

First Quarter Results 2012

24 April 2012



Safe harbor

Non-GAAP measures and management estimates

This financial report 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 KPN's GAAP figures.

KPN defines EBITDA as operating result before depreciation and impairments of PP&E and amortization and impairments of intangible assets. Note that KPN's definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS. In the net debt / EBITDA ratio, KPN defines EBITDA as a 12 month rolling total excluding book gains, release of pension provisions and restructuring costs, when over € 20m. Free cash flow is defined as cash flow from operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software and excluding tax recapture regarding E-Plus.

Underlying revenues and other income and underlying EBITDA are derived from revenues and other income and EBITDA, respectively, and are adjusted for the impact of MTA and roaming (regulation), changes in the composition of the group (acquisitions and disposals), restructuring costs and incidentals.

The term service revenues refers to wireless service revenues.

All market share information in this financial report is based on management estimates based on externally available information, unless indicated otherwise. For a full overview on KPN's non-financial information, reference is made to KPN's quarterly factsheets available on www.kpn.com/ir

Forward-looking statements

Certain statements contained in this financial report 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 the Annual Report 2011.

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Highlights Q1 '12

Transition year on track

- Financial results according to plan in first quarter of transition year
- EBITDA and FCF impacted by phasing and accelerated investments in The Netherlands
- Further improving Dutch mobile propositions and expanding distribution
- Increasing TV market share and start of regionalization Consumer Residential
- Revenue growth at good EBITDA margin in Germany, strong underlying growth in Belgium
- Confirming outlook
- 2011 dividend of € 0.85 approved by AGM, final dividend of € 0.57 paid today

Outlook

Confirming outlook

	2012 Outlook
EBITDA ¹	€ 4.7 - 4.9bn
Capex	€ 2.0 - 2.2bn
Free cash flow ²	€ 1.6 - 1.8bn
Dividend per share	€ 0.90

- Transition year on track, improving performance Dutch businesses planned in second half of 2012
- Accelerated investment strategy will support sustainable profit levels in The Netherlands from end-2012

¹ Excluding restructuring costs

² Free cash flow defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture E-Plus

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Group results Q1 '12

€ m	Q1 '12	Q1 '11	%
Revenues and other income	3,191	3,235	-1.4%
Operating expenses (excl. D&A)	2,087	1,966	6.2%
– Depreciation ¹	331	347	-4.6%
– Amortization ¹	209	210	-0.5%
Operating expenses	2,627	2,523	4.1%
Operating profit	564	712	-21%
Financial income/expense	-187	-155	21%
Share of profit of associates	-6	1	n.m.
Profit before taxes	371	558	-34%
Taxes	-83	33	n.m.
Profit after taxes	288	591	-51%
Earnings per share²	0.20	0.39	-49%
EBITDA³ (reported)	1,104	1,269	-13%
– Restructuring costs	19	10	90%
EBITDA (excl. restructuring costs)	1,123	1,279	-12%

¹ Including impairments, if any

² Defined as profit after taxes per ordinary share / ADS on a non-diluted basis (in €)

³ Defined as operating profit plus depreciation, amortization & impairments

- Revenues down 1.4% due to performance of The Netherlands
- EBITDA excluding restructuring costs down 12%, mainly due to Consumer Mobile, Consumer Residential, NetCo and Corporate Market
- Operating expenses (excl. D&A) up by 6.2% mainly due to
 - Investments to strengthen Dutch market positions
 - Higher marketing costs in Germany
 - € 34m higher pension costs, of which € 19m related to actuarial losses Getronics UK & US
 - Restructuring costs of € 19m in Q1 '12
- Financial expenses up € 32m mainly due to one-off gain in Q1 '11
- Higher taxes mainly due to € 150m one-off innovation tax facilities benefits in Q1 2011

Group cash flow Q1 '12

€ m	Q1 '12	Q1 '11	%
Operating profit	564	712	-21%
Depreciation and amortization ¹	540	557	-3.1%
Interest paid/received	-258	-256	0.8%
Tax paid/received	-91	-115	-21%
Change in provisions	-58	-120	-52%
Change in working capital ²	-270	-279	-3.2%
Other movements	-29	-34	-15%

Net cash flow from operating activities	398	465	-14%
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Capex³	460	382	20%
Proceeds from real estate	37	47	-21%
Tax recapture E-Plus	62	61	1.6%

Free cash flow⁴	37	191	-81%
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Dividend paid	-	-	-
Share repurchases	-	178	-100%
Cash return to shareholders	-	178	-100%

- Free cash flow of € 37m
 - € 165m lower EBITDA
 - € 78m higher Capex
 Partly offset by
 - € 62m lower change in provisions
 - € 24m lower tax payments
- Higher Capex driven by
 - Investments to strengthen the Dutch businesses
 - Accelerated network roll-out in Germany and Belgium
- Coverage ratio of KPN pension funds at 101% end of Q1 '12
 - € 21m recovery payment in Q1 '12
 - Recovery payments of € 19m in Q2 '12 and € 19m in Q3 '12

¹ Including impairments, if any

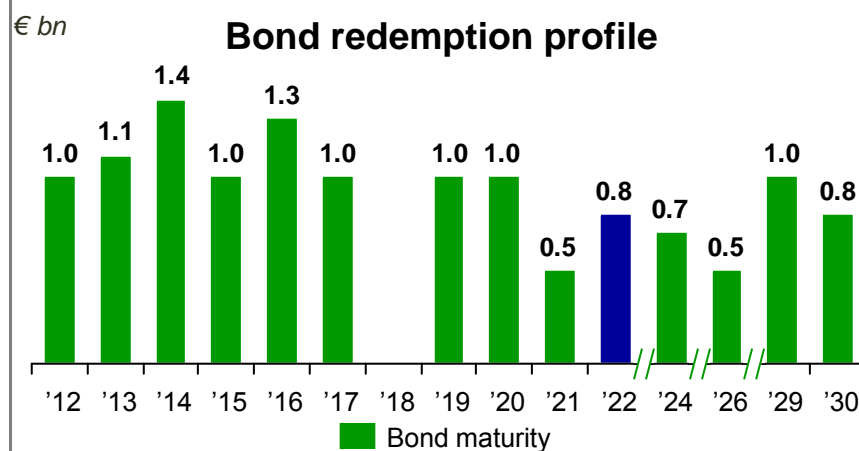
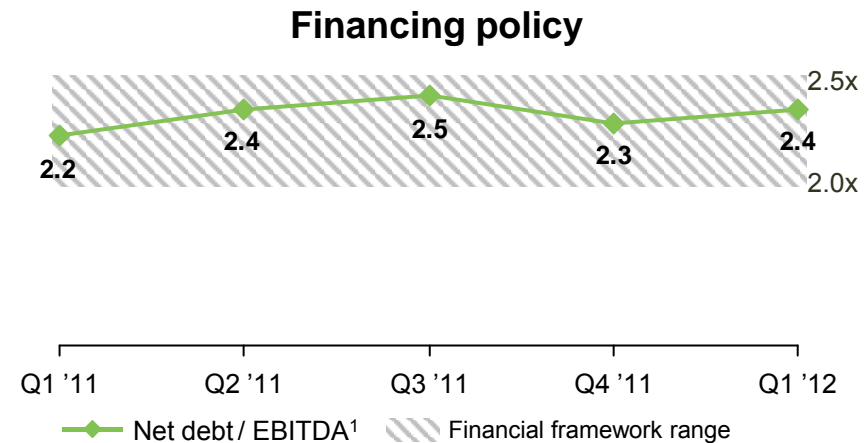
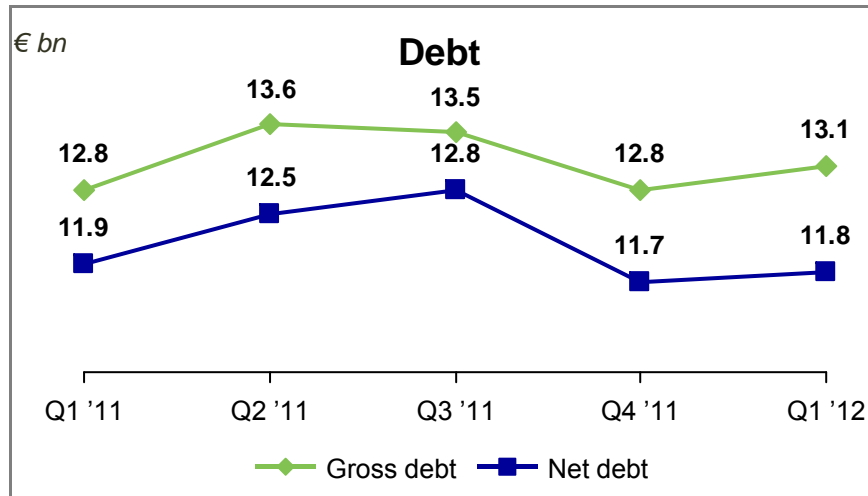
² Excluding changes in deferred taxes

³ Including Property, Plant & Equipment and software

⁴ Defined as net cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture E-Plus

Group financial profile

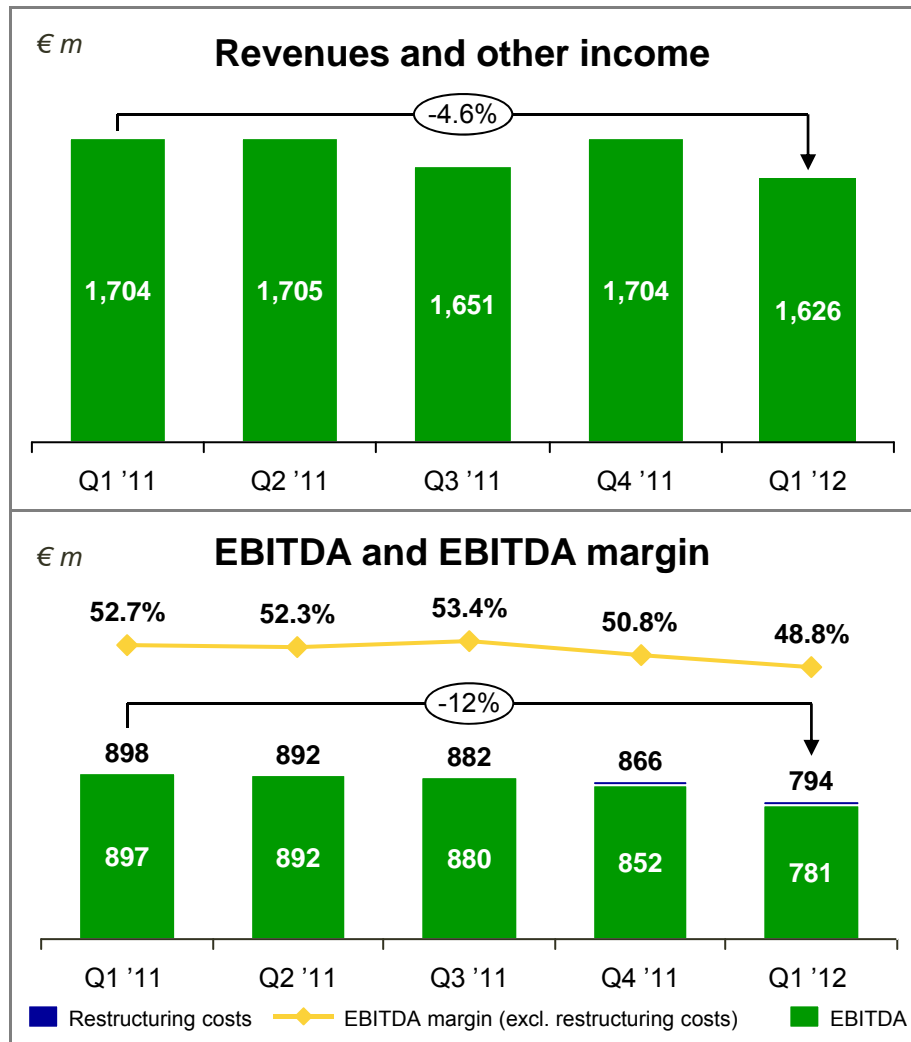
Maintaining solid financial profile



- Net debt / EBITDA¹ of 2.4x at end of Q1 '12
 - Lower EBITDA over the last twelve months
- 10-year € 750m Eurobond issued in February
- Rating revisions following 2012 guidance
 - Moody's at Baa2, adjusted outlook to negative
 - S&P changed BBB+ to BBB, stable outlook
- Average bond maturity of 7.2 years

¹ Based on 12 months rolling total EBITDA excluding book gains/losses, release of pension provisions and restructuring costs, when over € 20m

