

Annual Results 2009

26 January 2010

Safe harbor

Non-GAAP measures and management estimates

This presentation contains a number of non-GAAP figures, such as 'existing' and 'disposed' revenues and other income, 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 average excluding book gains, release of pension provisions and restructuring costs, when over € 20 mn. 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 at E-Plus.

The term 'existing' indicates that only the Getronics business that was part of KPN Group as at the end of the reporting period of the interim financial statements are included. The term 'disposed' refers to the Getronics business which is no longer part of KPN Group at the end of the reporting period of the interim financial statements. The term 'existing and disposed' refers to, and only to, businesses that were part of Getronics at the initial consolidation of Getronics within the KPN Group on 23 October 2007.

The term 'Dutch Telco business' is defined as the Netherlands excluding Getronics, iBasis and book gains on real estate. The term 'Service revenues' refers to wireless service revenues.

All market share information in this presentation 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.

Forward looking statements

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, its 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 2008 Annual Report.

Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Carla Smits-Nusteling, CFO
Operating review International	Eelco Blok, MD Mobile International/iBasis
Operating review Netherlands	Baptiest Coopmans, MD Dutch Telco
Operating review Getronics	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



Highlights 2009

Focus on EBITDA, cash flow and market shares continues to deliver

- Good full-year results meeting guidance on EBITDA and cash flow, revenues slightly below guidance
- Impact of economic downturn mitigated by cost reductions
- Strong profitability growth of Dutch Telco business, continued market outperformance at Mobile International
- Outlook 2010 confirmed, € 1 bn share repurchase program for 2010
- Dividend per share of at least € 0.85 for 2011

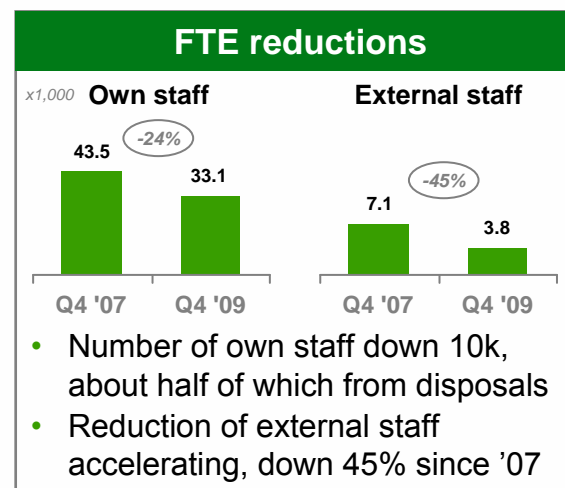
Progress 'Back to Growth' strategy

Solid progress on strategic objectives as announced in February 2008

	Objectives 'Back to Growth' strategy (2008-2010)	Achievements 2008-2009
Netherlands	<ul style="list-style-type: none"> • Leading service provider and best-in-class operator • Reaching EBITDA inflection supported by simplification and ongoing FTE and cost reductions 	<ul style="list-style-type: none"> • Strong position in all segments and overall stable market shares • EBITDA returned to growth • Impact from economic downturn, but mitigated by cost reductions
Mobile International	<ul style="list-style-type: none"> • Continued market outperformance and attractive margins • Selective expansion in Europe 	<ul style="list-style-type: none"> • Continued market outperformance with solid margins • Return to growth in Belgium, preparing for next phase of strategy in Germany • Leading MVNO in Spain and France
Getronics / iBasis	<ul style="list-style-type: none"> • Positive contribution from Getronics and iBasis following acquisition in H2 '07 	<ul style="list-style-type: none"> • Integration Getronics and KPN Business • Solid profitability at Getronics despite economic downturn • Strategic repositioning iBasis following acquisition of remaining minority share

Cost efficiency

Substantial results so far, more savings to come from simplification and FTEs



SAC/SRC




- Carefully managing down SAC/SRC, while maintaining competitive position

Supplier contracts



- Spend on suppliers down ~15%, based on more efficient use of suppliers and lower pricing

Traffic-related costs




- Reduction in traffic-related costs from lower MTA and roaming rates

Simplification



- Reduction in number of brands, delivery processes and networks
- Substantial opportunity left for further simplification

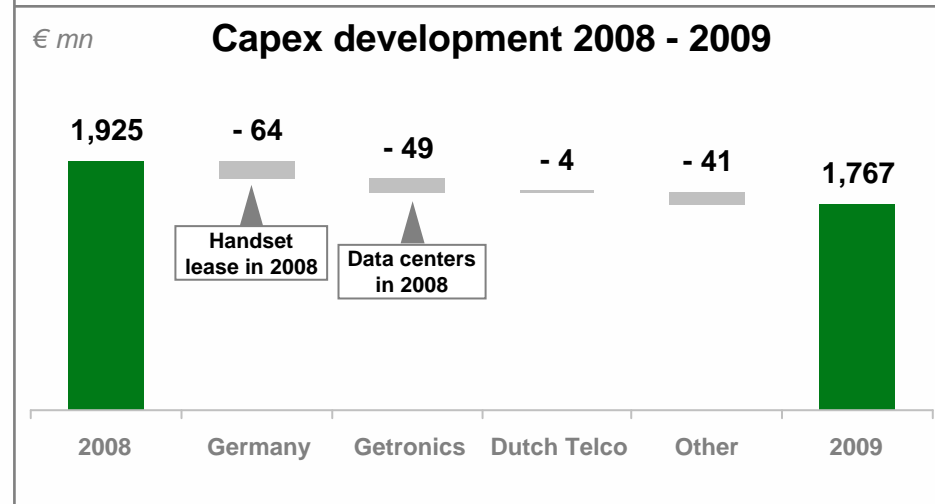
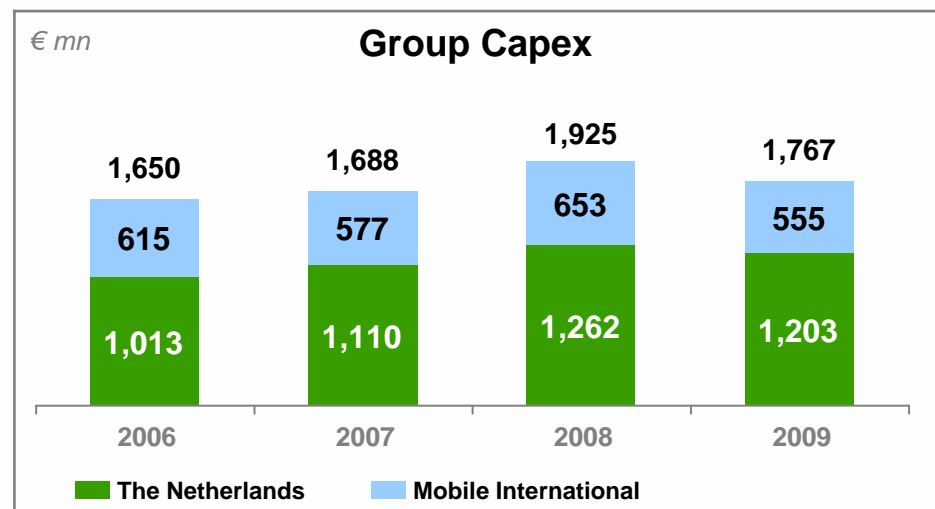
Quality of service



- Improved quality of service and customer satisfaction
- Reduction in number of calls and complaints, down 60% since 2007

Capex

Centralized budget with focus on ROCE to result in more efficient spend



- Capex down 8% y-on-y in 2009
 - Handset lease Capex Germany only in 2008
 - Data center investments Getronics in 2008
 - Network rollout driven by customer demand
 - Higher efficiency in network investments
- Stable Capex at Dutch Telco business in 2009
 - Additional investments in core network, mobile networks and IT
 - Lower equipment prices offset by volume effect - 'More value for money'
- Increased focus on Return on Capital Employed (ROCE) of network investments
- Centralized Capex to result in increased investment efficiency going forward
 - Central Capex Board in the Netherlands
 - Leveraging assets across markets at Mobile International

Results 'Back to Growth'

Strong progress towards financial objectives for 2010

Revenues¹ impacted by economic downturn

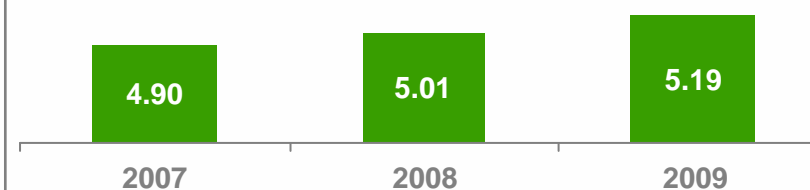
€ bn



- Guidance adjusted downwards in 2009, driven by focus on profitability

Growing EBITDA¹

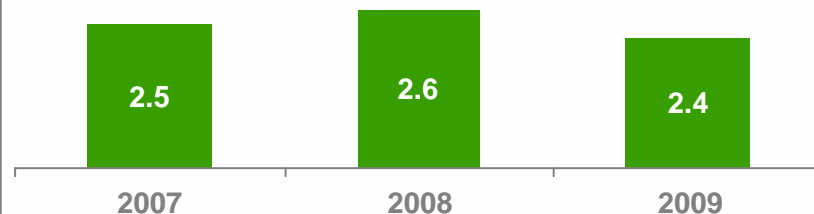
€ bn



- Guidance unchanged since February 2008

Free cash flow at least €2.4 bn

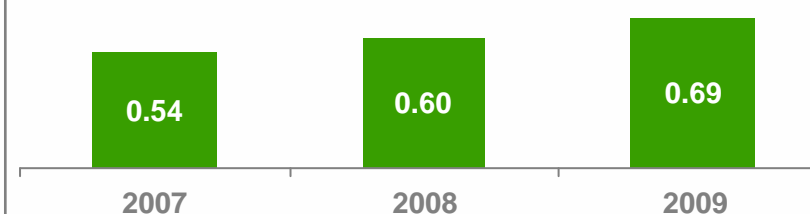
€ bn



- Guidance unchanged since February 2008

Growing dividend per share

€



- Guidance unchanged since February 2008

¹ Excluding disposed operations at Getronics

Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Carla Smits-Nusteling, CFO
Operating review International	Eelco Blok, MD Mobile International/iBasis
Operating review Netherlands	Baptiest Coopmans, MD Dutch Telco
Operating review Getronics	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



Performance versus outlook 2009

EBITDA, Capex and FCF guidance met, revenues slightly below guidance

	Outlook 2009	Reported 2009	
Revenues and other income ¹	€ 13.6-13.8 bn	€ 13.5 bn	✗
EBITDA ¹	Meaningful step towards 2010 target	€ 5.2 bn	✓
Capex	€ 1.8-1.9 bn	€ 1.8 bn	✓
Free cash flow ²	~ € 2.4 bn	> € 2.4 bn	✓
Dividend per share	Meaningful step towards 2010 target of € 0.80	€ 0.69	✓

- Results reflect focus on EBITDA, cash flow and market shares, rather than revenues
- EBITDA growth 3.6% y-on-y
- Efficient use of Capex
- Free cash flow on target but of different composition
- Growing dividend per share, € 0.69 over FY '09

¹ Excluding disposed operations at Getronics

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

Outlook

Outlook for 2010 confirmed

	Reported 2008	Reported 2009	Outlook 2010
Revenues and other income¹	€ 14.0 bn	€ 13.5 bn	In line with 2009
EBITDA¹	€ 5.0 bn Incl. real estate: € 132 mn	€ 5.2 bn Incl. real estate: € 56 mn	> € 5.5 bn Incl. real estate: Not material
Capex	€ 1.9 bn	€ 1.8 bn	< € 2 bn
Free cash flow²	€ 2.6 bn	> € 2.4 bn	> € 2.4 bn
Dividend per share	€ 0.60	€ 0.69	€ 0.80

- Contribution to EBITDA uplift in 2010 from across the Group
- Improvements in cost efficiency to continue
- Expecting 1/3 of EBITDA uplift to materialize in H1, remainder in H2 '10

¹ Excluding disposed operations at Getronics

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

Outlook 2011

'Back to Growth' strategy continued

Financial framework

- Confirming financial framework, prudent financing policy maintained
 - Net debt / EBITDA ratio between 2.0-2.5x
 - Committed to minimum credit rating of BBB (S&P) and Baa2 (Moody's)
 - Redemptions financed well ahead
 - Selective M&A with clear focus on value creation

Shareholder remuneration

- Continued commitment to growing dividend per share
- Using surplus cash for share repurchases

Outlook 2011

- **Continuation of 'Back to Growth' strategy**
- **Growth in EBITDA, free cash flow and dividend per share**
- **Dividend per share at least €0.85 for 2011**

Group results

Continued EBITDA growth despite revenue pressure

€ mn	Q4 '09	Q4 '08	%	FY '09	FY '08	%
Revenues and other income (reported)	3,371	3,718	-9.3%	13,509	14,602	-7.5%
— Getronics revenues (disposed)	-	97	-	22	623	-
Revenues and other income (existing)	3,371	3,621	-6.9%	13,487	13,979	-3.5%
Operating expenses	2,647	3,126	-15%	10,659	12,005	-11%
— of which Depreciation ¹	383	397	-3.5%	1,550	1,614	-4.0%
— of which Amortization ¹	200	292	-32%	792	847	-6.5%
Operating result	724	592	22%	2,850	2,597	9.7%
Financial income/expense	-240	-188	28%	-808	-704	15%
Share of profit of associates	-	-	-	-6	-6	-
Profit before taxes	484	404	20%	2,036	1,887	7.9%
Taxes	609	-107	n.m.	139	-550	n.m.
Profit after taxes	1,093	297	>100%	2,175	1,337	63%
Earnings per share²	0.67	0.18	>100%	1.33	0.77	73%
EBITDA³ (reported)	1,307	1,281	2.0%	5,192	5,058	2.6%
— Getronics EBITDA (disposed)	-	17	-	-	45	-
EBITDA³ (existing)	1,307	1,264	3.4%	5,192	5,013	3.6%

- Full-year revenue decline compared to 2008, due to regulation (~€ 290 mn), iBasis (€ 193 mn), Getronics (€ 110 mn) and lower book gains on real estate (€ 76 mn)
- Step-up in net profit and EPS in Q4 '09 as a result of recognition € 0.7 bn deferred tax asset at E-Plus

¹ Including impairments, if any

² Defined as profit after taxes per ordinary share / ADS on a non-diluted basis (in €), based on a weighted average of 1,639 mn shares

