



Results First Quarter 2004

10 May 2004



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 KPN's operations, KPN's and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's 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 KPN's control, that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in KPN's Annual Report and Form 20-F for the year ended December 31, 2003.

All figures shown throughout this presentation are unaudited. Certain figures may be subject to rounding differences.

Changes in reporting

To more strictly align external reporting with tightened international requirements on financial reporting, we will focus on

- ◆ Analysis of reported results, no correction for exceptional items
- ◆ Analysis based on Result after taxes and Operating result (formerly EBIT) instead of EBITDA
- ◆ Analysis based on Operating margin instead of EBITDA margin

Highlights Q1

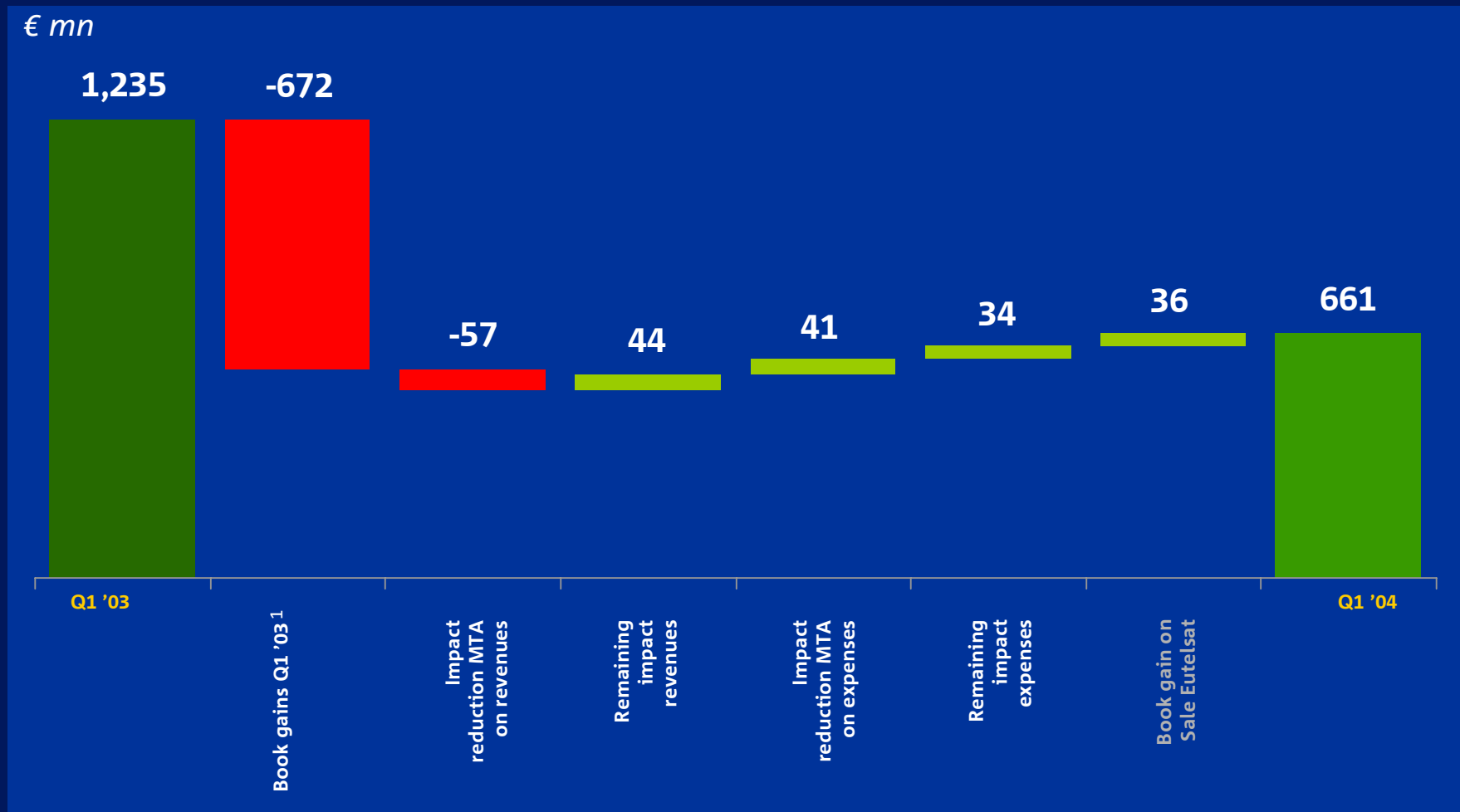
Financial

- ◆ Net of book gains, Profit after taxes more than tripled year-on-year
- ◆ Net sales (€ 2,903 mn) at same level as last year, despite negative impact of reduced MTA tariffs
- ◆ Further decrease in group Operating expenses of 3.1% (€ 75 mn)
- ◆ Decrease in Financial expenses (€ 95 mn) as a result of redemptions and early redemptions totaling € 4.9 bn in 2003
- ◆ Earnings per share of € 0.15 (2003: € 0.31)
- ◆ Improvement in Cash Flow from operations (+ € 180 mn, or 23.1%)

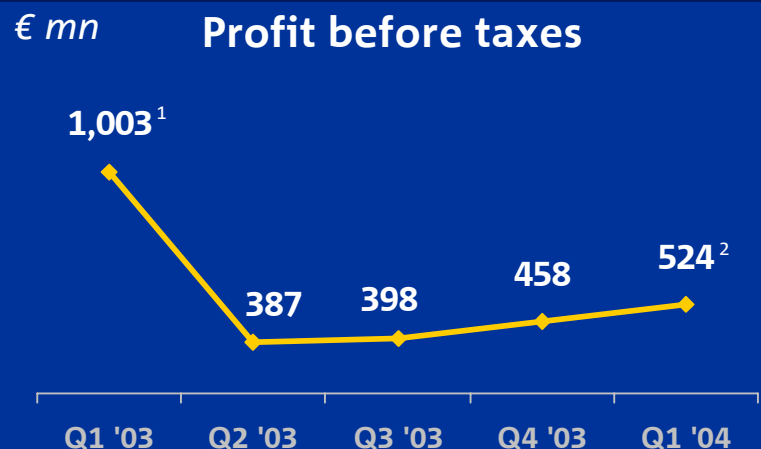
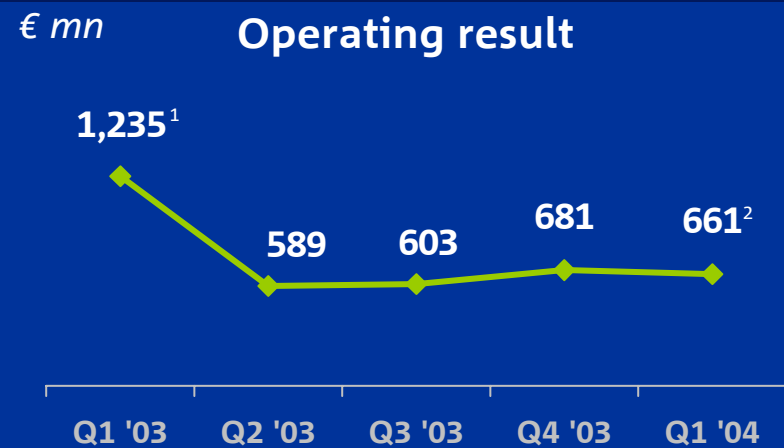
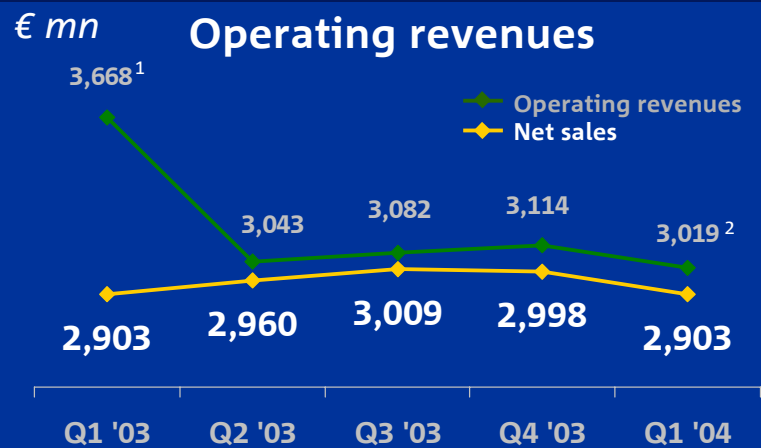
Operational

- ◆ Now over 15 mn mobile customers and increased market share in our international markets
- ◆ ADSL customers more than doubled year-on-year to 913,000

Developments in Operating result



Headlines P&L

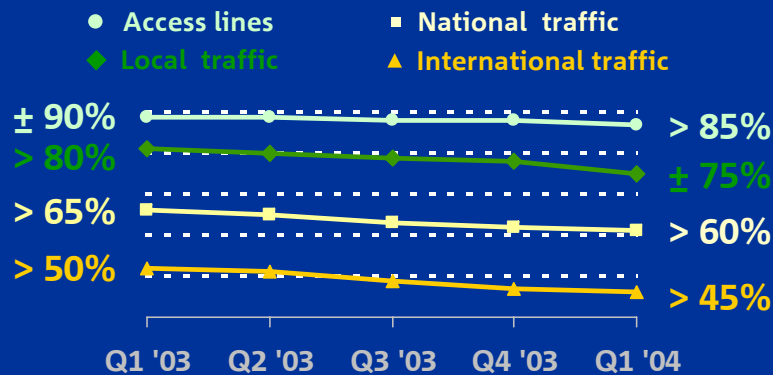


¹ Including € 672 mn book gains

² Including € 36 mn book gains

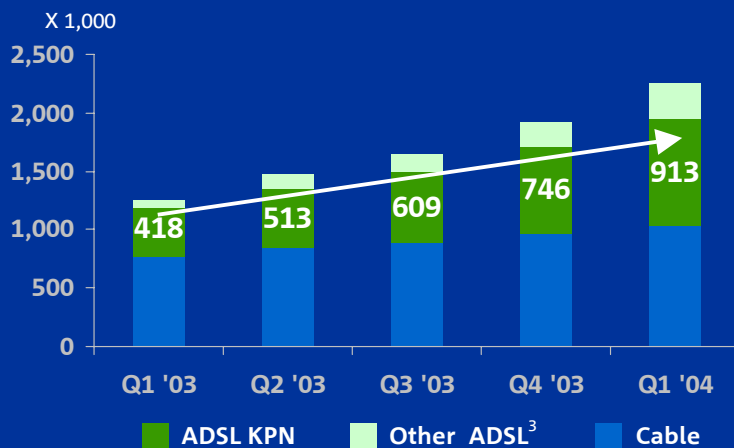
Fixed

Market shares¹



- ◆ Balancing pricing and market share
- ◆ Exploiting full potential of packages
- ◆ Integrated and coordinated regulatory management

Number of Dutch broadband connections²



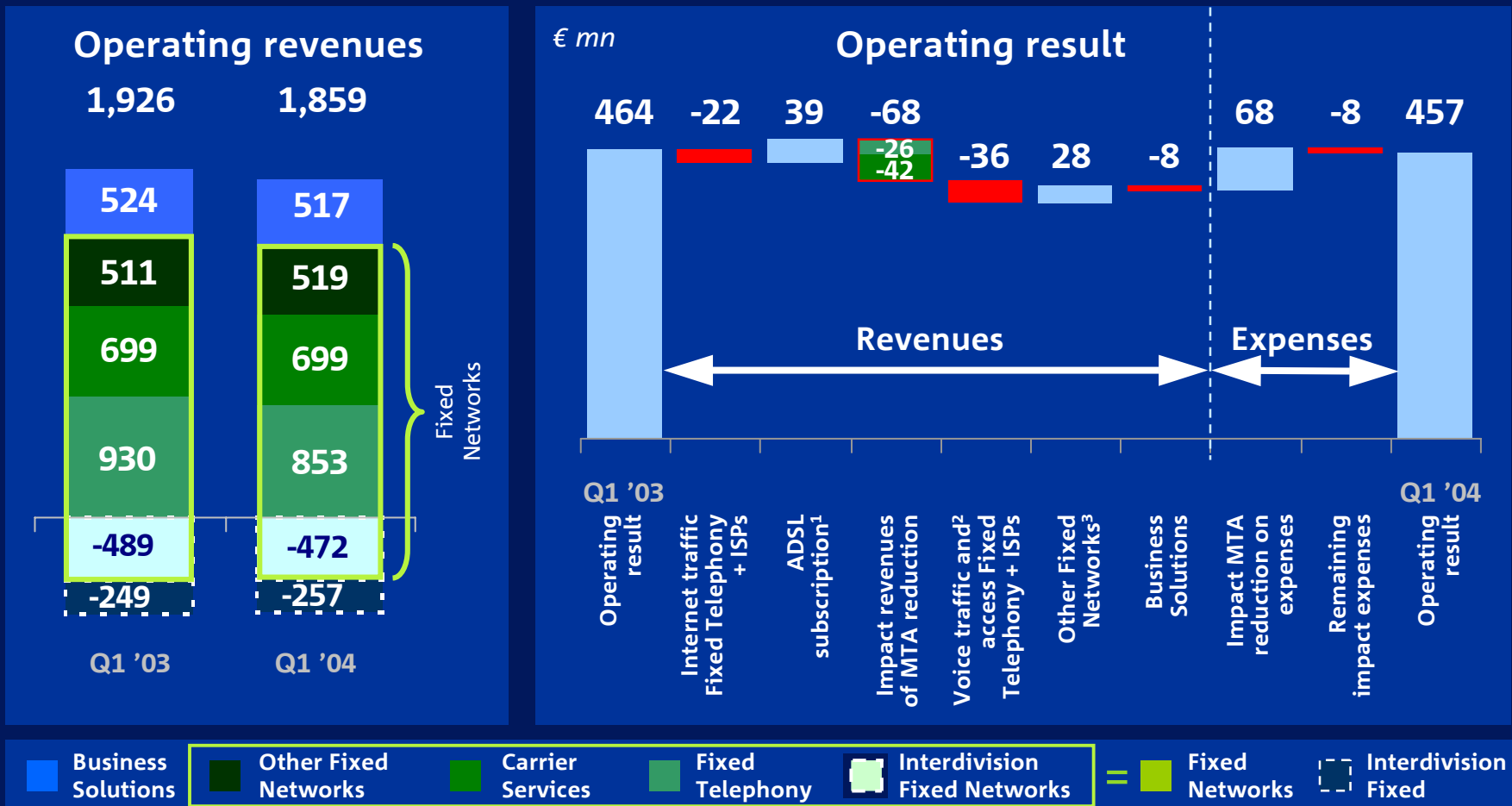
- ◆ Market share consumer broadband² increased from 33% to 41% Y-o-Y
- ◆ 500,000 unique visitors on broadband portal in Q1
- ◆ Migration from traditional data to IP-VPN