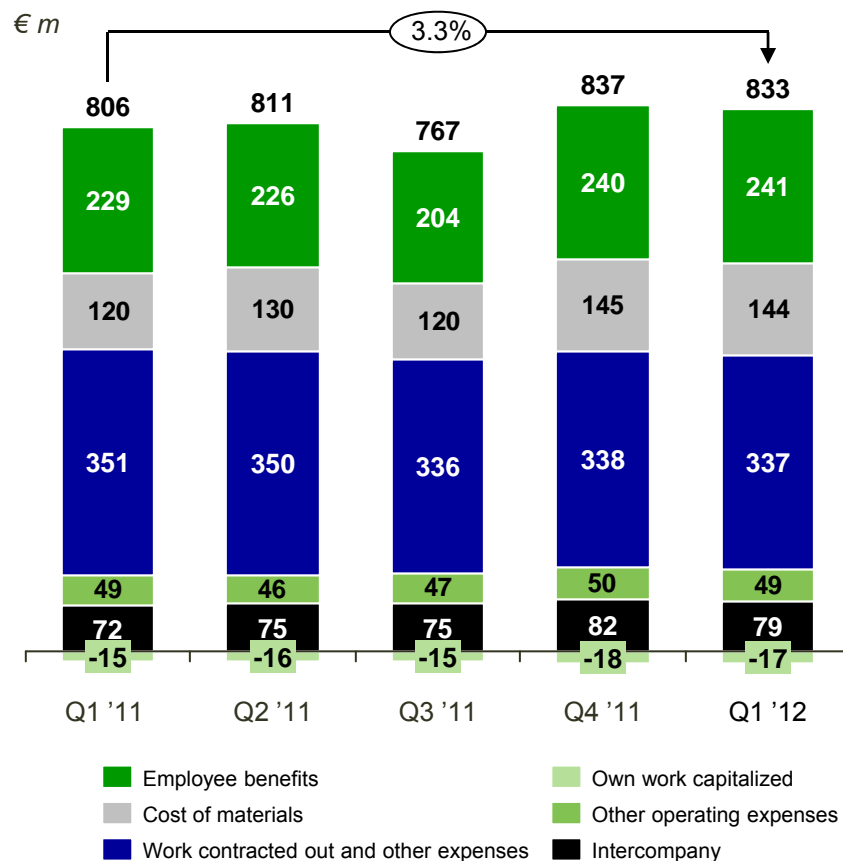
Financial review – Dutch Telco



- Revenues and other income down 4.6% y-on-y
 - Regulatory impact of € 24m (1.4%)
 - Lower revenues mainly in Consumer Mobile, Consumer Residential and NetCo
- EBITDA excluding restructuring costs down 12% y-on-y
 - € 78m lower revenues
 - Regulatory impact of € 7m (0.8%)
 - € 7m net positive impact from incidentals
- EBITDA margin excluding restructuring costs in Q1 at 48.8% impacted by
 - Investments to strengthen domestic market positions
 - Decline of traditional high margin services

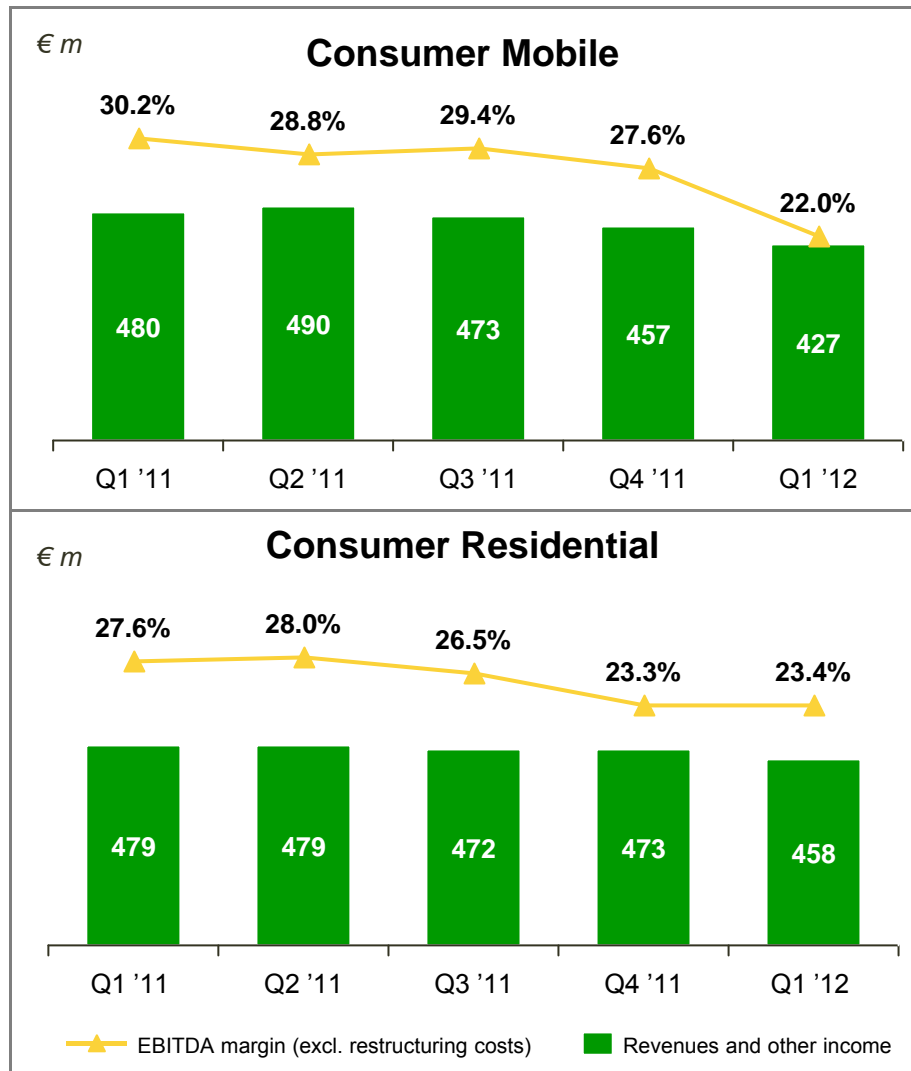
Financial review – Dutch Telco (cont'd)

Breakdown operating expenses (excl. D&A and restructuring costs)



- Operating expenses (excluding D&A and restructuring costs) up 3.3% y-on-y driven by investments to strengthen Dutch market positions
 - Employee benefits up € 12m (higher expenses per FTE including pensions and increased number of customer facing staff)
 - Cost of materials up € 24m (e.g. high end handsets)
 - Work contracted out € 14m lower (lower traffic costs partly offset by higher TV content costs, distribution commissions, marketing and additional shops)
- Improvements in underlying cost structure planned, main cost savings related to
 - Outsourcing, off-shoring and efficiency resulting in FTE reduction
 - Announced FTE reduction program accelerated by 2 years, completion expected by end 2013

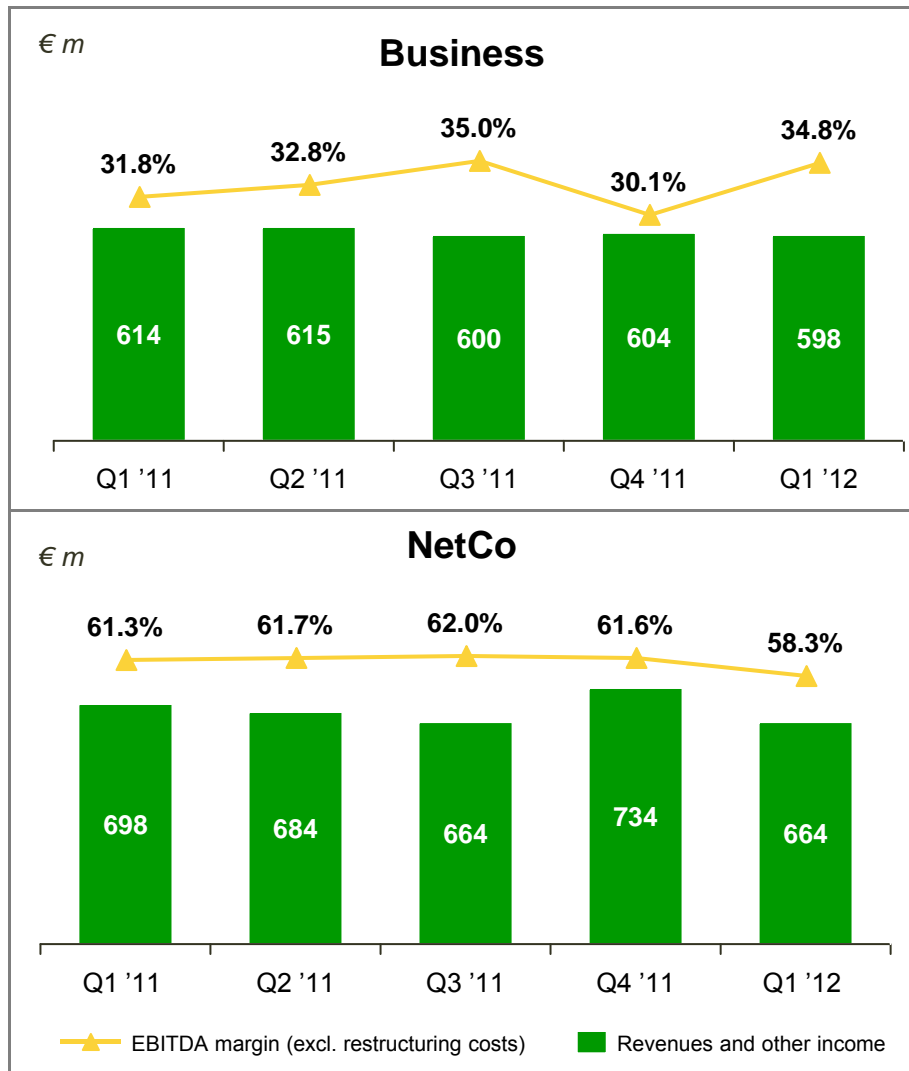
Financial review – Dutch Telco by segment



- Revenues Consumer Mobile down 11% y-on-y
 - Service revenue decline of 12%, impacted by regulation of € 14m (3.2%)
- EBITDA margin¹ at 22.0%
 - Revenue decline and regulation
 - Increased commercial activity, more high-end handsets
- Revenues Consumer Residential down 4.4% y-on-y, driven by lower fixed voice traffic
- EBITDA margin¹ at 23.4%
 - Increased acquisition costs y-on-y for FttH and IPTV
 - Shift from high margin traditional services to new services with lower margins

¹ EBITDA margin excluding restructuring costs, if any

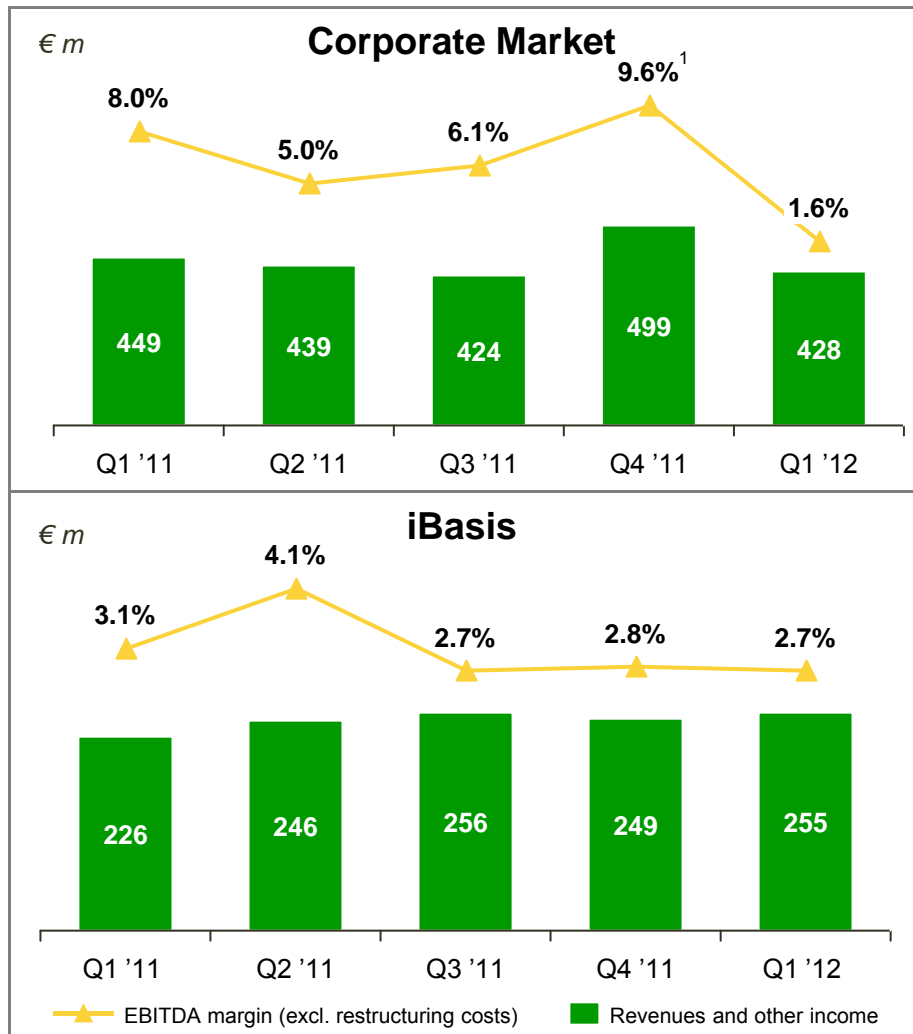
Financial review – Dutch Telco by segment (cont'd)



- Revenues Business down by 2.6% y-on-y
 - Regulatory impact € 5m (1.0%)
 - Traditional services decline and price pressure partly offset by good performance wireless data
- EBITDA margin¹ higher y-on-y at 34.8%
 - Supported by number of smaller incidentals
 - Good progress restructuring program, € 11m provision taken in Q1
- Revenues NetCo down by 4.9% y-on-y
 - Lower traffic Consumer Mobile, Consumer Residential and Business
 - Line loss due to decline traditional services
- EBITDA margin¹ lower y-on-y at 58.3%
 - Net positive impact incidentals € 7m
 - Lower revenues of € 34m
 - Higher costs related to the uptake of FttH activations