³ Defined as operating result plus depreciation, amortization & impairments

Group cash flow Q4

Free cash flow of € 0.9 bn in Q4 '09

€ mn	Q4 '09	Q4 '08	%
Operating result	724	592	22%
Depreciation and amortization ¹	583	689	-15%
Interest paid/received	-151	-217	-30%
Tax paid/received	55	-193	n.m.
Change in provisions	-85	-58	47%
Change in working capital ²	306	603	-49%
Other movements	-9	-87	-90%
Net cash flow from operating activities	1,423	1,329	7.1%
Capex³	565	613	-7.8%
Proceeds from real estate	62	140	-56%
Tax recapture E-Plus	16	128	-88%
Free cash flow⁴	936	984	-4.9%
Dividend paid	-	-	-
Share repurchases	186	103	81%
Cash return to shareholders	186	103	81%

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 at E-Plus

- Free cash flow of € 936 mn in Q4 '09, down 4.9% y-on-y
 - € 157 mn positive tax effect from tax prepayment in Q1 and tax refund in Q4
 - € 150 mn non-structural working capital in Q4 '08, reversed in 2009
 - € 78 mn lower proceeds from real estate compared to 2008
 - € 66 mn lower interest paid
- Capex down 7.8% y-on-y
 - Lower capacity investments and client-driven Capex
 - € 21 mn handset lease Capex in Germany in Q4 '08

Group cash flow FY '09

Meeting full-year guidance for ~€ 2.4 bn free cash flow

€ mn	FY '09	FY '08	%
Operating result	2,850	2,597	9.7%
Depreciation and amortization ¹	2,342	2,461	-4.8%
Interest paid/received	-612	-597	2.5%
Tax paid/received	-506	-522	-3.1%
Change in provisions	-290	-208	39%
Change in working capital ²	10	418	-98%
Other movements	-18	-119	-85%
Net cash flow from operating activities	3,776	4,030	-6.3%
Capex³	1,767	1,925	-8.2%
Proceeds from real estate	94	180	-48%
Tax recapture E-Plus	343	313	9.6%
Free cash flow⁴	2,446	2,598	-5.9%
Dividend paid	1,039	981	5.9%
Share repurchases	898	1,103	-19%
Cash return to shareholders	1,937	2,084	-7.1%

- Free cash flow over € 2.4 bn for 2009, meeting guidance
- Positive FCF effects in 2009
 - ~€ 160 mn VAT benefit
 - € 109 mn tax refunds relating to prior years
 - € 158 mn lower Capex
- Negative FCF effects in 2009
 - Proceeds from real estate € 86 mn lower compared to 2008
 - € 88 mn additional pension payments
 - € 150 mn non-structural working capital in Q4 '08, reversed in 2009
- Capex of € 1.8 bn, down 8.2%
 - At lower end of guidance range of € 1.8-1.9 bn

¹ Including impairments, if any

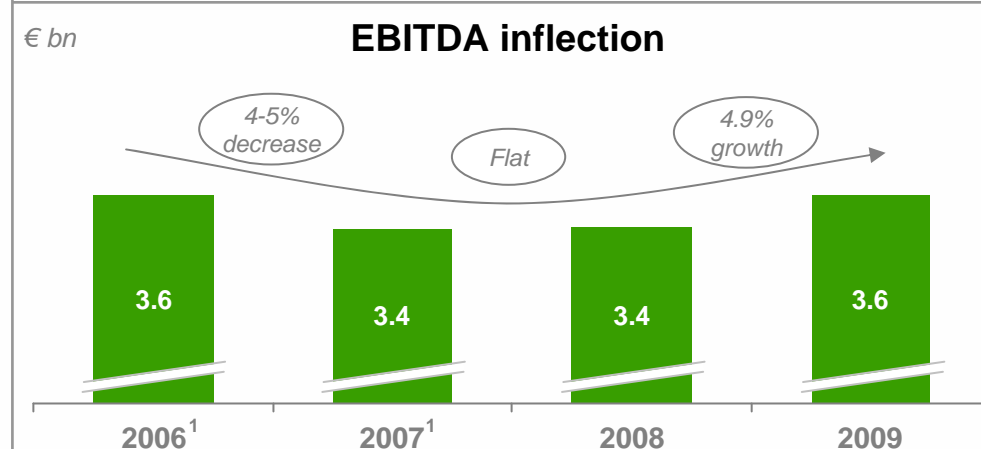
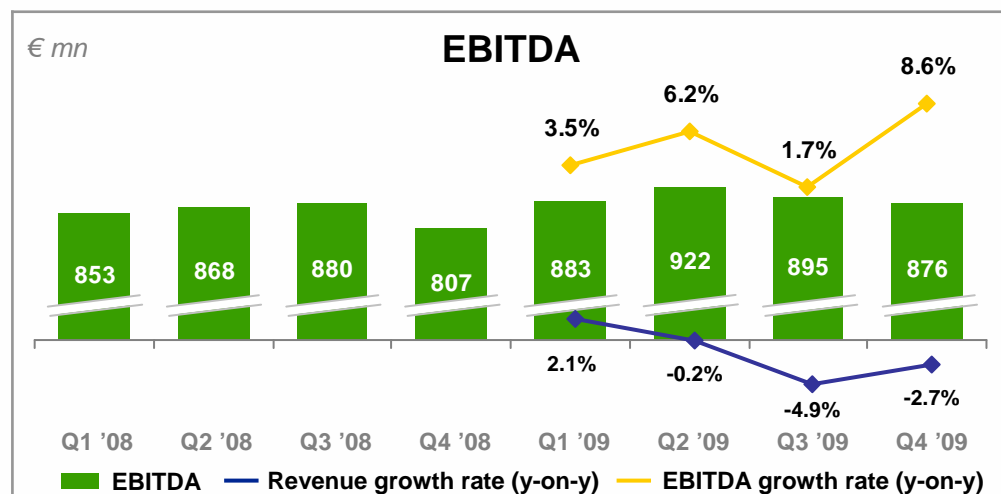
² Excluding changes in deferred taxes

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 at E-Plus

Dutch Telco business

Strong performance, focus on profitability paying off in 2009

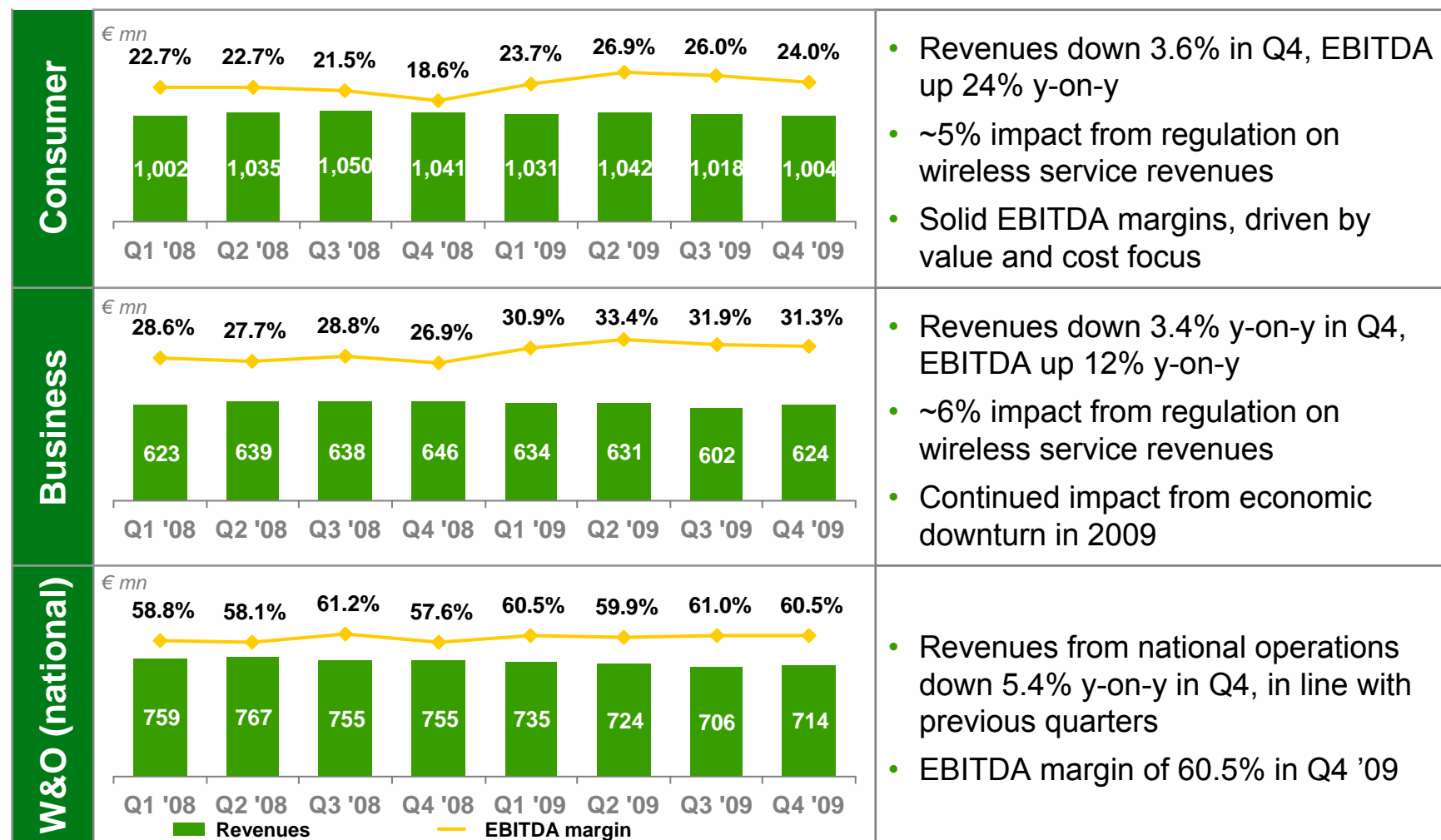


- Focus on profitability paying off in 2009, EBITDA inflection reached
 - Full-year revenues and other income down 1.5% y-on-y
 - EBITDA up 4.9% y-on-y in 2009
- Revenues and other income down 2.7% y-on-y in Q4 '09
 - ~€ 40 mn impact from regulation
 - Impact of economic downturn in Business market
- EBITDA up 8.6% y-on-y in Q4 '09
 - ~€ 10 mn impact from regulation
 - Revenue pressure compensated by cost reductions
 - Several one-offs in Q4 '08

¹ Approximations for Dutch Telco business, due to different reporting format before 2008

Financial review Dutch Telco business by segment

All segments contributing to solid profitability



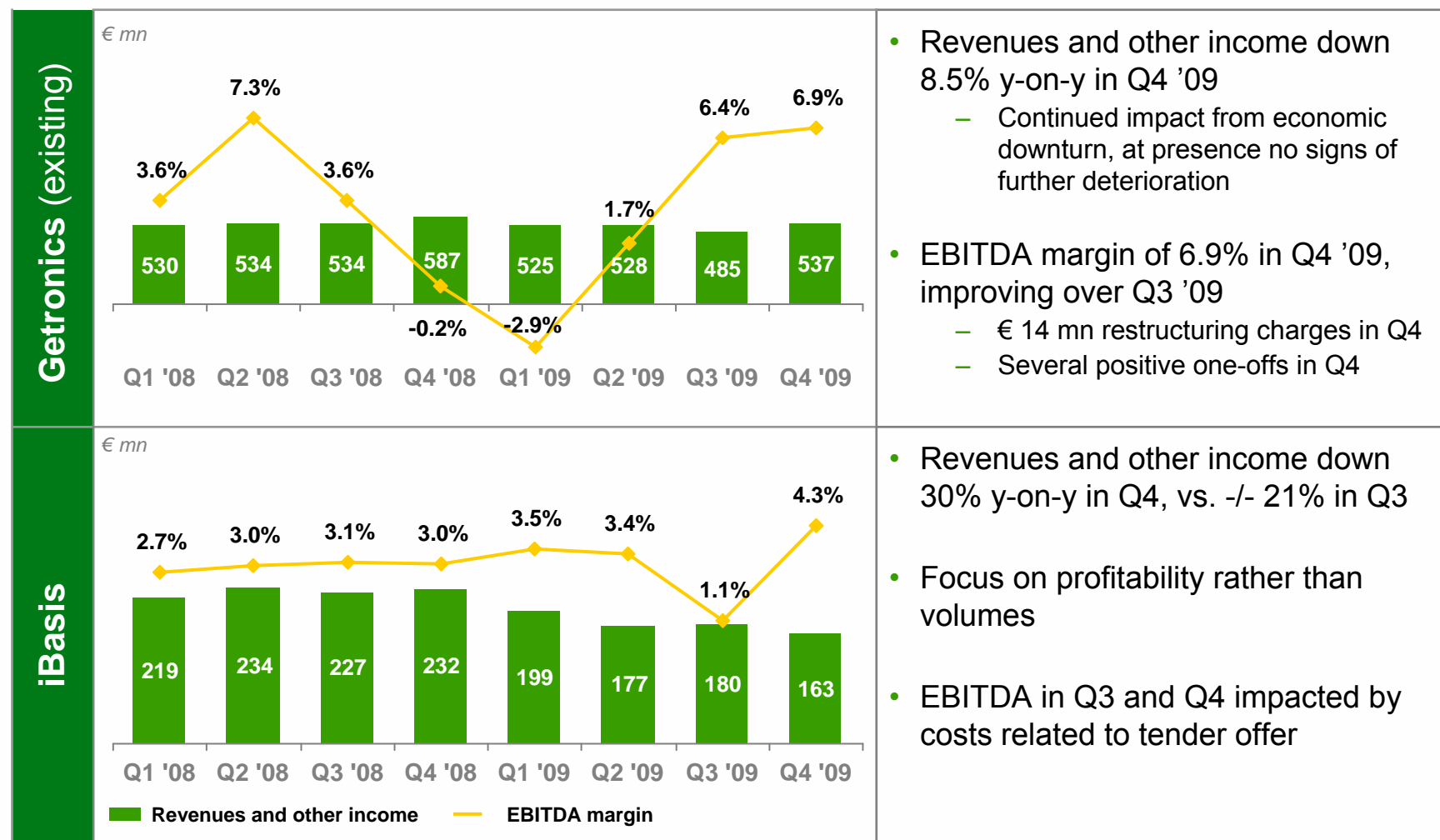
- Revenues down 3.6% in Q4, EBITDA up 24% y-on-y
- ~5% impact from regulation on wireless service revenues
- Solid EBITDA margins, driven by value and cost focus

- Revenues down 3.4% y-on-y in Q4, EBITDA up 12% y-on-y
- ~6% impact from regulation on wireless service revenues
- Continued impact from economic downturn in 2009

- Revenues from national operations down 5.4% y-on-y in Q4, in line with previous quarters
- EBITDA margin of 60.5% in Q4 '09