¹ Traffic in minutes; access in number of lines

² Of which currently approximately 80% consumers and 20% (small) businesses

³ Including bit stream

Fixed in Q1

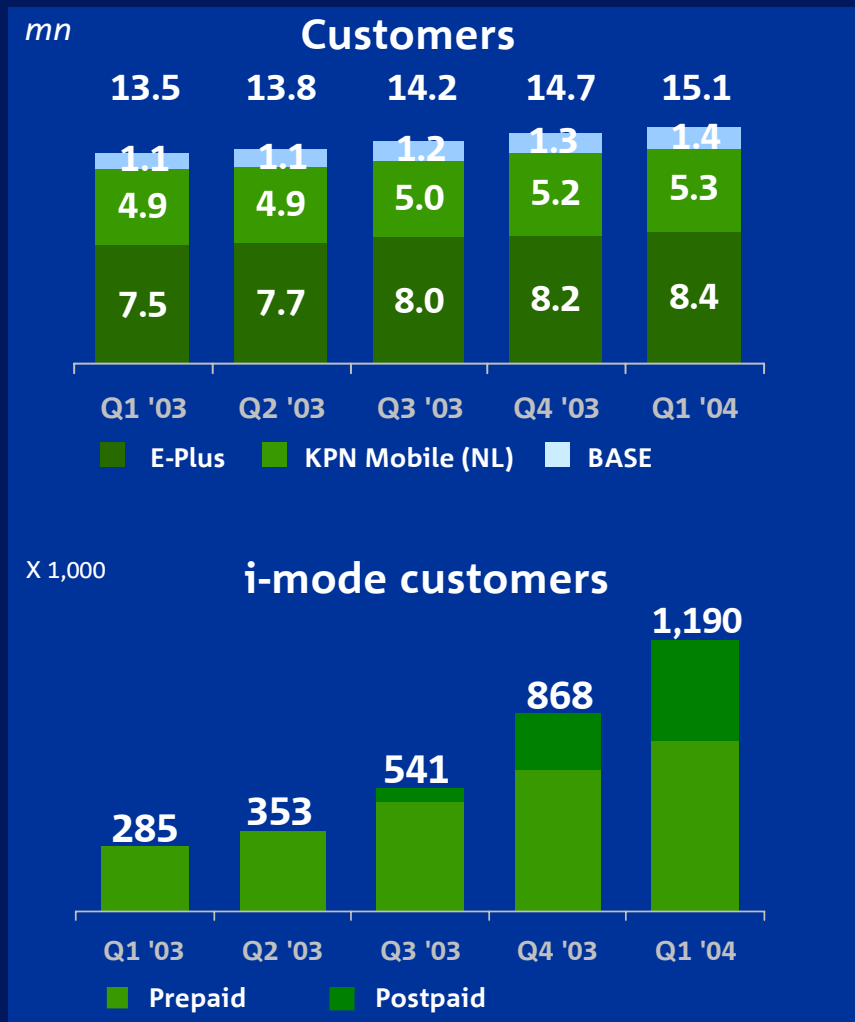


¹ Of which € 32 mn ADSL connection charge and € 7 mn ISP charge

² Excluding impact MTA reduction

³ Increase Carrier Services (excl. impact MTA reduction) and lower inter company revenues

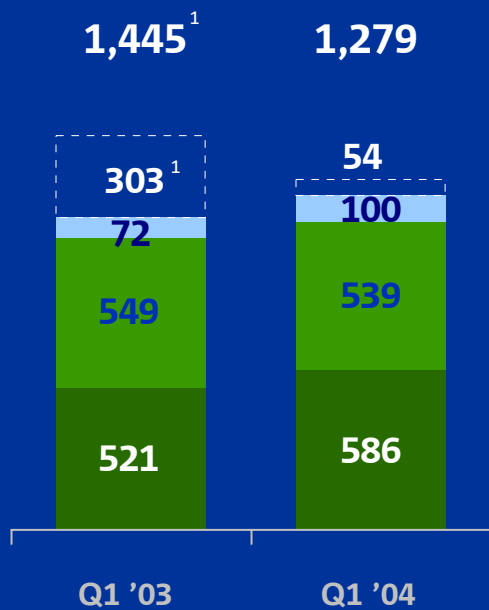
Mobile



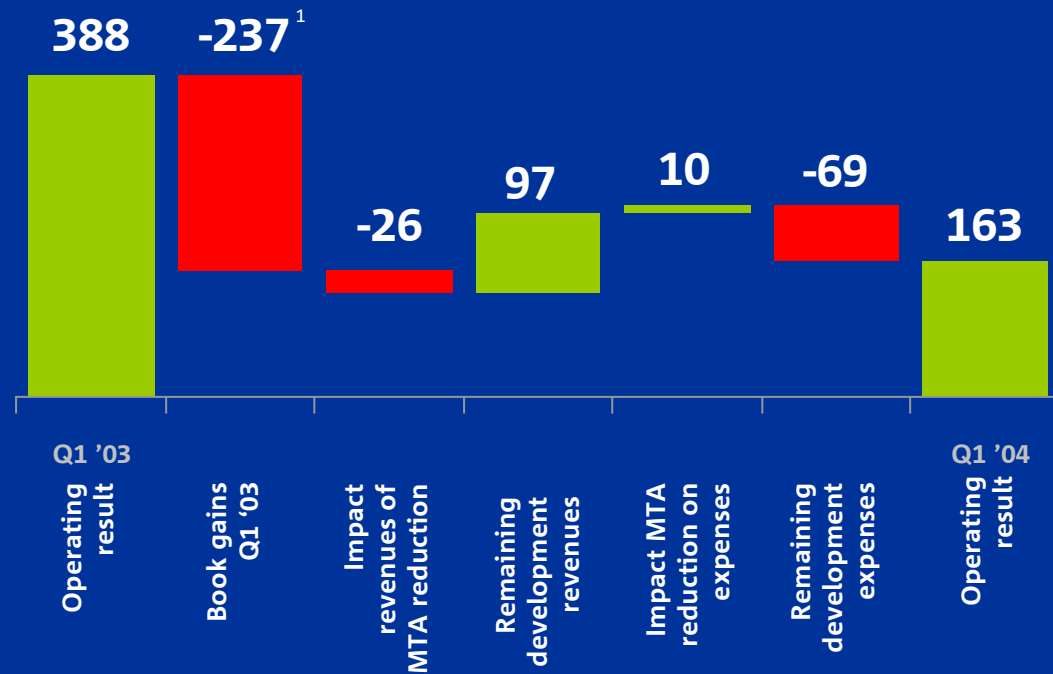
- ◆ Steady progress customer base
 - *Germany*: stimulate increased use with challenging tariffs
 - *The Netherlands*: stimulate value added services
 - *Belgium*: continue accelerated growth with tailored propositions for specific target groups
- ◆ Current revenue from non-voice services largely from messaging
- ◆ Objective to take data ‘beyond messaging’
- ◆ Expansion of video services on the way
- ◆ Mobile data solutions enhanced with UMTS as of this summer¹
 - June: Business customers Germany
 - July: Business customers The Netherlands
 - Summer: Consumers Germany & The Netherlands

Mobile in Q1

Operating revenues

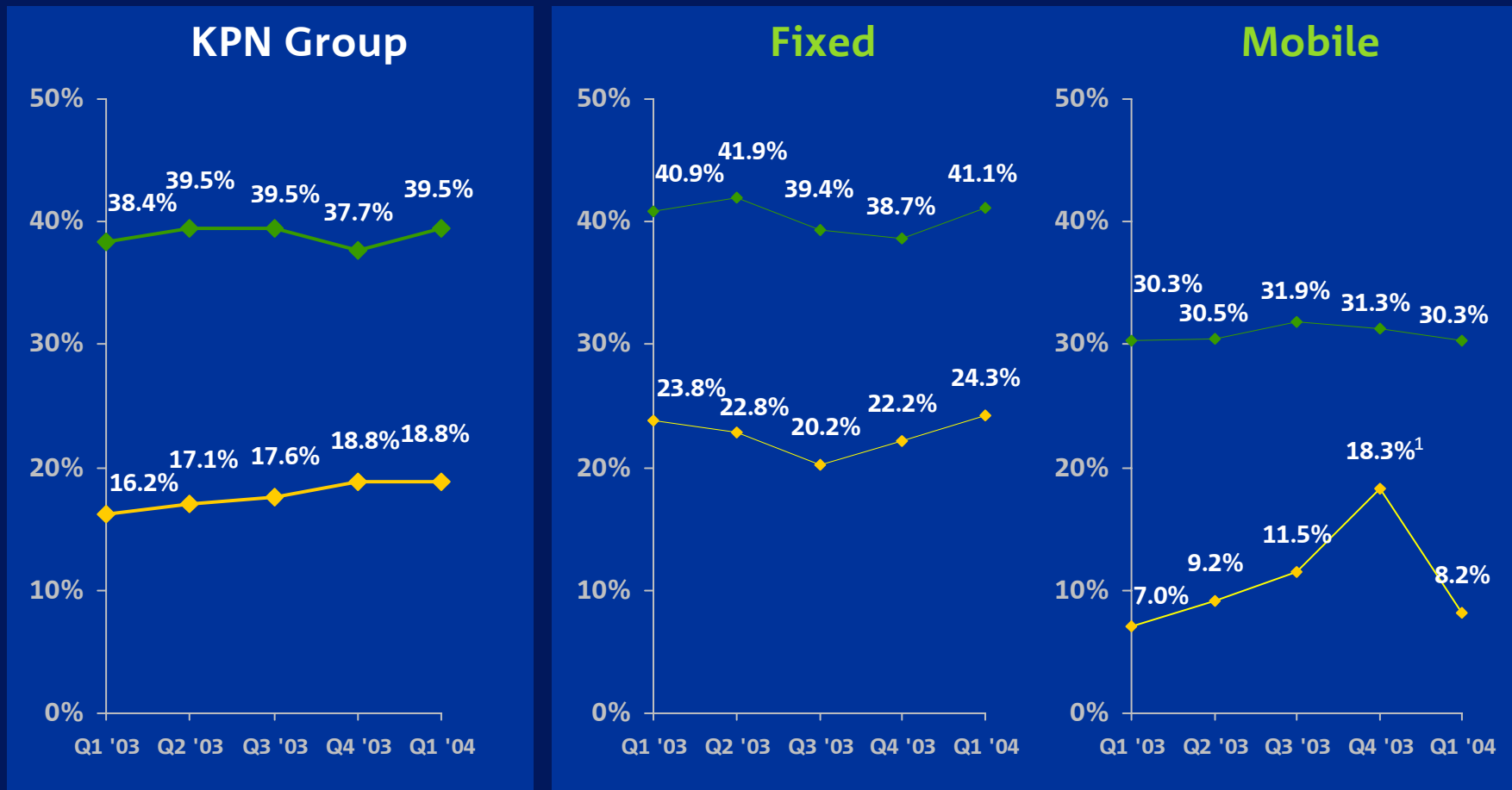


Operating result



■ E-Plus Net Sales
 ■ KPN Mobile (NL) Net Sales
 ■ BASE Net Sales
 Remainder Operating Revenues

Margin development

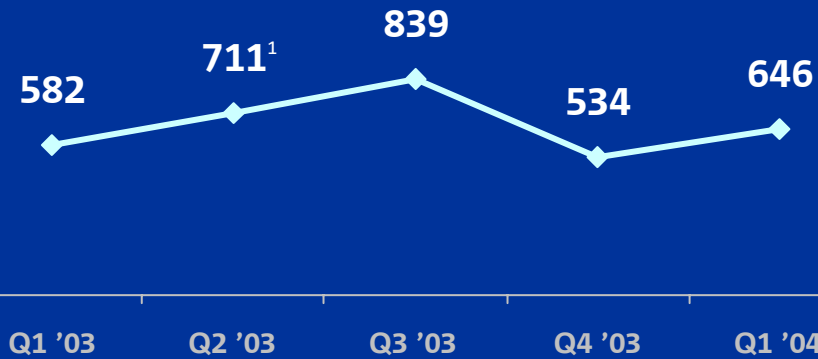


- ◆— (Net sales – Operating expenses + Depreciation, amortization and impairments)/Net sales
- ◆— (Net sales – Operating expenses)/Net sales

Continued focus on cash

€ mn

Cash flow from operating activities minus Capex



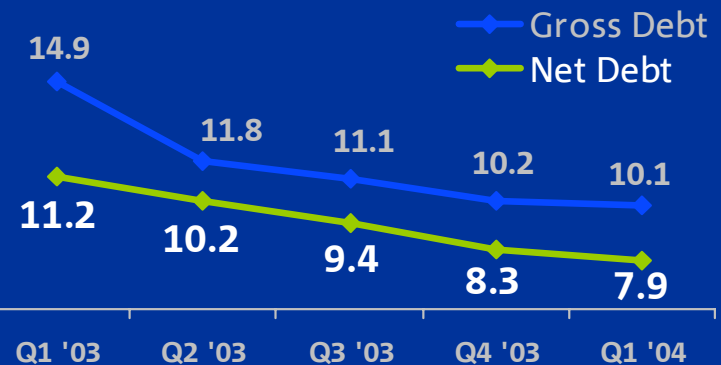
€ mn

Capex



€ bn

Debt



Use of Cash

€ mn	Q1 '04
Shareholders	€ 289 mn
– Dividend 2003	-
– Interim dividend 2004 ¹	-
– Share repurchases ²	€ 289 mn ³

- ◆ On January 29, 2004 KPN's credit rating has been upgraded by S&P to Single A- (with stable outlook) from BBB+ (with positive outlook). Moody's credit rating for KPN remained at Baa1 with stable outlook
- ◆ Dividend of € 611 mn in Q2

¹ Interim dividend to be established upon announcement of Q2 figures

² Initial program of € 500 mn

³ Of which € 40 mn has been settled early April

Conclusion

Good performance of our businesses

- ◆ Increased market share in international markets
- ◆ Net sales of mobile up by 6.9%
- ◆ Net sales of E-Plus up 12.5%
- ◆ Net sales of BASE up 38.8%
- ◆ Although net sales of fixed down by 4.5%, largely due to MTA, operating expenses also down by 4.1%

Achieved goals of growing cash flow from operations and profit



Q & A





Annex

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Outlook 2004

Technical reconciliation following restatement as published on April 6, 2004

	Old segmentation	New segmentation
Revenue growth Fixed ^{1,2}	-5% to -7%	-4.4% to -6.4%
Operating EBITDA margin Fixed ³	43% to 45%	41.4% to 43.4%

¹ Compared to '03 excluding exceptional items

² Including effects of lowering MTA tariffs (approx. - € 300 mn), lower project revenues (approx. - € 70 mn) and deconsolidation SNT assets (approx. - € 50 mn) totaling approx. - 5.5%

³ For explanation see sheet Operating EBITDA

Reconciliation Operating result

Operating result

€ mn	Q1 '03	Q1 '04
Operating result	1,235	661
Book gains		
Sale Directory Services	-435	
Termination agreement MobilCom	-222	
Sale UMC	-15	
Sale Eutelsat		-36
Operating result pre book gains	563	625

Reconciliation of operating results pre book gains

Operating result pre book gains Q1 '03		563
Revenues		
Impact reduction MTA on revenues		-57
Other increases of revenues		44
Expenses		
Impact reduction MTA on expenses		41
Other decreases of expenses		34
Operating result pre book gains Q1 2004		625

Reconciliation non-GAAP measures

Changes in reporting

Q1 '03 as reported

<i>Excluding exceptional items, € mn</i>	Q1 '03
Revenues	2,996
Opex	1,788
Operating EBITDA	1,208
Depreciation ¹	548
Amortization ¹	82
EBIT	578
Financial income/expense	-232
Profit/(Loss) before taxes	346
Income participating interests	-1
Minority interests	6
Taxes	-238
Profit/(Loss) after taxes	113

+

Exceptional items
672
0
672
0
15
657
0
657
0
0
0
657



Q1 '03 as reconciled

<i>Including exceptional items, € mn</i>	Q1 '03
Operating revenues	3,668
Operating expenses	2,433
of which	
- Depreciation ¹	548
- Amortization ¹	97
Operating result	1,235
Financial income/(expense)	-232
Profit/(Loss) before taxes	1,003
Income participating interests	-1
Minority interests	6
Taxes	-238
Profit/(Loss) after taxes	770

Free cash flow	582
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Capex
198

Net cash flow from operating activities	780
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Reconciliation margins

Changes in reporting

Q1 '03 as reported

<i>Excluding</i> exceptional items, € mn	Q1 '03
Net sales	2,903
Revenues	2,996
Opex	1,788
Operating EBITDA	1,208

Exceptional items
672
0
672

Q1 '03 as reconciled

<i>Including</i> exceptional items, € mn	Q1 '03
Net sales	2,903
Operating revenues	3,668
Operating expenses	2,433
of which	
- Depreciation ¹	548
- Amortization ¹	97
Operating result	1,235
Net sales – Operating expenses	470
Net sales – Operating expenses + Depreciation, amortization & impairments	1,115

EBITDA margin	40.3%
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(Net sales – Operating expenses + D,A&I) / Net sales	38.4%
(Net sales – Operating expenses) / Net sales	16.2%

