

KPN Q&A related to rights issue

Q1 What is a rights issue?

- A “classic” rights issue (“Rights Issue”), which is the structure described in these Q&As, is an issue of new ordinary shares at a predetermined issue price, which is usually lower than the share price at announcement. Existing shareholders will be allotted transferable subscription Rights (“Rights”) in proportion to their share ownership on the record date that will entitle them or subsequent transferees of the Rights to subscribe for the offered ordinary shares at the issue price
- Subscription for new ordinary shares is only allowed by eligible persons (“Eligible Persons”), subject to applicable securities laws and Persons are able to give the representations and warranties set out in the Prospectus of Rights Issue
- The Rights ratio determines the number of Rights that are necessary to subscribe for one new ordinary share
- The Rights can be traded during the Rights trading period on NYSE Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (“Euronext Amsterdam”)

Q2 What is the timetable for the Rights Issue?

Event	Time and date
Record Date	17:40 hours (CET) on 25 April 2013
Start of ex-Rights trading in the Shares	09:00 hours (CET) on 26 April 2013
Start of Exercise Period	09:00 hours (CET) on 26 April 2013
Start of trading in Rights on Euronext Amsterdam (Trading Period)	09:00 hours (CET) on 26 April 2013
End of trading in the Rights on Euronext Amsterdam	17:40 hours (CET) on 13 May 2013
End of Exercise Period	15:00 hours (CET) on 14 May 2013
Start of Rump Offering	07:30 hours (CET) on 15 May 2013
End of Rump Offering	by 17:30 hours (CET) on 15 May 2013
Settlement date	17 May 2013
Listing of, and start of trading in, the Offer shares. On Euronext Amsterdam	09:00 hours (CET) 17 May 2013

Q3 What are the codes of the Rights and the ordinary shares of KPN?

- | | |
|--------------------------------|---|
| - Codes of the Rights | ISIN code: NL0010421525
Trading Symbol: KPNR |
| - Codes of the ordinary shares | ISIN code: NL0000009082
Trading Symbol: KPN |

Q4 Who can participate in the KPN Rights issue?

- In connection with the Rights Issue, holders of ordinary shares of KPN at the close of trading on Euronext Amsterdam on the record date at 17:40 (CET) on 25 April 2013, will receive Rights. These Rights entitle them to subscribe for new ordinary shares KPN in the Rights Issue if they are able to provide certain representations and warranties. This is subject to applicable securities laws and the terms that will be set out in the prospectus for the Rights Issue
- In addition, buyers of Rights, obtained during the Rights trading period from 26 April 2013 until 13 May 2013, are eligible for participation if they are able to provide certain representations and warranties. This is subject to applicable securities laws and the terms that are set out in the prospectus for the Rights issue

Q5 What is an Eligible Person?

- Shareholders on the Record Date, subsequent transferees of the Rights, and others, in each case who are able to give the representations and warranties set out in the Prospectus.

Q6 How many Rights does a shareholder receive?

- For each KPN ordinary share that is in ownership at the close of trading on Euronext Amsterdam on 25 April 2013, 1 right is awarded
- For every 1 (one) Right, you can subscribe for 2 (two) new ordinary shares
- Your bank or financial intermediary (“Intermediary”) will be able to advise you in due course of the exact number of Rights you have been awarded.

Q7 How will the Rights Issue affect the price of the KPN ordinary share?

- The KPN ordinary shares will start trading ex-Rights from the start of the Rights trading period at 09:00 (CET) on 26 April 2013.
- On the record date there will be an 'automatic' adjustment in the price of the KPN ordinary shares, considering that part of the value of the ordinary shares is being transferred to the Rights.
- The 'Theoretical Ex-Rights Price' (TERP) reflects the theoretical value of the ordinary share immediately after the separation of the subscription Rights
- The actual price of the ordinary share is of course determined by developments in the stock market, the industry, and KPN specific news. The TERP therefore only gives an indication of the price at which the KPN ordinary share could be trading after the subscription Rights and ordinary shares have started trading separately

Q8 How will the TERP be calculated?

- The theoretical ex-rights price (TERP) will be calculated as follows:
(Number of outstanding ordinary shares before the Rights Issue x A + issued new ordinary shares x B)
divided by the (Total number of outstanding ordinary shares after the Rights Issue)
A = Closing price prior to launch
B = Issue price of the new ordinary shares

Q9 What are my options as a shareholder?