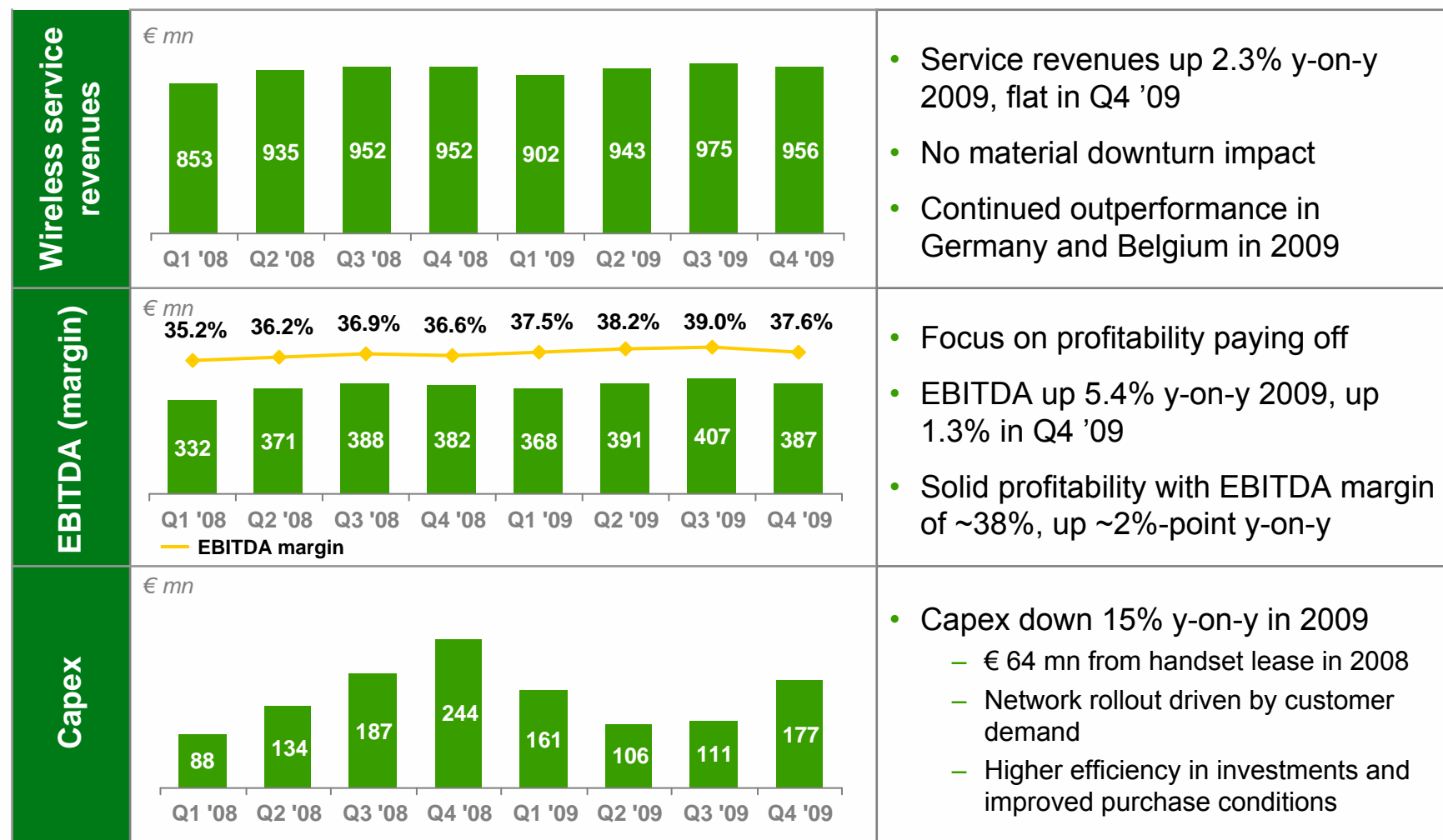
Financial review the Netherlands by segment

Ongoing revenue pressure at Getronics and iBasis



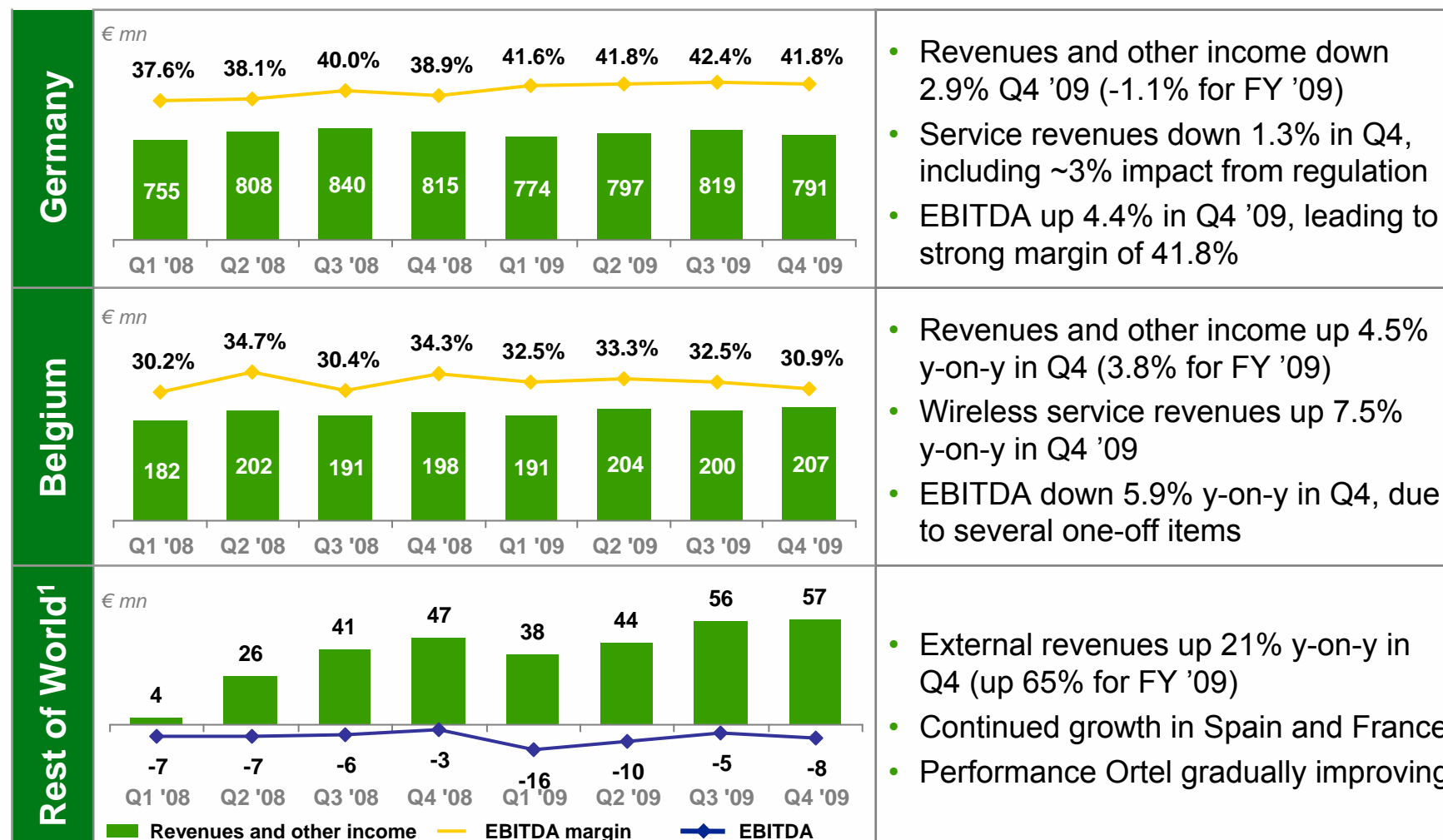
Mobile International

Profitability focus underpinning strong margins, continued service revenue growth



Financial review Mobile International by segment

Flat revenues and solid profitability, all segments contributing



¹ External revenues, excluding intercompany

Tax

Dutch corporate income tax rate unchanged, tax gain from DTA reassessment

Benefits in 2009

- € 10 mn discount due to prepayment of corporate income tax
- Corporate income tax refunds in Q2 & Q4 totalling € 109 mn, relating to prior years
- € 33 mn tax refund in Q4 as a result of an update of the 2009 tax position
- ~€ 160 mn working capital benefit from temporary delay in paying VAT

Deferred Tax Asset (DTA)

- Reassessment of DTA at E-Plus resulting in income tax gain of € 0.7 bn in Q4
- Reflecting increased likelihood of utilizing tax loss carry forwards
- Total DTA at E-Plus after reassessment amounts to € 1.7 bn at YE '09

Dutch corporate tax rate

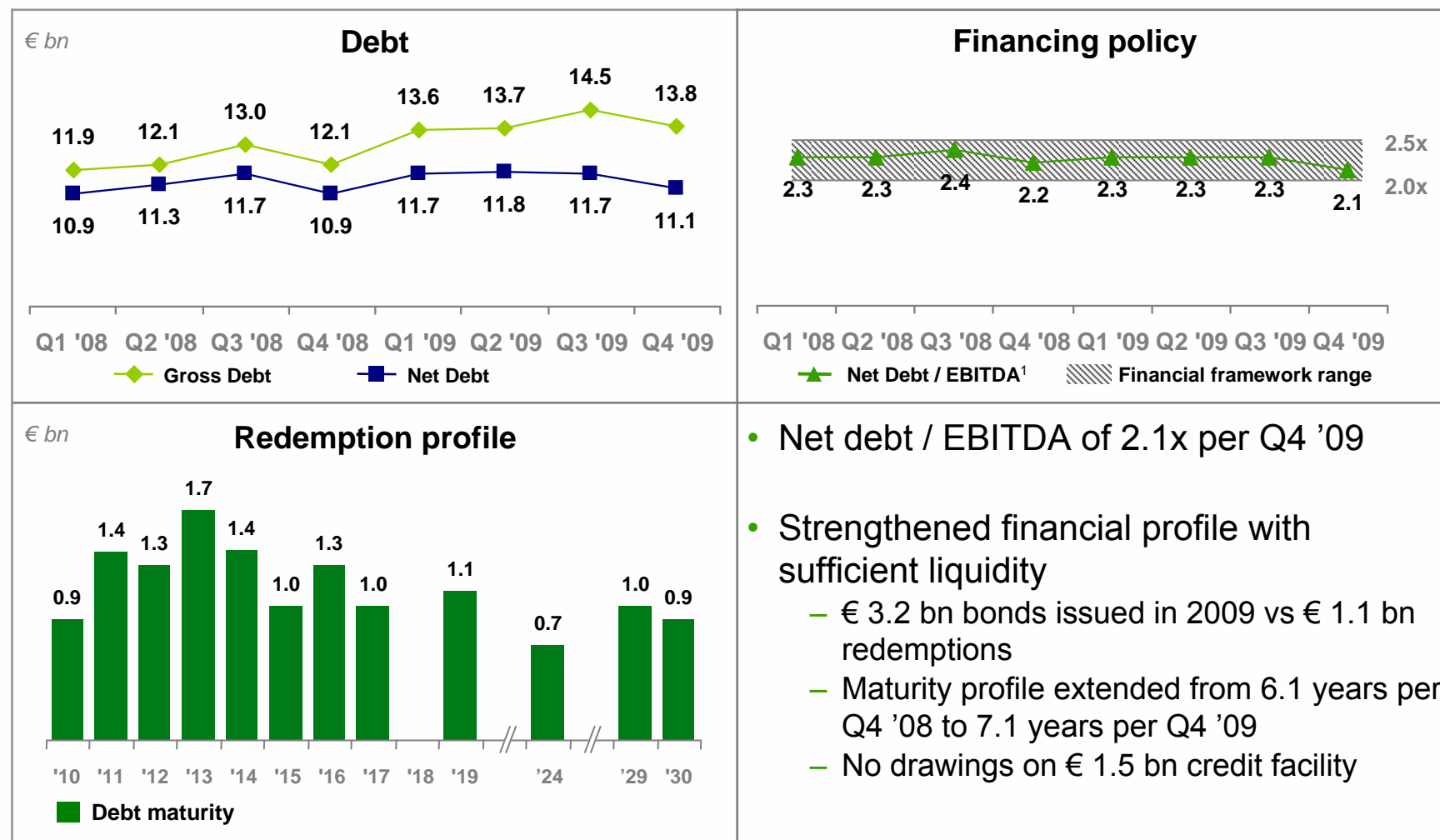
- Dutch government has withdrawn plans to revise corporate income tax rules regarding the treatment of interest
- Current statutory income tax rate of 25.5% not expected to change in foreseeable future

Taxes going forward

- Effective P&L tax rate for the Group around 23%
 - Lower rate going forward following changes in E-Plus DTA calculation methodology
- Cash tax of € 650-750 mn per year in 2010 and 2011
- E-Plus tax recapture expected to be finalized by 2012-2013

Group financial profile

Financial profile strengthened during 2009 following issue of several bonds



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

Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Carla Smits-Nusteling, CFO
Operating review International	Eelco Blok, MD Mobile International/iBasis
Operating review Netherlands	Baptiest Coopmans, MD Dutch Telco
Operating review Getronics	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