Reported results

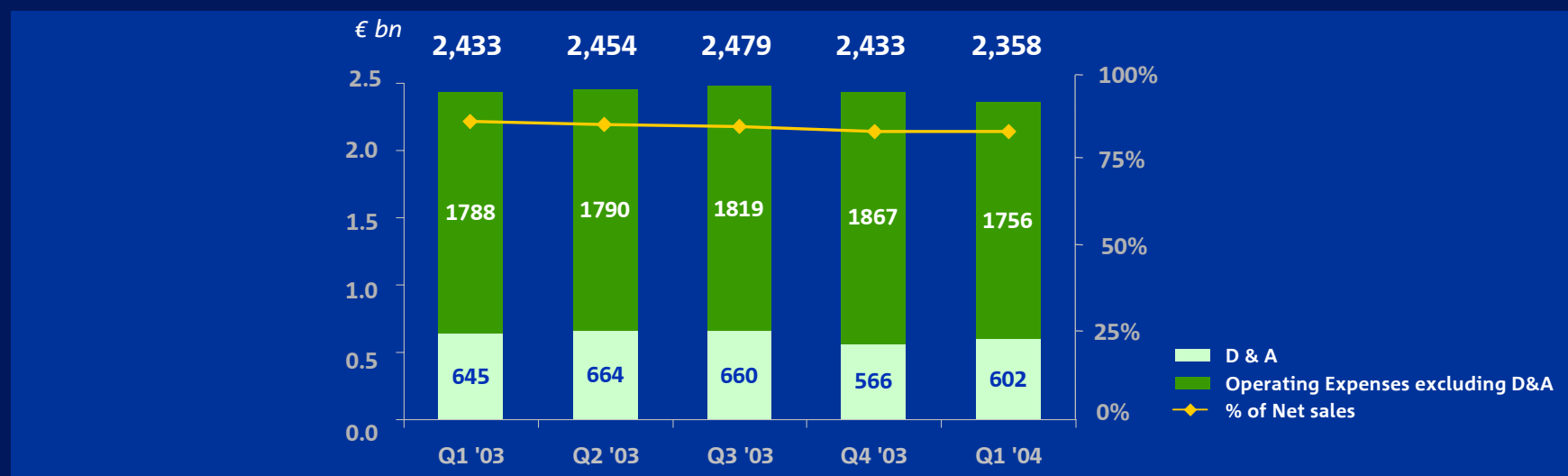
€ mn	Q1 '03	Q1 '04	%
Operating revenues	3,668	3,019	-18%
- of which Net sales	2,903	2,903	0%
Operating expenses	2,433	2,358	-3%
- of which Depreciation ¹	548	525	-4%
- of which Amortization ¹	97	77	-21%
Operating result	1,235	661	-46%
Financial income/(expense)	-232	-137	-41%
Profit/(Loss) before taxes	1,003	524	-48%
Income participating interests	-1	1	<i>n.a.</i>
Minority Interests	6	-5	<i>n.a.</i>
Taxes	-238	-145	-39%
Profit/(Loss) after taxes	770	375	-51%
Earnings per share²	0.31	0.15	-52%

¹ Including impairments

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

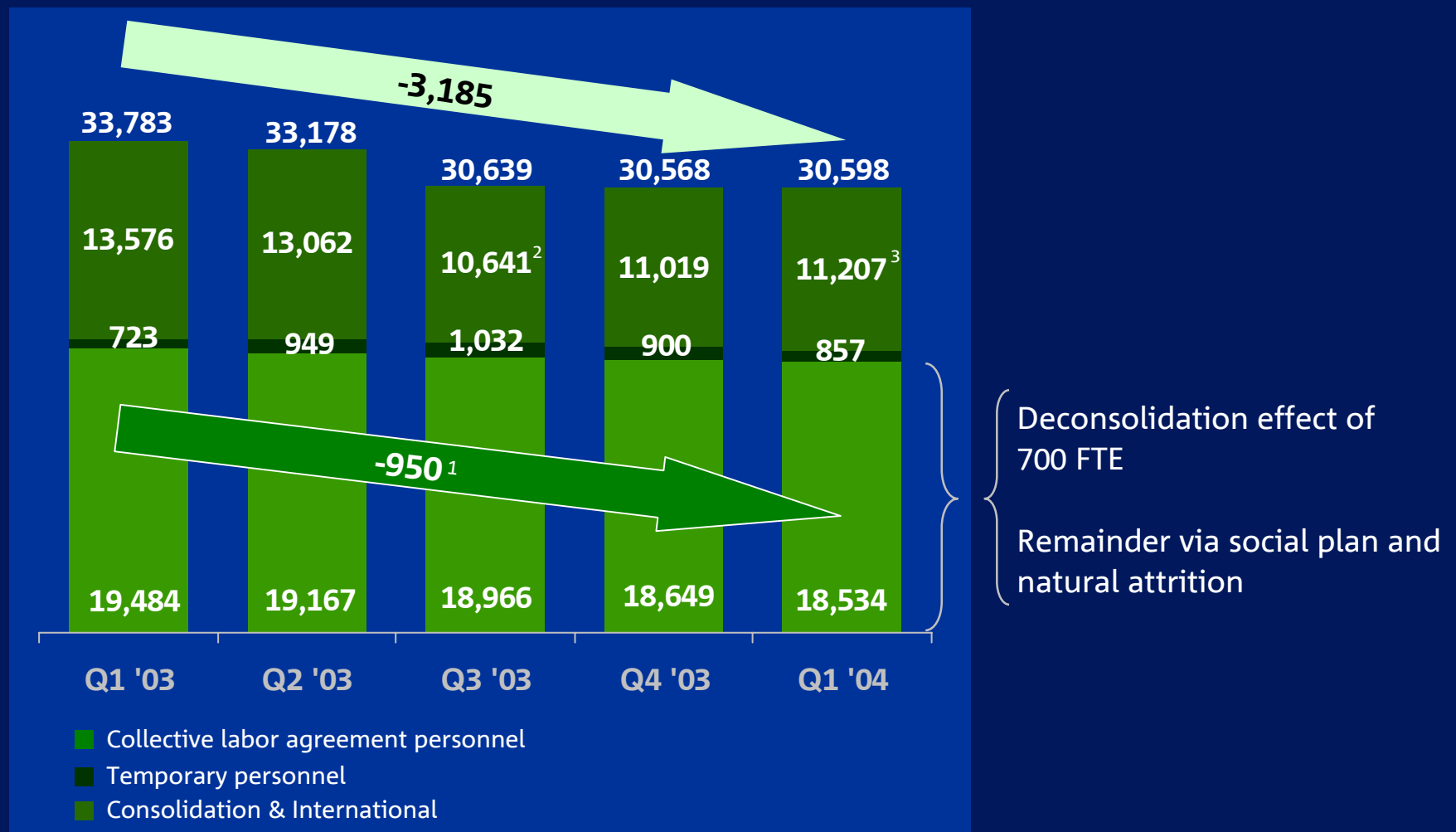
Operating expenses

€ mn	Q1 '03	Q1 '04	%
Salaries and social security contributions	429	407	-5%
Cost of materials	247	218	-12%
Work contracted out and other expenses	918	983	7%
Other	194	148	-24%
Depreciation ¹	548	525	-4%
Amortization ¹	97	77	-21%
Total	2,433	2,358	-3%



Personnel

Continuing decline collective labor agreement personnel



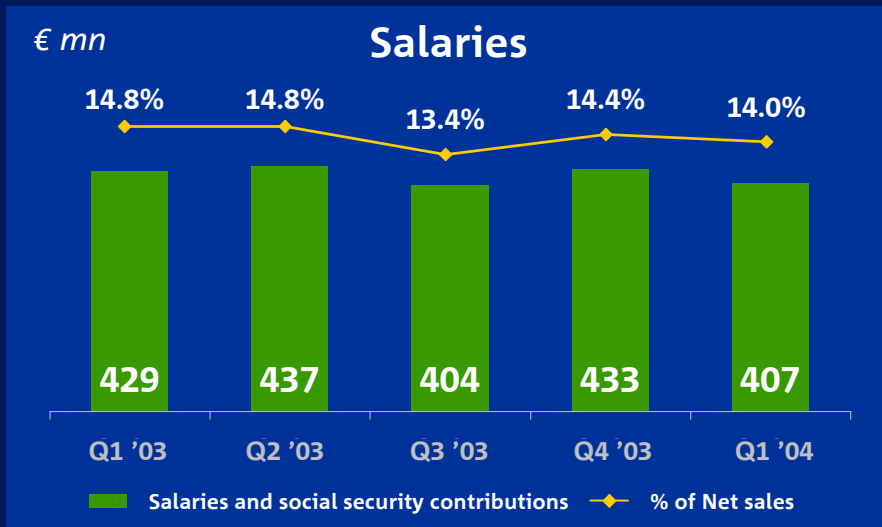
¹ Collective labor agreement personnel, including deconsolidation effects of 700FTE

² Of which approx. 2,000 FTE relates to deconsolidation affects at SNT

³ Q-on-Q increase mainly related to SNT Germany, due to acquisition info portal

Analysis operating expenses

Salaries & Cost of materials

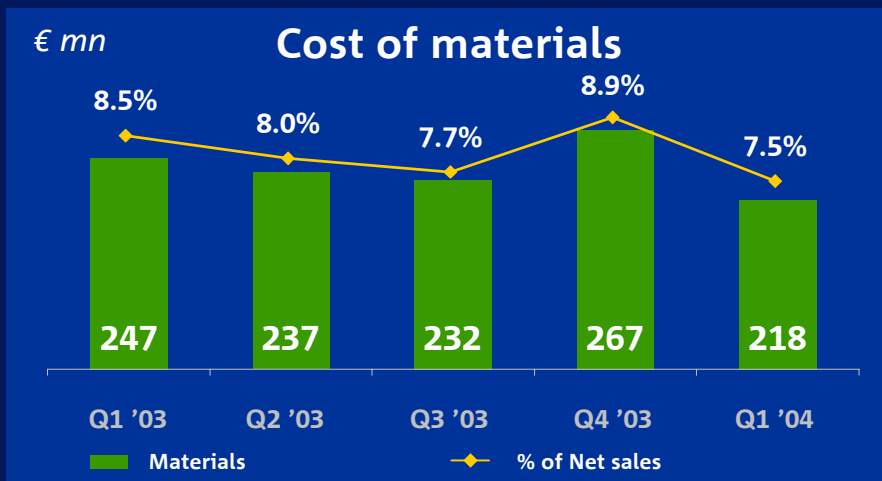


Y-on-Y decrease

- ◆ Lower number of personnel due to deconsolidation, sale of non-core assets and reorganization

Q-on-Q decrease

- ◆ Due to additional pension and early retirement charges in Q4 '03¹
- ◆ In part offset by salary increases due to promotions, introduction performance-related pay and increased pension costs



Y-on-Y decrease

- ◆ Deconsolidation effects
- ◆ Lower external revenues KPN Retail²

Q-on-Q decrease

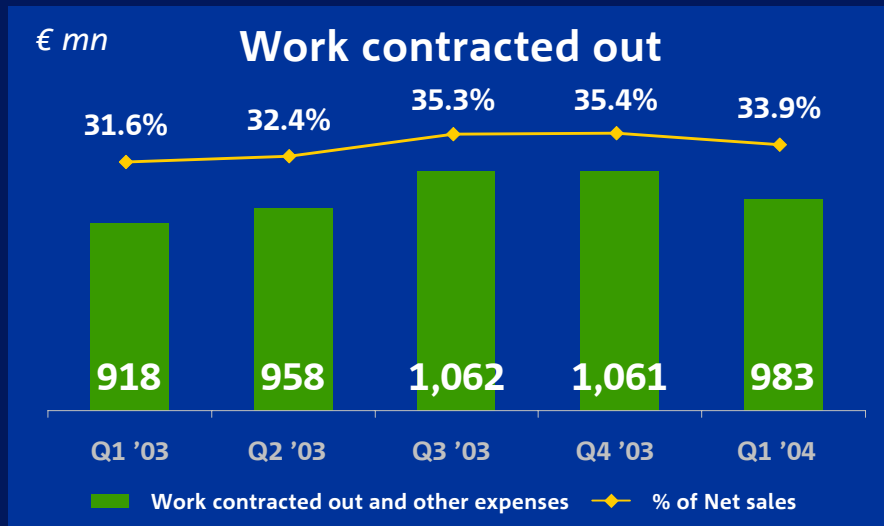
- ◆ Lower number of mobile handsets sold

¹ € 50 mn

² Sales channel

Analysis operating expenses

Work contracted out & Other

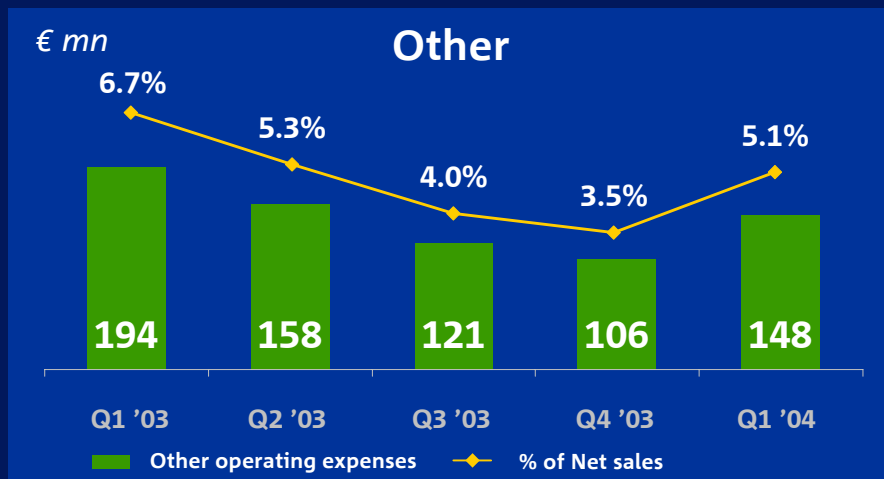


Y-on-Y increase

- ◆ Higher interconnection costs at E-Plus (increased traffic volumes) and higher purchasing costs at IMS (increase customer programs)
- ◆ In part offset by lowering MTA tariffs

Q-on-Q decline

- ◆ Lowering MTA tariffs



Y-on-Y decline

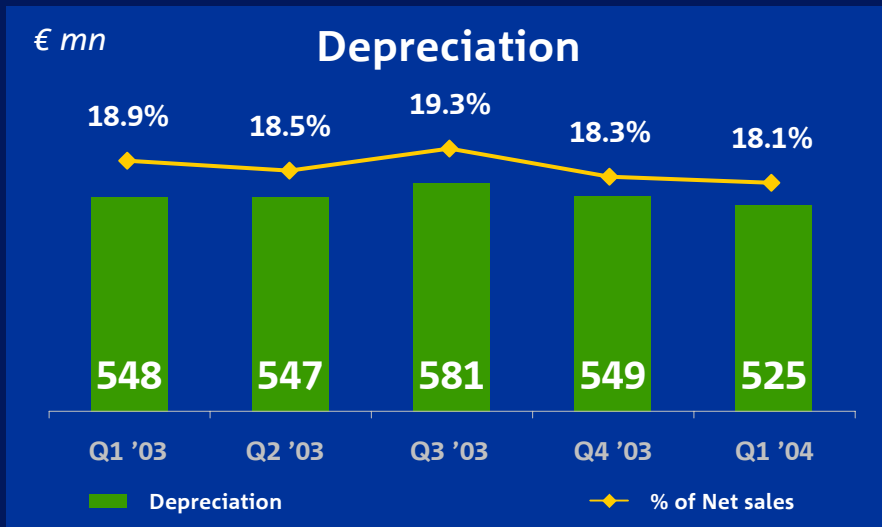
- ◆ Partial termination of activities at Xantic
- ◆ In part offset by higher marketing and sales costs at Mobile

