



# **Take no action regarding América Móvil's partial offer for KPN**

1 June 2012

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This document contains a number of non-GAAP measures and management estimates. Please refer to KPN's Financial Report Q1 2012, dated 24 April 2012 for the definitions.

Except for historical information and discussions contained herein, this document may contain "forward-looking statements". Forward-looking statements generally relate to future performance, results of operations, business plans or strategies, projected or anticipated revenues, expenses, earnings, or levels of capital expenditures. Although KPN believes the expectations reflected in such forward-looking statements are based on reasonable assumptions and to the best of its knowledge and beliefs as of the date hereof are true and accurate in all material respects, no assurance can be given that such statements can be fulfilled or prove to be correct, and no representation is made as to the future accuracy and completeness of such statements. In evaluating forward-looking statements consideration must be given to the fact that actual events or results may vary materially from such forward-looking statements due to, among others, political, financial, economic, commercial or legal changes in the markets and environments in which KPN operates, to competitive developments or risks inherent to KPN's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting KPN. KPN cautions investors that forward-looking statements are no guarantees of future performance and that the actual results, developments, and business decisions may vary significantly from those expressed in or implied by the forward-looking statements. The following risks related to KPN's business, among others but not limited to, could cause actual results to differ from those described in the forward-looking statements: the risk that the results of the streamlining actions adopted by KPN, if any, will differ from those anticipated, future events relating to América Móvil's unsolicited partial offer, those associated with general economic and business conditions, the impact of a prolonged economic recession on KPN's industry, business and financial condition and access to capital markets, changes in the level of spending of consumers and large business users, the highly competitive nature of the telecommunications and ICT industry, the impact of future regulatory or legislative actions, the outcome of pending procedures if any, the pricing of KPN's products, natural phenomena, the amount of long-term debt and interest incurred by KPN, changes in interest rates, the impact of KPN's investment grade debt rating on KPN's cost of capital, volatility in pension plan asset values which may require cash contributions to the pension plans. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Shareholder are reminded that under Dutch law the management and supervisory boards of KPN owe fiduciary duties to the company and through the company to all of its stakeholders and not only to shareholders. Decisions that the boards may have to take pursuant to their fiduciary duties may adversely affect shareholder value.

Shareholders should carefully read the whole of this document. In particular, your attention is drawn to the letter from the chairman of KPN to KPN's shareholders dated 1 June 2012, which contains, among others, the recommendation of the board of KPN to take no action with respect to the unsolicited partial offer by América Móvil.

This document does not constitute an offer to buy or solicitation of an offer to sell any securities or a solicitation of any vote, consent or approval. Shareholders of KPN have to form their own view on the merits of the partial offer. This document may contain quotes and excerpts from certain previously published third-party materials. Consent of the author(s) and publication(s) has neither been sought or obtained.

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# Executive summary

## Recommendation to shareholders: Take no action on América Móvil's partial offer

- América Móvil is attempting to obtain significant influence on KPN at a low price and without offering a premium on all shares
- América Móvil obtaining a 27.7% stake may deter third party offers for KPN and may deprive KPN shareholders of an M&A premium
- América Móvil's partial offer of € 8 per ordinary share is opportunistic and substantially undervalues KPN
- Underlying intentions of América Móvil remain unclear and its interests may not be aligned with those of other KPN shareholders
- América Móvil has not been willing to enter into a proposed shareholder agreement with KPN to address our concerns regarding significant influence in shareholders' meeting
- KPN is committed to maximize value for shareholders by
  - Successfully completing the transition year of our Dutch businesses
  - Exploring strategic options for German and Belgian operations to unlock superior value for all KPN shareholders

# KPN's view on América Móvil's partial offer

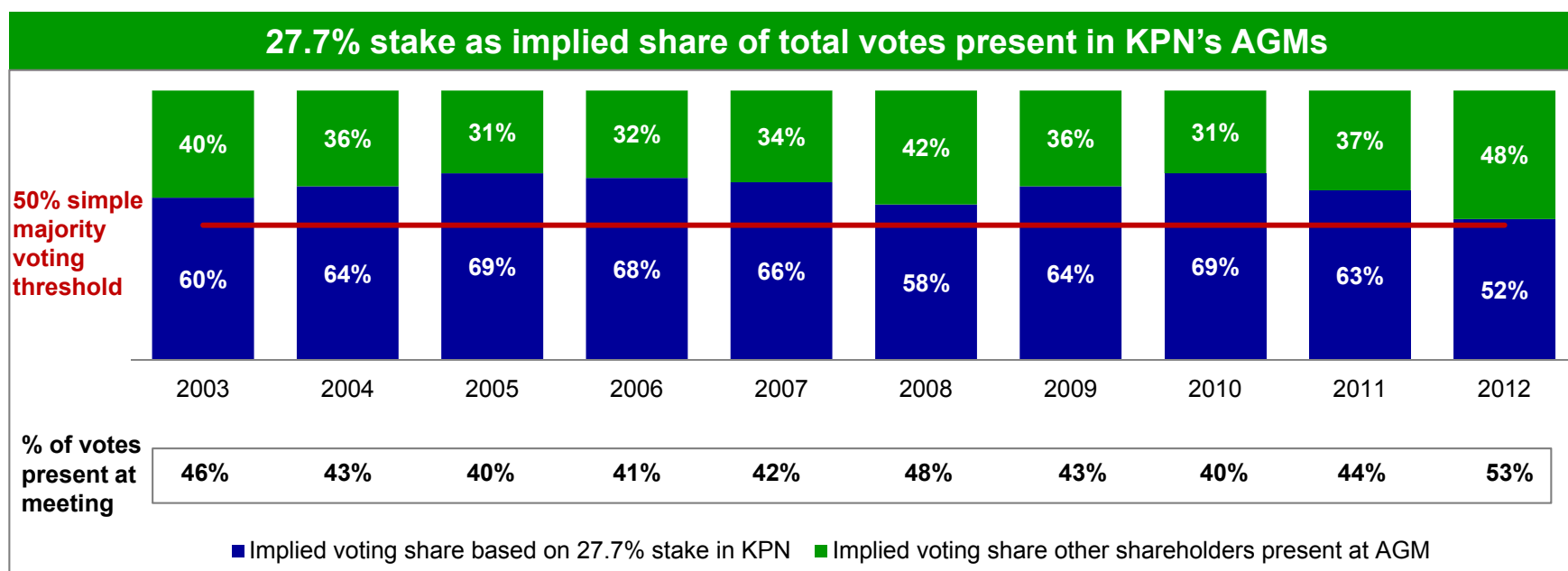
1	Price too low for gaining significant influence
2	KPN's value potential not reflected in the partial offer
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4	Exploring strategic options to unlock value for all shareholders
5	Take no action

# Price too low for gaining significant influence

Historically, a 27.7% stake would have represented significant influence

- Many strategic decisions are taken by means of simple majority voting<sup>1</sup>
- Average shareholder votes present at KPN AGM since 2003: 44%
- Targeted América Móvil stake: 27.7%