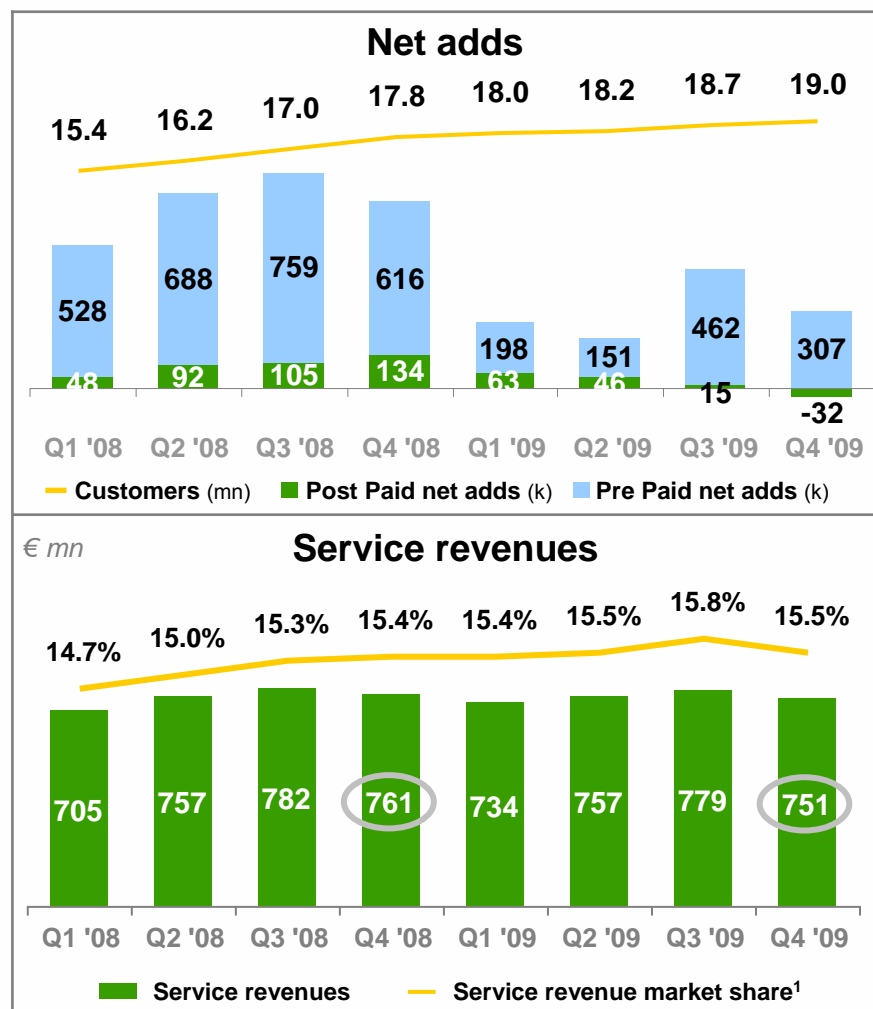
Strategic progress Mobile International

Challenger strategy delivering continued market outperformance and profitability

	2008	2009
Market	<ul style="list-style-type: none"> • Slightly declining market, economic conditions weakening in Q4 • Continued impact of regulation (MTA) • Strong data push by large operators 	<ul style="list-style-type: none"> • Weak economic conditions, declining market • Increased competition • Strong regulatory impact (MTA, roaming) • Data growth taking off
Mobile International	<ul style="list-style-type: none"> • Executing strategy, ahead of overall German market growth by ~8%-points • Implementing regionalization in Belgium, growth picking up • Launch MVNO in Spain and preparing launch in France 	<ul style="list-style-type: none"> • Implementing regionalization in Germany, continued outperformance • Strong growth in Belgium from executing challenger strategy with regional focus • Upscaling MVNOs, building momentum
Financial	<ul style="list-style-type: none"> • Profitable growth in slightly declining market • Service revenue growth of ~6% y-on-y • EBITDA up ~10% (~36% margin) 	<ul style="list-style-type: none"> • Profitable growth in declining market • Service revenue growth of 2.3% y-on-y • EBITDA up 5.4% (38% margin)

Operating review Germany

Selective commercial activity in Q4, preparing for next growth phase

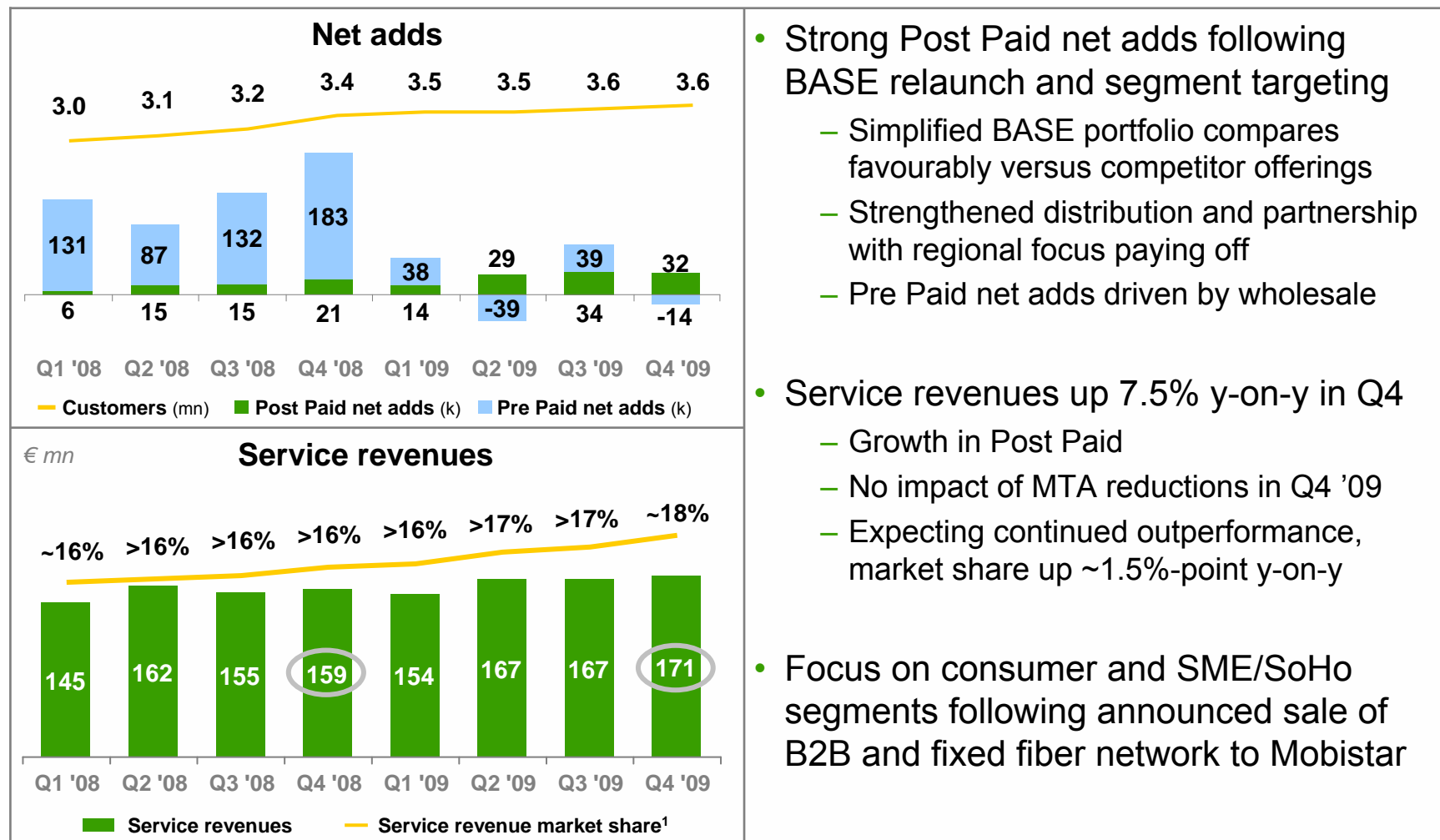


- Selective commercial activity in Q4 '09, preparing for next growth phase
 - Q4 traditionally characterized by strong commercial spending by competition
 - Net adds of 275k in Q4 '09
 - Lower Post Paid net adds due to E-Plus brand and ~40k one-off effect in wholesale
 - Selective commercial spending driving EBITDA margin of 41.8%
- Service revenues down 1.3% y-on-y
 - ~3% impact of MTA and roaming
 - Continued impact of bundle optimization and competitive intensity
 - Service revenue market share up y-on-y to 15.5%

¹ Management estimates, based on service revenues

Operating review BASE




Strong service revenue growth, driven by BASE relaunch and regional focus



¹ Management estimates, based on service revenues



Operating review RoW

MVNOs in Spain and France on track with low cost and scalable business model

	2009	Going forward
 Spain	<ul style="list-style-type: none"> • Leading MVNO, > 350k customers • Continued growth in value-for-money • Simyo and Blau established as online and value for money brands • Well received, competition responding 	<ul style="list-style-type: none"> • Scaling up brands, targeting selective segments: online, no-frills and cultural • Building partnerships with strong brands and leverage MVNE offering
 France	<ul style="list-style-type: none"> • Rapidly established and building momentum • Launched own brands Simyo & Ay Yildiz • Continued growth, > 100k customers • Discussions with potential local and international partners 	<ul style="list-style-type: none"> • Ongoing cost reductions from scale and portfolio / process optimization • Establish level playing field for challengers • Spain cash flow positive in 2010, France in 2011
 Ortel	<ul style="list-style-type: none"> • Competitive pressure in cultural segment • High one-off churn, gradually improving • Focus on customer quality and less on customer acquisition since Q2 '09 	<ul style="list-style-type: none"> • Acquisition of remaining 35% share in Ortel, current strategy continued • Accelerate expansion into new markets

Going forward


Success execution in Belgium to be replicated in German market


Tactics	 Belgium	Germany 
Fixed-Mobile Substitution	<ul style="list-style-type: none"> • Upscaling new initiatives <ul style="list-style-type: none"> – Intensify regional sales and marketing, targeting underrepresented areas – Continue growth in voice, selective data offering based on regional approach – Build partnerships and offers for specific segments and regions – Strengthen captive distribution – Smart network investment approach focused on ROCE • Deal with increased competition from new players and handset subsidies • Regulatory uncertainty around MTA 	<ul style="list-style-type: none"> • Ramp up execution of new initiatives, applying similar initiatives as in Belgium • Deal with increased competition, no level playing field • Repositioning BASE brand and portfolio as from February <ul style="list-style-type: none"> – Main acquisition brand going forward • Services revenues expected to return into positive territory in Q2 '10 • Service revenue growth expected to continue in H2 '10
Wholesale & Partnerships		
Regionalization		
Focus on ROCE		

Regionalization

Deployment of regionalization approach, based on proven success in Belgium

Regionalization framework	
<ul style="list-style-type: none"> Analyze distribution of market shares region by region Apply differentiated strategy depending on growth potential 	
Above fair share	<ul style="list-style-type: none"> Limited investments, aligned with customer value Keep momentum, leverage communities
Fair share	<ul style="list-style-type: none"> Focus on optimizing marketing activities Push / pull to point-of-sale Community build-up to create local scale
Below fair share	<ul style="list-style-type: none"> Fix the basics, especially in network coverage and distribution footprint Large potential to increase market share

 Belgium: strong growth
<ul style="list-style-type: none"> Relaunch and simplification of BASE portfolio Local presence of sales and network engineering Strengthened distribution in Wallonia Strong branded resellers for specific regions

 Germany: execution phase
<ul style="list-style-type: none"> Target regions being implemented Task force established with local sales and network focus Monetize local partnership, exploring further partnerships for target regions Repositioning BASE brand and portfolio

Voice & data

Continued growth in voice, selective in data through regional approach

	Voice	Smartphones	Data cards
Market trends	<ul style="list-style-type: none"> • Still significant potential from fixed-mobile substitution • Retail pricing stabilizing, headwind from regulation 	<ul style="list-style-type: none"> • Consumer demand for 'light' data taking off • Smartphones becoming mass market services 	<ul style="list-style-type: none"> • Significant untapped potential from 'heavy' data users (laptop data-cards) • Business case for 'light data' more profitable due to lower network investments
Challenger positioning	<ul style="list-style-type: none"> • Expand in target regions based on regionalization • Further expand leading position in key segments through new partnerships 	<ul style="list-style-type: none"> • Build data position through upselling and partnerships • Focus on smartphone data bundles with attractive contribution margins 	<ul style="list-style-type: none"> • Ongoing regional network upgrades to HSPA, based on proven demand • Increase ROCE and capitalize on new network rollout from ZTE partnership

**Continued growth from
Fixed-Mobile substitution**

**Tap growing demand with
national EDGE coverage**

**Exploit selectively, based
on regional approach**

Network rollout

Investment approach focused on ROCE, benefit from ZTE partnership

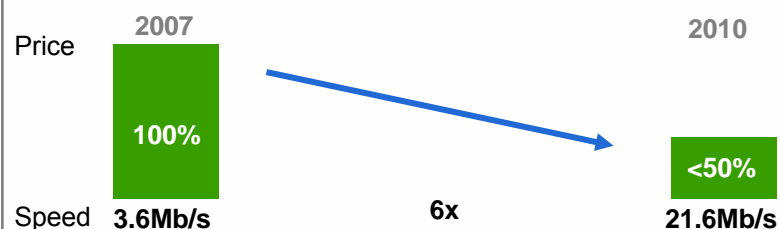
Principles

- Focusing on ROCE, use of partnerships
- Demand driven, serving customer needs

Rollout

- National EDGE coverage in place to meet current data demand for “light” data
- Regional HSPA rollout in regions with strong demand

Equipment (pricing, speed)



Efficient network rollout based on customer demand and ROCE

Partnership with ZTE

- ZTE is leading Asian telco (equipment) supplier, building momentum across Europe
- Strategic partnership with Mobile International
 - HSPA rollout and upgrades (Germany and Belgium)
 - Software maintenance and support
- Accelerated HSPA rollout, moving away from legacy (cutting edge, future-proof)
- Network rollout at much lower investments and costs
- Opportunity to leapfrog competition by offering high quality broadband of 21.6 Mb/s in selected areas

Reduced costs through ZTE partnership

Spectrum Germany

Keen to obtain frequencies, value-driven investment approach

Auction process

- 360 MHz auctioned on various frequency bands, all suited for wireless broadband / LTE
- Several restrictions on 800 MHz frequencies
 - Obligation to cover 'white spots' first with bandwidths >1 Mb/s
 - Limited bidding rights
- 50% population coverage obligation by 2016 (for spectrum >1 GHz)
- Spectrum caps differ among new entrants and incumbents
- Auction process not in line with E-Plus' view, legal proceedings started