Q-on-Q increase

- ◆ Addition restructuring provision Fixed
- ◆ Refund of capital tax Q4 '03¹

Analysis operating expenses

Depreciation & Amortization

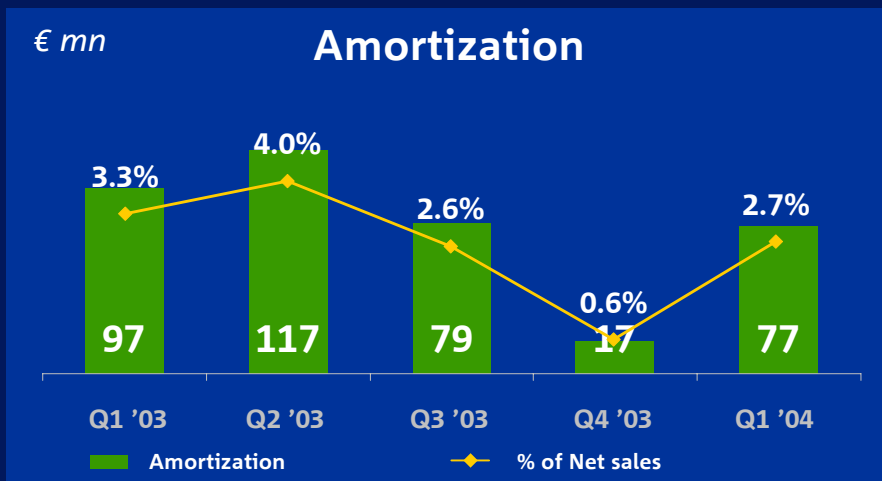


Y-on-Y decline

- ◆ Lower Capex levels during '02 and '03

Q-on-Q decline

- ◆ Lower impairment charges



Y-on-Y decline

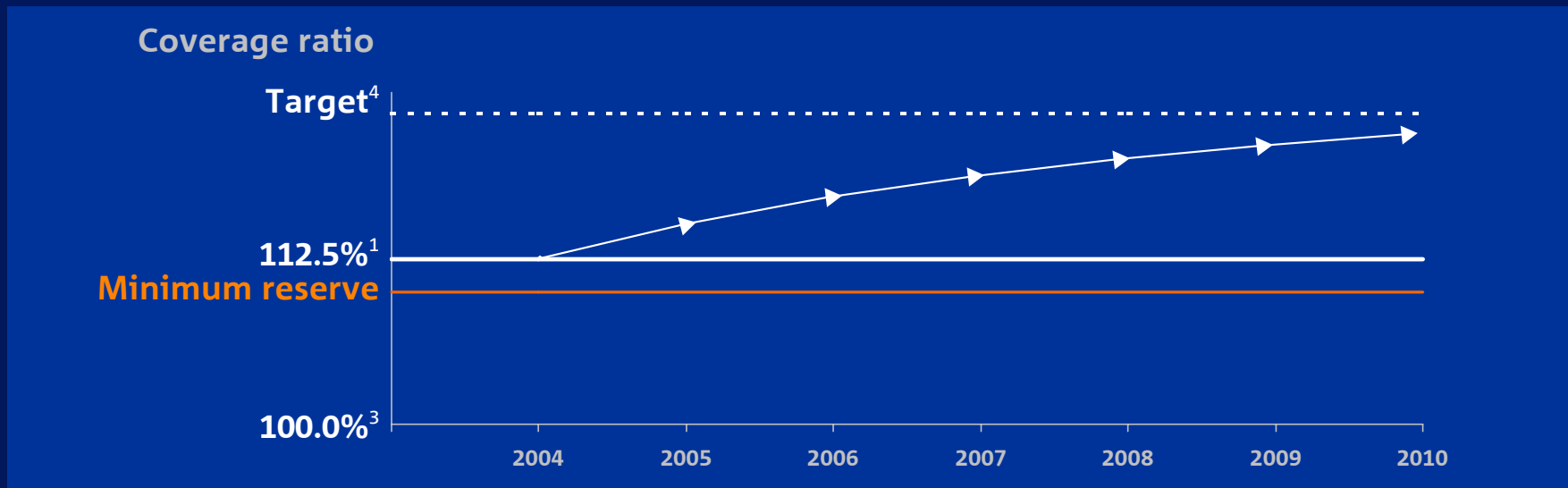
- ◆ Related to lower impairment changes¹

Q-on-Q increase

- ◆ Related to reversal of impairment GSM license BASE in Q4 '03¹, in part offset by impairment goodwill within Xantic in Q4 '03¹

Pension charges

Total shortfall of € 347¹ mn



- ◆ The strategic asset mix has been changed from 60% to 50% fixed income to improve longer term performance. Consequently the target level has increased
- ◆ As a result the total shortfall increased to € 347¹ mn (was € 305² mn)
- ◆ Due to a change in the calculation rules, now each year 20% of the existing total shortfall will have to be funded additionally unless the amount to reach the minimum reserve level is higher
- ◆ This results in a potential € 69¹ mn charge for 2004

¹ Based on situation March 31, '04

² Based on situation December 31, '03

³ Any coverage below 100% has to be funded within 12 months

⁴ Based on the long term interest rate and the strategic mix of the pension funds as per March 2004

Taxes

Reported Q1

<i>Reported, € mn</i>	Q1 '03		Q1 '04	
	P&L charge	Payments (-) Receipts (+)	P&L charge	Payments (-) Receipts (+)
Fiscal unities				
Fixed division & Other activities	-111	-22	114	+83
German Mobile activities	-127	No	-6	
Dutch Mobile activities		No ¹	53	
Belgian Mobile activities	-	No	-16	
Total	-238	-22	-145	+83

¹ Losses of German mobile activities can temporarily be deducted from the Dutch mobile profits, which results in a postponed payment for Dutch mobile activities (excluding the effects from re-financing KPN Mobile)

VAT claim

European perspective

- ◆ VAT claims lodged in Austria & UK
- ◆ Local Courts will ask European Court of Justice opinion on treatment of license issuance with respect to VAT

KPN's position

- ◆ Claim will be lodged in The Netherlands
- ◆ Clarity on position in Germany and Belgium to follow in 2004

Net result affiliates & Minority interests

Income from participating interests

€ mn	Q1 '03	Q1 '04
UMC	2	-
Other	-3	1
Total	-1	1

Minority interests

€ mn	Q1 '03	Q1 '04
KPN Mobile (2.16% NTT DoCoMo owned)	-4	-2
Xantic (35% Telstra owned)	10	-1
Other	0	-2
Total	6	-5

Total cash flow

€ mn	Q1 '03	Q1 '04
Net cash flow from operating activities	780	960
Capex	-198	-314
Sale of non-core assets	603 ^{1,2}	73 ²
Other (including real estate)	5	-11
Net cash flow from investing activities	410	-252
Dividends	-	-
Share repurchase	-	-249
Shares purchased for option plans	-9	-
Redemptions	-27	-16
Early redemptions	-53	-22 ³
Other	21	2
Net cash flow used in financing activities	-68	-285
Changes in cash and cash equivalents	1,122	423

¹ Including € 500 mn Directory Services

² Including € 73 mn Eutelsat

³ Including € 22 mn rehedged cross currency swap

Net cash flow from operating activities

€ mn	Q1 '03	Q1 '04
Profit or loss after taxes	770 ¹	375
Minority interests	-6	5
Depreciation, amortization and impairments	645	602
Income from participating interests	1	-1
Results from sale of assets minus received dividend	-450	-36
Change in provisions and deferred taxes	106	127
Net cash flow from operating activities before changes in working capital	1,066	1,072
Inventory	-32	-27
Receivables	20	0
Other current assets	-116 ¹	-13
Current liabilities	-158 ¹	-72
Change in working capital	-286	-112
Net cash flow from operating activities	780	960
Capex	198	314
Net cash flow from operating activities minus Capex	582	646

Capex

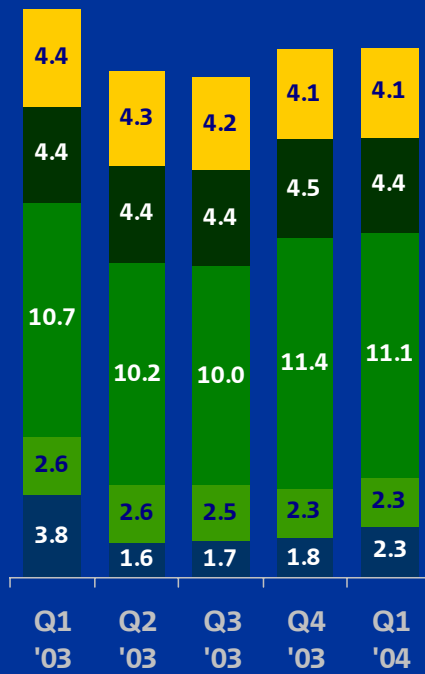
<i>Including exceptional items</i> € mn	Q1 '03	Q1 '04	%
Fixed	78	131	68%
<i>% revenues</i>	4%	7%	
Fixed Networks	62	100	61%
<i>% revenues</i>	4%	6%	
Business Solutions	16	31	94%
<i>% revenues</i>	3%	6%	
Mobile	106	172	62%
<i>% revenues</i>	7%	13%	
E-Plus	61	123	102%
<i>% revenues</i>	8%	20%	
KPN Mobile (NL)	15	39	160%
<i>% revenues</i>	3%	7%	
BASE	30	10	-67%
<i>% revenues</i>	39%	10%	
Other	14	11	-21%
Total	198	314	59%
<i>% revenues</i>	5%	10%	

Balance sheet

Assets

€ bn

25.9 23.1 22.8 24.1 24.2



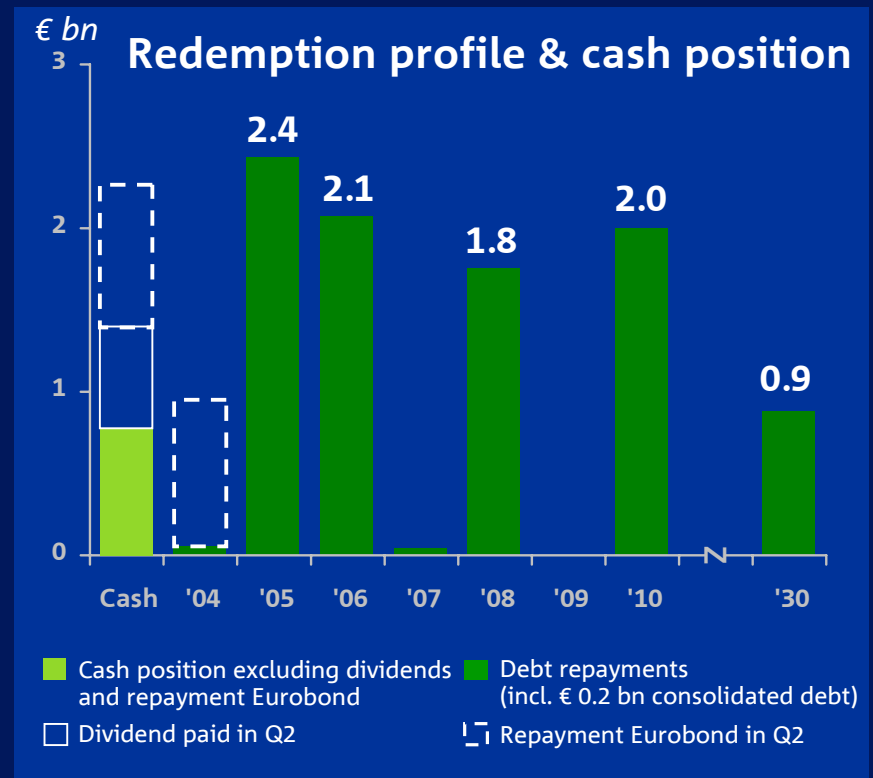
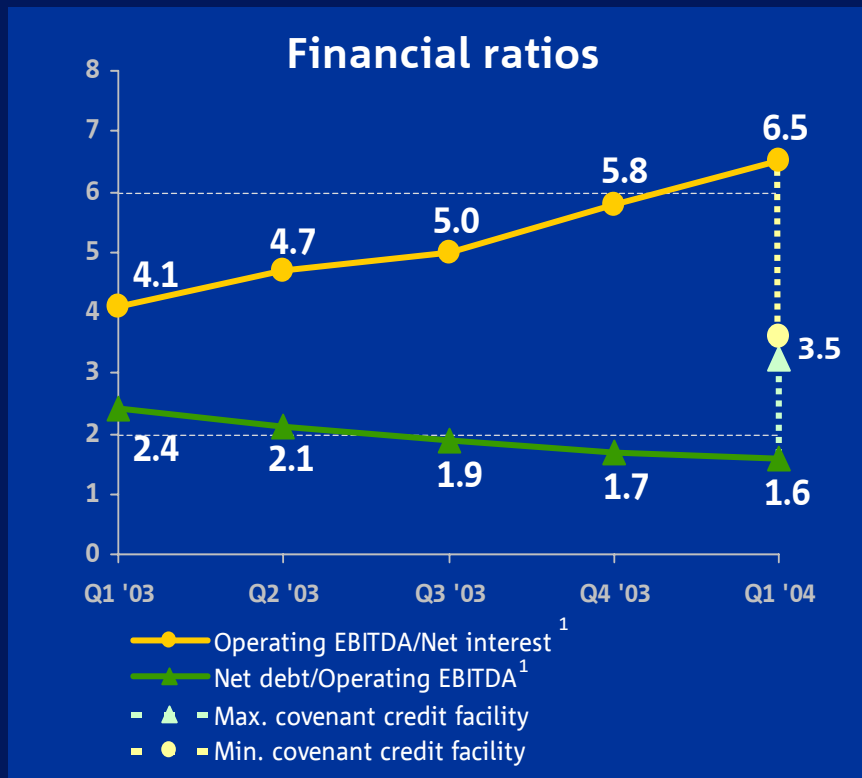
Liabilities and equity

€ bn

25.9 23.1 22.8 24.1 24.2



Financial profile



- ◆ Major part of cash position will be used in Q2 to repay Eurobond and distribute dividends
- ◆ Interest rate swaps and rehedg of GBP swap executed in Q1, may result in potential net interest savings of € 28 mn per annum

¹ Based on a 12 months rolling calculation excluding “extraordinary” and “exceptional” items

Though it is a non-GAAP measure operating EBITDA excluding “extraordinary items” and “exceptional items” is used by financial institutions and credit rating agencies as one of the key indicators of borrowing potential. It can be reconciled to GAAP by taking the Operating result and adding Depreciation, amortization & impairments before taking into account all “extraordinary” and “exceptional” items. For additional information see sheet Operating EBITDA.