Implied voting influence of 27.7% stake: 63%



<sup>1</sup> KPN Articles of Association

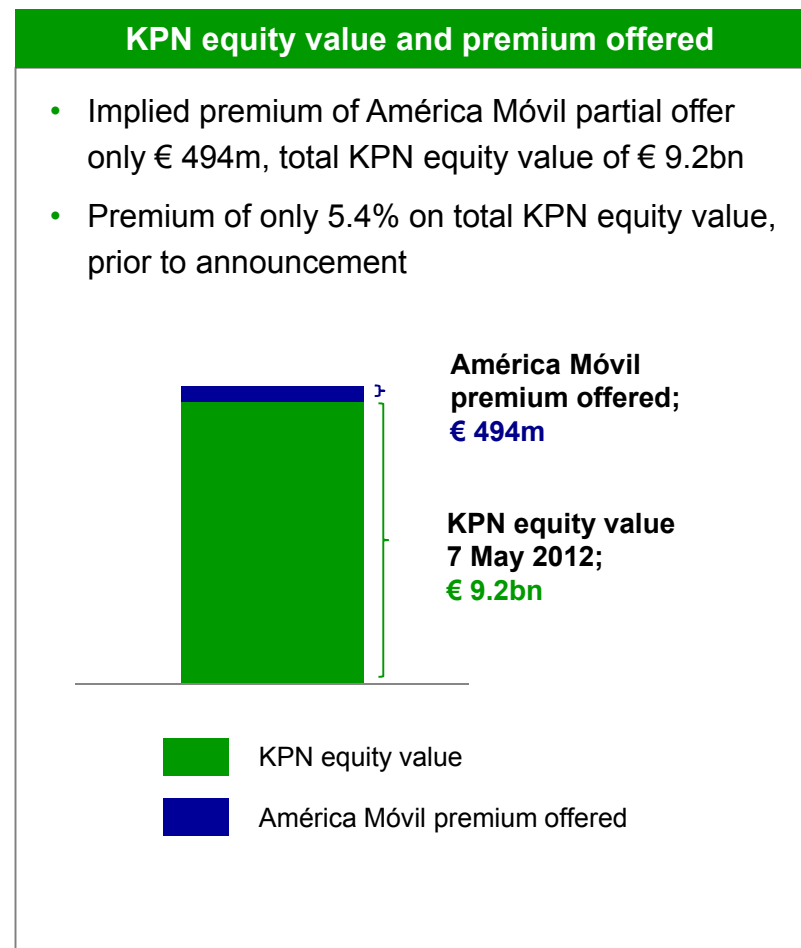
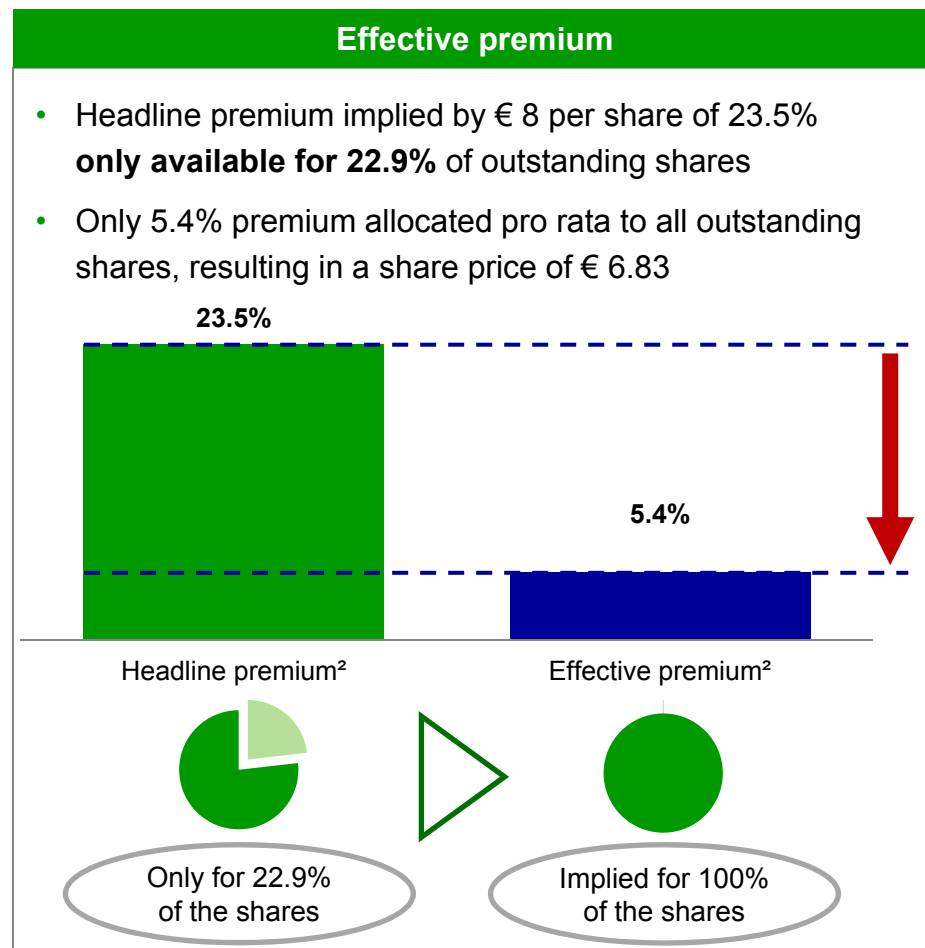
# Price too low for gaining significant influence

## Significant influence without paying control premium to all shareholders

- Avoidance of paying control premium to all KPN shareholders by targeting a 27.7% stake, just below 30% mandatory offer threshold
- With the stake contemplated, América Móvil can exercise significant influence on many strategic decisions that concern KPN's shareholder interests:
  - Potential acquisitions and divestments of large assets
  - Merger or demerger of KPN
  - Cancellation and issuance of shares
  - Shareholder remuneration policy, including distribution of allocated dividends and approval of share repurchase program(s)
  - Appointment of members of Supervisory Board
- América Móvil obtaining 27.7% ownership may have effect of deterring offers by 3<sup>rd</sup> parties
  - May deprive KPN shareholders of opportunity to receive an M&A premium

# Price too low for gaining significant influence

Effective premium offered on all shares only 5.4%, resulting in an implied share price of € 6.83<sup>1</sup>



<sup>1</sup> Effective premium implies the premium allocated pro rata to all outstanding shares, resulting in a share price of € 6.83  
<sup>2</sup> Versus closing share price of € 6.48 on 7 May 2012

# Price too low for gaining significant influence

Offer too low when benchmarked against key valuation metrics

Valuation metrics	América Móvil partial offer	
	<u>Headline</u>	<u>Effective<sup>3</sup></u>
<ul style="list-style-type: none"> <li>Premium/(discount) to historic trading levels                             <ul style="list-style-type: none"> <li>➤ Undisturbed share price<sup>1</sup></li> <li>➤ 3-month VWAP<sup>2</sup></li> <li>➤ 6-month VWAP<sup>2</sup></li> </ul> </li> <li>Difference vs. precedent comparable telecom transactions</li> <li>Difference vs. precedent control premia in The Netherlands</li> <li>Premium/(discount) to analyst target prices</li> </ul>	<p><b>23.5%</b></p> <p><b>3.4%</b></p> <p><b>(2.9)%</b></p> <p><b>(136.3)pp</b></p> <p><b>(37.4)pp</b></p> <p><b>(5.7)pp</b></p>	<p><b>5.4%</b></p> <p><b>(11.7)%</b></p> <p><b>(17.1)%</b></p> <p><b>(154.4)pp</b></p> <p><b>(55.5)pp</b></p> <p><b>(23.8)pp</b></p>