Regulatory action to enforce level playing field

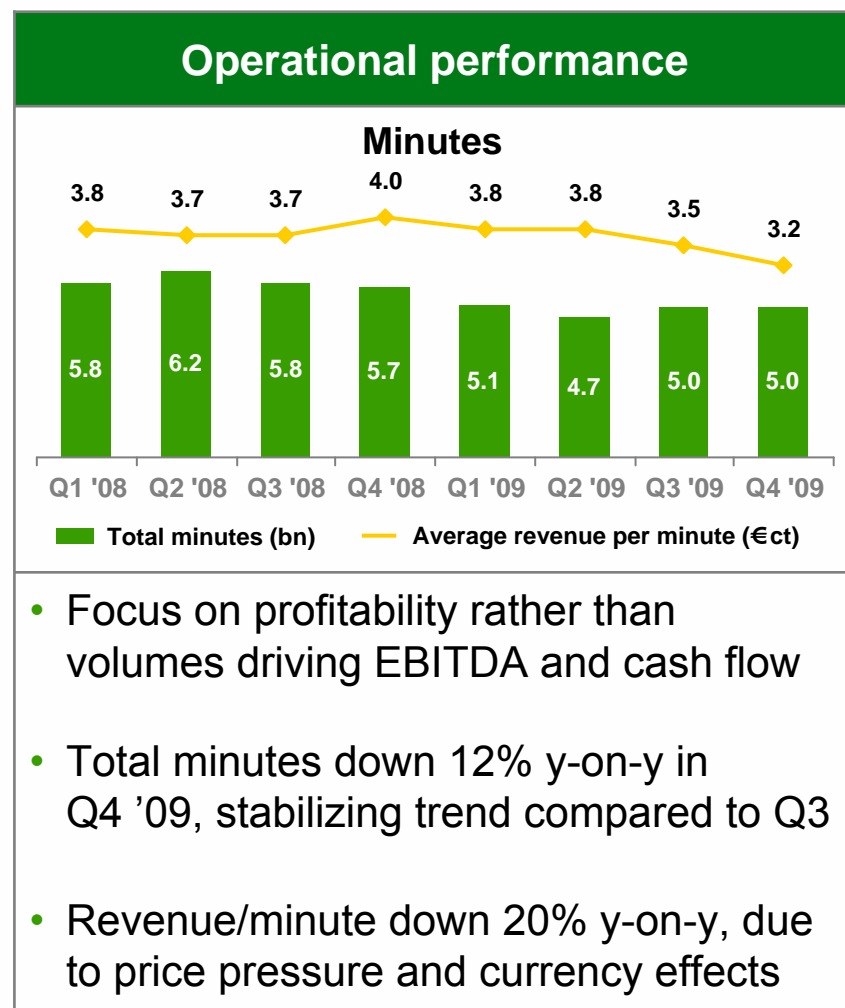
E-Plus approach

- Currently sufficient spectrum to serve customer demand in voice, additional spectrum needed to fulfill future needs
- Investment decision highly dependent on price, spectrum availability, required network investments and expected market demand
- Interested in 800 MHz frequencies because of indoor coverage and coverage in rural areas
- Spectrum >1 GHz also very suitable for high speed data networks
- Application filed with German regulator on 20 January 2010

**Value-driven approach driven by ROCE focus
Spectrum >1 GHz also very suitable**

iBasis

Continued focus on profitability, successful completion of tender offer



- ### Tender offer
- Successful tender offer for outstanding shares not owned by KPN
 - Final offer \$ 3.00/share or \$ 93 mn in total
 - Merger completed on 21 December 2009
 - All legal proceedings withdrawn following agreement with iBasis
 - New management team appointed with broad experience
 - Guiding and supporting growth strategy in international wholesale and relevant retail markets
 - Focus on revenues and EBITDA, whilst improving market share

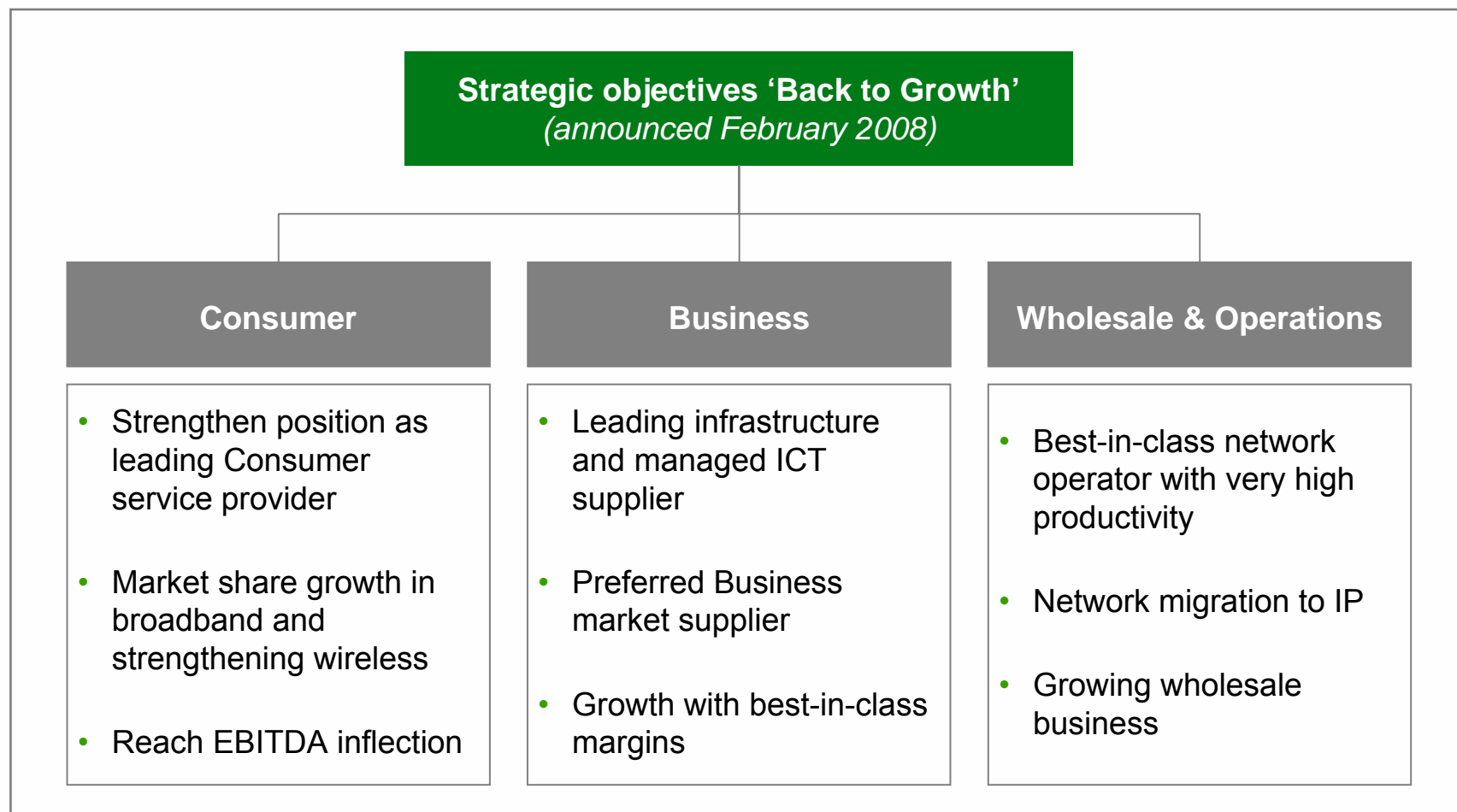
Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Carla Smits-Nusteling, CFO
Operating review International	Eelco Blok, MD Mobile International/iBasis
Operating review Netherlands	Baptiest Coopmans, MD Dutch Telco
Operating review Getronics	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



Dutch Telco business

Objective of being best-in-class service provider



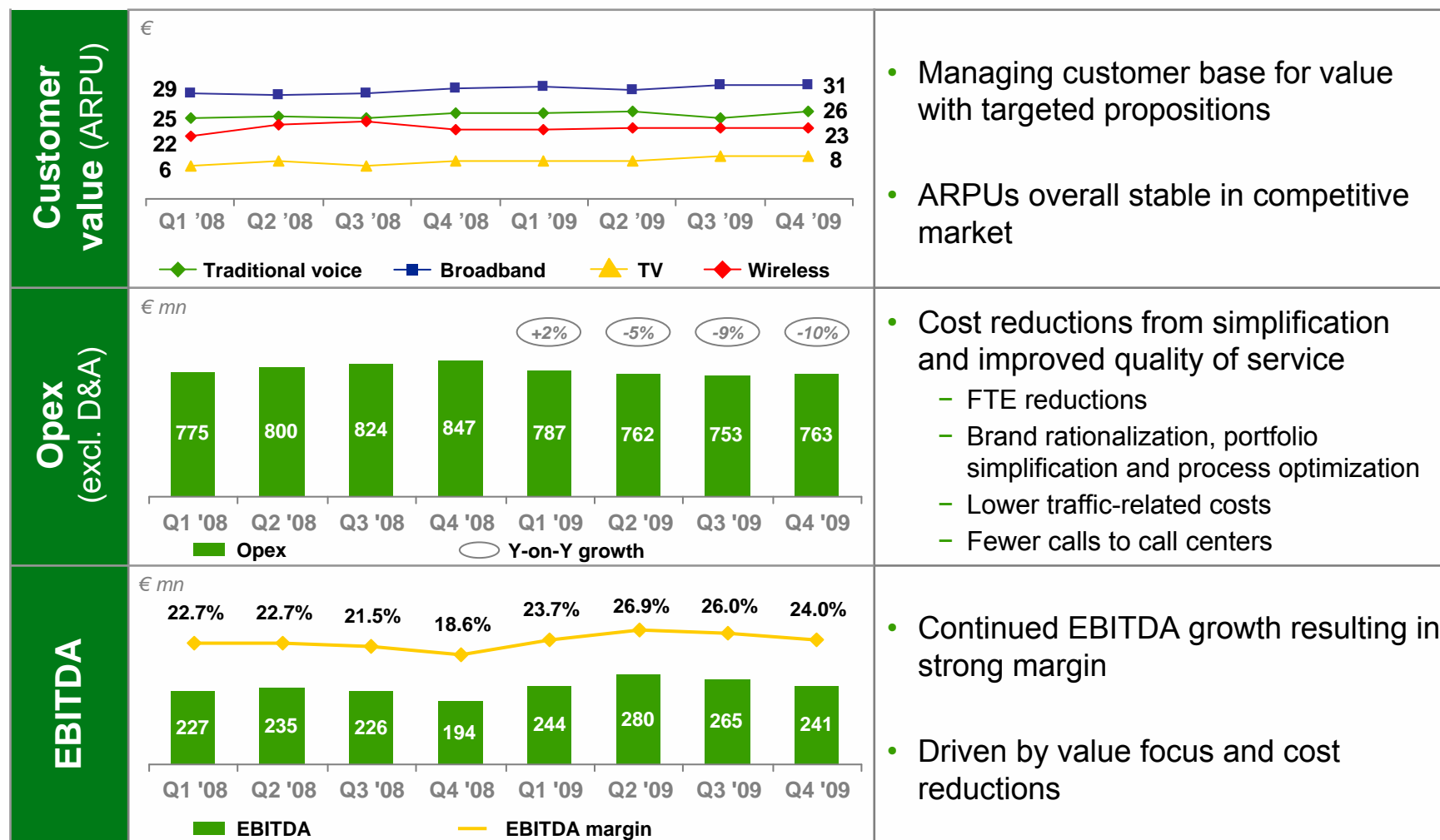
Strategic progress Consumer

Continued improvement at Consumer resulting in increased profitability

Strategic priorities 'Back to Growth'	Results 2008-2009
<p data-bbox="389 491 593 517">Customer focus</p> 	<ul style="list-style-type: none"> • Line loss stable at low levels, driven by retention and upselling with broadband • Some pressure on broadband market share • Nearly 1 million TV customers • FttH long-term superior technology, KPN proceeding with fiber in the Netherlands • Sustained market leadership in wireless • Results from simplification reflected in strong profitability, despite regulation • Quality of service improved
<p data-bbox="797 491 972 517">Stop line loss</p> 	
<p data-bbox="374 798 611 823">Growth in wireless</p> 	
<p data-bbox="743 782 1025 839">Simplified multi brand portfolio</p> 	
<p data-bbox="365 1104 620 1129">Mix of FttC and FttH</p> 	
<p data-bbox="784 1104 985 1129">Cost reductions</p> 	

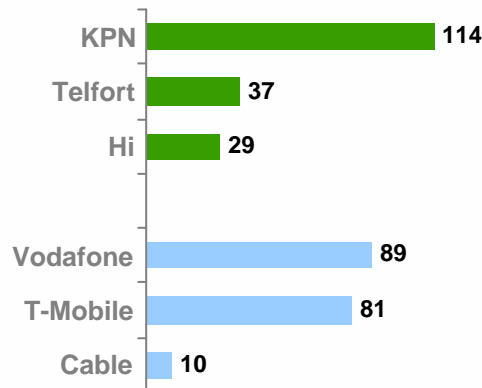
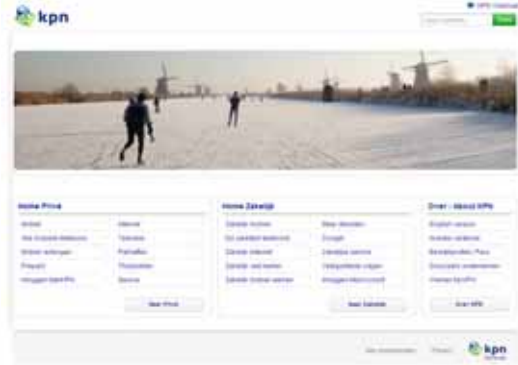