- Assuming you are eligible to participate in the Rights Issue, you can inform your financial intermediary or bank if you want to participate in the Rights offering by exercising your Rights
- Your financial intermediary or bank will be responsible for collecting exercise instructions from you with regards to the Rights that you have received and will be informing the subscription agent thereof
- Holders of Rights (whether a shareholder on the record date or a subsequent transferee of Rights) who are not eligible person shall not be issued, offered or sold new ordinary shares

You decide to exercise all your Rights	<ul style="list-style-type: none">• You should notify your Intermediary that you wish to exercise all your Rights• The Issue price for the new ordinary shares must be paid to the Intermediary in accordance with the instructions you will receive from your Intermediary• Your Intermediary will check if you will have sufficient Rights to subscribe for the number of new ordinary shares and will check your balance on your bank account• The payment of the issue price for the new ordinary shares must take place no later than 17 May 2013, but your Intermediary could request you to pay on an earlier date• Your Intermediary will pass your instruction and payment to the 'subscription agent', who will instruct KPN and finalize the payment.
You decide to partly exercise and partly sell your Rights	<ul style="list-style-type: none">• You should notify your Intermediary which part of your Rights you want to exercise and which part you want to sell• For further information regarding the exercise or selling of Rights please read "You decide to Exercise all your Rights" /

	“You decide to sell all your Rights”
You decide to sell all your Rights	<ul style="list-style-type: none"> • You should notice your Intermediary that you wish to sell all your Rights • You are able to sell your Rights during the trading period from 09:00 (CET) on 26 April 2013 until 17:40 (CET) on 13 May 2013 • If you sold your Rights, you will receive the value on the specific time they were traded during the trading hours of Euronext Amsterdam
You decide to let your Rights expire	<ul style="list-style-type: none"> • You will not have to take any action • You will not have to notify your Intermediary that you want your Rights to expire • In this case the new ordinary shares on which the expired Rights are based will be sold at the end of the exercise period through a Rump Offering with certain institutional and professional investors in The Netherlands and certain other jurisdictions. There is possibility that you will receive a financial benefit from this private placement, only when the price per share for this Rump Offering is higher than the issue price plus any expenses (total benefit must be higher than € 0.01 per Right) However, there is no guarantee of this scenario. More details can be found in the Prospectus

Q10 How does the Rights issue impact my ownership entitlement in the company?

- Shareholders who transfer or who do not or who are not permitted to exercise their Rights to subscribe in full to new ordinary shares will experience ownership and voting right dilution

Q11 How will KPN's EPS be affected by the Rights Issue?

- The TERP discount is neutral in terms of EPS dilution. For calculation purposes, EPS pre-Rights issue will be adjusted for the pro-forma number of ordinary shares just as in the case of a stock split. Under IFRS any per-share calculations for previous years (e.g. EPS) will also be automatically adjusted through the same established formula (TERP/cum-Rights share price) in order to maintain comparability on a year-on-year basis
- Adjusted EPS for FY 2012 will be € 0.32¹ based on an adjustment factor of 0.59

Q12 At what discount to the TERP will the new ordinary shares be offered?

- The discount of the subscription price to the TERP will be 35.1%. This will be based on the closing price of the KPN share on Euronext Amsterdam on 24 April 2013

¹ Defined as profit after taxes per ordinary share on a non-diluted basis; based on restated 2012 figures (IAS 19R)

Q13 How and till when can I buy or sell Rights?

- You can buy or sell Rights during the Rights trading period through Euronext Amsterdam, which starts 09:00 (CET) on 26 April 2013 and lasts until 17:40 (CET) on 13 May 2013. In order to buy or sell Rights during the trading period you should instruct your financial intermediary or bank

Q14 Can I buy more ordinary shares from the Rights Issue than the number I am entitled to based on my Rights?

- Yes, you can, by buying additional Rights. The Rights will be traded on Euronext Amsterdam during the Rights trading period. You can instruct your financial intermediary or bank during this period to buy additional Rights. With these Rights you can subsequently subscribe for new ordinary shares up to the end of the subscription period if you are an Eligible Person and are therefore allowed to subscribe. Your financial intermediary or bank may set an earlier deadline for subscriptions

Q15 What is the deadline for my decision?