Operating EBITDA

- ◆ Our financial policy is based on two target financial ratios
 - Net debt / Operating EBITDA
 - Operating EBITDA / Net interest
- ◆ Though it is a non-GAAP measure operating EBITDA excluding “extraordinary items”¹ and “exceptional items”² is used by financial institutions and credit rating agencies as one of the key indicators of borrowing potential
- ◆ It can be reconciled to GAAP by taking the Operating result and adding Depreciation, amortization and impairments before taking into account all “extraordinary items”¹ and “exceptional items”²

€ mn, excluding “extraordinary items” ¹ and “exceptional items” ²	Q1 '03	Q1 '04	%
Mobile	416	431	4%
E-Plus	156	161	3%
KPN Mobile (NL)	245	244	0%
BASE	14	31	121%
Other	1	-5	<i>n.a.</i>
Fixed	793	785	-1%
Fixed Networks	572	570	0%
Business Solutions	221	215	-3%
Other	-1	30	<i>n.a.</i>
Operating EBITDA	1,208	1,246	3%

¹ Material items possessing a high degree of abnormality which arise from events or transactions that fall outside the ordinary activities and which are not expected to recur

² Material items which derive from events or transactions that fall within the ordinary activities and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size and incidence

Exceptional items¹

€ mn	Q1 '03	Q1 '04
Special items with impact on Operating result		
Fixed		
Impairment on intangible fixed assets	-15	-
Addition to restructuring provision	-	-15
Reversal impairment Connectivity	-	2
Mobile		
Gain resulting from termination agreement MobilCom	222	-
Book gain on sale of UMC	15	-
Other activities		
Book gain on sale of Directory Services	435	-
Book gain on sale of Eutelsat	-	36
Addition to restructuring provision	-	-4
Additional impairment Xantic	-	-2
Special items with impact on Profit or loss after taxes		
Tax effect on exceptional items	-	4
Reversal impairment on loan to participating interest	-	7

¹ Analysis is based on figures including exceptional items rather than those excluding such items. In order to facilitate the analysis of trends, we will disclose items with significant impact that in our opinion are important to interpret these trends. In the past, we have defined the following events as an exceptional item:

- ◆ (Reversal) impairment charges and other substantial write-downs on the value of our assets, including goodwill and other intangible fixed assets
- ◆ Restructuring charges
- ◆ Gains or losses on the disposal of group companies, associates and other assets and/or activities

Debt summary

€ bn	Q1 '03	Q4 '03	Q1 '04
Subordinated convertible bonds	1.5	1.1	1.1
Subordinated loans	1.8	-	-
Eurobonds	6.3	4.7	4.6
Global bonds	4.2	3.9	3.9
Other loans at Royal KPN	0.8	0.3	0.3
Consolidated debt			
<i>E-Plus</i>	0.1	0.1	0.1
<i>Other</i>	0.2	0.1	0.1
Total debt	14.9	10.2	10.1
<i>of which short-term</i>	3.4	1.0	0.9
Cash and cash equivalents	3.78	1.84	2.26
Total net debt	11.2	8.3	7.9

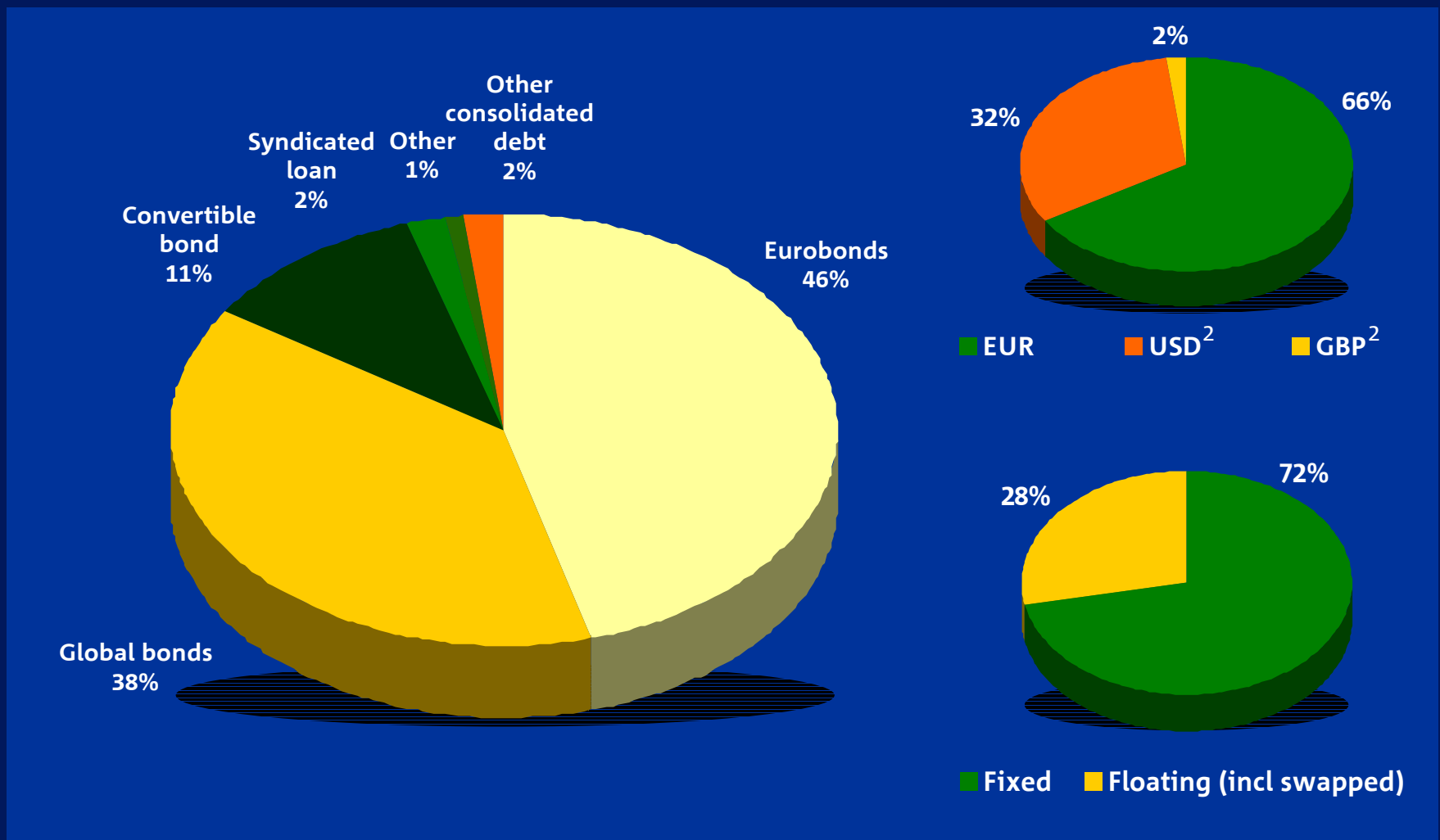
Bond portfolio

Overview changes during life of bonds

<i>mn</i>	Principal in GBP / USD	Principal in €	Early redemptions 2002 in €	Early redemptions 2003 in €	Rehedge currency risk '03 + '04 YTD in €	Outstanding principal Q1 '04 in GBP / USD	Outstanding principal Q1 '04 in €
Sub. convertible bond 2000 - 2005		1,500	-	-373	-		1,127
Eurobond 1996 - 2006		590	-	-155	-		435
Eurobond 1998 - 2008		1,500	-	-	-		1,500
Eurobond 1999 - 2004		1,250	-375	-	-		875
Eurobond 2001 - 2006		2,000	-	-431	-		1,569
Eurobond 2001 - 2008 GBP	175	280	-	-	-22	175	258
Global bond 2000 - 2005 USD	750	875	-542	-	-	285	333
Global bond 2000 - 2010 USD	1,750	2,002	-	-	-	1,750	2,002
Global bond 2000 - 2030 USD	1,000	1,132	-	-	-241	1,000	891
Global bond 2000 - 2005 EUR		1,000	-195	-146	-		659
Total bonds outstanding		12,129	-1,112	-1,105	-263		9,649

Debt portfolio

Gross debt at Q1 '04: € 10.1 bn¹


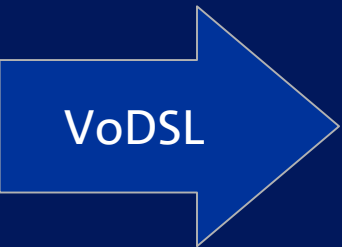
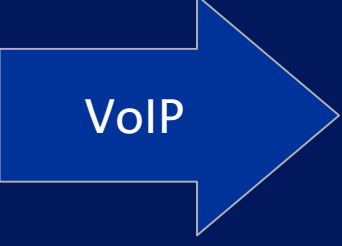


¹ Including money market, other short term funding

² Foreign currency amounts hedged into Euro

Fixed - Voice telephony

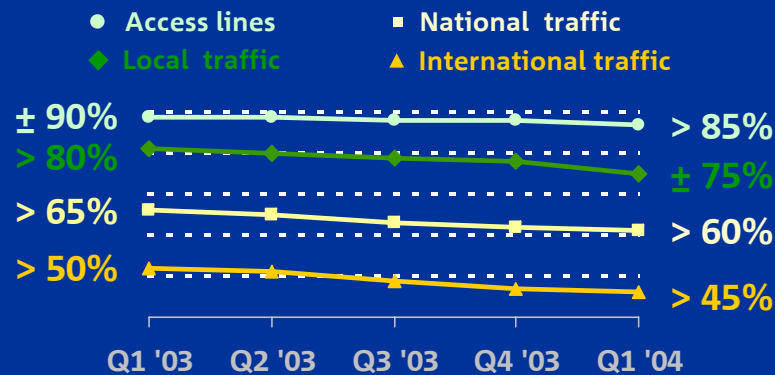
Balance between traditional and new services

Services	Main Focus	Goal
 <p>Switched Telephony</p>	<ul style="list-style-type: none"> ◆ Attractive bundling ◆ Cost reduction ◆ Minimal Capex 	<p>Protect strong cash flow generative profile</p>
 <p>VoDSL</p>	<ul style="list-style-type: none"> ◆ Focus on business segment ◆ Ready to launch depending regulatory discussions ◆ Focus on customer retention ◆ Lower cost base 	<p>Capture market opportunities</p>
 <p>VoIP</p>	<ul style="list-style-type: none"> ◆ Corporate segment is first mover integrating voice and data ◆ Experiments with VoIP for selected customers in mass market ◆ Focus on customer retention ◆ Lower cost base 	

Fixed - Switched telephony

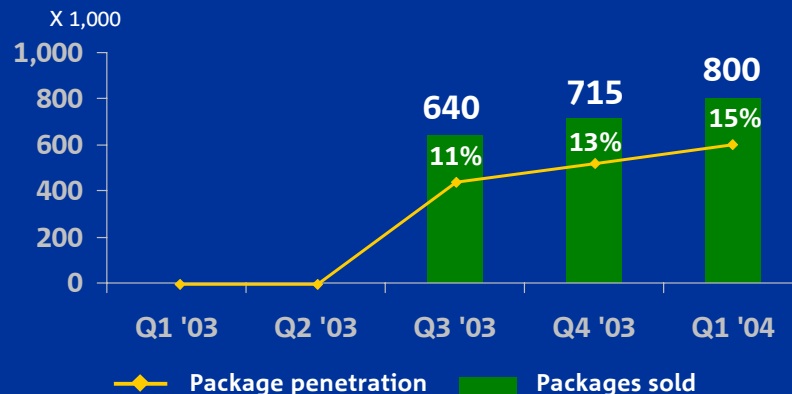
Competitive market conditions

Market shares¹



- ◆ Balancing pricing and market share
- ◆ Exploiting full potential of packages
 - more than 100,000 new customers applied for BelPlus and BelZakelijk³ packages in Q1
- ◆ Integrated and coordinated regulatory management

Consumer package penetration²



¹ Traffic in minutes; access in number of lines

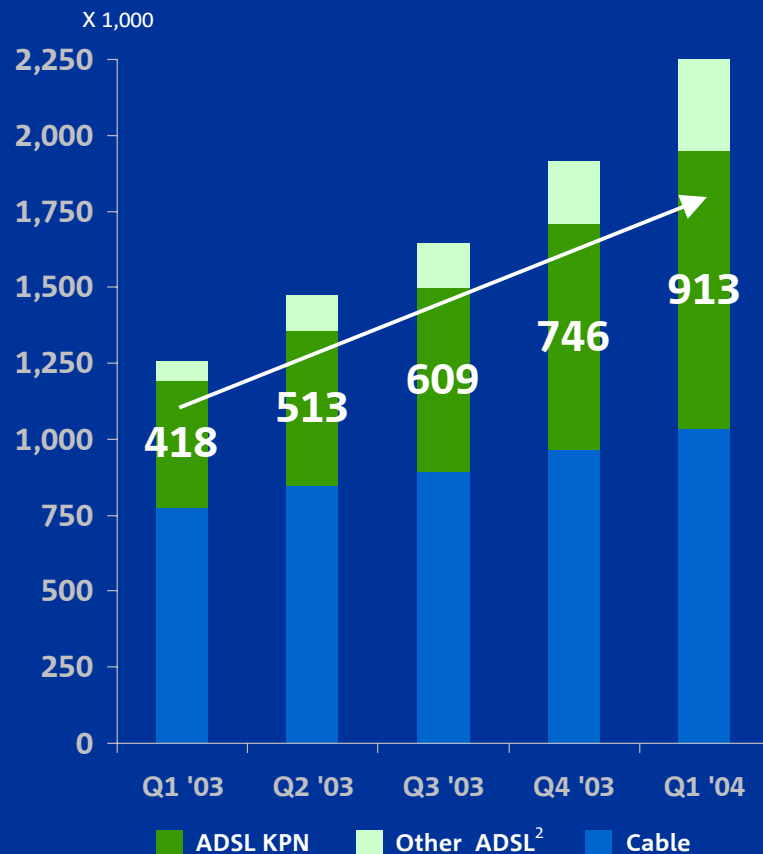
² BelPlus portfolio in consumer market (e.g. 100 minutes for € 2.16)

³ BelZakelijk introduced in September '03

Fixed - Broadband

Continued strong growth

Number of Dutch broadband connections¹

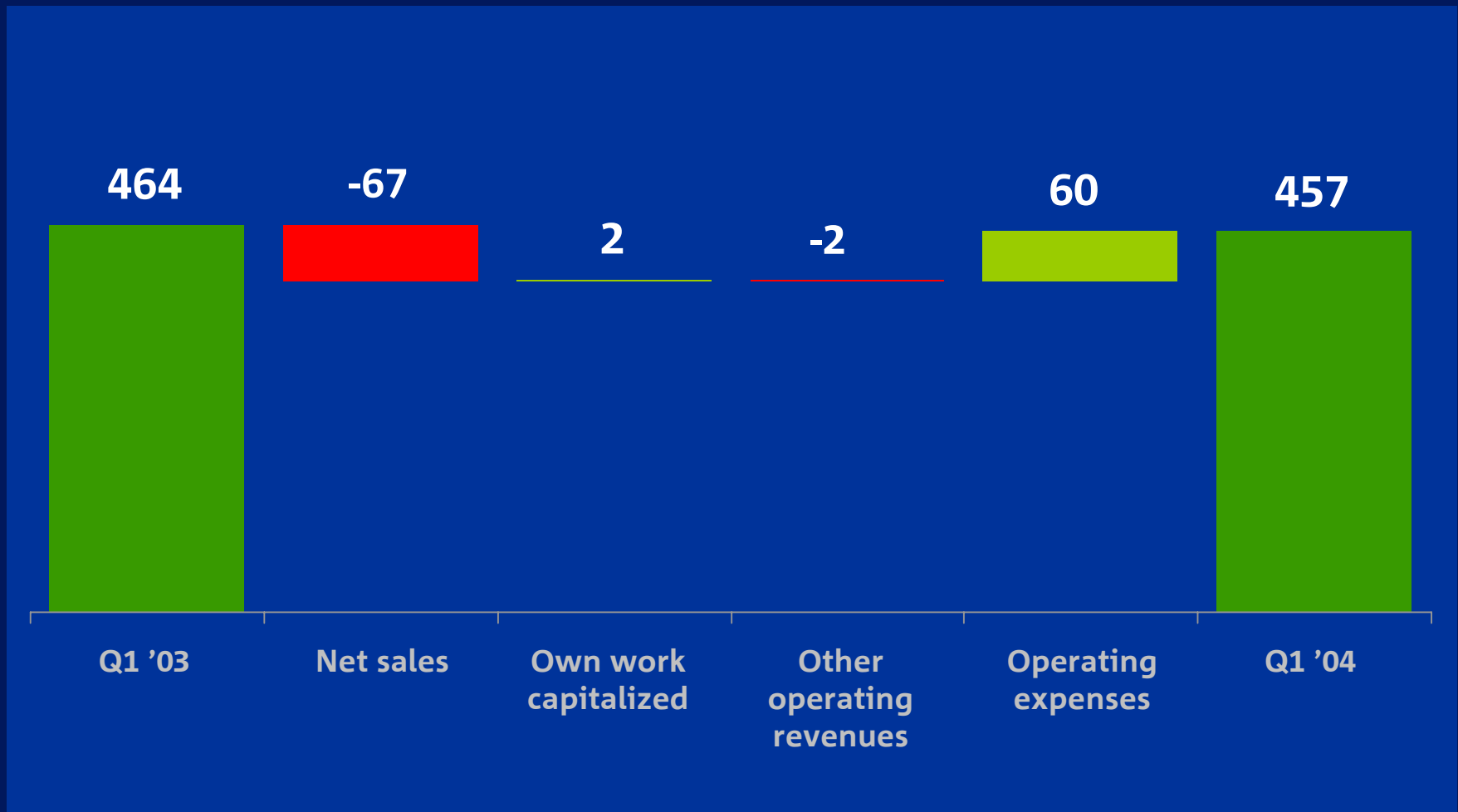


- ◆ Market share consumer broadband¹ increased from 33% to 41% Y-o-Y
- ◆ 500,000 unique visitors on broadband portal in Q1
- ◆ Migration from traditional data to IP-VPN
 - Number of IP-VPN customers increased from 148 to 975 Y-o-Y
 - Number of Office DSL connections increased from 540 to 2,500 Y-o-Y