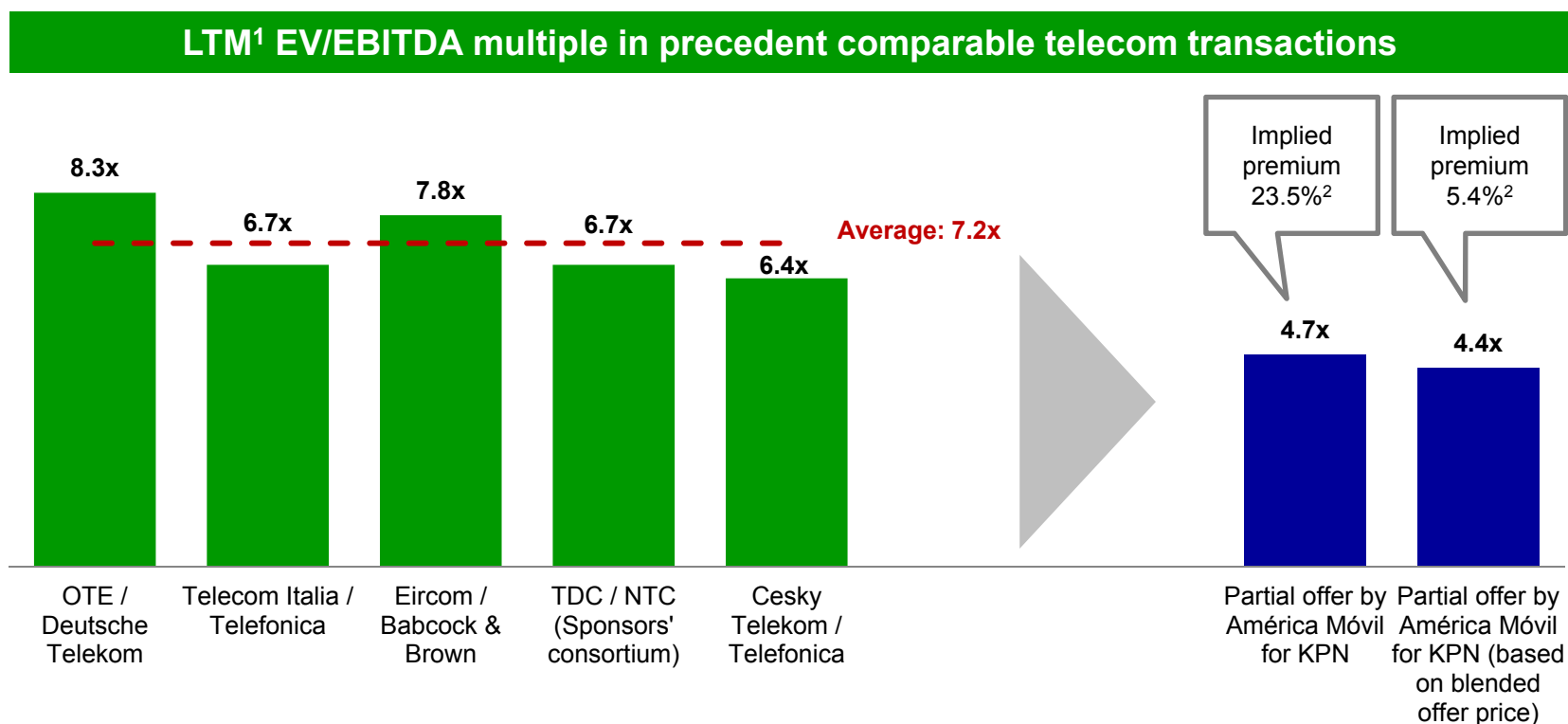
<sup>1</sup> Undisturbed share price is the closing share price of € 6.48 on 7 May 2012

<sup>2</sup> Based on period prior to the announcement of América Móvil's intention to make a partial offer (8 May 2012)

<sup>3</sup> Effective premium implies the premium allocated pro rata to all outstanding shares

# Price too low for gaining significant influence

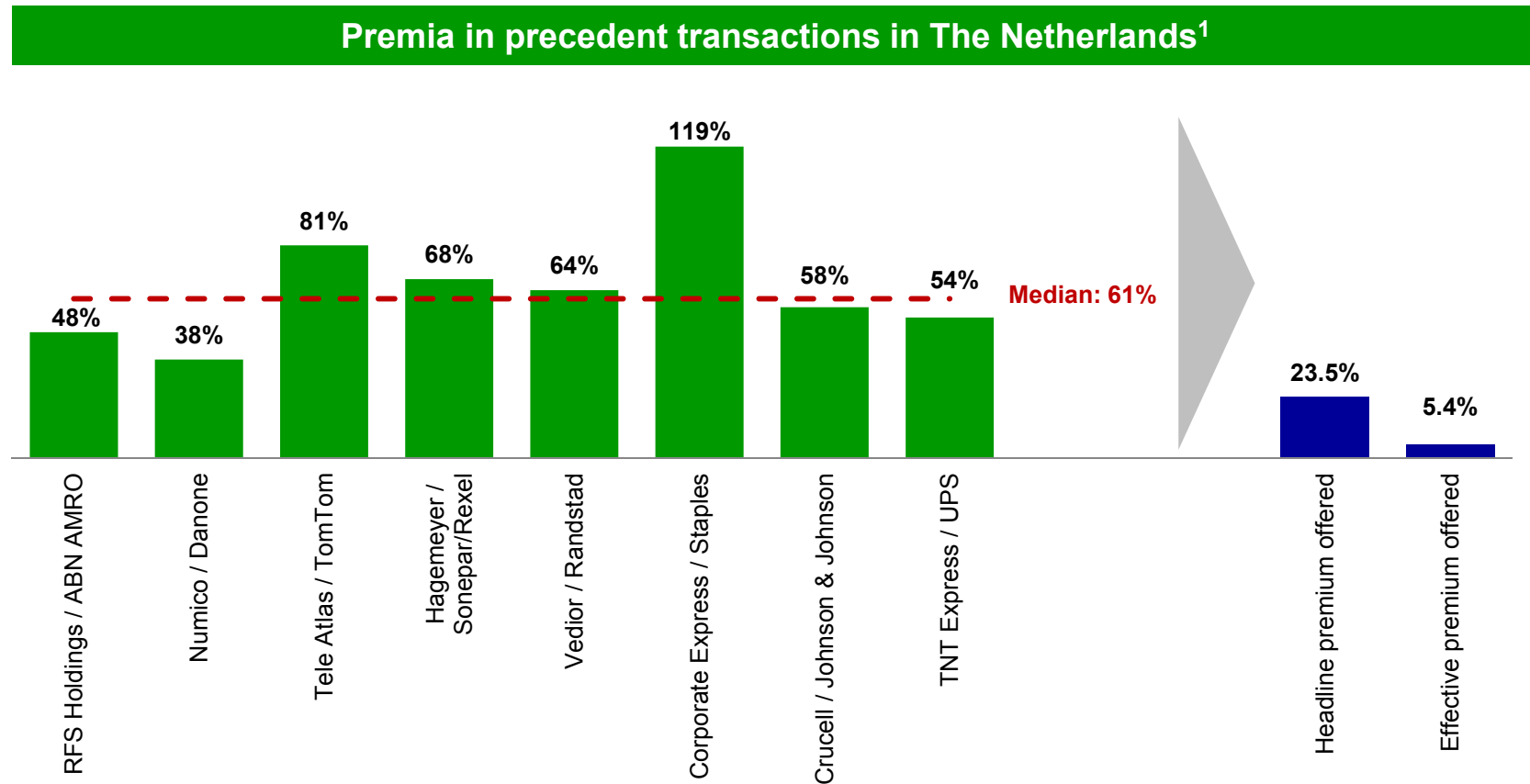
Comparable telecom transactions show partial offer substantially undervalues KPN