¹ EBITDA margin excluding restructuring costs, if any

Financial review – Corporate Market & iBasis

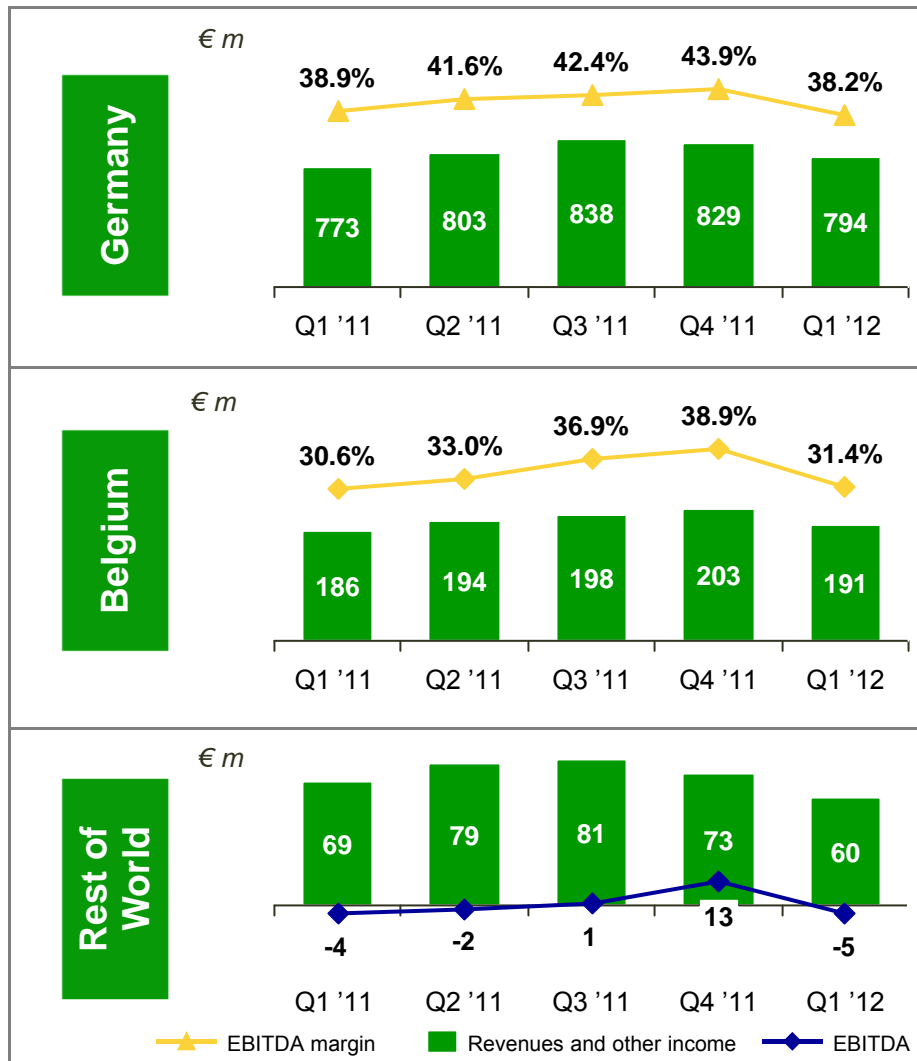


- Revenues Corporate Market down 4.7% y-on-y
 - Continued price pressure
 - Clients postponing investments in IT
- EBITDA margin² at 1.6% in Q1
 - Supported by € 10m positive incidental
 - Lower revenues
 - Increasing pressure on gross margins
- Revenues iBasis up 13% y-on-y
 - Including ~2.4% positive currency effect
- EBITDA margin relatively stable at 2.7%

¹ EBITDA margin excluding impact Getronics International classification as asset held for sale

² EBITDA margin excluding restructuring costs, if any

Financial review – Mobile International by segment



- Revenue growth of 2.7% y-on-y in Germany
 - Service revenue growth of 4.2%
 - Lower hardware revenues
- EBITDA margin at 38.2%
 - Investments to support introduction of new propositions
- Revenue growth in Belgium of 2.7% y-on-y
 - Regulation impact of 4.4% on service revenues
 - Underlying service revenue growth of 11%
- EBITDA margin of 31.4% slightly higher y-on-y
 - Margin lower q-on-q due to phasing in the year
- Revenue decline in Rest of World of 13% y-on-y
 - Sale of KPN France
 - Ortel Mobile operating in increased competitive environment
- EBITDA relatively stable y-on-y

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Simplification and quality

Driving customer satisfaction and reputation in The Netherlands

Online as excellent service channel



- Installation videos placed online
- Reduction # of calls by improving webpages about installation

Decrease lead times



- Delivery time of broadband and VoIP orders reduced by 50%
- Same-day-delivery for mobile phones in the business market

Improve customer experience



- Improved user interface for IPTV
- HD quality for wireless voice
- Increased broadband speeds

Improve fiber processes



- Improve end-to-end customer contact processes

Improve customer formula



- End-to-end customer formulas have been defined and embedded
- Improve transparency in customer offerings

Simplify




- Introduction customer oriented mobile propositions
- One supply chain & organization for copper and fiber customers

Product developments



Innovation in portfolio and customer service

Consumer Mobile

- Launch new mobile propositions
 - Hi: unlimited messaging 
 - Telfort: calling for free after 10 minutes 
- Strategic partnerships key retailers
 - 
 - 
- Easy to use KPN smartphone
 - Android based
 - MB-metering
- Enhanced value added services



Consumer Residential

- Enriched triple play propositions
 - Increased broadband speed 
- IPTV upgrades
 - New user interface and low cost set top box
 - HD channels in standard IPTV proposition
 - HBO channels added 
- Bundle for fixed to mobile calls

Business / Corporate Market

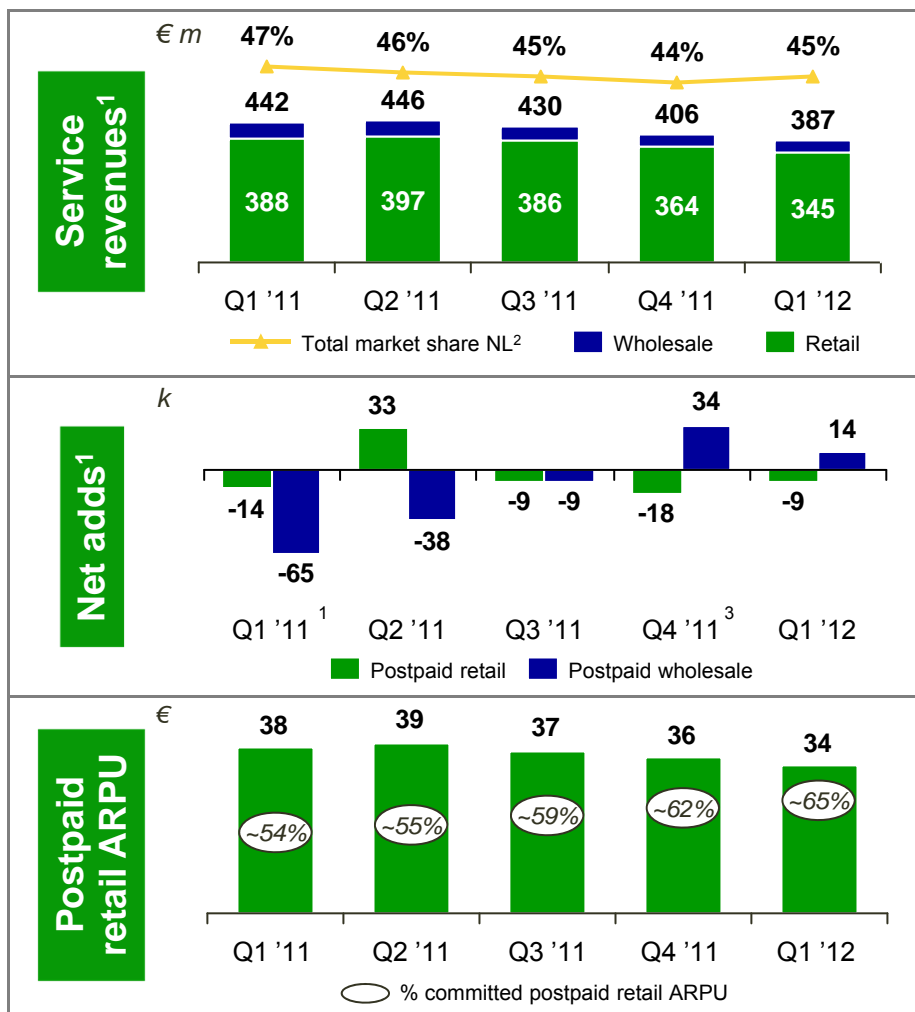
- Cloud services
 - 
- Future proof integrated mobile propositions
- Next steps in improving services
 - SME reachability scan
 - Equipment delivery times reduced
- Joint portfolio management Business and Corporate Market

First KPN full service concept store introduced (XL store)

- Purchase, advice and product service available in one store
- Broad portfolio (Consumer Mobile, Residential and Business products and services)



Operating review – Consumer Mobile



- Service revenues (incl. wholesale) down by 12% y-on-y
 - Regulatory impact (3.2%)
 - Continued changing customer behavior (~6%)
 - Yes Telecom moved to Business (1.3%)¹
 - Smaller customer base
 - Partly offset by continued data growth
- Total Dutch service revenue market share at 45%
- Retail postpaid net adds trend promising
 - New propositions to support customer base
 - Postpaid wholesale driven by relatively strong performance in value for money segment
- Committed postpaid retail ARPU increased to ~65% through new propositions, cross- and upsell
 - ARPU decline due to regulation and changing usage

¹ Consumer Mobile (wholesale) included Yes Telecom until Q2'11, following acquisition moved to Business (~40k postpaid customers)

² Total Dutch (Consumer and Business) service revenue market share

³ Q4 2011 retail net adds impacted by 4k retail postpaid customer base clean-up at Simyo

Operating review – Consumer Mobile (cont'd)

Transparent, simplified and flexible propositions introduced

Road to new customer oriented propositions

1. Actively approach high value customers of Hi by upselling to higher bundles (April '11)
2. Launch of new integrated data / voice / SMS propositions KPN and Hi (September '11)
3. Introduction of transparent, simplified and flexible propositions for Hi (March '12) and Telfort (April '12)

Launched
12 March 2012



Always online,
unlimited access to
social media



Simplified three-step data centric bundle

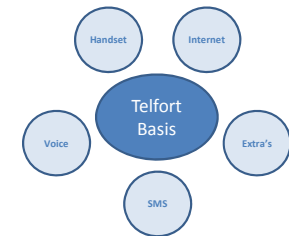
- 1 Choose data bundle
- 2 Choose smartphone
- 3 Choose voice and / or SMS bundle

- Premium smartphone repair service within 4 hours
- Introduction of value added services (e.g. Spotify)
- Customer in control of costs (insight into usage & costs)

Launched
16 April 2012



Long phone calls
without fear of
bill shock

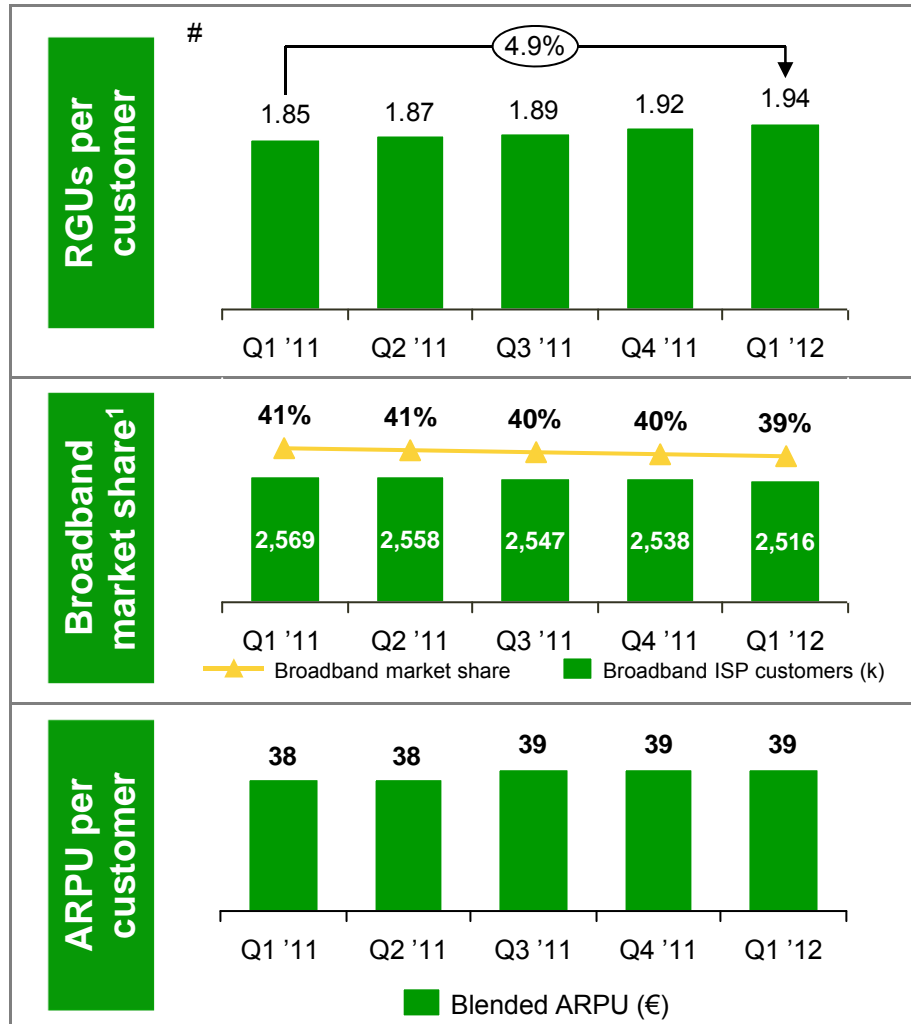


Simplified three-step bundle

- 1 € 0 subscription with € 0.20 per min/SMS, no charge after 10 minutes calling Dutch fixed / mobile
- 2 Choose voice, SMS and / or data bundle
- 3 Choose smartphone