Customer value

Profitability increase driven by value focus and cost reductions



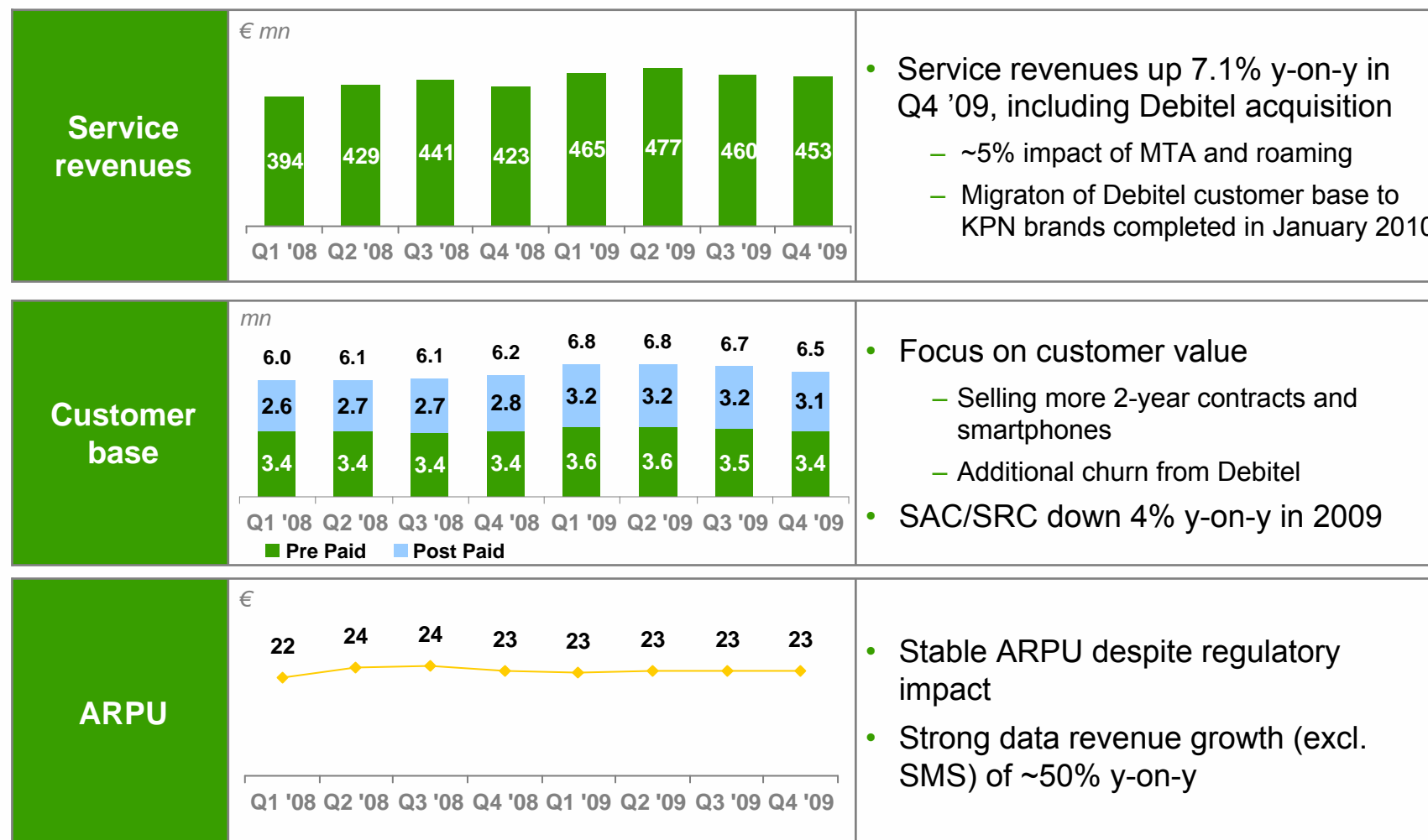
Distribution and service

Further strengthened leading position in distribution with improved service

Retail shops	Online	Quality of Service														
<ul style="list-style-type: none">• Leading position in distribution based on three brands• Mix of own stores, online and third parties• Leveraging position in fixed and mobile• Refurbished 90 shops to new KPN shops	<ul style="list-style-type: none">• New KPN retail website leading to increased sales<ul style="list-style-type: none">– Simplified design and improved ease of use– Better functionality, e.g. Google search engine and order intake with chat– Reduction of number of pages from ~25,000 to ~1,000	<ul style="list-style-type: none">• Focus on ‘Net Promotor Score’ to improve service quality• Leading to fewer complaints and faster problem solving• Incentives for employees to improve customer satisfaction														
<p>Number of own stores</p>  <table><tr><th>Brand</th><th>Number of own stores</th></tr><tr><td>KPN</td><td>114</td></tr><tr><td>Telfort</td><td>37</td></tr><tr><td>Hi</td><td>29</td></tr><tr><td>Vodafone</td><td>89</td></tr><tr><td>T-Mobile</td><td>81</td></tr><tr><td>Cable</td><td>10</td></tr></table>	Brand	Number of own stores	KPN	114	Telfort	37	Hi	29	Vodafone	89	T-Mobile	81	Cable	10	<p>KPN.com</p> 	<p>‘Net Promotor Score’</p> 
Brand	Number of own stores															
KPN	114															
Telfort	37															
Hi	29															
Vodafone	89															
T-Mobile	81															
Cable	10															

Consumer wireless¹

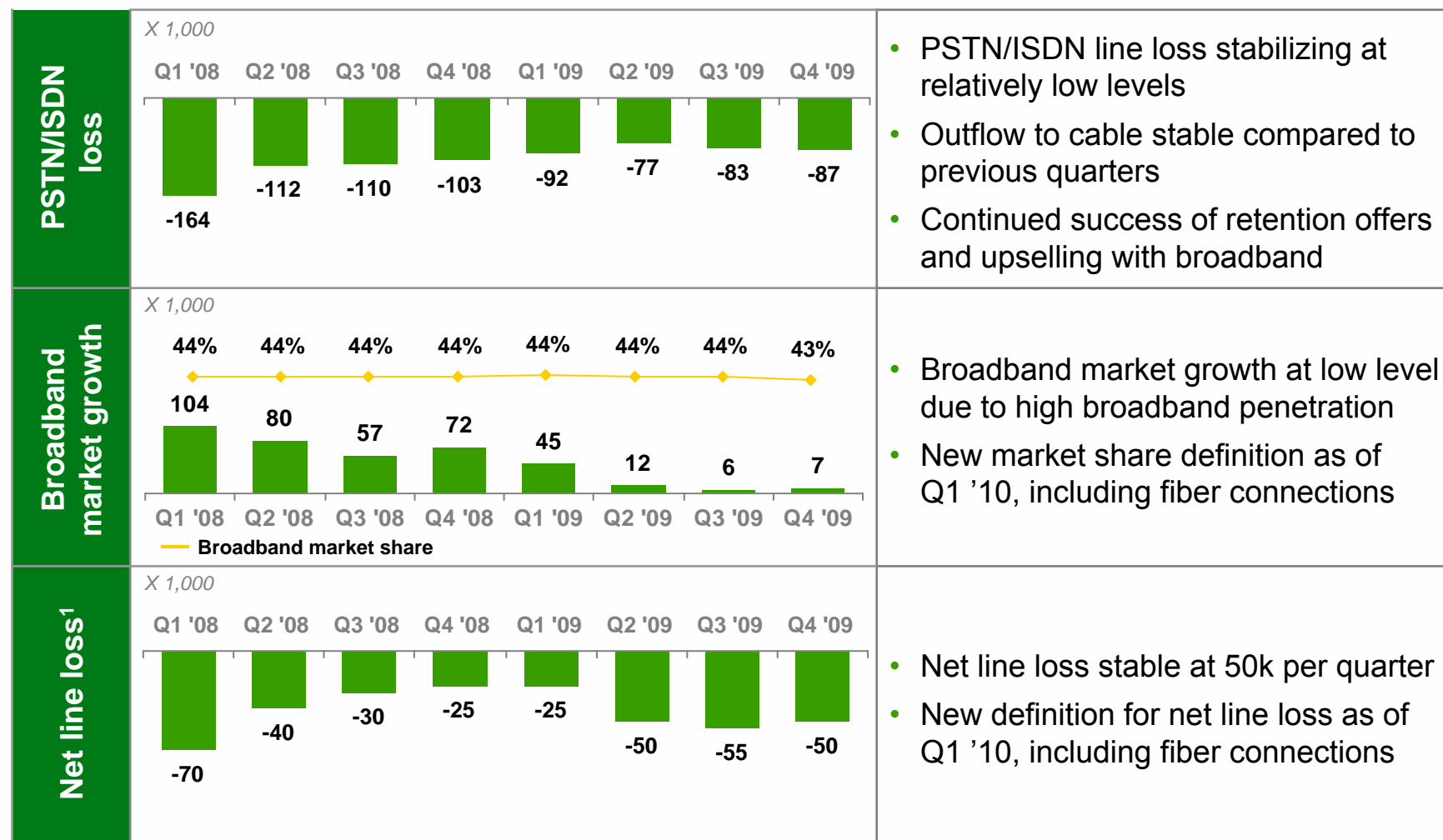
Service revenues up 7%, including Debitel acquisition and regulatory impact



¹ Excluding Mobile Wholesale NL

Consumer wireline

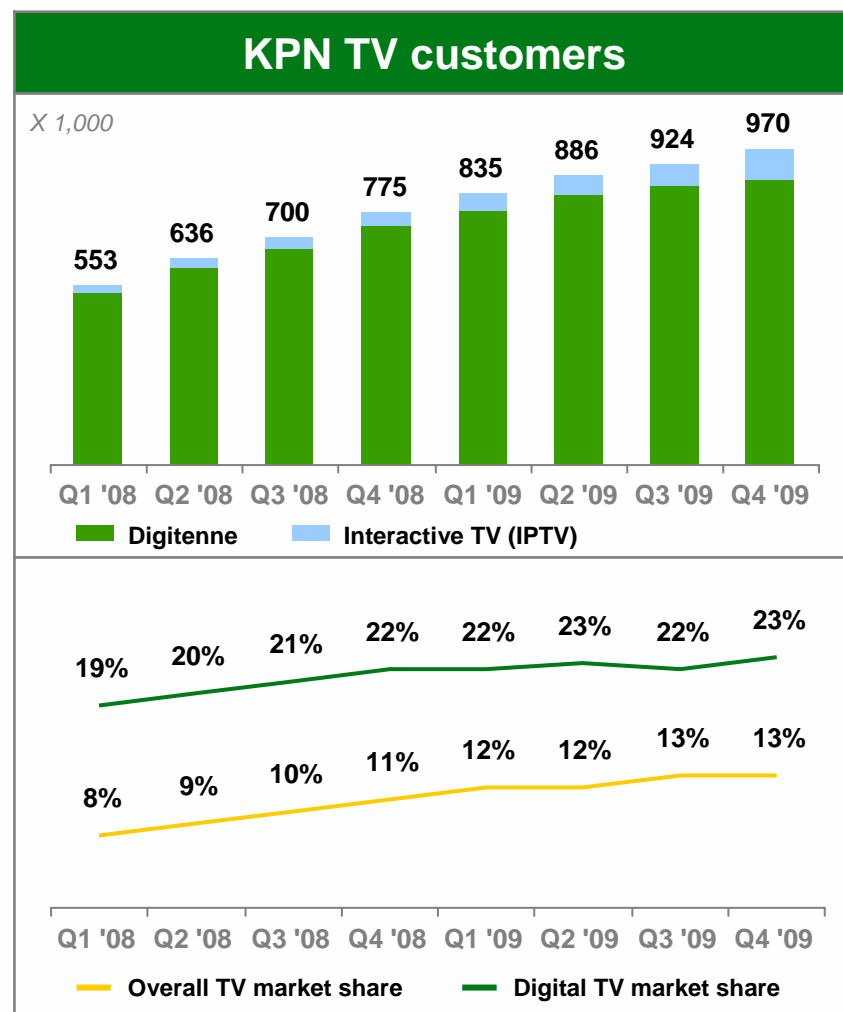
Net line loss at relatively low level of 50k in Q4, despite cable competition



1 PSTN / ISDN line loss + growth VoIP Consumer + growth ADSL only + growth WLR; management estimates

TV

Nearly 1 million TV customers



TV strategy

- Nearly 1 million customers
 - Credible position in Dutch TV market
 - Both Digitenne and IPTV contributing to growth
 - Growth in IPTV accelerating with ~90k customers per Q4 '09, up >100% y-on-y
- Current TV customer base offering platform for further growth
- Network upgrade with VDSL enabling scale-up of IPTV
 - Network upgrade ready by Q2 '10
 - IPTV coverage 80% and increasing
 - 70% coverage with HDTV

Key learnings fiber pilots

Positive customer feedback, scalability issues in delivery processes and IT

Propositions

- Consumers moving towards single provider for all services
- TV is key element of competitive triple play package
- KPN offering superior TV proposition on fiber with multi-room HD and extensive VoD library



Customer feedback

- Customers willing to pay for fiber services
- Demand for higher upload speeds
- Positive feedback on TV functionality and image quality, less positive on channel switching



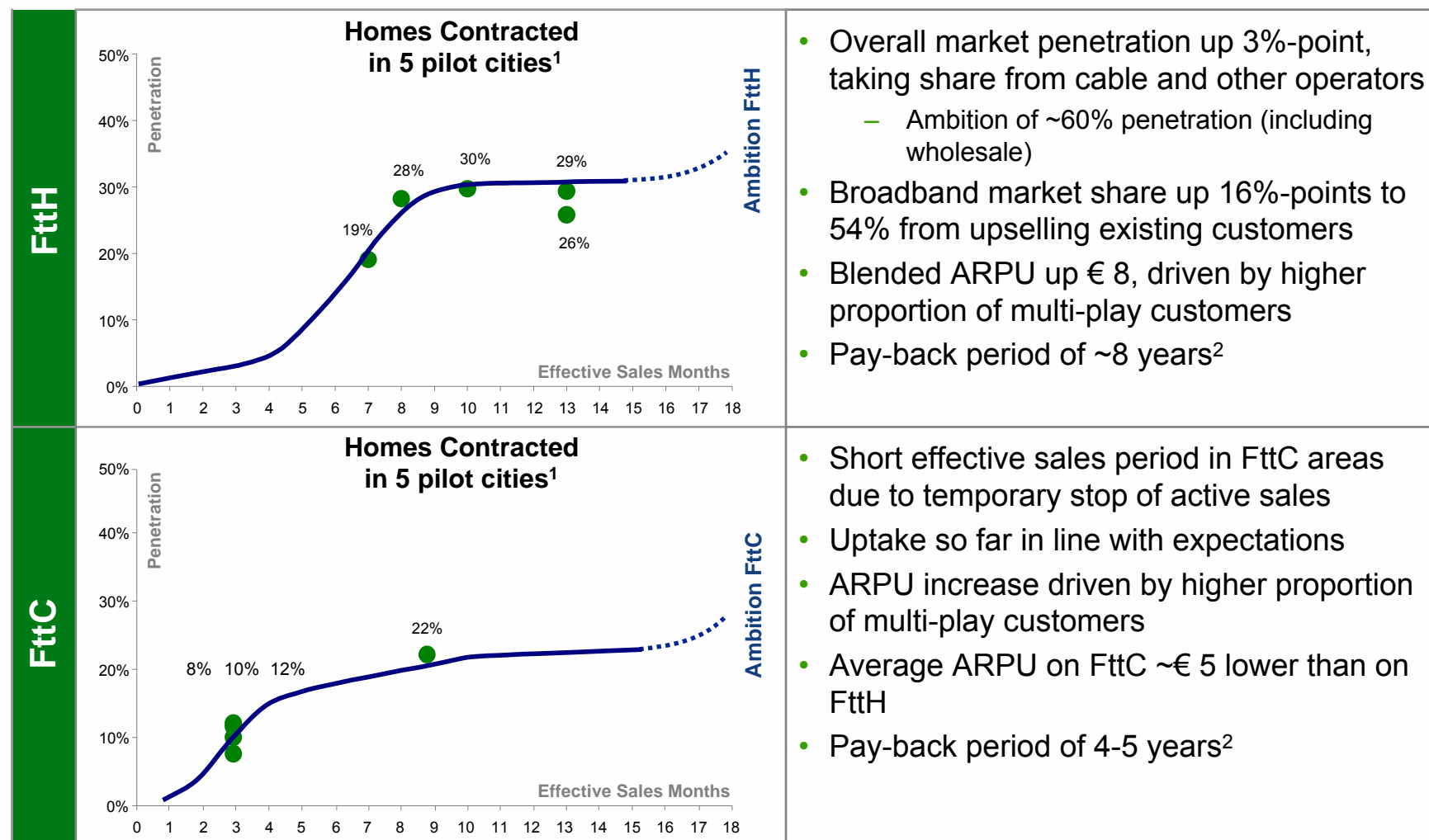
Operational excellence

- Scalability issues with new delivery processes and IT
- Sales temporarily suspended in most cities to align sales and customer activations
- Ramp-up in progress from ~800 orders/wk to >5,000/wk