<sup>1</sup> LTM is last twelve months  
<sup>2</sup> Offer versus undisturbed share price

# Price too low for gaining significant influence

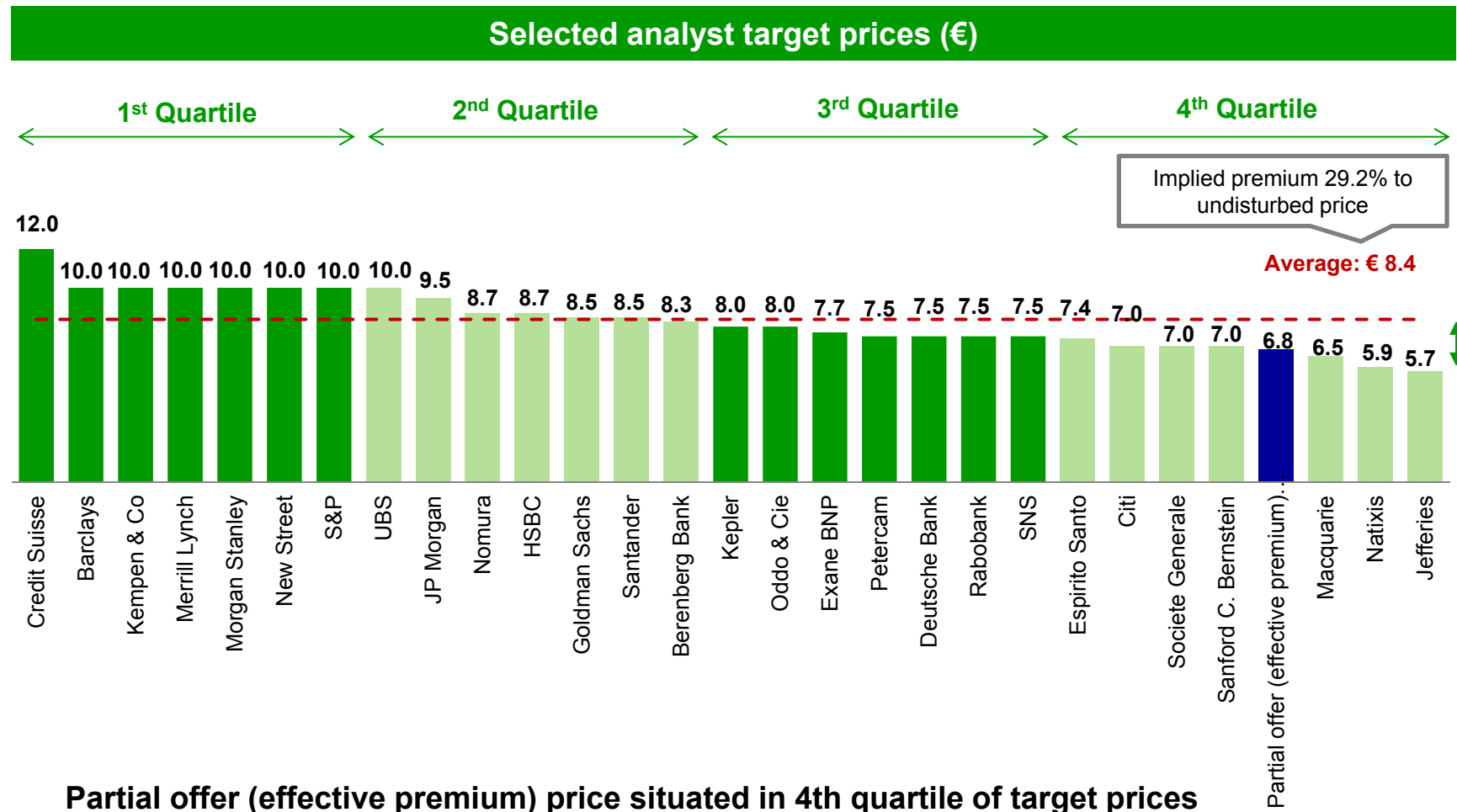
Premium significantly lower compared to precedent premia in The Netherlands



<sup>1</sup> Offer versus undisturbed share price for all public tender offers in The Netherlands since 2007 with an equity value in excess of € 1,500m and a strategic bidder; excludes all real estate transactions and transactions with financial sponsor buyers

# Price too low for gaining significant influence

Nearly all analysts have price target above partial offer (effective premium) price



# KPN's view on América Móvil's partial offer

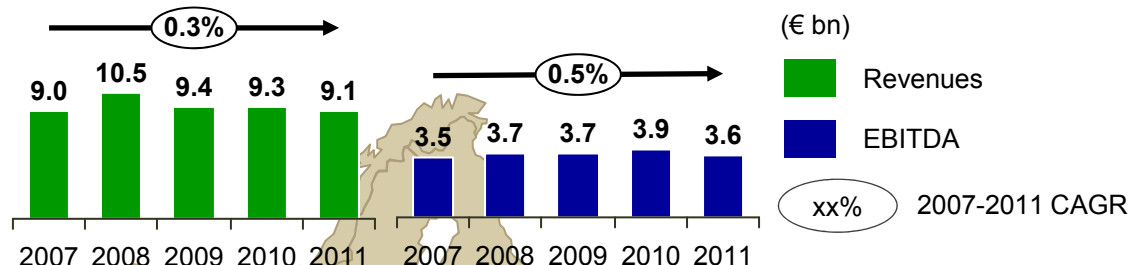
- 1 Price too low for gaining significant influence
- 2 KPN's value potential not reflected in the partial offer
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# KPN's value potential not reflected in partial offer

