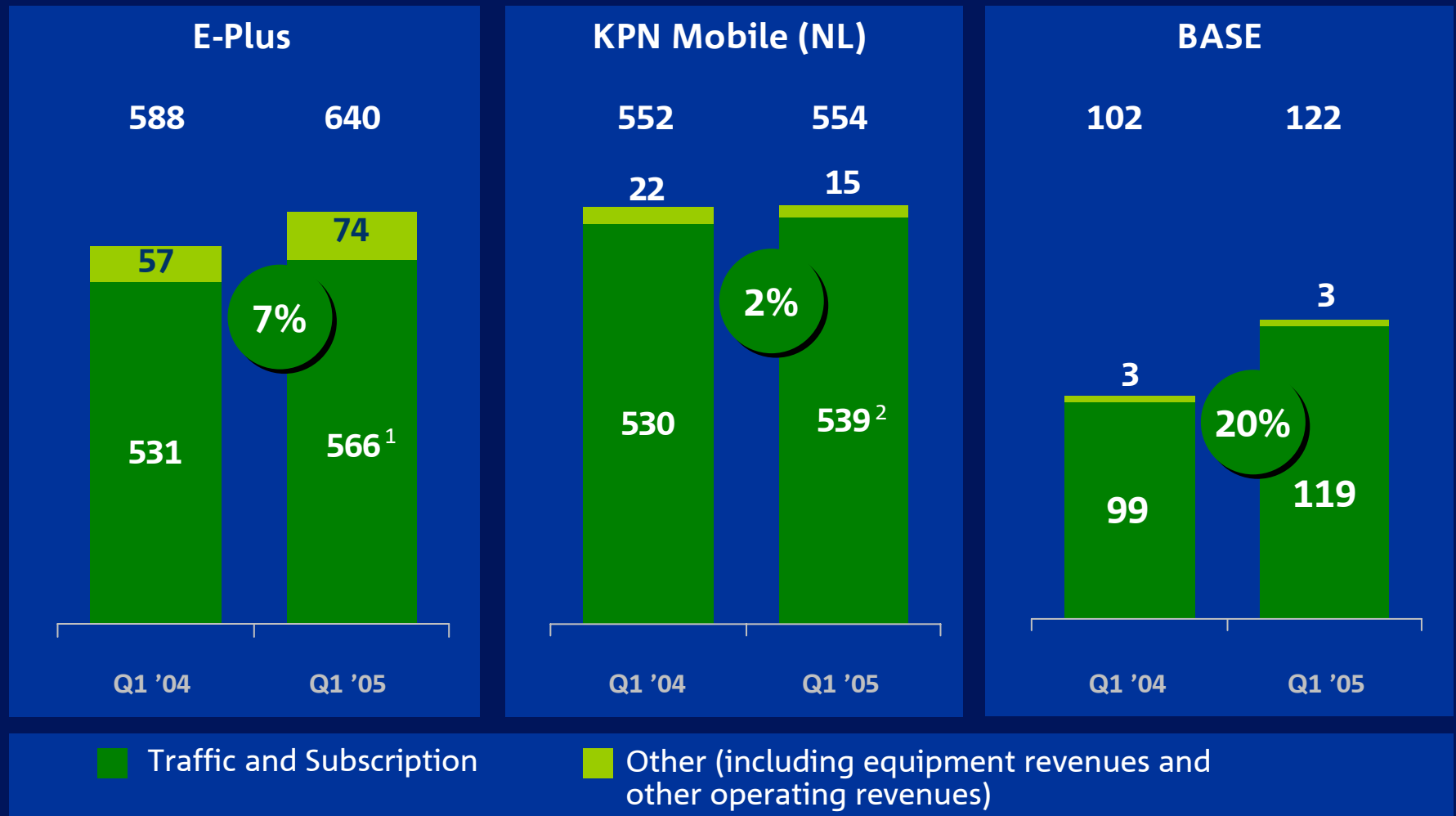
BASE

	Q1 '04	Q4 '04	Q1 '05
Market share base¹	16%	>17%	18%
Customers (x 1,000)	1,369	1,647	1,761
Post Paid	288	323	361
<i>Of which i-mode</i>	28	26	24
Pre Paid	1,081	1,324	1,400
<i>Of which i-mode</i>	2	2	3
MoU (minutes)	101	112	115
Post Paid	209	221	239
Pre Paid	71	86	83
ARPU (€)	25	24	24
Post Paid	61	62	59
Pre Paid	15	14	15
Non-voice as % of ARPU	16%	16%	15%
SAC/SRC (€)²	10	20	22
Post Paid	-14	49	43
Pre Paid	15	10	12

1 Management estimates (only rounded figures available), based on numbers of customers

2 SAC and SRC previously disclosed separately, split discontinued for competitive reasons

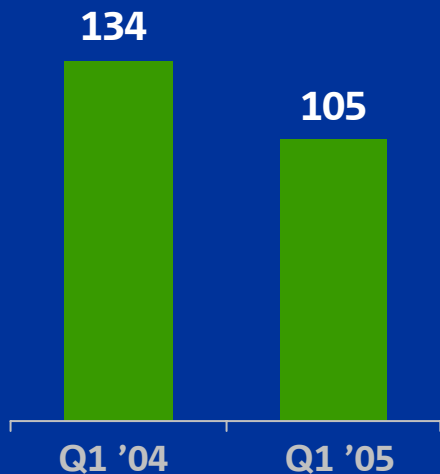
Mobile traffic and subscription revenues



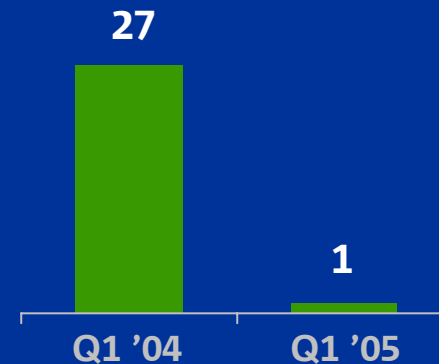
1 Including € 23 mn decline due to MTA reduction
 2 Including € 19 mn decline due to MTA reduction

Other in Q1

€ mn Operating revenues (-22%)



€ mn Operating result



Continued deconsolidation

- ◆ Sale of Intelsat and Infonet, resulting in € 21 mn book gain
- ◆ Sale of PanTel completed

Q1 '04 contains € 36 mn book gain on sale of Eutelsat

EU New Regulatory Framework (NRF)

General

- ◆ New law has come into force in The Netherlands on May 19, 2004 and in Germany on June 26, 2004; implementation in Belgium delayed
- ◆ Market definitions and dominance tests will be based on general competition law instead of current sector specific criteria

The Netherlands

- ◆ Dutch Minister of Economic Affairs is requested by Parliament to propose a policy framework on telecommunication with subsequent general guidelines for OPTA
- ◆ Draft decisions OPTA on market analyses as of Q1 2005
 - Mobile markets March 17
 - Broadcasting expected mid May
 - Broadband, fixed telephony and leased lines expected mid June
- ◆ Applicability expected end second half 2005