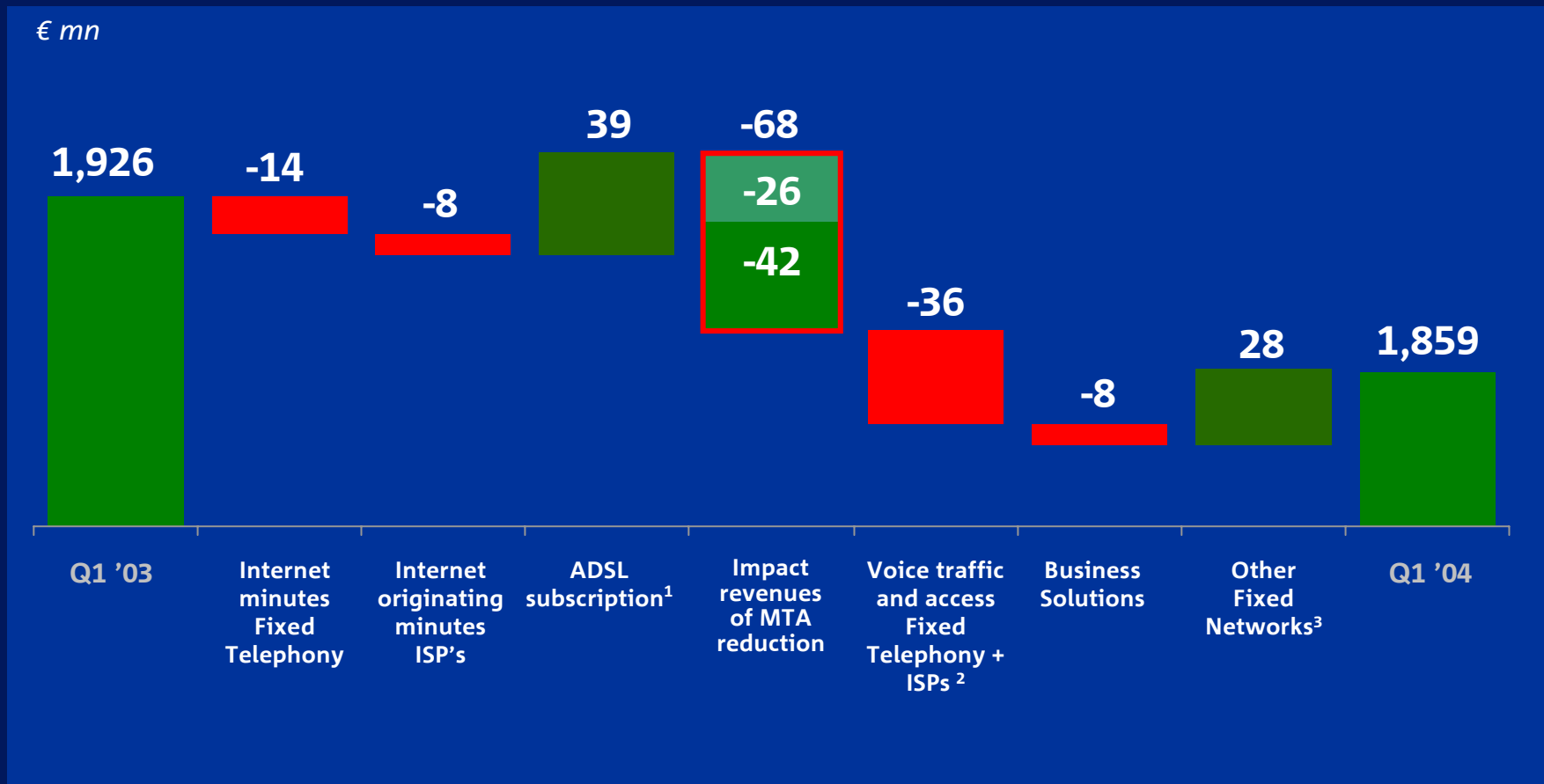
¹ Of which currently approximately 80% consumers and 20% (small) businesses

² Including bit stream

Breakdown operating result development Fixed



Fixed revenue development



¹ of which € 7 mn ISP and € 32 mn ADSL connection charge excluding € 42 mn MTA reduction in Carrier Services

² Excluding impact MTA reduction

³ Increase Carrier Services (excl. impact MTA reduction) and lower inter company revenues

KPIs Fixed Fixed Networks

	Q1 '03	Q4 '03	Q1 '04
Market shares			
<i>Local</i>	> 80%	> 75%	± 75%
<i>National</i>	> 65%	> 60%	> 60%
<i>International</i>	> 50%	> 45%	> 45%
<i>Fixed to Mobile</i>	> 65%	> 60%	> 60%
Channels	9,992	9,895	9,806
<i>PSTN</i>	6,257	6,120	6,080
<i>ISDN 2/15/20/30</i>	1,549	1,557	1,548
Call rate¹	3.09	2.65	2.65
Call duration²	280	267	265

Minutes (in bn)			
BU Fixed Telephony	11.13	9.31	8.97
<i>Local/National</i>	6.16	5.28	5.22
<i>Internet</i>	4.04	3.14	2.86
<i>International</i>	0.30	0.27	0.27
<i>Fixed to Mobile</i>	0.63	0.62	0.61
BU Carrier Services, of which	10.92	11.30	11.30
<i>Originating Internet (MIACO)</i>	1.98	1.43	1.36
Total Division Fixed	21.74	20.36	20.00

¹ Number of calls per channel per day

² Average duration per call in seconds

KPIs Fixed Internet and ADSL

<i>X 1,000</i>	Q1 '03	Q4 = FY '03	Q1 '04
ISP customers			
<i>Planet Internet</i>	727	738	736
<i>Het Net</i>	593	596	596
<i>XS4ALL</i>	165	206	220
Total	1,486	1,540	1,552

Broadband subscriptions			
<i>Planet Internet</i>	197	280	311
<i>Het Net</i>	24	67	106
<i>XS4ALL</i>	80	121	136
<i>Direct ADSL</i>			15
Total	301	468	568

Local exchanges			
<i>Number DSL enabled</i>	539	1,257	1,354
<i>ADSL coverage NL¹</i>	85%	97%	99%

KPIs Fixed Business Solutions

	Q1 '03	Q4 = YE '03	Q1 '04
Leased lines (x 1,000)¹	91	71	64
<i>Analogue</i>	<i>61%</i>	<i>66%</i>	<i>70%</i>
<i>Digital</i>	<i>39%</i>	<i>34%</i>	<i>30%</i>

VAS			
Frame Relay (# ports)	10,691	8,788	7,572
MVPN-routers ²	5,961	7,354	8,178
IP-VPN connections	5,258	15,956	20,041
VPN's (# customers)	148	807	975

ADSL (x 1,000)			
Installed	418	746	913
% Go (384/128 kbit/s)	-	-	11%
% Lite (1,024/320 kbit/s)	39%	57%	54%
% Basic (2,048/320 kbit/s)	54%	38%	31%
% Extra (4,096/640 kbit/s)	8%	5%	4%

¹ As from Q1 2003, only leased lines with external revenues are stated. Figures 2002 are restated accordingly

² Restated as from Q1 2003

Mobile Initiatives 2004

Germany

e-plus⁺



Strategy

- ◆ Strengthen market position further

Initiatives 2004

- ◆ Stimulate increased use of mobile for all calls with challenging tariffs
- ◆ Compelling offers business market
- ◆ Finish GSM network upgrade program

The Netherlands



Strategy

- ◆ Market leadership

Initiatives 2004

- ◆ Continue to drive market uptake data
- ◆ Stimulate value added services

Belgium



Strategy

- ◆ Strengthen market position further

Initiatives 2004

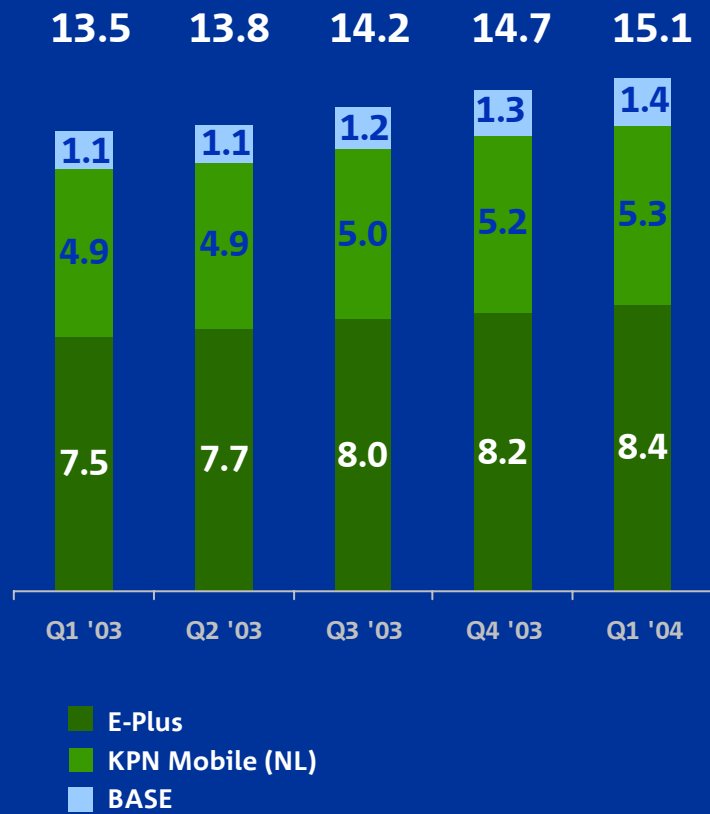
- ◆ Continue accelerated growth
- ◆ Tailored propositions for specific target groups
- ◆ Outsourcing non-core activities

Mobile

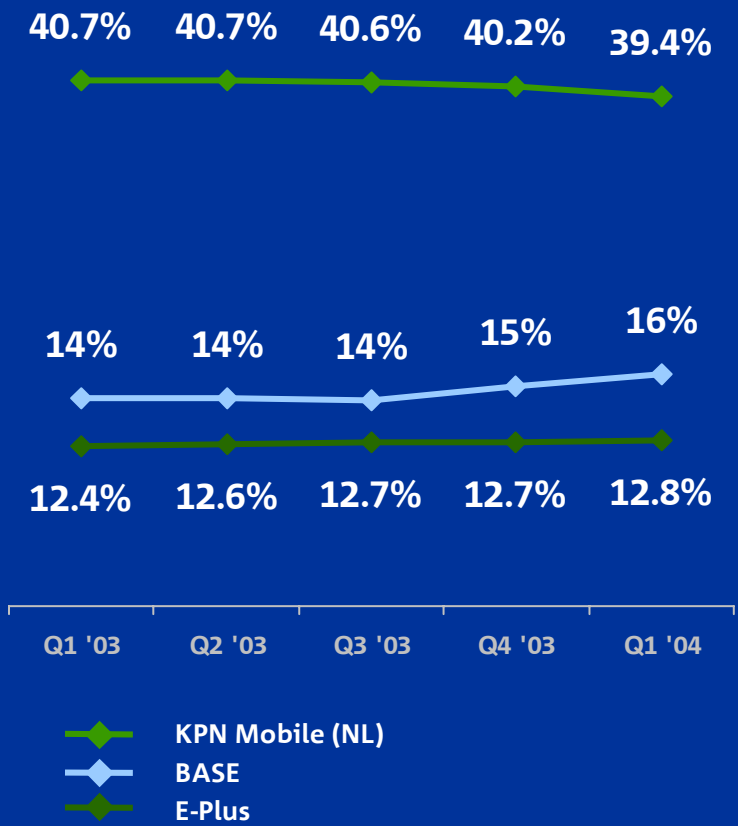
Steady progress customer base

mn

Customers



Market share¹

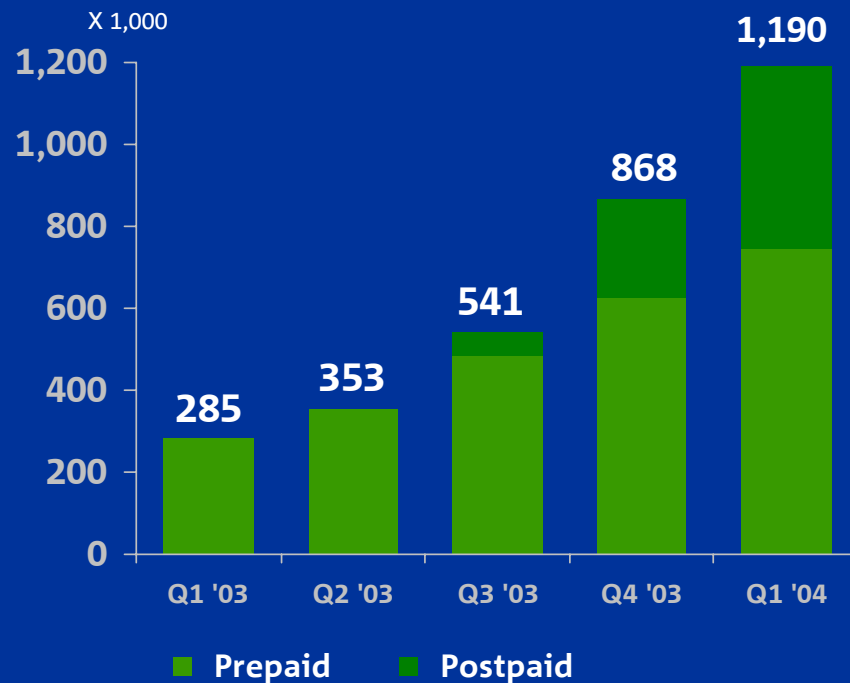


Mobile - Data

Continued growth of i-mode

- ◆ Revenue from non-voice services currently largely from messaging
- ◆ Objective to take data 'beyond messaging'

Number of i-mode customers



- 1.3 bn i-mode pages visited¹
- 35 mn e-mails exchanged¹
- Expansion of video services on the way



Mobile - Data

Phased introduction UMTS services

- ◆ Dedicated field trials ongoing
- ◆ Network expansion: coverage YE '04
 - Germany 300 cities¹
 - Netherlands > 40 cities + rail & roads Randstad area



Business

- ◆ Mobile data solutions enhanced with UMTS
- ◆ Mobile broadband access to corporate networks and applications

Commercial introduction

- Germany: June
- The Netherlands: July

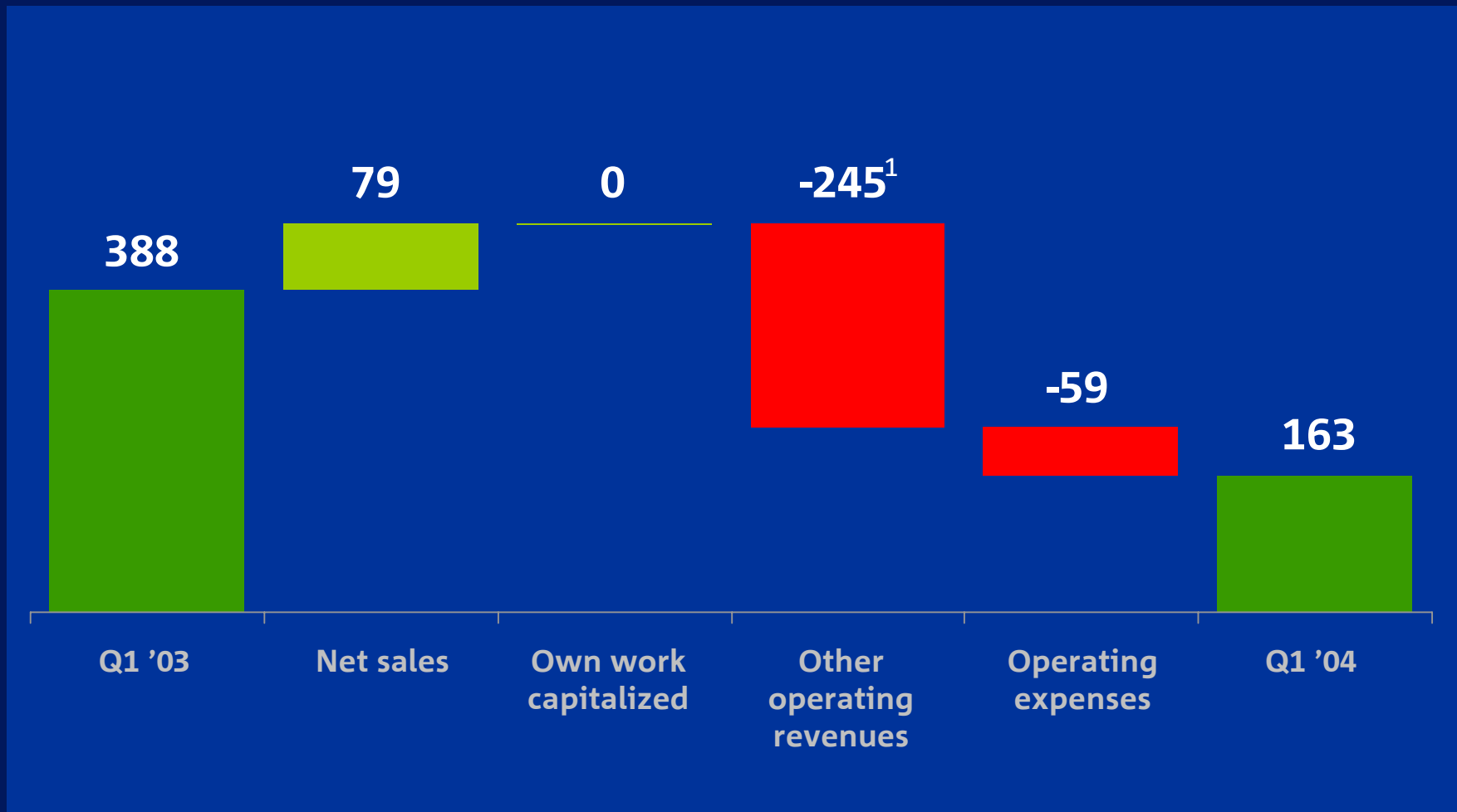
Consumer

- ◆ Increased possibilities i-mode: faster downloads, better quality pictures, streaming video and video telephony