KPN has strong and highly profitable market positions in Northwest-Europe

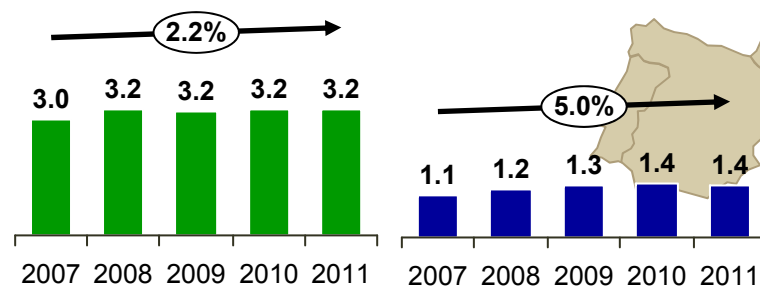
## The Netherlands<sup>1,2</sup>

Position	1
Market share mobile <sup>3</sup>	46%
Market share broadband <sup>4</sup>	40%
Customers	17.6m
EBITDA margin	39.2%



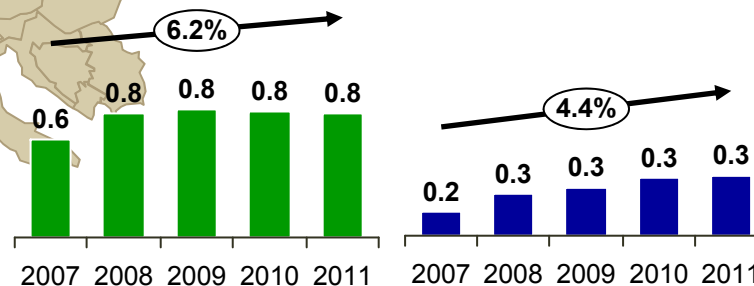
## Germany<sup>1</sup>

Position	3
Market share <sup>3</sup>	~16%
Customers	22.7m
EBITDA margin	41.8%



## Belgium<sup>1</sup>

Position	3
Market share <sup>3</sup>	19%
Customers	4.1m
EBITDA margin	35.0%



- 1 All figures are based on full-year 2011 reported financials  
 2 Historical financials for The Netherlands (incl. iBasis) based on figures prior to March 2012 restatements  
 3 Service revenues  
 4 Number of retail subscribers

# KPN's value potential not reflected in partial offer

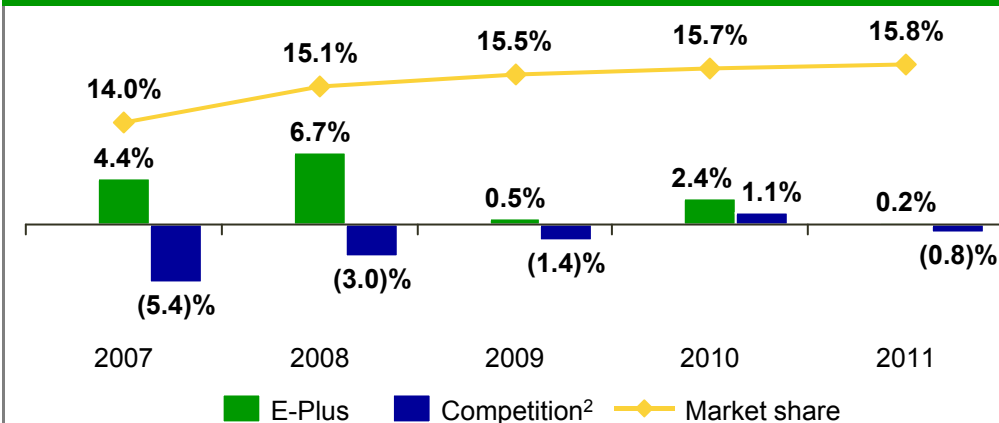
## Key highlights of KPN's investment proposition

- Strategies tailored to local markets (incumbent and challenger)
  - Incumbent and market leader in The Netherlands
  - #3 mobile player in Germany, ~16% market share, 2011 EBITDA margin >40%
  - #3 mobile player in Belgium, 19% market share, 2011 EBITDA margin 35%
- Multi-brand approach
- Strong cost cutting track record
- Leading European player in FttH and IPTV roll-out
- Limited risk profile, no Southern European exposure
- Prudent financial framework
- History of strong shareholder remuneration with industry-leading returns

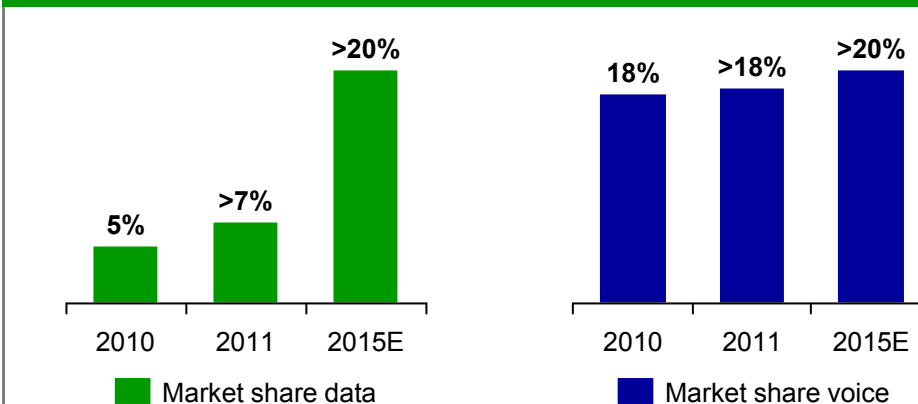
# KPN's value potential not reflected in partial offer