Results fiber pilots

Positive business case for fiber, leading to regional rollout



● Market penetration in pilot city

¹ KPN retail contracts only, no uptake yet on wholesale

² Indicative pay-back period for business case in average area of 1,000 homes

Rollout objectives 2010-2012

Gradual migration to fiber, no material impact on Capex

	Rollout VDSL from Central Office <i>H1 '10</i>	Fiber rollout <i>2010 and beyond</i>
Rollout	<ul style="list-style-type: none"> VDSL upgrade on copper network completed by Q2 '10 <ul style="list-style-type: none"> 50% of households with higher broadband speeds IPTV coverage 80% and increasing 70% coverage for HDTV 	<ul style="list-style-type: none"> Targeting 600-800k active customers on FttH/FttC by 2012 Commercialization of 450k homes passed on FttC before rolling out further Targeting 1.1-1.3 mn homes passed on FttH by 2012
Investments	<ul style="list-style-type: none"> Capex of ~€ 50 mn in H1 '10 for installing VDSL equipment in central offices 	<ul style="list-style-type: none"> Investments in FttH infrastructure through Reggefiber JV Capex of € 75-150 mn per year, mainly for customer activations







VDSL as intermediate step to increase bandwidths and improve TV offer

Focus on cash flow generation with gradual migration to fiber

Group Capex not materially impacted

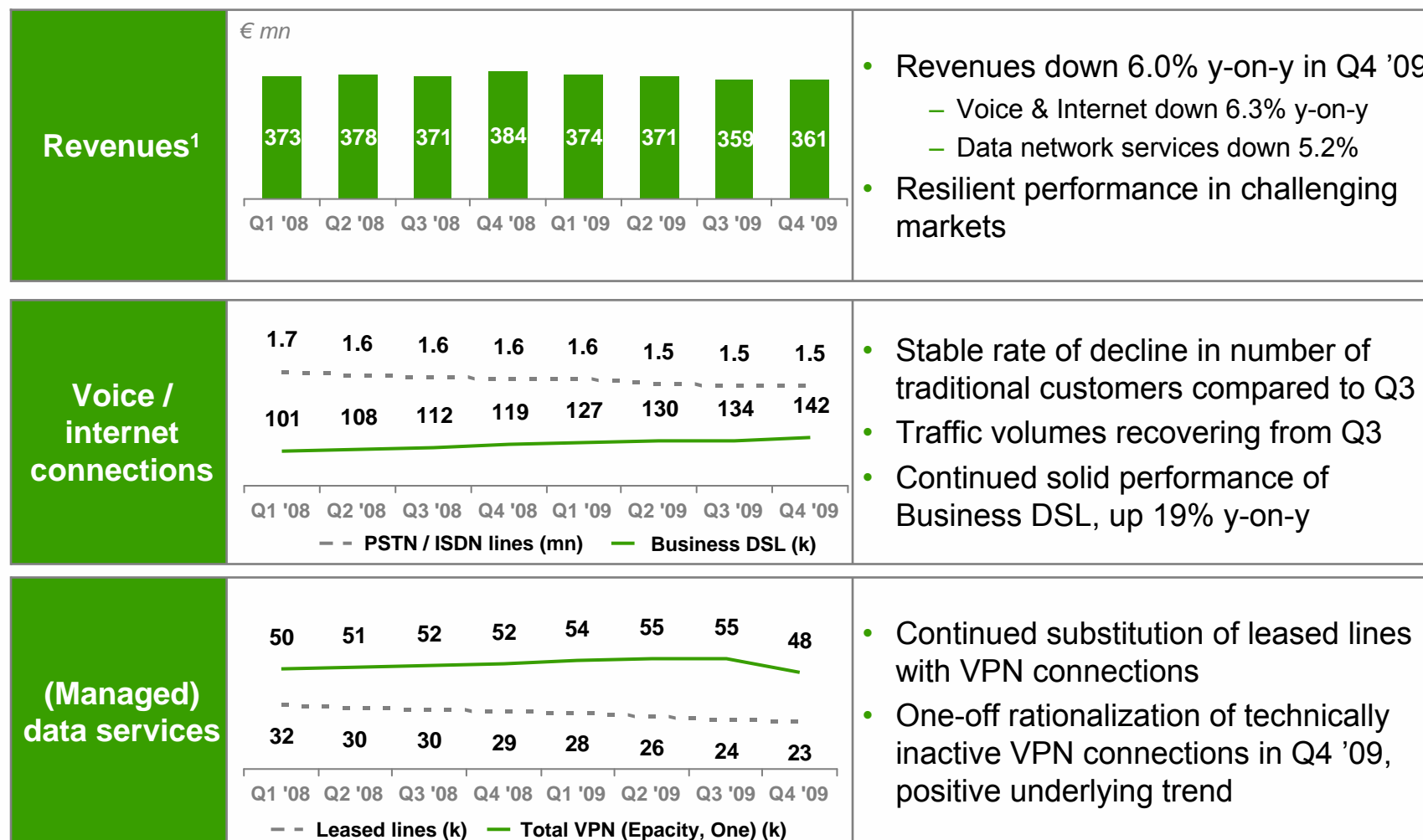
Strategic progress - Business

Maintaining market leading position with solid financial performance

Strategic priorities 'Back to Growth'		Results 2008-2009
Customer focus	Leveraging leading position	<ul style="list-style-type: none">• Maintaining market leading position with overall stable market shares• Moving up the value chain with integration between Business market and Getronics• Solid financial performance despite economic downturn that started in H2 '08• Increase in customer satisfaction, indicated by 'Net Promotor Score'
		
Migration to IP-based services	Moving up the value chain	
		
Simplified portfolio	Cost reductions	
		

Business wireline

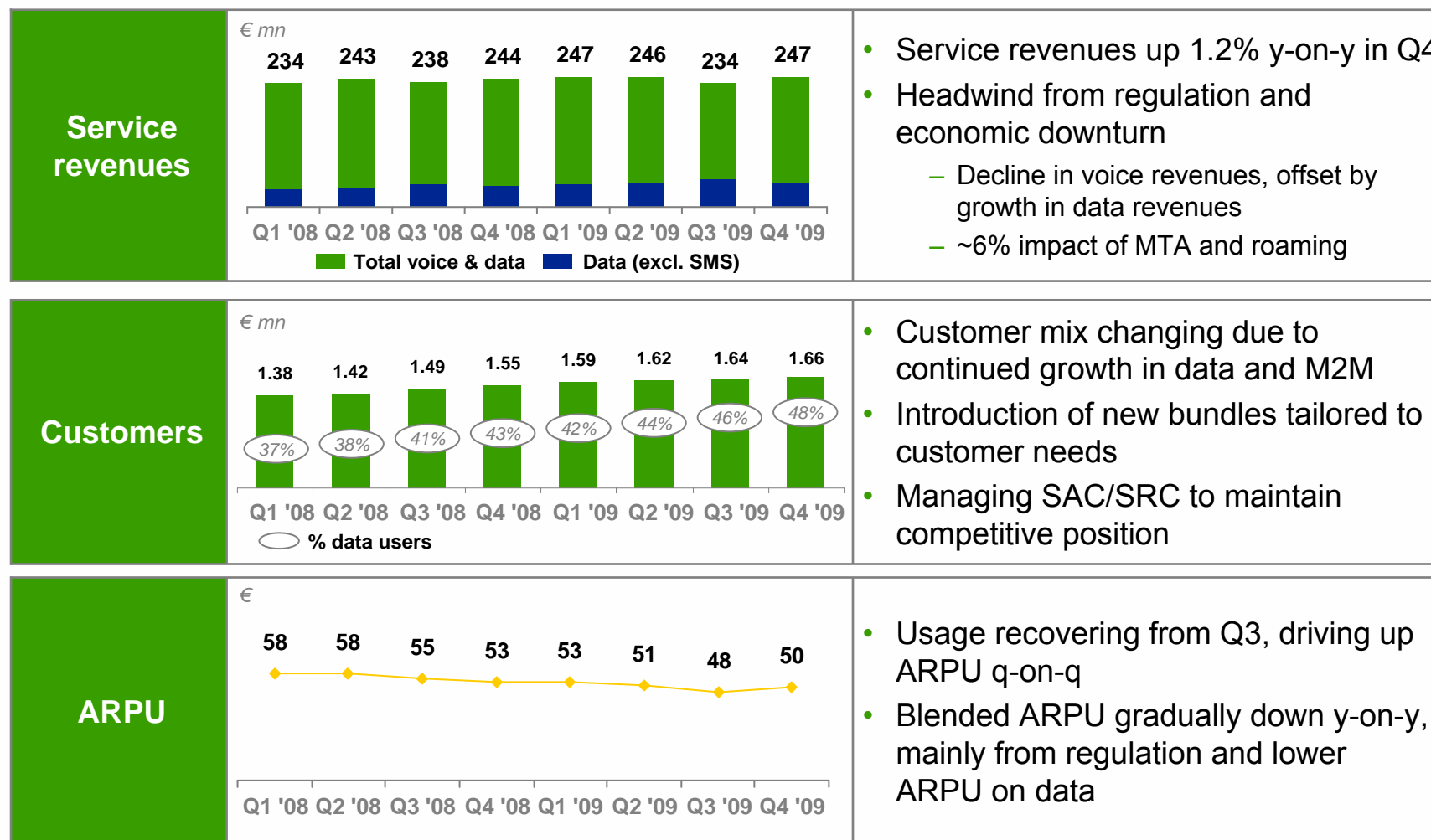
Resilient performance in challenging markets, traffic volumes recovering



1 Revenues for Voice & Internet wireline and Data network services



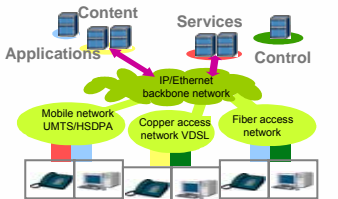



Business wireless

Stable performance despite regulation and economic downturn



Strategic progress - W&O

Substantial cost reductions and further network upgrades

Strategic priorities 'Back to Growth'	Results 2008-2009
Proactive network rollout All-IP services and infrastructure 	<ul style="list-style-type: none"> • Cost base lowered in line with revenue trend, driven by efficiency improvements, procurement and cost containment • FttC and FttH rollout in progress, VDSL2 upgrade to be completed by Q2 '10 • Minority share in Reggefiber JV for jointly rolling out open FttH networks • Further upgrade of wireless data networks
Simplified processes 	
Open access model 	
Growth in wholesale 	Lowest cost 
Committed wholesale partner 	

Regulation the Netherlands

Clarity on regulated copper tariffs and design for spectrum auction in H1 '10

Wholesale Price Cap (WPC)

- Final decision on regulated wholesale tariffs on copper for 2009-2011 published
 - Tariff reductions of 10-25% for e.g. MDF Access, FTA and traditional voice
 - Lower tariff reductions for several services in final decision
 - Impact in 2009 of € 34 mn on revenues and € 21 mn on EBITDA
- KPN planning appeal against OPTA

Spectrum auction Netherlands

- Auction of 2.6 GHz in the Netherlands planned for H1 '10, KPN considering participation in auction
- Frequencies suitable for cost-efficient capacity expansion in wireless data
- KPN appealed against current auction design which disadvantages existing operators

Other

- Draft decision on new MTA tariffs in the Netherlands expected in April 2010
 - Current MTA tariffs valid until July 2010
- Market consultation on access to cable (WLR-C) completed in January
 - Temporary cable access desired by KPN to further grow customer base in TV

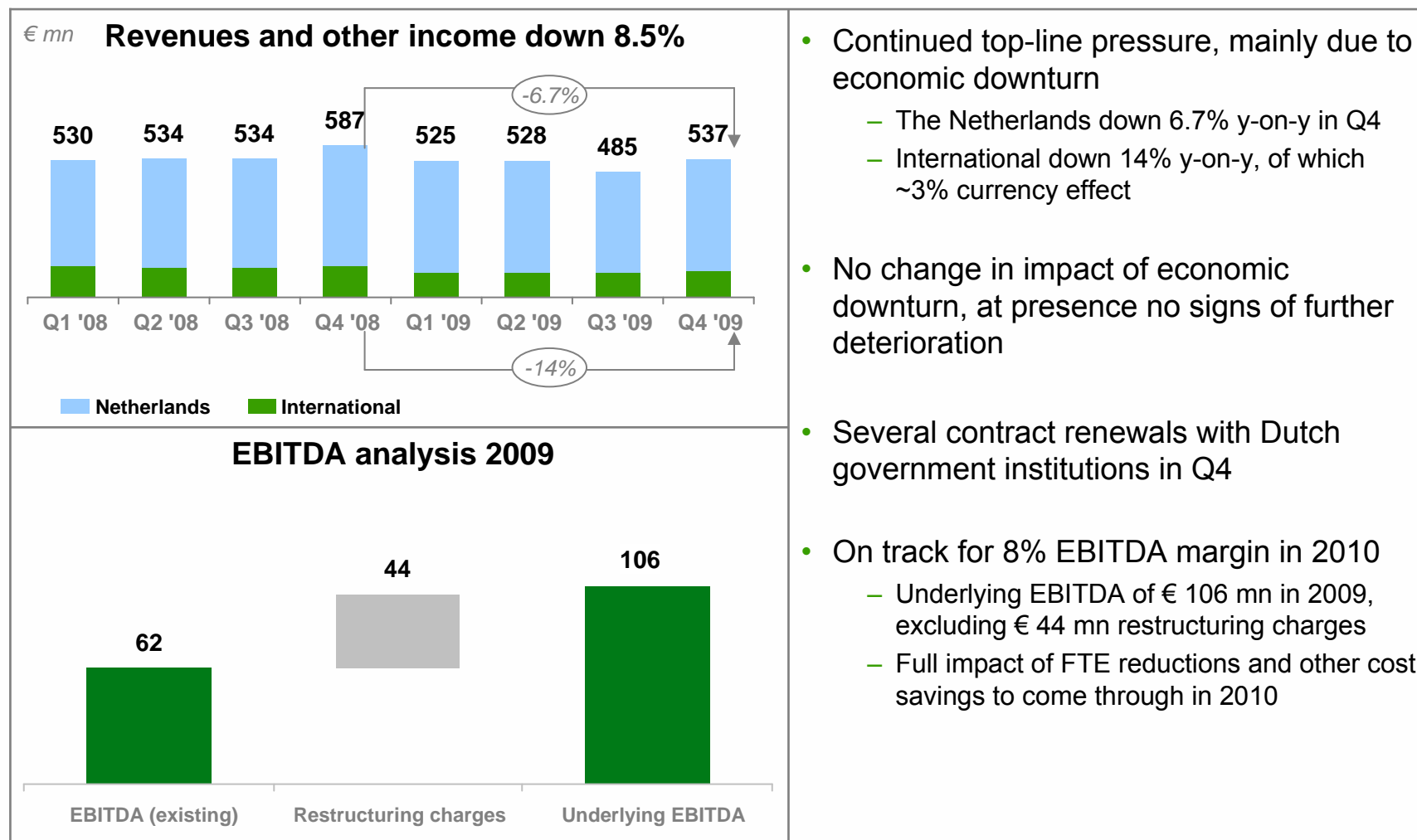
Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Carla Smits-Nusteling, CFO
Operating review International	Eelco Blok, MD Mobile International/iBasis
Operating review Netherlands	Baptiest Coopmans, MD Dutch Telco
Operating review Getronics	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