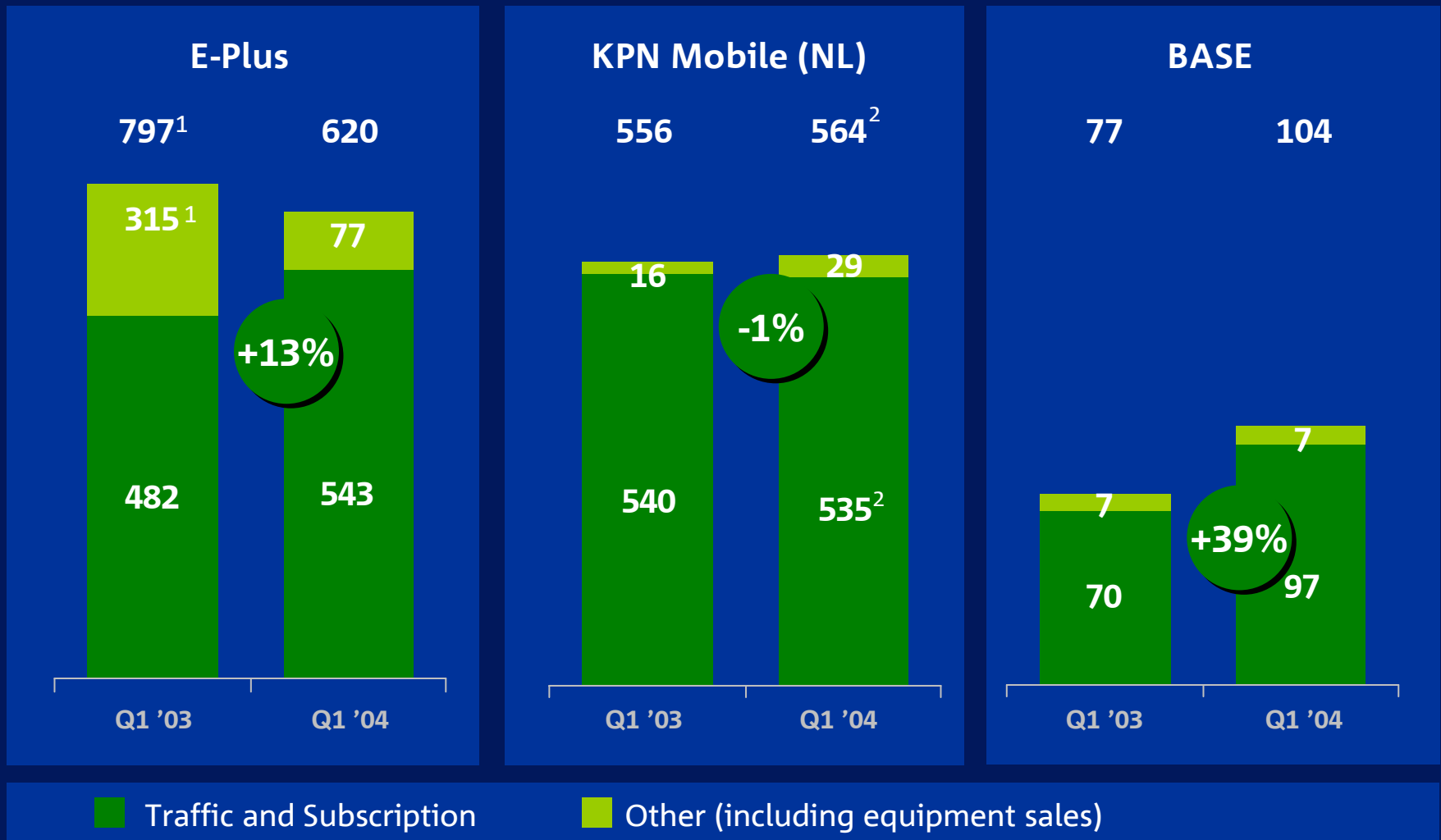
Commercial introduction

- Germany & The Netherlands: summer
- ◆ Availability of quality handsets mandatory for successful introduction consumer market

Breakdown operating result development Mobile



Mobile traffic and subscription revenues in Q1

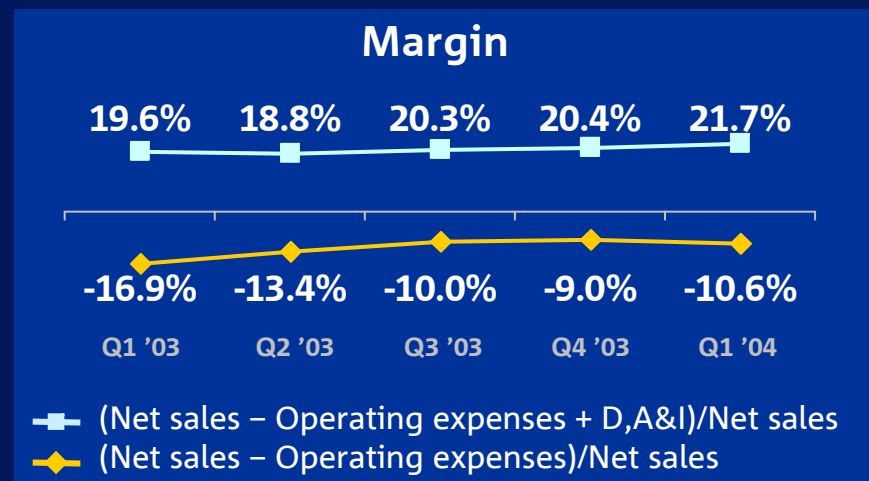
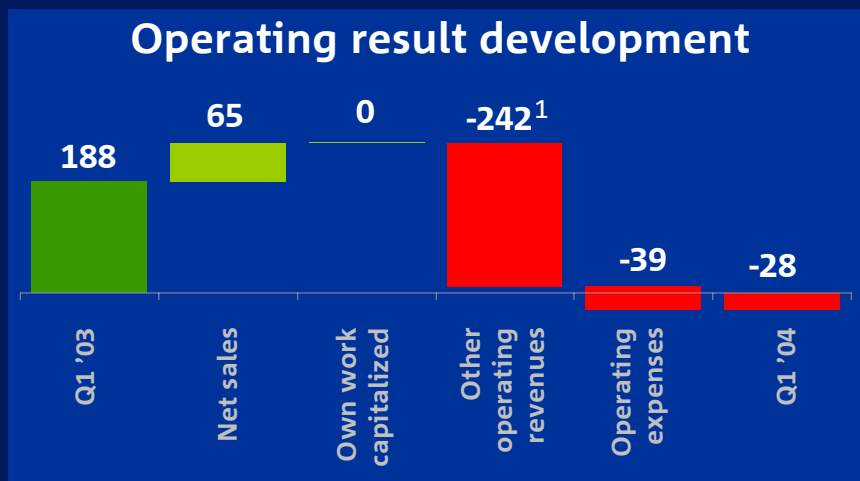
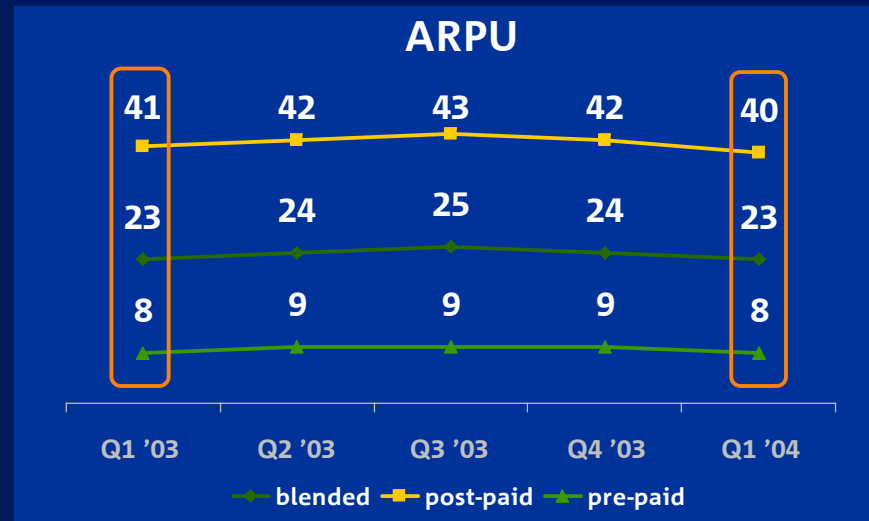
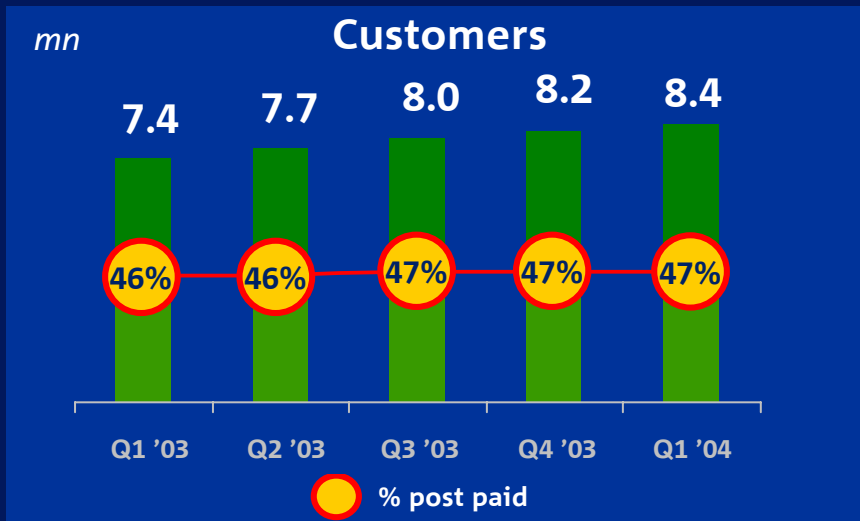


¹ Including € 222 mn effect termination agreement MobilCom

² Including - € 26 mn effect lowering MTA tariffs

Mobile - E-Plus

Growth continues with stable mix and ARPU



¹ Including € 222 mn from termination agreement MobilCom

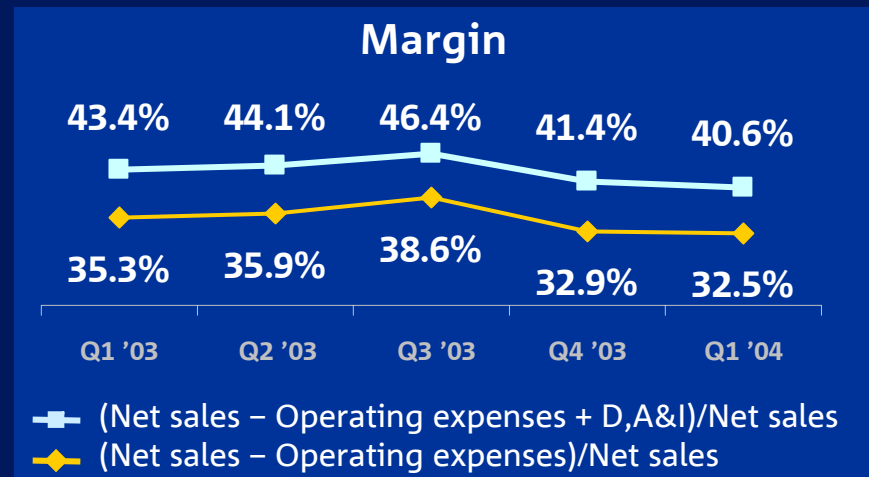
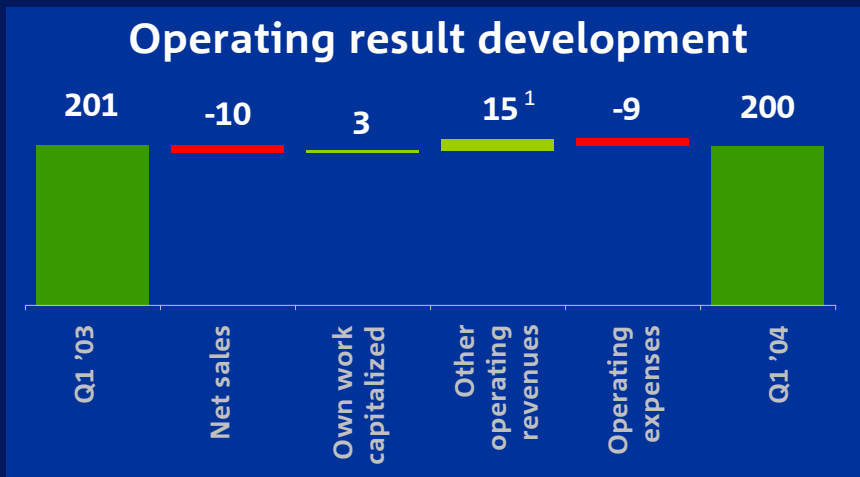
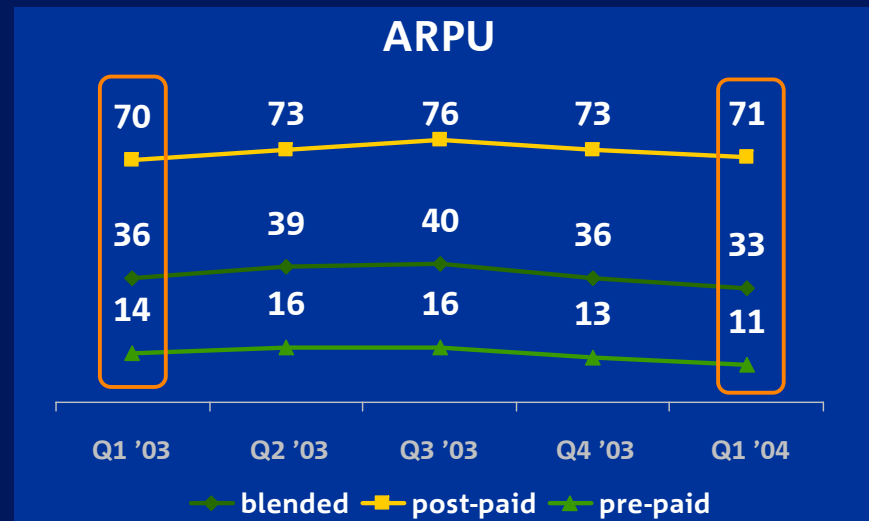
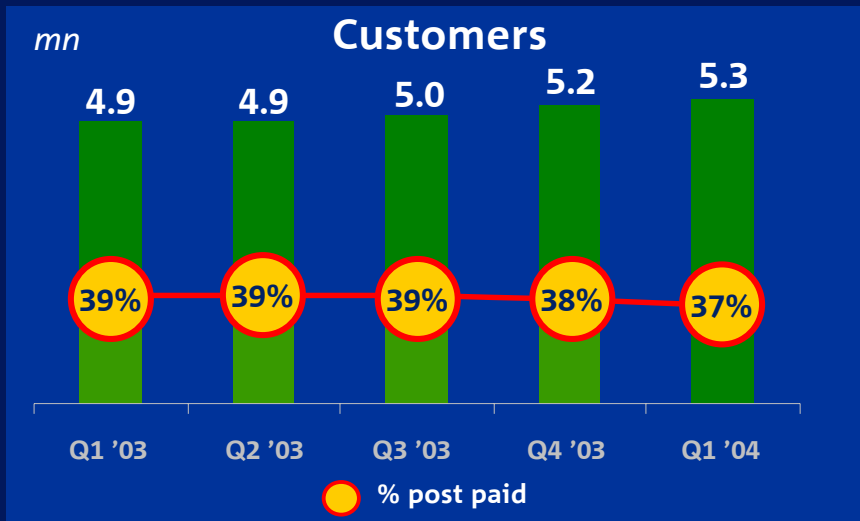
KPIs Mobile