E-Plus has significant growth potential in large German market

## Service revenues<sup>1</sup> growth and market share



## Grow mobile challenger strategy with data



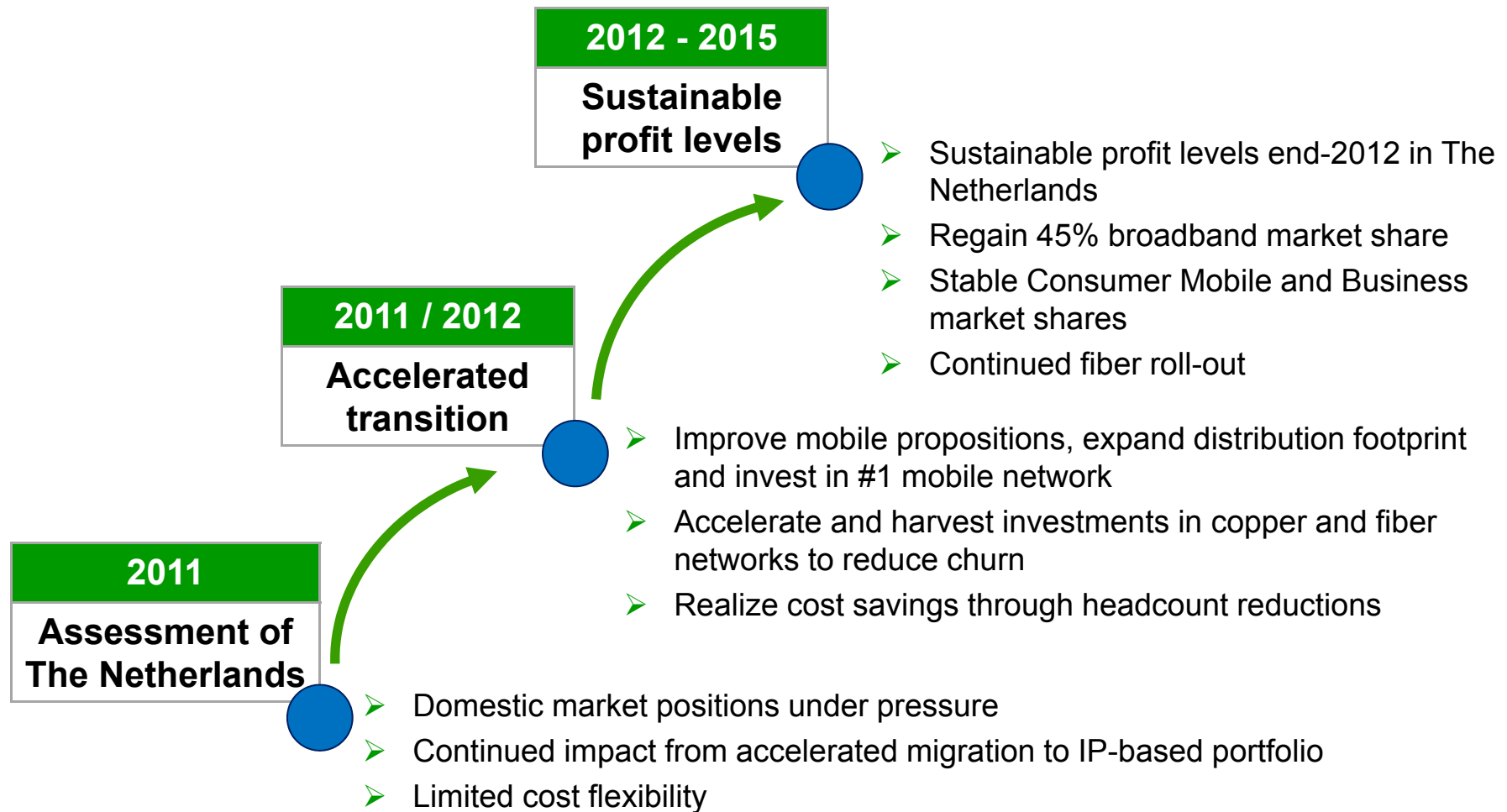
- Successful Challenger at very attractive margins
- Service revenues market share steadily increasing
- Data major source of growth for E-Plus
  - Data market share of >7% end of 2011, >20% objective for 2015
- High speed data network roll-out continues; LTE deployment in 2013/2014+
- New BASE *plus* proposition and new yourfone brand supporting growth

1 Reported service revenues

2 Competition defined as Deutsche Telekom, Vodafone and O2

# KPN's value potential not reflected in partial offer

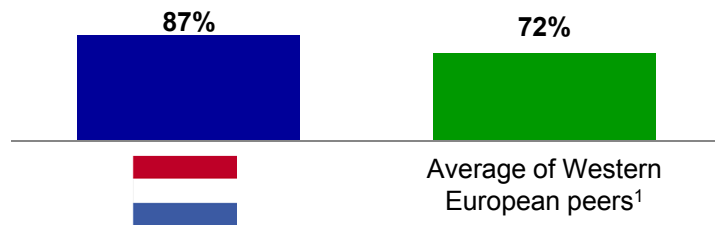
Domestic transition on track, offer timing opportunistic



# KPN's value potential not reflected in partial offer

KPN is fully committed to continuously invest in Dutch infrastructure

## Broadband penetration rate



- The Netherlands has highest broadband penetration rate of Europe and amongst top 5 in the world
- KPN has largest market share in The Netherlands
  - >50% in the Business segment
  - 40% retail broadband subscribers

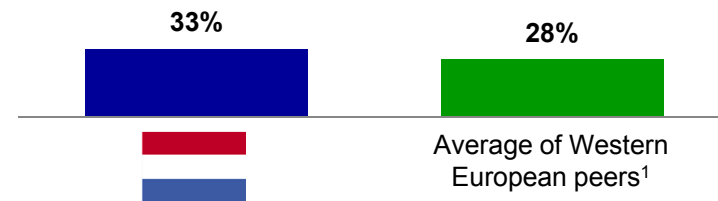


Fiber



Pay-TV

## Smartphone penetration rate



- Extensive and high-quality network in The Netherlands allowing for one of the highest smartphone penetration rates in Europe (#2 behind Switzerland)
  - Best-in-class mobile network enabling 50% of subscriber market with high speed data and high quality voice



Data



Mobile

<sup>1</sup> Average of Switzerland, France, UK, Spain and Germany

# KPN's value potential not reflected in partial offer

Excellent cost savings track record, proven ability to execute FTE reduction programs

- KPN is European leader in efficiency, resulting in high margins
  - Best-in-class equipment procurement thanks to partnerships
  - Successful execution of FTE reduction programs leading to considerably lower personnel costs and more flexible cost base

# FTEs	Objectives	Achievements
- Period 2005-2010	~10,000	9,385
- Including acceleration 2008-2010	5,800 <sup>1</sup>	6,373 <sup>2</sup>
- Period 2011-2013	4,000-5,000	In progress

- Current 4,000-5,000 FTE reduction program accelerated, representing ~20% of total FTEs in The Netherlands
  - Excellent track record in restructuring supports current headcount reduction program
  - Completion expected by end-2013

<sup>1</sup> Including temporary staff reduction target of 1,300 FTE

<sup>2</sup> Including temporary staff reduction target of 2,400 FTE

# KPN's value potential not reflected in partial offer

Outlook reflects accelerated investment strategy

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

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

<sup>1</sup> Excluding restructuring costs

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

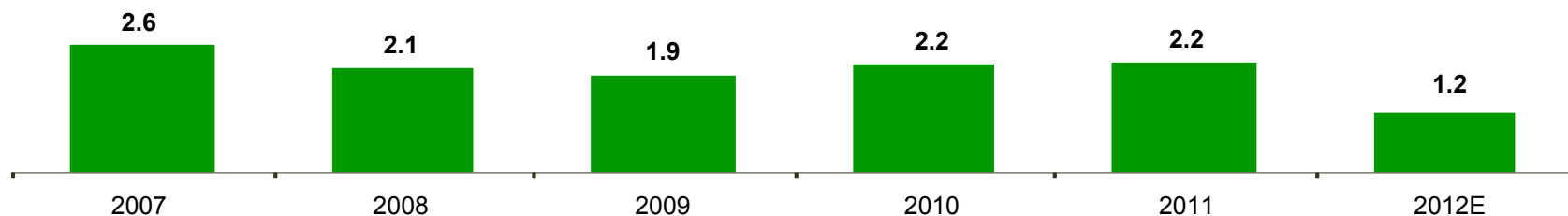
# KPN's value potential not reflected in partial offer

Fully committed to shareholder remuneration

## KPN's continued focus on shareholder remuneration

- € 0.85 dividend per share paid over 2011
- 2012 dividend per share of € 0.90
  - Total 2012 dividend ~€ 1.2bn
  - Dividend well covered by sustainable FCF
- Commitment to attractive dividend policy and returning excess cash to shareholders via share buybacks
- KPN has returned € 11bn to shareholders via dividends and share repurchases over last 5 years