- Customer in control of costs (insight into usage & costs)
- No forced bundles, customer only pays for what he needs
- Smartphone repair service within 24 hours

Operating review – Consumer Residential



¹ Source: Telecompaper, management estimates for Q1 '12

- RGUs per customer are steadily increasing
 - Triple play customers as percentage of total customer base increasing
 - Net line loss of 50k in line with Q1 '11
- Broadband market share remains under pressure at 39% in Q1
 - Improved churn on triple play offset by increased churn in single / dual play market
 - Continued growth of FttH activations and IPTV
- Churn reducing actions in copper areas
 - Network upgrades
 - Regional market approach
 - Triple play upsell
 - Churn reduction program on ADSL only
 - Proposition enrichment
 - Distribution management optimization
- ARPU per customer increased y-on-y due to increased upsell

Operating review – Consumer Residential (cont'd)

Regionalization

Network quality and customer relation determine approach

1 Network

- Select regions while taking future FttH roll-out and copper upgrades into account



2 Analysis of selected regions

- Performance KPN and competition
- Determine target group
- Establish distribution approach

3 Marketing & communication

- Specific proposition / promotion
- Focus shop managers & personnel
- In-store execution



4 Focus & execution

- Focus on sales and process
- Reporting and analysis leading to learnings

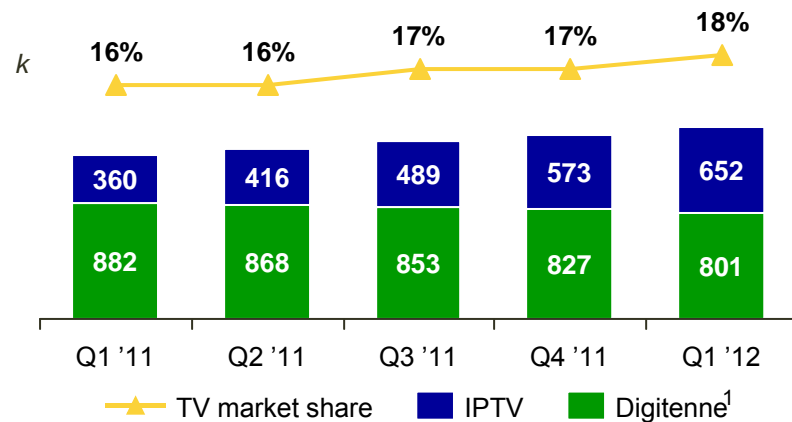


- Strong short-term marketing and sales focus with specific regional offer in selected regions / cities
- Regional approach to result in
 - Significant sales uplift in target areas
 - Increase in market share and RGUs
 - Lower churn due to triple play upsell activities

Operating review – Consumer Residential (cont'd)

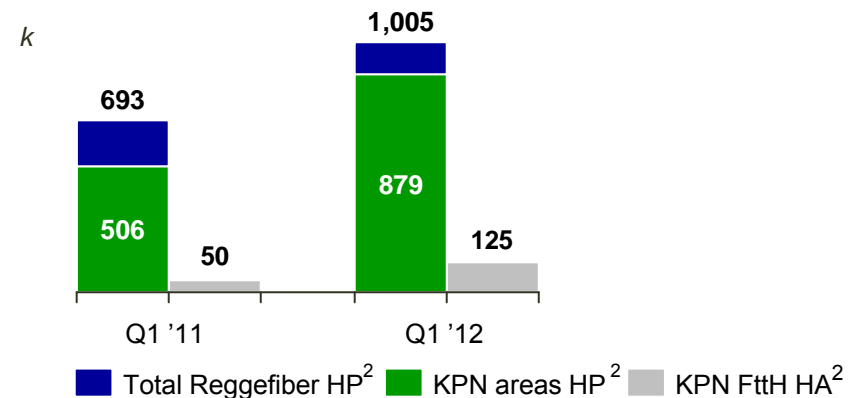
TV

- TV market share increasing to 18% in Q1
 - Growth of IPTV activations continued, 79k net adds in Q1
- Improvements TV proposition
 - Introduction in Q1 of new set top box
 - New interface allowing for faster zapping



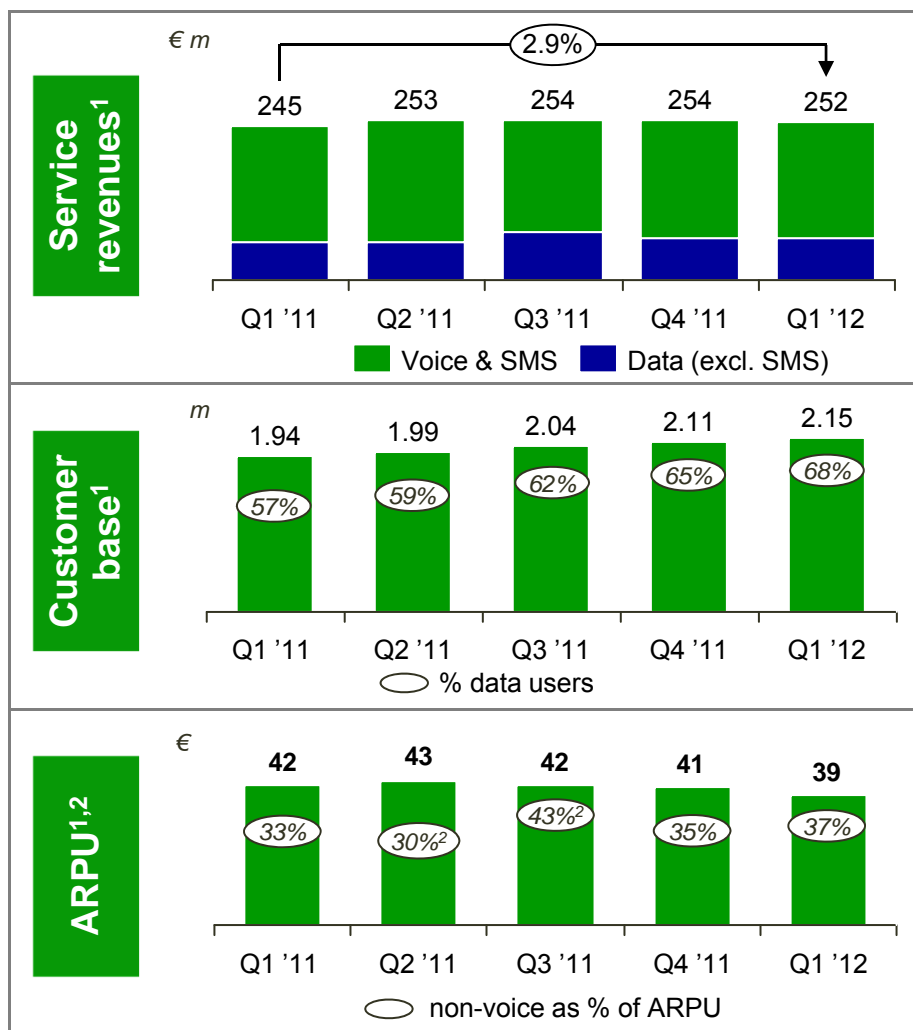
FttH

- More than 1 million homes passed by Reggefiber
 - 54k homes passed rolled-out in Q1
- FttH activations continue to be successful, with 23k net adds leading to 125k homes activated



¹ Digitenne used as primary TV connection
² HP is Homes Passed; HA is Homes Activated

Operating review – Business wireless

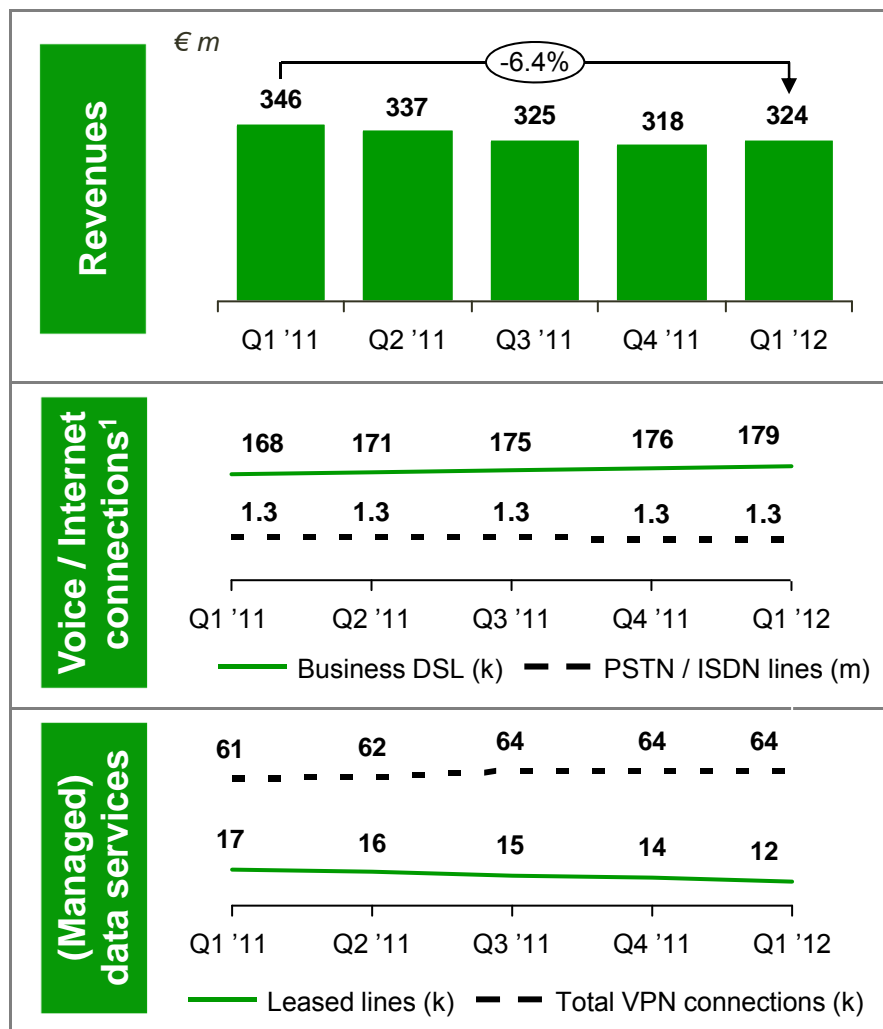


- Service revenues 2.9% higher y-on-y
 - Impact from regulation € 5m (2.0%)
 - Increased customer base and usage leading to data revenue growth
- Higher customer base leading to increasing market share
 - 68% of customers use data services
- Good performance of new portfolio introduced in Q4 2011, 77% take data plan
- Challenger brands showed stable growth in Q1
- ARPU decreased to € 39 impacted by regulation, M2M growth and data mix effect

¹ Business wireless figures include Yes Telecom as of Q2 2011

² Q2 and Q3 2011 data ARPU included one-off items; normalized ARPU shows stable increasing trend of non-voice as % of ARPU

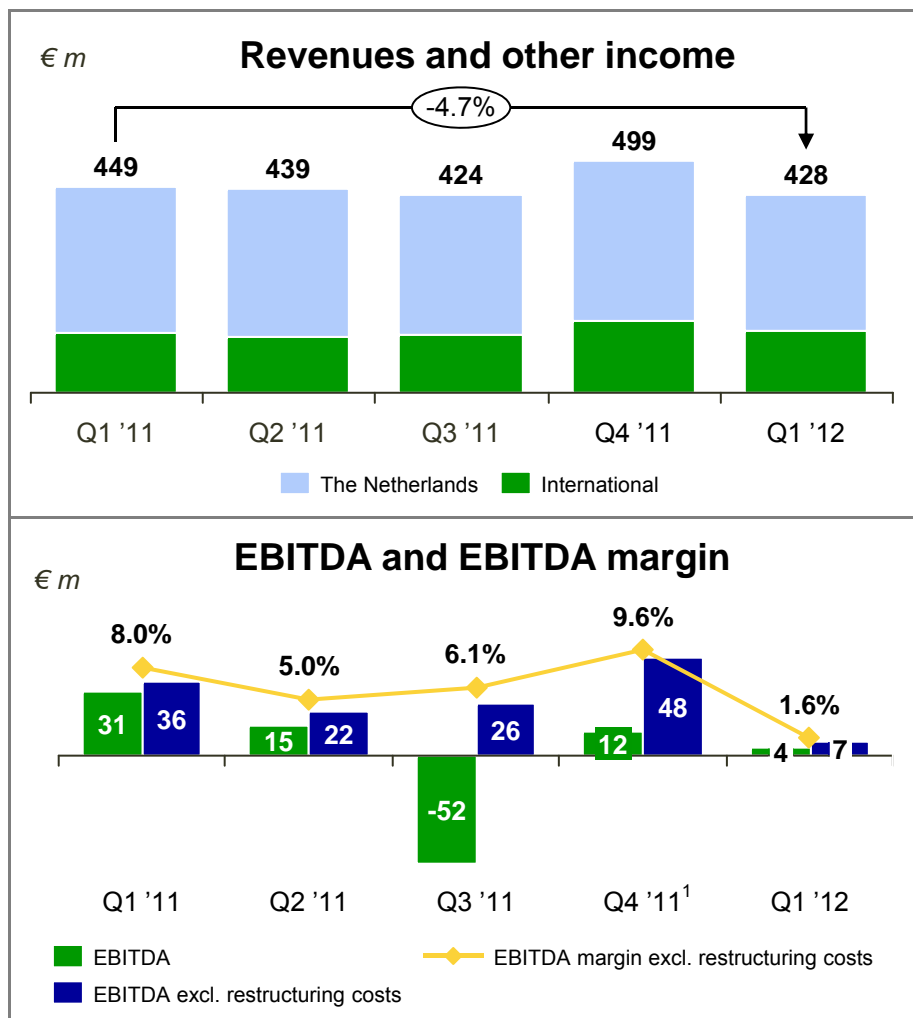
Operating review – Business wireline



¹ Voice / Internet connections include Atlantic Telecom lines as of Q2 2011

- Further decline in traditional access lines and traffic revenues
- Introduction of new services such as Cloud services and integrated fixed / mobile propositions
- PSTN / ISDN customer base trend relatively stable
- Business DSL continues to show solid performance
- Stable market share in competitive business market
- VPN connections remain relatively stable