- It is possible to buy or to sell any Rights until the end of the Rights trading period which starts on 09:00 (CET) on 26 April 2013 and lasts until 17:40 (CET) on 13 May 2013 (as will be communicated at the start of the subscription period). The Rights can be exercised, i.e. subscription to new ordinary shares, until the end of the subscription period, which starts on 26 April 2013 and lasts until 15.00 (CET) on 14 May 2013 but your financial intermediary or bank may set an earlier deadline for subscriptions

Q16 Can I change my mind?

- After you have informed your financial intermediary or bank of your intention to take up / sell your Rights, or if you have decided to let your Rights expire and the subscription period has closed, you cannot withdraw your decision (except in situations and on the terms that will be set out in the prospectus)

Q17 What do I have to do if I received less Rights than I need to exercise to buy one new ordinary share from the Rights Issue?

- You can sell these Rights but also buy the required missing number of new Rights in order to have enough Rights to subscribe to the new ordinary shares. Please take in consideration any costs and you will have to qualify as an Eligible Person.

Q18 What if I do not hear anything from my financial intermediary or bank?

- In principal your financial intermediary or bank will provide you with information regarding the KPN Rights issue. Since this is usually done in writing, it may take a few days to reach you. Of course you are free to contact your financial intermediary or bank to discuss the exact procedure.

Q19 I do not live in the Netherlands, can I participate?

- In most countries outside the Netherlands there are selling and transfer restrictions based on applicable securities laws. In particular, subject to certain exceptions, shareholders in, but not limited to the United States of America, Australia and Japan will not be able to participate in the transaction. A description of these restrictions will be set out in the prospectus

Q20 Are there any costs attached to the subscription for new ordinary shares?

- There are no costs attached to the subscription for new ordinary shares, but you must pay the Issue price

Q21 Are there any costs attached to buying or selling Rights?

- Your financial intermediary or bank will quote the usual fees for security transactions

Q22 When will I receive confirmation of the new ordinary shares that I acquired in the Rights issue or receive the proceeds from the Rights that I have decided not to take up?

- The new ordinary shares that you have acquired in the Rights Issue will be in your possession on the settlement date. Similarly, you might receive financial compensation (if any) for Rights that you let expire on that date. The proceeds from any Rights sold during the Rights trading period will pass to you immediately at the settlement of the Rights trade (T+3) (subject to any delays from your financial intermediary or bank)

Q23 I do not have any KPN ordinary shares, but would like to participate in the Rights issue. Is that possible?

- Yes it is. You can instruct your financial intermediary or bank to buy KPN ordinary shares at any point until the Record Date. Alternatively you will be able to buy Rights during the Rights trading period. With the Rights you purchased you can, if you are an eligible person, subscribe for the ordinary shares against the subscription price

Q24 Is the Rights Issue Guaranteed?

- A syndicate of banks consisting of Joint Global Coordinators and Joint Bookrunners (Deutsche Bank, Goldman Sachs International, J.P. Morgan), the Joint Bookrunners (ABN AMRO, ING, Rabobank International), Co-Bookrunners (BofA, Merrill Lynch, Barclays, Citigroup, UBS Investment Bank) and Co-Lead Managers (BNP PARIBAS, Credit Suisse, Société Générale and UniCredit) will underwrite the Rights Issue under certain terms that are set out in the prospectus

Q25 How does a Rump offering works?

- Offer Shares that were issuable upon the exercise of Rights but have not been subscribed for during the Exercise Period (the Rump Shares) will be offered for sale by the Joint Global Coordinators on behalf of the syndicate of banks by way of private placements to institutional and professional investors in the Netherlands and certain other jurisdictions (the Rump Offering)

Q26 Where can I obtain further information?

- On our website you can find more information. For instructions regarding your Rights you can contact your financial intermediary or bank
- ABN AMRO will act as 'subscription agent' for the Rights Issue. For any technical questions regarding the Rights Issue process and if you want to receive the Prospectus (available from 25 April 2013), please contact the ABN AMRO Corporate Broking team (0031) (0) 20 344 2000 or toll-free number +800 2226 2776