## Dividends and share buybacks per annum (€ bn)



# KPN's value potential not reflected in partial offer

Timing of partial offer is opportunistic

- Transition year on track, improved performance in Dutch businesses planned for second half of 2012
  - Sustainable profit levels in The Netherlands by end-2012
- Structural changes in operations to improve underlying cost structure
  - Accelerated 4,000-5,000 FTE reduction program
  - Excellent track record in execution of FTE reduction programs
  - Best-in-class equipment procurement
- Accelerated investment strategy in The Netherlands to strengthen domestic market positions in 2012
- Germany and Belgium show continued market outperformance at high margins
  - Continued high speed mobile broadband network roll-out and LTE deployment in 2013/2014+
- Outlook 2012 reconfirmed, fully committed to shareholder remuneration

# KPN's view on América Móvil's partial offer

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# Underlying intentions América Móvil remain unclear

- With a 27.7% stake in KPN, América Móvil can exercise significant influence on many strategic decisions that concern KPN's shareholder interests
- América Móvil's interests may not be aligned with the interests of other KPN shareholders
  - “[...] América Móvil may become the largest Shareholder in the Company and as such may be able to exercise significant influence over the Company's operations and may support strategies or transactions with which Shareholders disagree.” Section 3.8.2 of América Móvil Offer Memorandum, page 11
- It remains unclear what América Móvil's intentions are in respect of:
  - KPN's overall, capital and investment strategies
  - Dividend and shareholder remuneration policy
  - Potential large M&A, e.g. synergies from German in-market consolidation of ca. € 4bn NPV<sup>1</sup>
- América Móvil has not been willing to enter into a proposed shareholder agreement with KPN which could benefit all shareholders and other stakeholders
- No significant influence for América Móvil on KPN required to explore joint commercial opportunities

<sup>1</sup> Equity research estimates of E-Plus and O2 Germany synergies based on NPV

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# Exploring strategic options to unlock value for all shareholders

- On 8 May 2012, we told shareholders we would explore all strategic options
- Today we announced the review of strategic options for E-Plus to unlock value embedded in our German business
  - Material synergy opportunity available through in-market consolidation
- We already announced a comprehensive review of strategic options in respect of our mobile operations in Belgium. This process is ongoing
- **The aim of exploring strategic options is to unlock superior value for holders of all our shares compared to América Móvil's partial offer**

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# We recommend that shareholders take no action

- América Móvil is attempting to obtain significant influence on KPN at a low price and without offering a premium on all shares
- América Móvil obtaining a 27.7% stake may deter third party offers for KPN and may deprive KPN shareholders of an M&A premium
- América Móvil's partial offer of € 8 per ordinary KPN share is opportunistic and substantially undervalues KPN on a standalone basis
- Underlying intentions of América Móvil remain unclear and its interests may not be aligned with those of other KPN shareholders
- América Móvil has not been willing to enter into a proposed shareholder agreement with KPN to address our concerns regarding significant influence in the shareholders' meeting
- KPN is committed to maximize value for shareholders by
  - Successfully completing the transition year of our Dutch businesses
  - Exploring strategic options for German and Belgian operations to unlock superior value for all KPN shareholders

# Q&A

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[www.kpn.com/ir](http://www.kpn.com/ir)



# Sources and Bases

Page	Sources	Bases
3	<ul style="list-style-type: none"> <li>• América Móvil, S.A.B. de C.V. 7-May-2012 press release</li> <li>• América Móvil, S.A.B. de C.V. 29-May-2012 offer memorandum</li> </ul>	
5	<ul style="list-style-type: none"> <li>• Company information</li> <li>• KPN articles of association</li> </ul>	
6	<ul style="list-style-type: none"> <li>• KPN articles of association</li> </ul>	
7	<ul style="list-style-type: none"> <li>• América Móvil, S.A.B. de C.V. 29-May-2012 offer memorandum</li> <li>• KPN Q1 public filing</li> <li>• KPN annual report filing</li> <li>• Bloomberg</li> </ul>	<ul style="list-style-type: none"> <li>• Equity value based on 1,418.3m shares outstanding and € 6.48 closing share price of 7-May-2012</li> <li>• Equity value premium of € 494m based on difference between € 8.00 offer price, € 6.48 7-May-2012 closing share price and 325m shares targeted in the partial offer</li> </ul>
8	<ul style="list-style-type: none"> <li>• América Móvil, S.A.B. de C.V. 29-May-2012 offer memorandum</li> <li>• KPN Q1 public filing</li> <li>• KPN annual report filing</li> <li>• Bloomberg, share prices reflect closing day share prices</li> <li>• Company press releases</li> <li>• Selected offer memoranda</li> </ul>	<ul style="list-style-type: none"> <li>• Headline premiums based on € 8.00 offer price</li> <li>• Effective premiums based on implied € 6.83 share price at 5.4% effective premium (refer to page 7) to the undisturbed share price of € 6.48 (closing share price of 7 May 2012)</li> <li>• Premiums to undisturbed, 3-month VWAP and 6-month VWAP share prices based on share prices of € 6.48, € 7.74 and € 8.24 respectively</li> <li>• Difference vs. comparable precedent telecom transactions calculated as difference between implied premium of the average selected transactions (159.8%) and headline/effective premiums of 23.5%/5.4% respectively;</li> <li>• Difference vs. precedent control premia in The Netherlands calculated as difference between the median of the precedents' premium (60.9%, refer to page 10) and headline/effective premiums of 23.5%/5.4% respectively</li> <li>• Premium / (discount) to analyst target prices calculated as difference between implied premium from average analyst target price of € 8.37 (29.2%, refer to page 11) and headline/effective premiums of 23.5%/5.4% respectively</li> </ul>