Operating review – Corporate Market

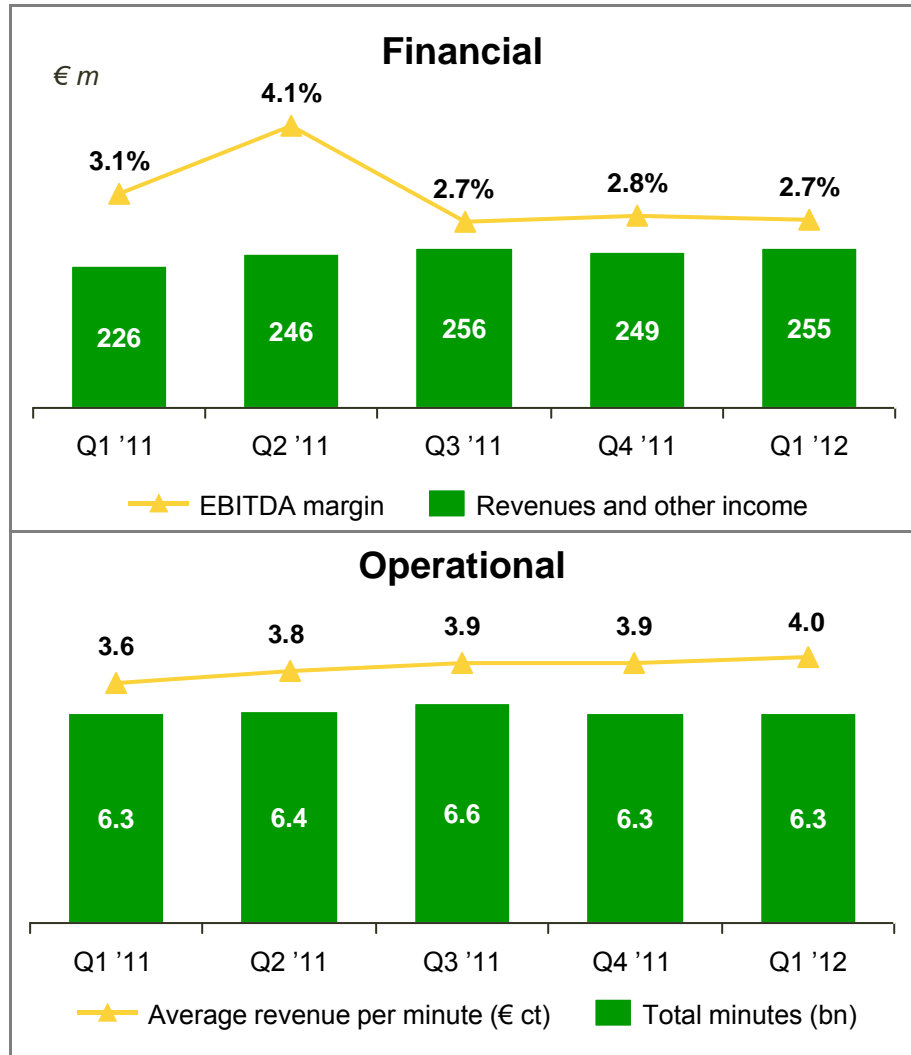


- Revenues down 4.7% y-on-y
 - Continued price pressure
 - Ongoing market pressure, no recovery in The Netherlands
- Maintaining market position² in difficult environment
- Focus on restructuring and cost reduction
 - € 96m provision taken in 2011, majority of FTE reduction expected in second half of 2012
- EBITDA excluding restructuring costs at € 7m
 - Positive impact incidental of € 10m
 - Price pressure leading to margin erosion
- Sale of Getronics International expected to be closed in Q2
- Rationalization of service portfolio and joint development of new propositions with Business

¹ Q4 '11 EBITDA and EBITDA margin excluding impact Getronics International classification as asset held for sale

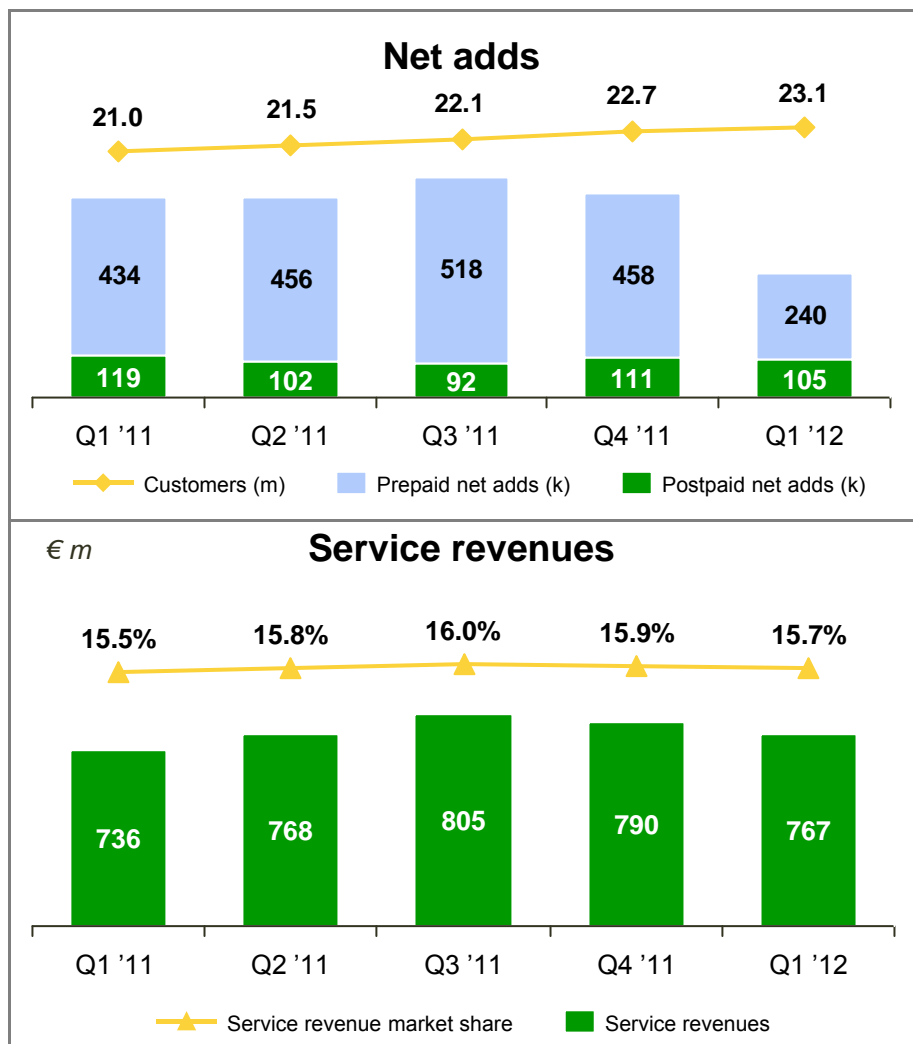
² Management estimate

Operating review – iBasis



- Revenue growth of 13% y-on-y
 - Including ~2.4% positive currency effect
 - Revenue per minute increased 11% y-on-y
- Focus remains on balancing revenue growth with maintaining profitability and generating free cash flow
 - EBITDA margin relatively stable at 2.7%
- Maintaining top-5 position in international wholesale voice market

Operating review – Germany



- Net adds postpaid in line with previous quarters
- Focus on higher value customers with introduction of new propositions
 - BASE *plus* introduced in February
- Net adds prepaid lower
 - Increased competition in ethnic segment
 - Value focus in customer acquisition strategy
- Service revenue growth of 4.2% in Q1
 - Continued growth BASE customer base
 - Start-up phase of new tariffs introduced in February
- Data uptake in line with expectations

Operating review – Germany (cont'd)

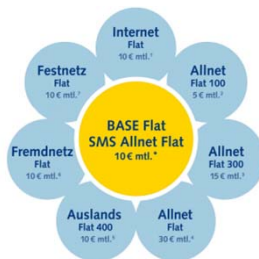
High speed data network roll-out continues

- Roll-out of HSPA+ with speeds of up to 42 Mbps
- On track to reach the target of >80% population coverage at the end of 2012



New BASE *plus* proposition introduced

- Highly attractive, value for money leadership
- Focus on customer value and postpaid
- Supporting further growth in data service revenue

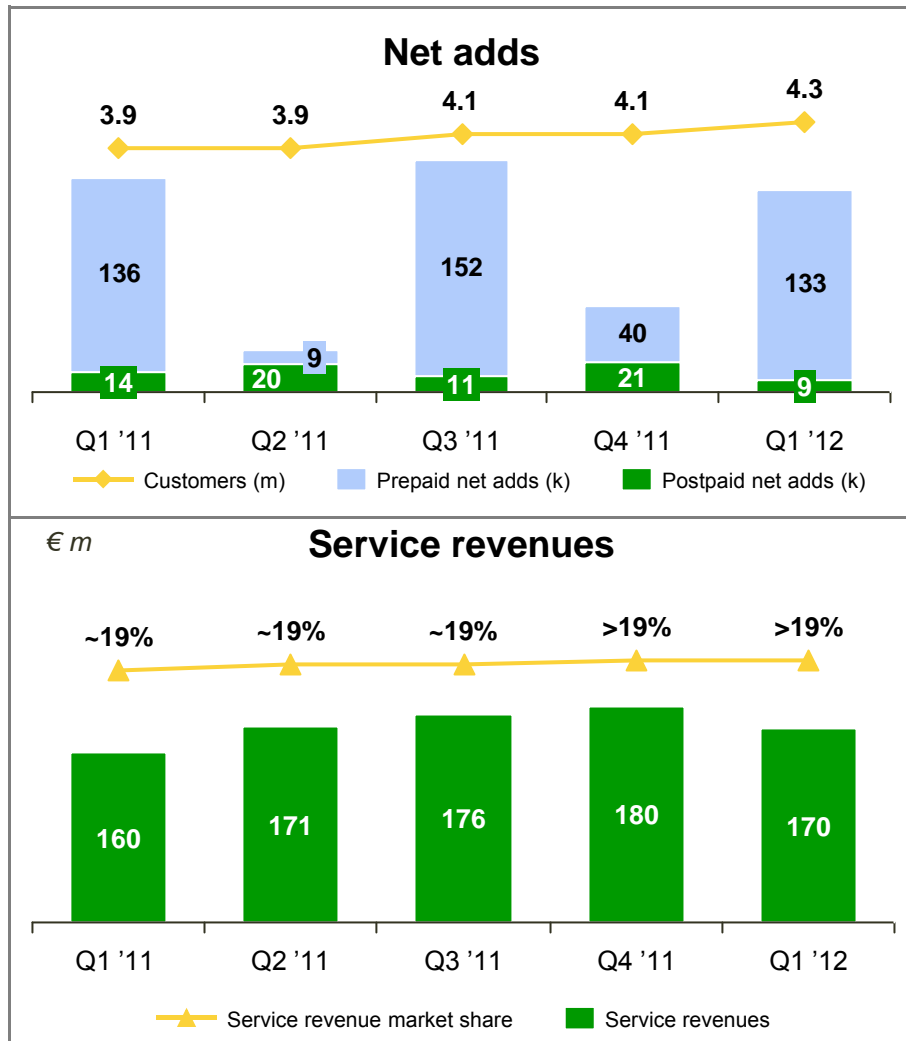


Targeting new market segment

	Traditional postpaid market	No-frills	
		Postpaid	Prepaid
E-Plus positioning and brands	Challenger BASE 	New opportunity 	Market leader  

- New no-frills postpaid brand within multi-brand strategy
- Proposition based on simplicity and transparency
- Value for money all-net flat proposition
- Online as key distribution channel

Operating review – Belgium



- Continued underlying service revenue growth (11%)
 - Strong performance driven by mobile data, B2B, wholesale and interconnect traffic
 - Continued market outperformance leading to service revenue market share of >19%
- Net adds at 142k, of which 9k postpaid
 - New propositions (BASE C, Base Check and Contact Mobile) supporting net adds
 - Continued strong captive channel performance
 - Good performance partner brands Jim mobile and Allo RTL
- Accelerated roll-out of mobile broadband continues
 - High speed data in 6 large & 19 medium cities as well as in 60 smaller cities and business areas
 - Enabling strong data revenue growth via own and partner brands

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Concluding remarks

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- EBITDA and FCF impacted by phasing and accelerated investments in The Netherlands
- Further improving Dutch mobile propositions and expanding distribution
- Increasing TV market share and start of regionalization Consumer Residential
- Revenue growth at good EBITDA margin in Germany, strong underlying growth in Belgium
- Confirming outlook
- 2011 dividend of € 0.85 approved by AGM, final dividend of € 0.57 paid today

Q&A

Annex

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Analysis of results

Impact regulation, incidentals and restructuring

€ m			Q1 '12	Q1 '11
Revenue effect				
MTA reduction	Regulation	Group	-30	-127
Roaming tariff reduction	Regulation	Group	-1	-6
EBITDA effect				
MTA reduction	Regulation	Group	-10	-53
Roaming tariff reduction	Regulation	Group	-1	-3
Release of provisions	Incidental	NetCo	9	-
Release of provisions	Incidental	Corporate Market	10	10
Restructuring costs	Restructuring	Group	-19	-10
Revenue & EBITDA effect				
Book gain on sale of business	Incidental	Corporate Market	-	5
Book gain on sale of towers & real estate	Incidental	NetCo	31	33