E-Plus

	Q1 '03	Q4 '03	Q1 '04
Market share base	12.4%	12.7%	12.8%
Customers (x 1,000)	7,446	8,206	8,448
Post-paid	3,453	3,877	3,995
Of which i-mode	140	358	470
Pre-paid	3,993	4,329	4,453
Of which i-mode	-	82	181
ARPU (€)	23	24	23
Post-paid	41	42	40
Pre-paid	8	9	8
Non-voice as % of ARPU	16%	15%	16%
SAC (€)	141	142	137
Post-paid	229	199	213
Pre-paid	60	75	65
SRC (€)	167	173	175
MoU (minutes)	73	78	74
Post-paid	130	137	131
Pre-paid	24	25	23

KPN Mobile (NL)

Growing customer base



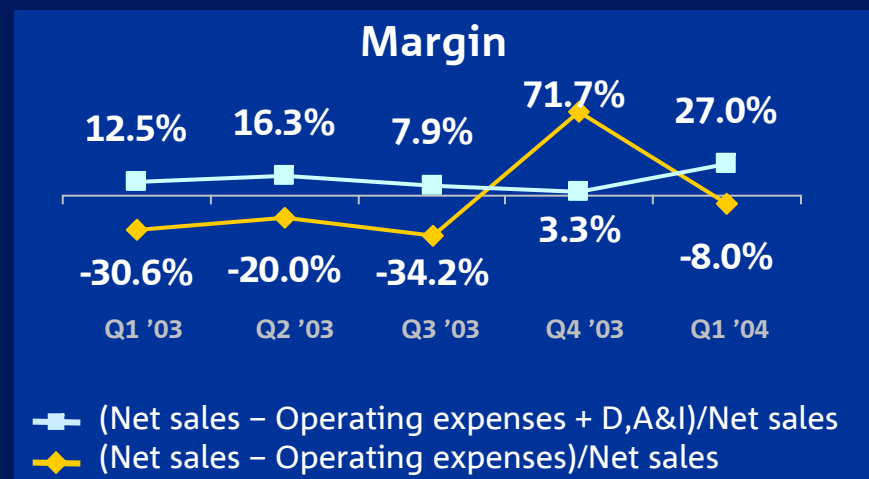
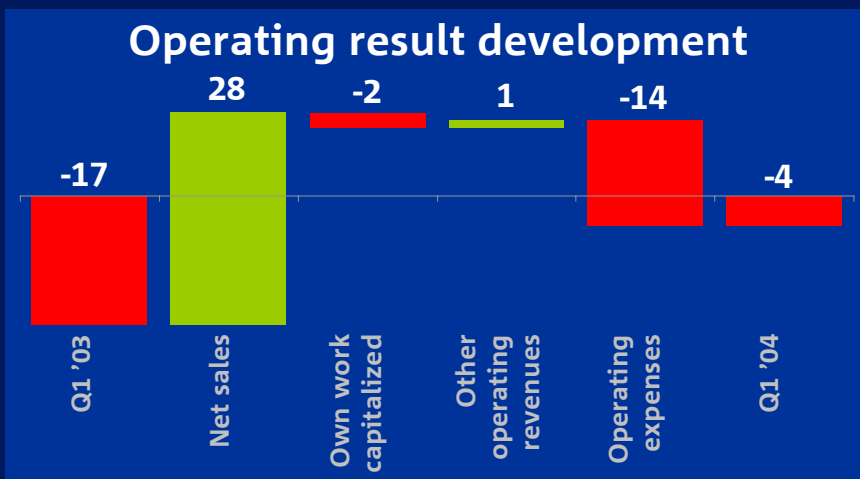
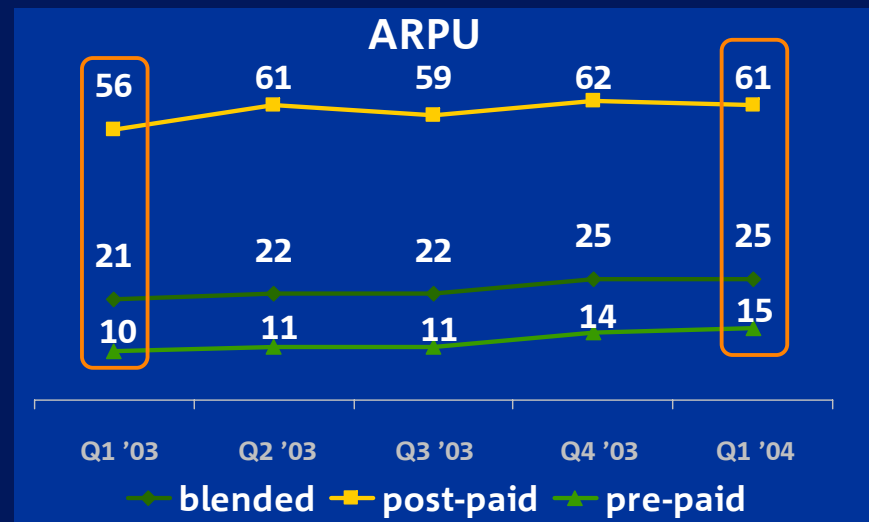
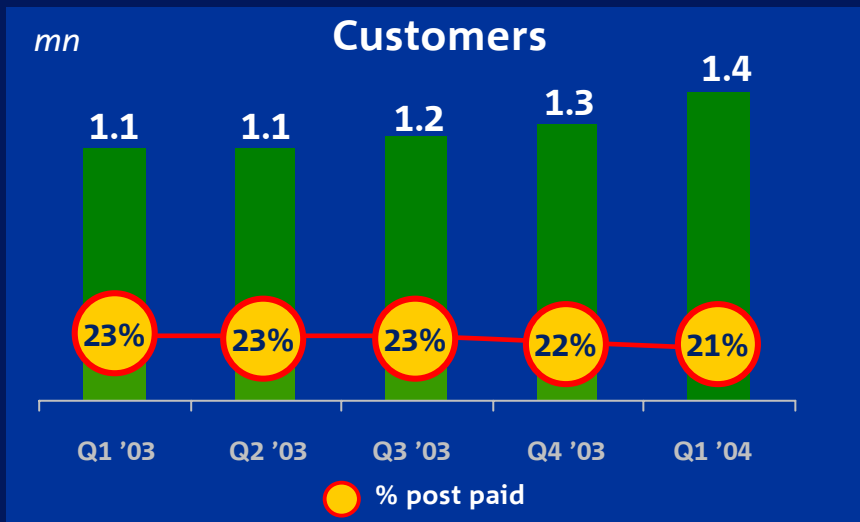
KPIs Mobile

KPN Mobile (NL)

	Q1 '03	Q4 '03	Q1 '04
Market share base	40.7%	40.2%	39.4%
Customers (x 1,000)	4,908	5,205	5,269
Post-paid	1,900	1,953	1,959
Of which i-mode	137	240	249
Pre-paid	3,008	3,252	3,310
Of which i-mode	-	163	260
ARPU (€)	36	36	33
Post-paid	70	73	71
Pre-paid	14	13	11
Non-voice as % of ARPU	8%	9%	11%
SAC (€)	134	121	140
Post-paid	289	348	322
Pre-paid ¹	27	42	88
SRC (€)	274	258	221
MoU (minutes)	126	130	125
Post-paid	257	272	272
Pre-paid	45	41	37

BASE

Growth combined with increased ARPU

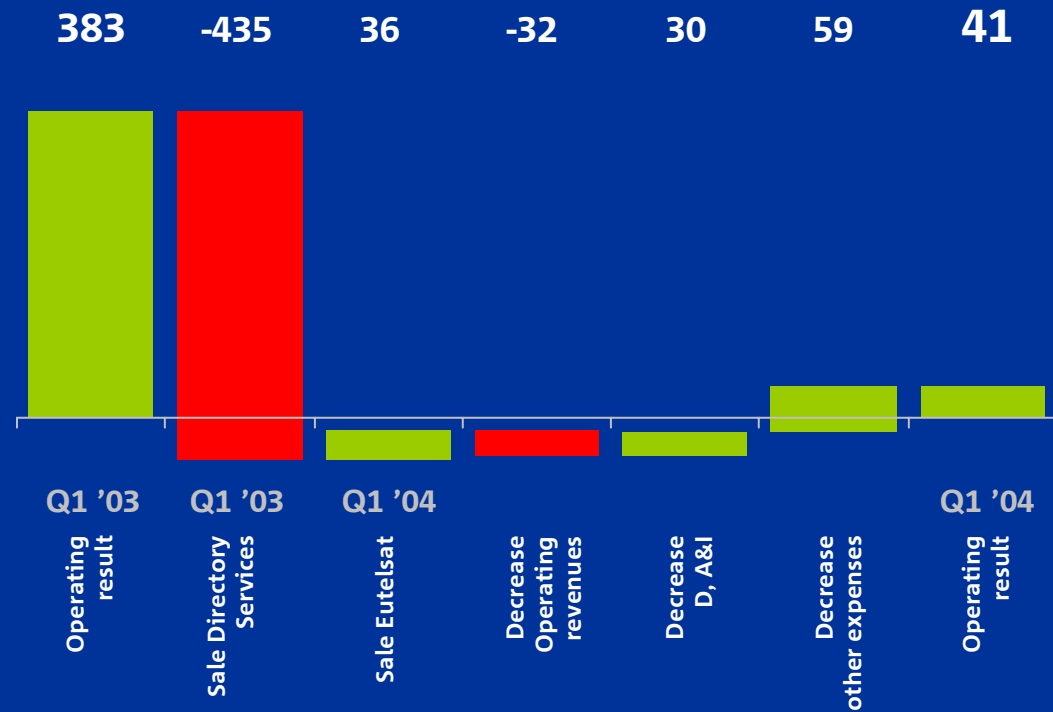
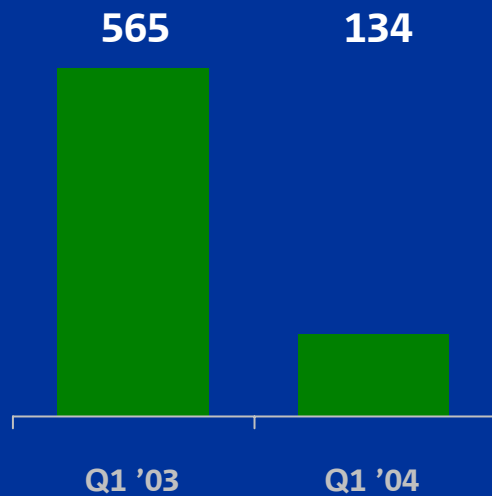


KPIs Mobile BASE

	Q1 '03	Q4 '03	Q1 '04
Market share base	14.1%	15%¹	16%¹
Customers (x 1,000)	1,131	1,253	1,369
Post-paid	261	279	288
Of which i-mode	8	24	28
Pre-paid	870	974	1,081
Of which i-mode	-	1	2
ARPU (€)	21	25	25
Post-paid ¹	56	62	61
Pre-paid ¹	10	14	15
Non-voice as % of ARPU	16%	14%	16%
SAC (€)	31	20	11
Post-paid	61	81	78
Pre-paid	20	10	3
SRC (€)	n.a.	n.a.	n.a.
MoU (minutes)	76	90	101
Post-paid	208	204	209
Pre-paid	36	57	71

Other in Q1

Operating revenues (-76%)



- ◆ Declined operating revenues from Xantic due to market share loss and weakening of the US Dollar exchange rates
- ◆ Declined operating revenues due to deconsolidation Logistics & Repair

EU New Regulatory Framework (NRF)

- ◆ Timing
 - Proposed law has passed in the First Chamber on April 20, '04
 - Expected to come into force in the Netherlands in Q2 '04
 - Implementation in Belgium and Germany also delayed
- ◆ Market definitions and dominance tests will be based on general competition law instead of current sector specific criteria
- ◆ OPTA must substantiate its decisions by means of an assessment of the foreseeable relevant consequences, which provides KPN with a certain sense of comfort
- ◆ Dutch Minister of Economic Affairs is requested by Parliament to propose a policy framework on telecommunication with subsequent general guidelines for OPTA
- ◆ After implementation, market definition of Broadband, Wholesale line rental (both March '05) and Mobile call termination (probably December '05) will be important issues

Regulation Fixed

Interconnection and other wholesale tariffs

- ◆ On May 3, 2004 OPTA announced that it intends to have
 - New tariff controls operational under the NRF¹ by July '05 (latest January '06)
 - Transitional price regime as of July '04 until new tariff controls are implemented
 - Approval of a specific KPN tariff proposal for the transitional period, which will:
 - ◆ Produce acceptable cost oriented tariffs for the period July '03 – July '05
 - ◆ Allow KPN and OPTA to resolve their current legal disputes regarding the current interconnection tariffs (OPTA's decision of July 24, '03)
- ◆ KPN's proposal is based upon
 - Holding flat interconnection tariffs for origination and termination services² as of July '04 until July '05 (or January '06 latest)
 - A certain decrease in tariffs for unbundled local loop services, collocation services and interconnecting leased lines, mainly as a result of volume developments (growth in broadband)
 - Recognition of overall acceptable tariffs over the period July '03 – July '05
- ◆ More details expected to be released end of May '04

¹ New Regulatory Framework

² 0% change compared to current tariffs

Regulation Fixed Wholesale Bitstream

- ◆ KPN is currently required to provide wholesale bitstream access for the business market. The main requirement is on non-discrimination, not on strict cost orientation. Appeal lodged by KPN
- ◆ Tiscali filed a request with OPTA for consumer wholesale bitstream. OPTA granted such request and applied retail-minus price regulation. KPN successfully filed for injunction (twice). OPTA is currently not competent for bitstream regulation
- ◆ OPTA will have regulatory powers on these markets under the NRF¹
 - The retail broadband Internet market is highly competitive (cable TV and multiple DSL)
 - On the wholesale broadband market OPTA might come to different conclusions

Impact reduction Mobile terminating tariffs

- ◆ OPTA and NMa¹ announced to accept a three step tariff reduction for all mobile operators on 4 December '03
- ◆ Hereupon NMa¹ terminated its investigations; OPTA announced that it will not regulate further prior to December '05, when it expects to decide under NRF²

<i>Maximum MTA tariffs (per minute)</i>	KPN, Vodafone	Orange, Telfort, T-Mobile, Tele2
As of 1 January '04	€ 0.155	€ 0.175
As of 1 December '04	€ 0.130	€ 0.147
As of 1 December '05	€ 0.110	€ 0.124

- ◆ Q1 2004 impact of reduction MTA tariffs

<i>€ mn</i>	Revenues	Operating result
Fixed	-68	0
<i>of which Fixed Telephony</i>	<i>-26</i>	<i>0</i>
<i>of which Carrier Services</i>	<i>-42</i>	<i>0</i>
KPN Mobile NL	-26	-16
Intercompany	+37	0
KPN Group	-57	-16

¹ Dutch competition authority

² New Regulatory Framework