# Sources and Bases

Page	Sources	Bases
9	<ul style="list-style-type: none"> <li>Company filings, offer memoranda, press releases, analyst reports, Bloomberg</li> <li>América Móvil, S.A.B. de C.V. 29-May-2012 offer memorandum</li> </ul>	<ul style="list-style-type: none"> <li>Multiple implied by partial offer for KPN of América Móvil based on € 8.00 / € 6.83 (blended offer price) per share on all outstanding shares, KPN assumed LTM EBITDA Q1 2012 of € 5,112m, net financial debt and other adjustments of € 12,829m and shares outstanding of 1,418m</li> <li><b>Acquisition of OTE by Deutsche Telekom (20% stake):</b> The 8.3x EV/EBITDA multiple is based on an offer price of € 26 per share quoted in Deutsche Telekom's official press release related to the transaction announced on 17 March 2008. Shares outstanding, options, net debt, associates, minorities, pension deficit, operating income and depreciation &amp; amortisation are sourced from Form-20F for the Fiscal Year ended 31 December 2007</li> <li><b>Acquisition of Telecom Italia (partly via Olimpia) by Telefonica (23.6% stake, 18.0% via Olimpia and 5.6% via NewCo):</b> The 6.7x EV/EBITDA multiple is based on an average offer price of € 2.82 per ordinary share (price paid for Olimpia) as quoted in Telefonica's official press release related to the transaction announced on 28 April 2007. For the savings shares class the share price as of 28 April 2007 is used. Shares outstanding for both classes, net debt, associates, minorities, operating income and depreciation &amp; amortisation and pension deficit for TI are sourced from TI's 20-F for the Fiscal Year ended 31 December 2006</li> <li><b>Acquisition of Eircom by Babcock &amp; Brown (49.8% stake):</b> The 7.8x EV/EBITDA multiple is based on an offer price of € 2.2 per share plus the right to receive a dividend of € 0.052 as quoted in Eircom's official press release related to the transaction (offer was made on 14 April 2006). Shares outstanding, options, net debt and EBITDA are sourced from Form-20F for the fiscal year ended 31 March 2006</li> <li><b>Acquisition of TDC by NTC (88.2% stake):</b> The 6.7x EV/EBITDA multiple is based on an offer price of DKK 382 per share quoted in TDC's official press releases related to the transaction announced on the 30th of November 2005. Shares outstanding as per TDC Q3 2005 report and diluted with options outstanding as on 31st December 2004. Adjusted for minorities and associates. Net debt as per Q3 2005 adjusted for € 4.85bn proceeds from the sale of TDC Directories as reported by TDC as reported by TDC in a press release at 14 October 2005. Underlying EBITDA for the twelve month period ended 30 September 2005 and adjusted to exclude the EBITDA from TDC Directories</li> <li><b>Acquisition of Cesky Telecom by Telefonica (51.1% stake):</b> The 6.4x EV/EBITDA multiple is mentioned in Telefonica's press release of 12 April 2005</li> </ul>

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10	<ul style="list-style-type: none"> <li>• Company press releases</li> <li>• Selected offer memoranda</li> <li>• América Móvil, S.A.B. de C.V. 29-May-2012 offer memorandum</li> </ul>	<ul style="list-style-type: none"> <li>• RFS Holdings / ABN AMRO / undisturbed price date: 20-Feb-2007 / undisturbed price: € 25.92 / offer price: € 38.40 / implied premium 48%</li> <li>• Danone / Numico / undisturbed price date: 06-Jul-2007 / undisturbed price: € 39.95 / offer price: € 55.00 / implied premium 38%</li> <li>• TomTom / Tele Atlas / undisturbed price date: 20-Jul-2007 / undisturbed price: € 16.55 / offer price: € 30.00 / implied premium 81%</li> <li>• Sonepar/Rexel / Hagemeyer / undisturbed price date: 27-Sep-2007 / undisturbed price: € 2.88 / offer price: € 4.85 / implied premium 68%</li> <li>• Randstad / Vedior / undisturbed price date: 29-Nov-2007 / undisturbed price: € 12.30 / offer price: € 20.19 / implied premium 64%</li> <li>• Staples / Corporate Express / undisturbed price date: 04-Feb-2008 / undisturbed price: € 4.32 / offer price: € 9.25 / implied premium 119%. Offer premium adjusted for dividend payments</li> <li>• Johnson &amp; Johnson / Crucell / undisturbed price date: 16-Sep-2010 / undisturbed price: € 15.70 / offer price: € 24.75 / implied premium 58%</li> <li>• UPS / TNT Express / undisturbed price date: 16-Feb-2012 / undisturbed price: € 6.18 / offer price: € 9.50 / implied premium 54%</li> </ul>

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11	<ul style="list-style-type: none"> <li>• Bloomberg</li> <li>• Broker reports</li> </ul>	<ul style="list-style-type: none"> <li>• Credit Suisse target price € 12.0 / last confirmation date 20-Apr-2012</li> <li>• Kempen &amp; Co target price € 10.0 / last confirmation date 24-Apr-2012</li> <li>• Barclays target price € 10.0 / last confirmation date 25-Apr-2012</li> <li>• UBS target price € 10.0 / last confirmation date 17-May-2012</li> <li>• Morgan Stanley target price € 10.0 / last confirmation date 10-May-2012</li> <li>• Merrill Lynch target price € 10.0 / last confirmation date 14-May-2012</li> <li>• Standard &amp; Poor's target price € 10.0 / last confirmation date 08-May-2012</li> <li>• New Street target price € 10.0 / last confirmation date 08-May-2012</li> <li>• JPMorgan target price € 9.50 / last confirmation date 24-Apr-2012</li> <li>• Nomura target price € 8.7 / last confirmation date 08-May-2012</li> <li>• HSBC target price € 8.7 / last confirmation date 10-May-2012</li> <li>• Goldman Sachs target price € 8.5 / last confirmation date 08-May-2012</li> <li>• Santander target price € 8.5 / last confirmation date 22-May-2012</li> <li>• Berenberg Bank target price € 8.3 / last confirmation date 01-May-2012</li> <li>• Kepler Capital Markets target price € 8.0 / last confirmation date 09-May-2012</li> <li>• Oddo &amp; Cie target price € 8.0 / last confirmation date 11-May-2012</li> <li>• Exane BNP Paribas target price € 7.7 / last confirmation date 09-May-2012</li> <li>• Petercam target price € 7.5 / last confirmation date 08-May-2012</li> <li>• Deutsche Bank target price € 7.5 / last confirmation date 08-May-2012</li> <li>• Rabobank target price € 7.5 / last confirmation date 08-May-2012</li> <li>• SNS Securities target price € 7.5 / last confirmation date 08-May-2012</li> <li>• Espirito Santo target price € 7.4 / last confirmation date 24-Apr-2012</li> <li>• Citi target price € 7.0 / last confirmation date 08-May-2012</li> <li>• Societe Generale target price € 7.0 / last confirmation date 23-May-2012</li> <li>• Sanford C. Bernstein target price € 7.0 / last confirmation date 23-May-2012</li> <li>• Macquarie target price € 6.5 / last confirmation date 24-Apr-2012</li> <li>• Natixis target price € 5.9 / last confirmation date 25-Apr-2012</li> <li>• Jefferies target price € 5.7 / last confirmation date 08-May-2012</li> </ul>
13 - 21	<ul style="list-style-type: none"> <li>• Company information</li> </ul>	

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Page	Sources	Bases
17	<ul style="list-style-type: none"><li>• Forecast: Consumer Fixed Voice, Internet and Broadband Services, Worldwide, 2008-2015, 3Q11 Update</li><li>• <a href="http://www.ourmobileplanet.com/">http://www.ourmobileplanet.com/</a></li><li>• Company information</li></ul>	<ul style="list-style-type: none"><li>• Average of broadband Western European peers consists of Switzerland (79%), France (79%), UK (71%), Spain (67%) and Germany (65%)</li><li>• Average smartphone penetration rate of Western European peers consists of Switzerland (34%), France (27%), UK (30%), Spain (33%) and Germany (18%)</li></ul>
23	<ul style="list-style-type: none"><li>• Selected broker reports</li></ul>	<ul style="list-style-type: none"><li>• JPMorgan / 31-Jan-2012 / synergy NPV: € 3.5bn</li><li>• Bernstein / 25-Jan-2011 / synergy NPV: € 3.75bn</li><li>• Collins Stewart / 17-Mar-2010 / synergy NPV: € 4.0bn</li><li>• Morgan Stanley / 18-Feb-2010 / synergy NPV: € 3.5bn</li></ul>