Restructuring costs

€ m	Q1 '12	Q1 '11
Germany	-	-
Belgium	-	-
Rest of World	-	-
Mobile International	-	-
Consumer Mobile	-	-
Consumer Residential ¹	-1	-1
Business	-11	-
NetCo	-	-
Other	-1	-
Dutch Telco	-13	-1
Corporate Market	-3	-5
The Netherlands	-16	-6
Other	-3	-4
KPN Group	-19	-10

1 Q1 '11 adjusted due to better insights

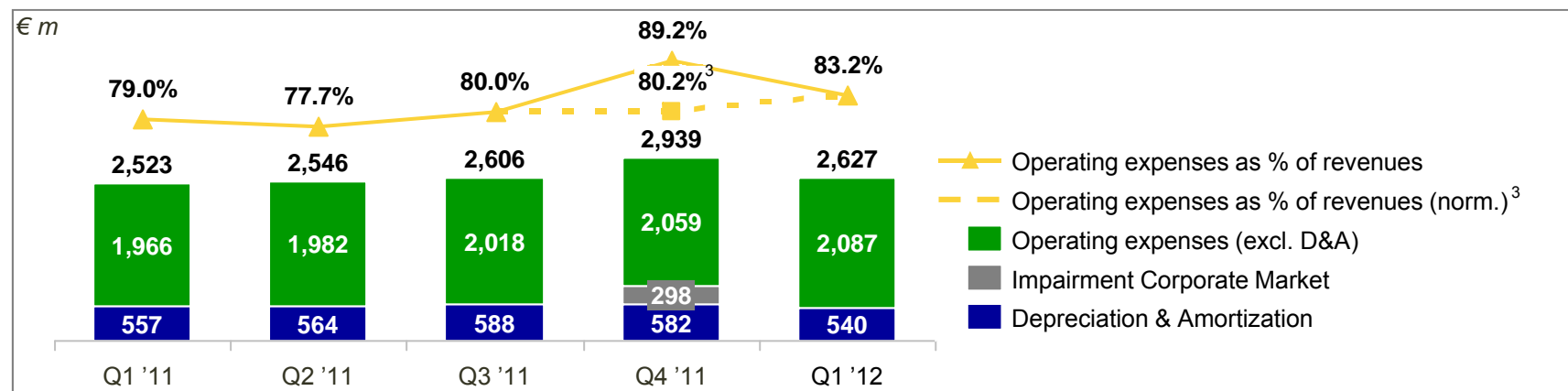
Impact MTA reduction

€ m	Q1 '12		Q1 '11	
	Revenues	EBITDA ¹	Revenues	EBITDA ¹
Germany	-	-	-53	-27
Belgium	-6	-3	-21	-14
Mobile International	-6	-3	-74	-41
Consumer Mobile	-14	-4	-28	-9
<i>Of which: Mobile Wholesale</i>	-4	-	-2	-1
Business	-5	-3	-17	-2
NetCo	-5	-	-12	-1
Intercompany	-	-	4	-
The Netherlands	-24	-7	-53	-12
KPN Group	-30	-10	-127	-53

¹ Defined as operating profit plus depreciation, amortization and impairments

Operating expenses

€ m	Q1 '12	Q1 '11	%
Employee benefits	532	477	12%
Cost of materials	264	258	2.3%
Work contracted out and other expenses	1,143	1,106	3.3%
Own work capitalized	-28	-29	-3.4%
Other operating expenses ¹	176	154	14%
Depreciation ²	331	347	-4.6%
Amortization ²	209	210	-0.5%
Total	2,627	2,523	4.1%



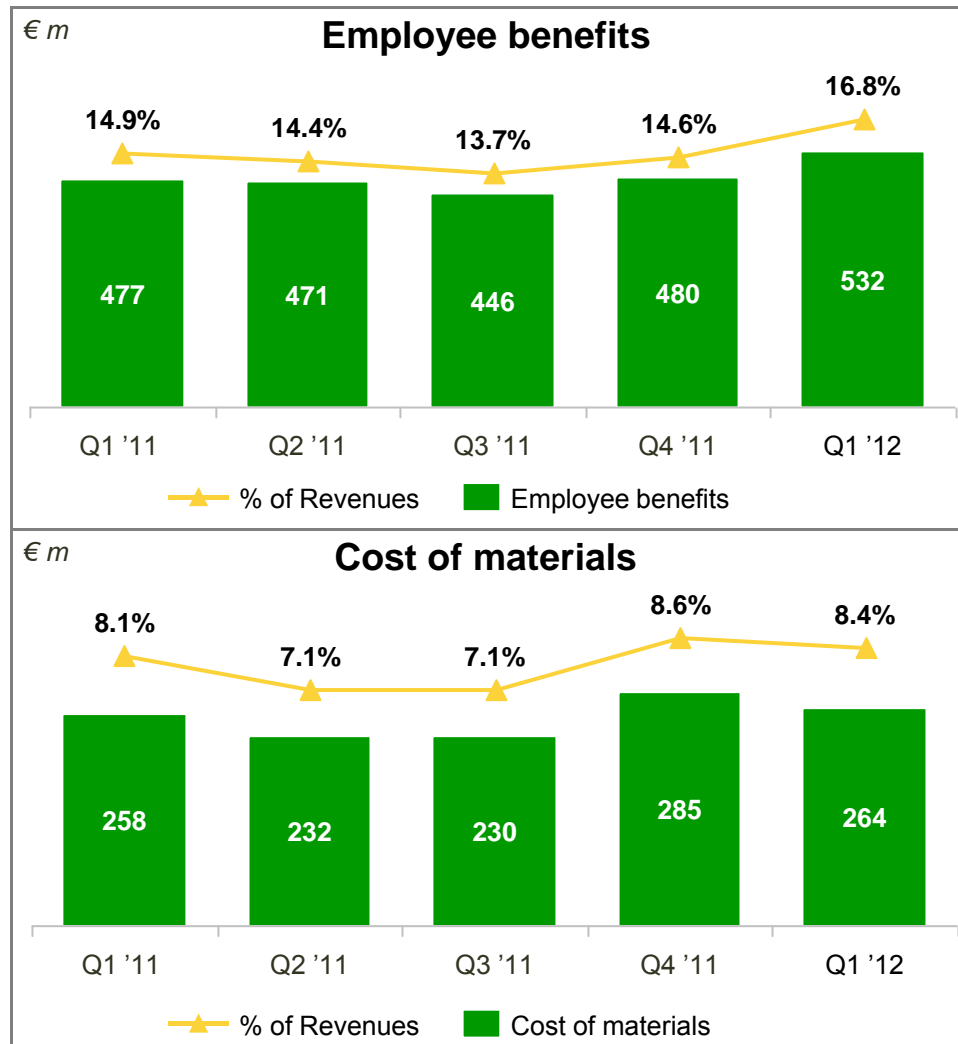
¹ Including restructuring costs

² Including impairments, if any

³ Excluding Q4 '11 impairment of € 298m at Corporate Market

Operating expenses - analysis

Employee benefits & Cost of materials



Y-on-Y increase

- Higher pension costs mainly relating to UK and US Getronics pension funds (€ 19m) and The Netherlands (€ 15m)
- Increase in remuneration relating to CLA¹
- Increase in number of FTEs at Mobile International

Q-on-Q increase

- Higher pension costs mainly relating to UK and US Getronics pension funds (€ 19m)
- Increase in remuneration relating to CLA¹
- Increase in number of FTEs at Mobile International

Y-on-Y increase

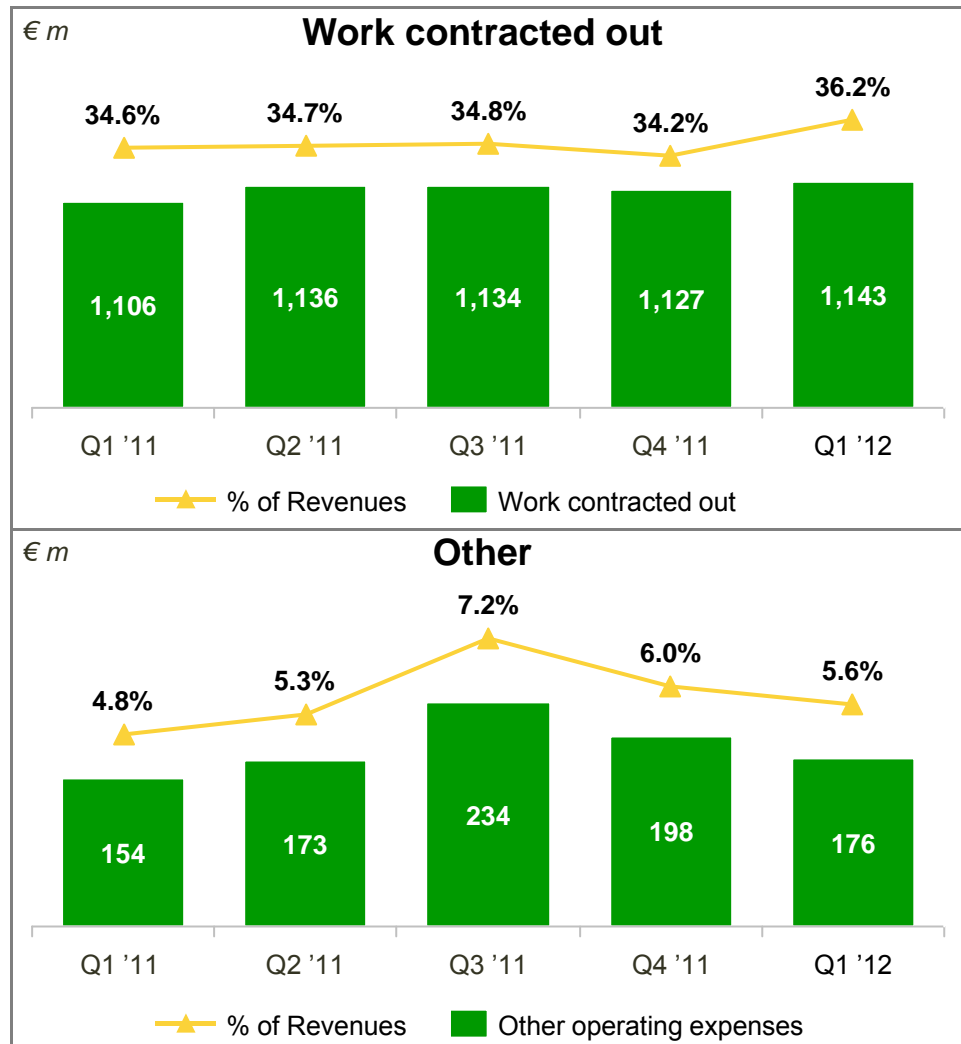
- Higher costs due to increased high end smartphone sales in The Netherlands
- Partly offset by lower hardware costs in Germany due to handset lease model

Q-on-Q decrease

- Lower customer driven expenses at Corporate Market

Operating expenses - analysis

Work contracted out & Other



Y-on-Y increase

- Higher traffic costs at iBasis and Germany
- Higher content related expenses
- Partly offset by lower traffic costs in The Netherlands

Q-on-Q increase

- Higher traffic costs at iBasis
- Higher IT costs Germany

Y-on-Y increase

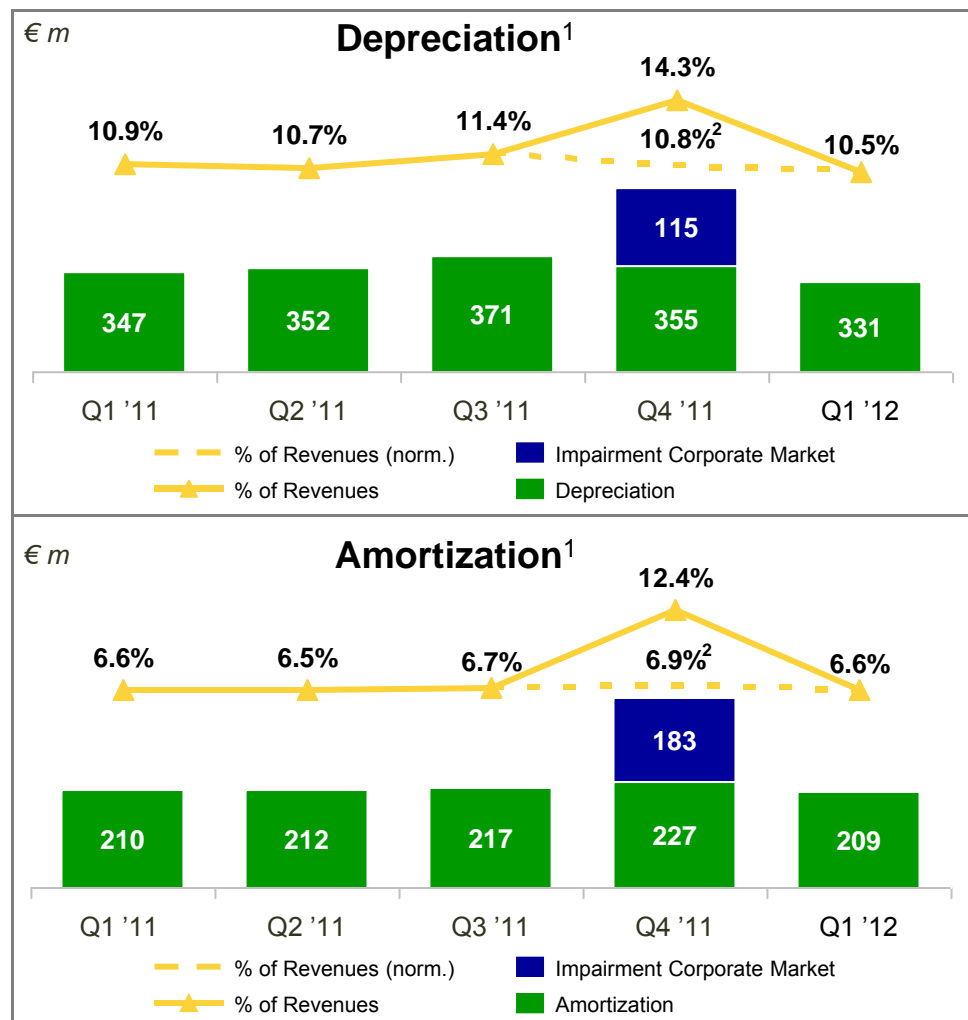
- Higher marketing costs at Germany and Consumer Mobile
- Higher restructuring costs
- Partly offset by release of various provisions

Q-on-Q decrease

- Book loss (€ 30m) related to the classification as held for sale of Getronics International in Q4 '11

Operating expenses - analysis

Depreciation & Amortization



Y-on-Y decrease

- Extension economic lifetime fiber network at NetCo

Q-on-Q decrease

- Extension economic lifetime fiber network at NetCo

Q-on-Q decrease

- Lower amortization of software due to smaller asset base

¹ Including impairments, if any

² Excluding Q4 '11 impairment of € 298m at Corporate Market

Tax

Fiscal units (€ m)	P&L		Cash flow	
	Q1 '12	Q1 '11	Q1 '12	Q1 '11
Dutch activities	-51	63	-81 ¹	-108 ¹
Corporate Market	3	6	-4	-2
German activities	-27	-29	-4	-4
Belgian activities	-7	-7	-	-
Other	-1	-	-1	-1
Total reported tax	-83	33	-90	-115
<i>Effective tax rate</i>	<i>21.9%</i>	<i>20.9%²</i>		

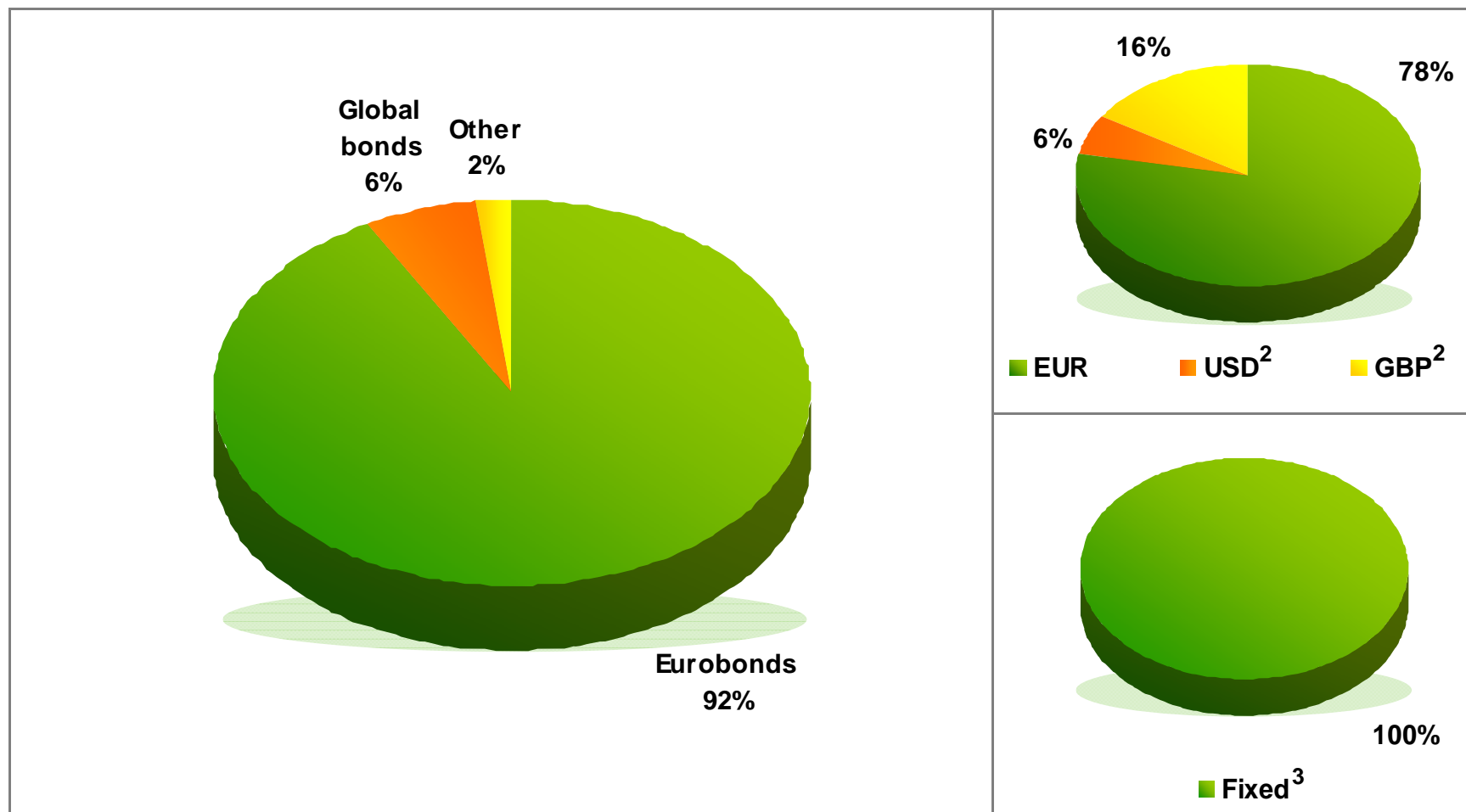
- In Q1 '12, the effective tax rate for KPN Group amounted to 21.9% (Q1 '11: 20.9%) mainly due to the existence of non-deductible pension losses in 2012 for the UK and US Getronics pension funds
- The effective tax rate for the Group is expected to be approximately 21-22% for the full-year 2012 and 20% in the years 2013-2015
- Q1 '11 included a one-off P&L gain of € 150m, which was attributable to the retroactive application of the Dutch innovation tax facilities related to the 2007-2010 period

¹ Including tax recapture E-Plus

² Excluding one-off P&L gain of € 150m attributable to Dutch innovation tax facilities related to the 2007-2010 period

Debt portfolio

Breakdown of € 13.1bn gross debt¹



¹ Nominal value of interest bearing financial liabilities related to these liabilities

² Foreign currency amounts hedged into EUR

³ Excluding bank overdraft

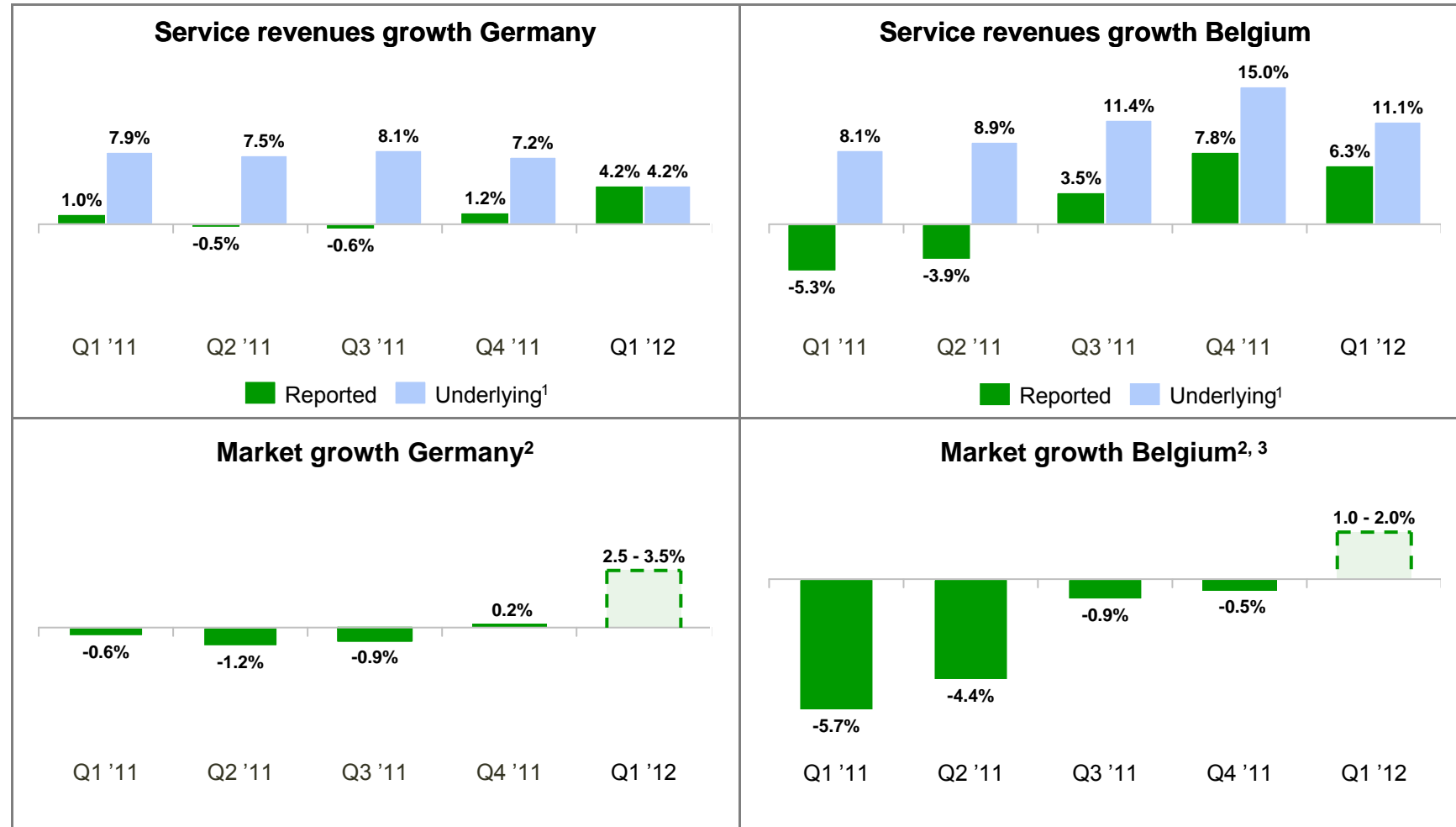
Dutch wireless disclosure

€ m	Q1 '12	Q1 '11	%
Service revenues	646	698	-7.4%
- Consumer retail	345	388	-11%
- Business ¹	252	245	2.9%
- Other ²	49	65	-25%
SAC/SRC			
- Consumer retail	149	141	5.7%
- Business	258	229	13%

¹ Since Q2 '11 including Yes Telecom

² Includes amongst others Consumer Mobile wholesale and visitor roaming revenues within KPN The Netherlands

Mobile International wireless disclosure



- 1 The definition of underlying is explained in the safe harbor of this presentation
- 2 Management estimates for market service revenues growth, based on equity research
- 3 Market growth of Q2 '11 has been amended due to better insights of service revenues of competitor

Regulation

MTA reductions

MTA reductions implemented across the Group

NL

- The Dutch Court overruled OPTAs MTA tariff decision and determined a new tariff as of 1 September 2012 of € 2.40 cent per minute instead of € 1.20 cent per minute
- The EC published a serious doubt letter, indicating that the level should be € 1.20 cent. Consequences are not clear yet

€ ct / min	Until 7 July	7 July '10	Sep '10	Jan '11	Sep '11	Sep '12
MTA rate	7.00	5.60	5.60	4.20	2.70	2.40

GER

- Legal proceedings against the MTA decisions are ongoing

€ ct / min	Until 1 Dec '10	1 Dec '10 – 30 Nov '12
MTA rate	7.14	3.36

BE

- KPN's suspension request has been rejected, decision in annulment procedure is expected in Q2 2012

€ ct / min	Until Aug	Aug '10	Jan '11	Jan '12	Jan '13
MTA rate	11.43	5.68	4.76	2.92	1.08

MTA impact on Group revenues & EBITDA

€ m	2010	2011	2012E
Revenues	180	459	~ 110
EBITDA	62	192	~ 45

Regulation

Spectrum in The Netherlands

Current status

							Total
800MHz	Free						2*30
	2*30 MHz						
900MHz	Vodafone	T-Mobile	KPN	To be auctioned			2*35
	2*12.5	2*10	2*12.5				
1.8GHz	Vodafone	T-Mobile		KPN	Free		2*70
	2*5	2*30		2*20	2*15		
1.9-2.0 GHz	Free						1*14.7
	14.7MHz unpaired						
2.1GHz	Vodafone	T-Mobile		KPN		Free	2*60 1*20
	2*15	1*5	2*20	1*10	2*15	1*5	
2.6GHz	Vodafone	T-Mobile	KPN	Ziggo4	Tele2	Free	2*65 1*55
	2*10	2*5	2*10	2*20	2*20	55 unpaired	
Total	Vodafone	T-Mobile		KPN	Ziggo4	Tele2	Free
	90MHz	140MHz		120MHz	40MHz	40MHz	184.7MHz

Upcoming auction

The auction is expected to take place in October 2012. The auction rules published in January 2012 include the following:

- Frequencies will be auctioned in the 800MHz, 900MHz, 1.8GHz, 2.1GHz and 2.6GHz bands
- 2*10MHz in the 800MHz band and 2*5MHz in the 900MHz band are reserved for new entrant(s), who are capped at 2*10MHz for the reserved spectrum
- The existing 900MHz and 1.8GHz licenses will expire as of 26 February 2013. The government announced its intention to extend the existing licenses for a period of 21 months, with a possible exception for the reserved 900MHz license
- All spectrum has minimum prices and roll-out obligations. In addition, reserved spectrum has trading restrictions for the first five years
- No spectrum caps for non-reserved spectrum
- License duration of the 800MHz, 900MHz, 1.8GHz and 2.6GHz bands will be 17 years. The 2.1GHz licenses expire on 1 January 2017

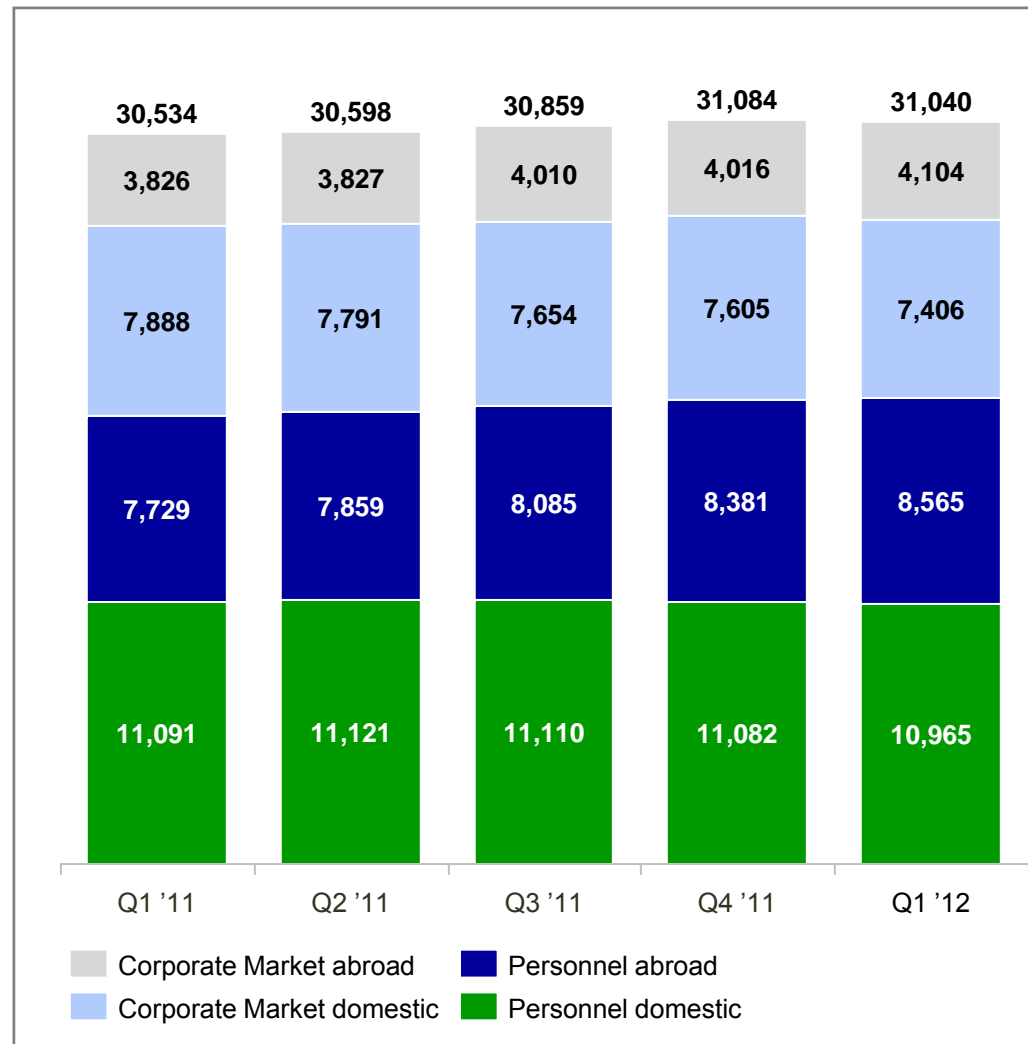
Regulation

Spectrum in Germany

Current status

800MHz Paired	O2 2*5		VOD 2*5		DT 2*5								2*30		
900MHz Paired	E+ 2*5	O2 2*5	DT 2*5	DT 2*7.4		VOD 2*5	VOD 2*7.4						2*34.8		
1.8GHz Paired	DT 2*5				E+ 2*5	O2 2*5			VOD 2*5.4	E+ 2*5				2*70.2	
2.1GHz Paired	VOD 2*5			E+ 2*5				O2 2*5			DT 2*5		2*60		
2.1GHz Unpaired	E+ 5	DT 5	VOD 5	O2 5										1*34.2	
2.6GHz Paired	VOD 2*5				DT 2*5				E+ 2*5		O2 2*5				2*70
2.6GHz Unpaired	E+ 5	VOD 5				DT 5	O2 5								1*45
Total	VOD 155.6MHz				DT 154.8MHz				E+ 139.8MHz		O2 164MHz				

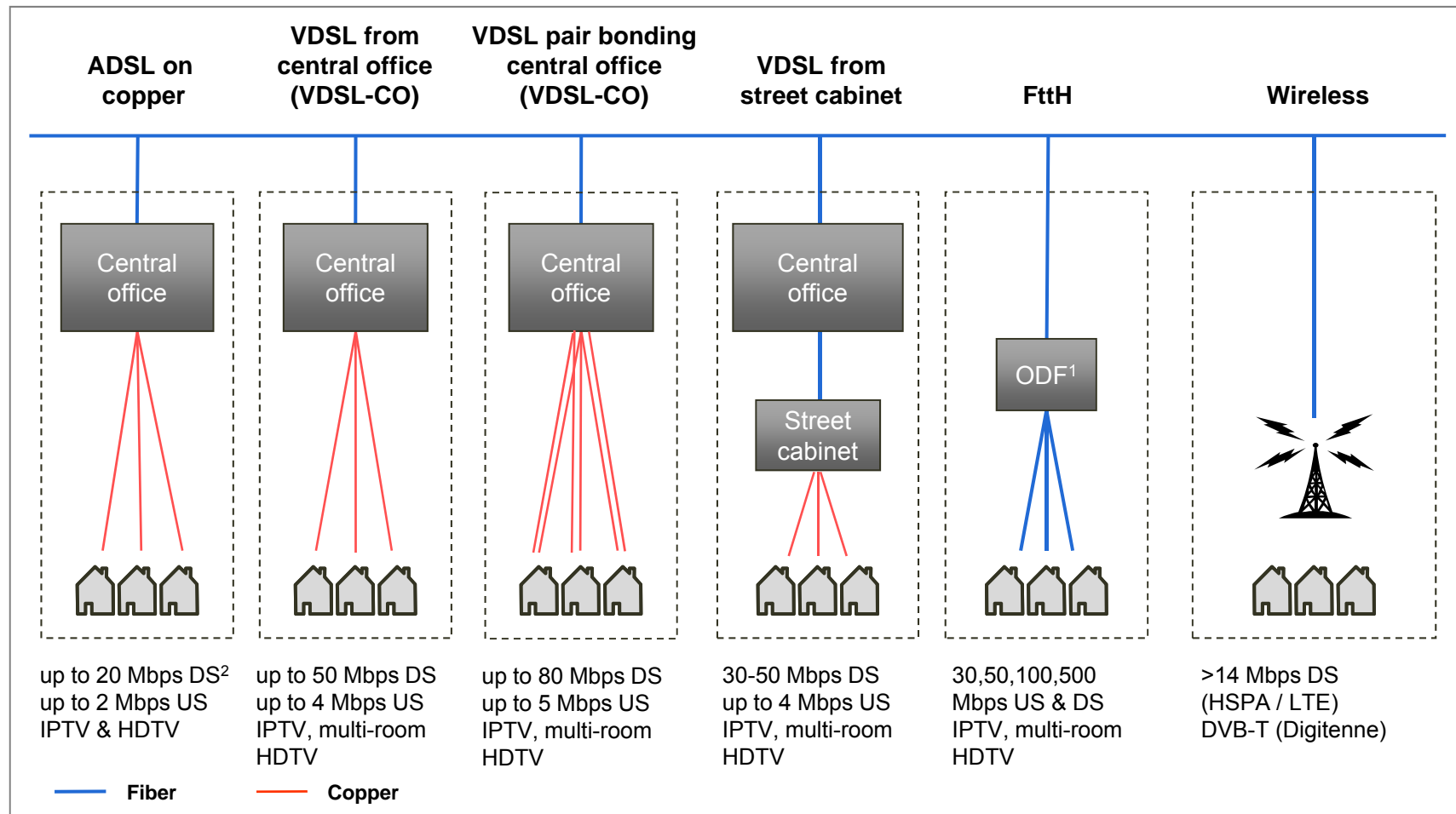
Personnel



- Increase of 506 FTE y-on-y
 - Reduction of 126 FTE in personnel domestic from all segments
 - Increase of 836 FTE at Mobile International (including SNT Germany), to support growing business
 - Corporate Market domestic: reduction of 482 FTE
 - Corporate Market abroad: increase of 278 FTE
- Decrease of 44 FTE q-on-q
 - Reduction of 117 FTE in The Netherlands
 - Increase of 184 FTE at Mobile International (mainly SNT Germany)
 - Corporate Market domestic reduction of 199 FTE partly offset by an increase of 88 FTE at Corporate Market abroad

Infrastructure

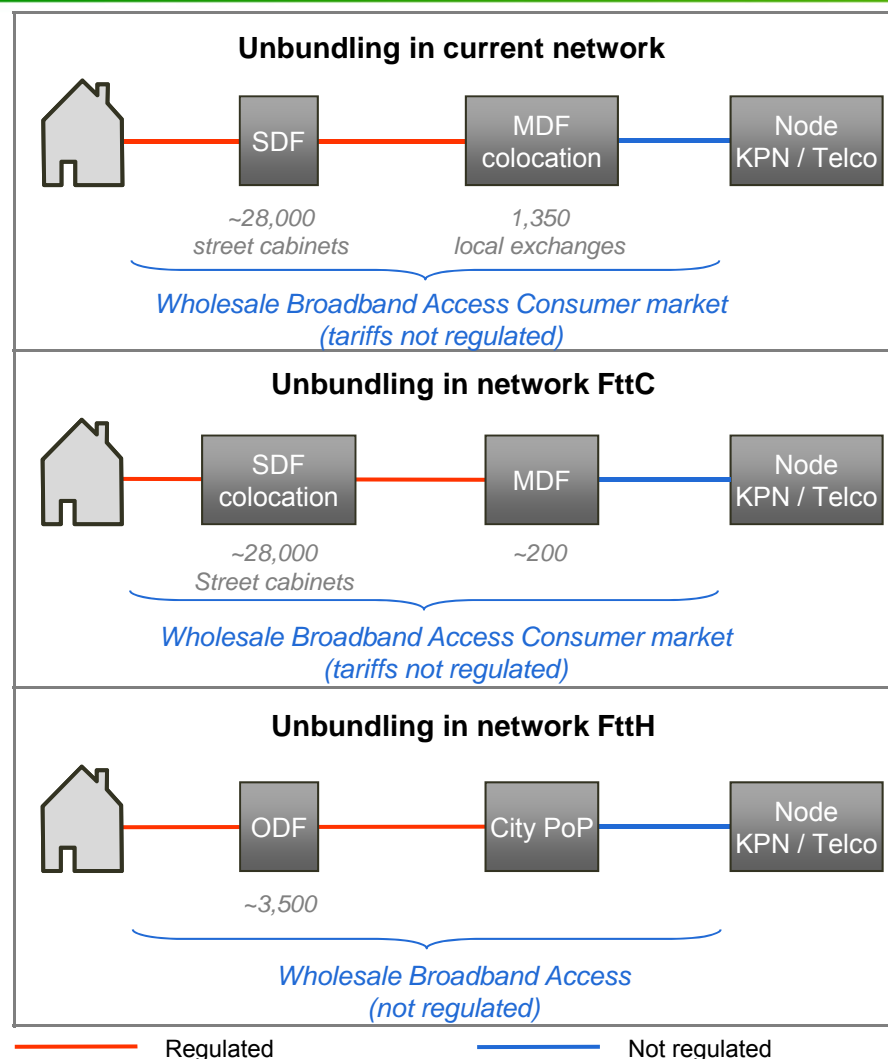
Deploying mix of technologies going forward



1 Optical distribution frame

2 DS: Download Speed; US: Upload Speed

Unbundling tariffs



Category	Monthly tariff
Line sharing (LLU) ¹	€ 0.11 / line
Fully unbundled (LLU) ¹	€ 6.69 / line
MDF colocation ¹	€ 891.24 / footprint / year
MDF backhaul	Commercial pricing, not regulated
Wholesale Broadband Access	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Line sharing (SLU) ²	€ 6.69 / line
Fully unbundled (SLU) ²	€ 6.69 / line
SDF colocation ³	€ 1.24 / line or € 5.50 / per unit One-off € 503.64 / per unit
Wholesale Broadband Access	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Fully unbundled (ODF FttH)	€ 12.30 – € 17.94
ODF FttH colocation	≤ € 512 / month / per Area Pop One-off ≤ € 3,075 / per Area Pop
ODF FttH Backhaul	≤ € 615 / month
Wholesale Broadband Access FttH	€ 25.00 - € 45.00 non-shared
ODF FttO	Not regulated by OPTA

1 Tariffs per 1 January 2012, refer to WPC 2009-2011 [(WPC 2A) + 2.3% indexation according to decision of OPTA on LLU

2 Tariffs per 1 April 2012

3 Tariffs per 1 May 2012