Getronics

Continued impact of economic downturn, on track for EBITDA uplift in 2010



Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Carla Smits-Nusteling, CFO
Operating review International	Eelco Blok, MD Mobile International/iBasis
Operating review Netherlands	Baptiest Coopmans, MD Dutch Telco
Operating review Getronics	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



Concluding remarks

- Focus on EBITDA, cash flow and market shares continues to deliver
- Good full-year results meeting guidance on EBITDA and cash flow, revenues slightly below guidance
- Impact of economic downturn mitigated by cost reductions
- Strong profitability growth of Dutch Telco business, continued market outperformance at Mobile International
- € 1 bn share repurchase program for 2010, DPS for 2009 up 15%

Outlook

Confirming outlook 2010, growth in EBITDA, cash flow and DPS in 2011

Outlook 2010

- Outlook confirmed on all metrics
- Revenues and other income in line with 2009
- EBITDA uplift to >€ 5.5 bn in 2010
 - Contributions from across the Group
 - Improvements in cost efficiency to continue
 - Expecting 1/3 of EBITDA uplift to materialize in H1 '10, remainder in H2
- Free cash flow of at least € 2.4 bn
- Confirming dividend per share of € 0.80

Outlook 2011

- Continuation of 'Back to Growth' strategy
- Growth in EBITDA, free cash flow and dividend per share
- Confirming financial framework and maintaining prudent financing policy
- Commitment to growing dividend per share
- Dividend per share of at least € 0.85 for 2011

Q & A



Annex

For further information please contact

KPN Investor Relations

Tel: +31 70 44 60986

Fax: +31 70 44 60593

ir@kpn.com

www.kpn.com/ir



Analysis of results

Key items worth mentioning in results interpretation

€ mn		Q4 '09	Q4 '08	FY '09	FY '08
Revenue effect MTA tariff reduction	Group	-58	-35	-198	-159
EBITDA effect MTA tariff reduction	Group	-21	-16	-85	-81
Book gain on sale of subsidiaries	Other/W&O				8
Book gain on sale of real estate	W&O	22	94	56	132
Restructuring charges	Group	-21	-31	-56	-282
Goodwill impairment	Getronics		-36	-13	-58
Goodwill impairment	iBasis		-67	-10	-67
Release pension provision	Group				199
Accelerated depreciation copper network	W&O		-16		-70
Recognition deferred tax asset	E-Plus	705	34	705	34

MTA regulation

The Netherlands

€ cents per minute	1 July '08	1 April '09	1 July '09
KPN	9.0	8.0	7.0
Vodafone	9.0	9.0	7.0
T-Mobile	10.4	10.4	8.1
Avg. asymmetry	1.4	2.4	1.1

Germany

- MTA tariffs valid from 1 April 2009 until 30 November 2010
 - T-Mobile / Vodafone lowered from € 7.92 to € 6.59 cents per minute
 - E-Plus / O₂ lowered from € 8.80 to € 7.14 cents per minute

Belgium

- Process ongoing for new MTA tariffs in Belgium in 2010, expecting announcement on new regulation for 2010 shortly
- BASE provisionally applying current MTA tariffs

€ cents per minute	1 July '08
BASE	10.41
Proximus	6.56
Mobistar	8.21
Avg. asymmetry	3.03

Impact MTA reduction

€ mn	Q4 '09		FY '09	
	Revenues	EBITDA ¹	Revenues	EBITDA ¹
Germany	-21	-10	-62	-31
Belgium	-	-	-12	-9
Rest of World	-	-	-	-
Mobile International	-21	-10	-74	-40
Consumer	-20	-8	-73	-36
<i>Of which: Mobile Wholesale NL</i>	-3	-1	-12	-7
Business	-11	-2	-36	-8
Wholesale & Operations	-11	-1	-34	-1
Intercompany	5	-	19	-
The Netherlands	-37	-11	-124	-45
KPN Group	-58	-21	-198	-85

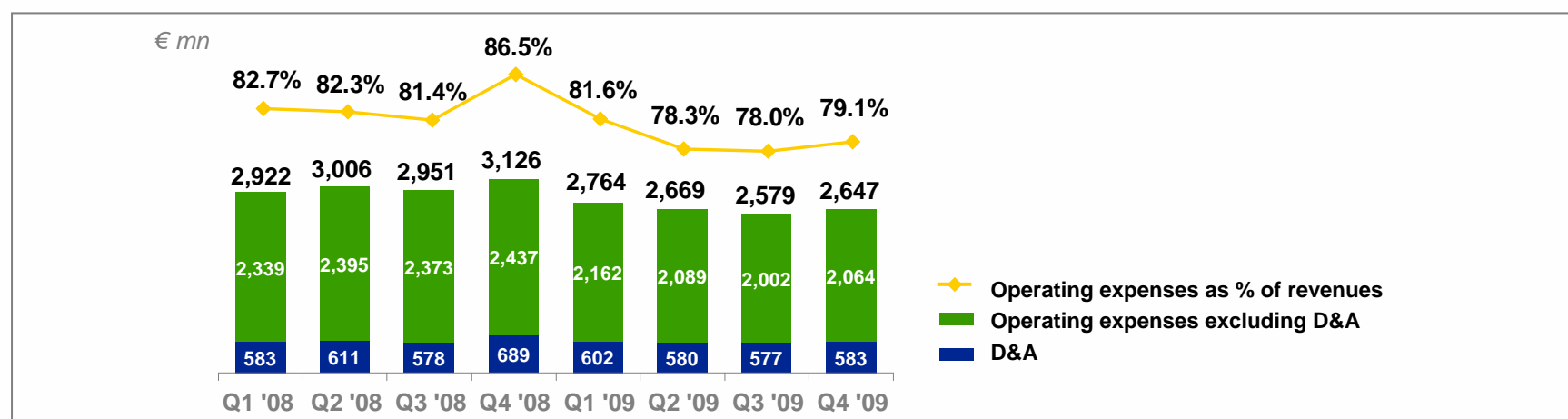
¹ Defined as Operating result plus depreciation, amortization and impairments

Restructuring charges

€ mn	Q4 '09	FY '09
Germany	-	-1
Belgium	1	1
Rest of World	-	-
Mobile International	1	0
Consumer	-2	-6
Business	1	1
Getronics	-14	-44
IT NL	-1	-1
Wholesale & Operations	-5	-9
The Netherlands	-21	-59
Other	-1	3
KPN Group	-21	-56

Operating expenses

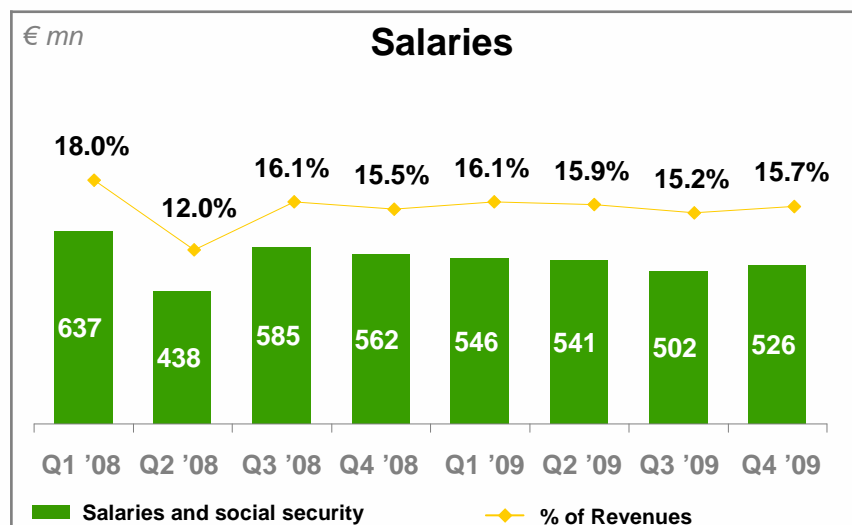
€ mn	Q4 '09	Q4 '08	%
Salaries and social security contributions	526	562	-6.4%
Cost of materials	213	293	-27%
Work contracted out and other expenses	1,136	1,338	-15%
Own work capitalized	-28	-25	12%
Other operating expenses	217	269	-19%
Depreciation ¹	383	397	-3.5%
Amortization ¹	200	292	-31%
Total	2,647	3,126	-15%



¹ Including impairments, if any

Analysis operating expenses

Salaries & Cost of materials

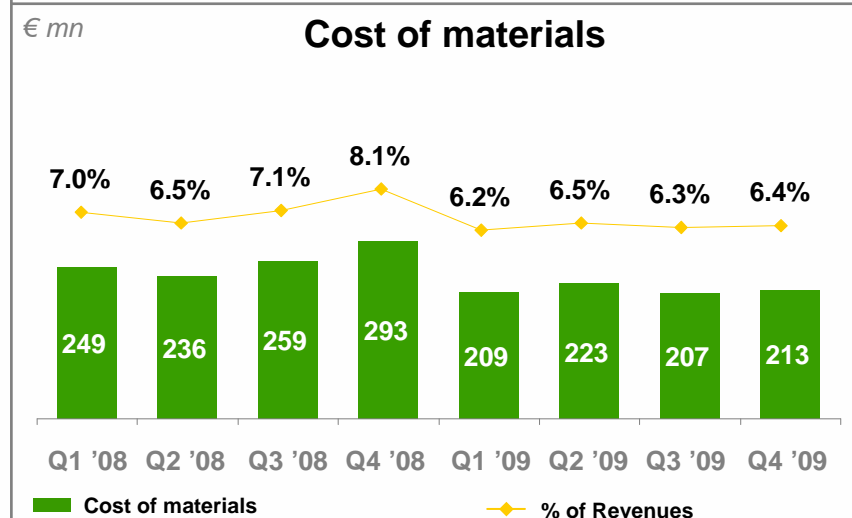


Y-on-Y decrease

- Continued reduction in FTE due to:
 - Disposals Getronics
 - Ongoing restructuring
 - Improved efficiency from 'First time right' and simplification

Q-on-Q increase

- Release of provisions for holiday in Q3



Y-on-Y decrease

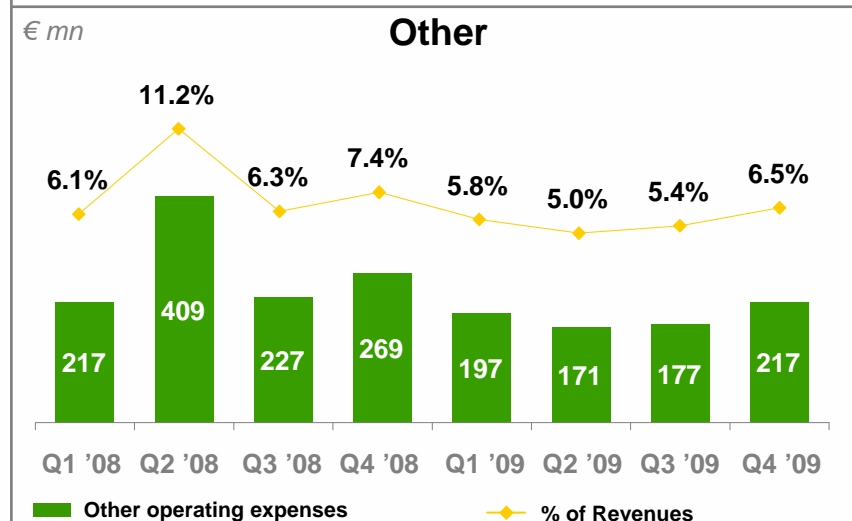
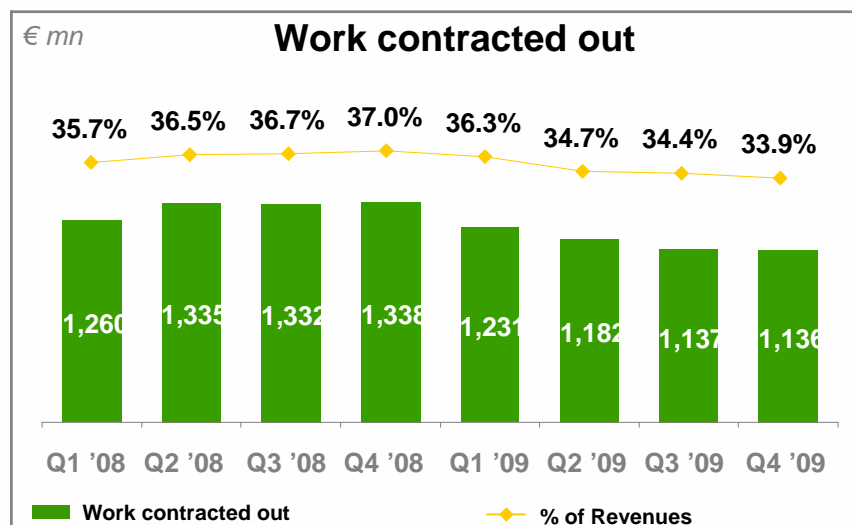
- Lower costs related to lower revenues (incl. disposals) at Getronics
- Fewer handsets provided due to selective customer spend

Q-on-Q stable

- Less seasonality impact due to selectivity in providing handsets

Analysis operating expenses

Work contracted out & Other



Y-on-Y decrease

- Lower traffic volumes national and iBasis
- Lower regulated tariffs for MTA/Roaming
- Decrease in temporary personnel and consultants
- Lower costs at Getronics due to disposals

Y-on-Y decrease

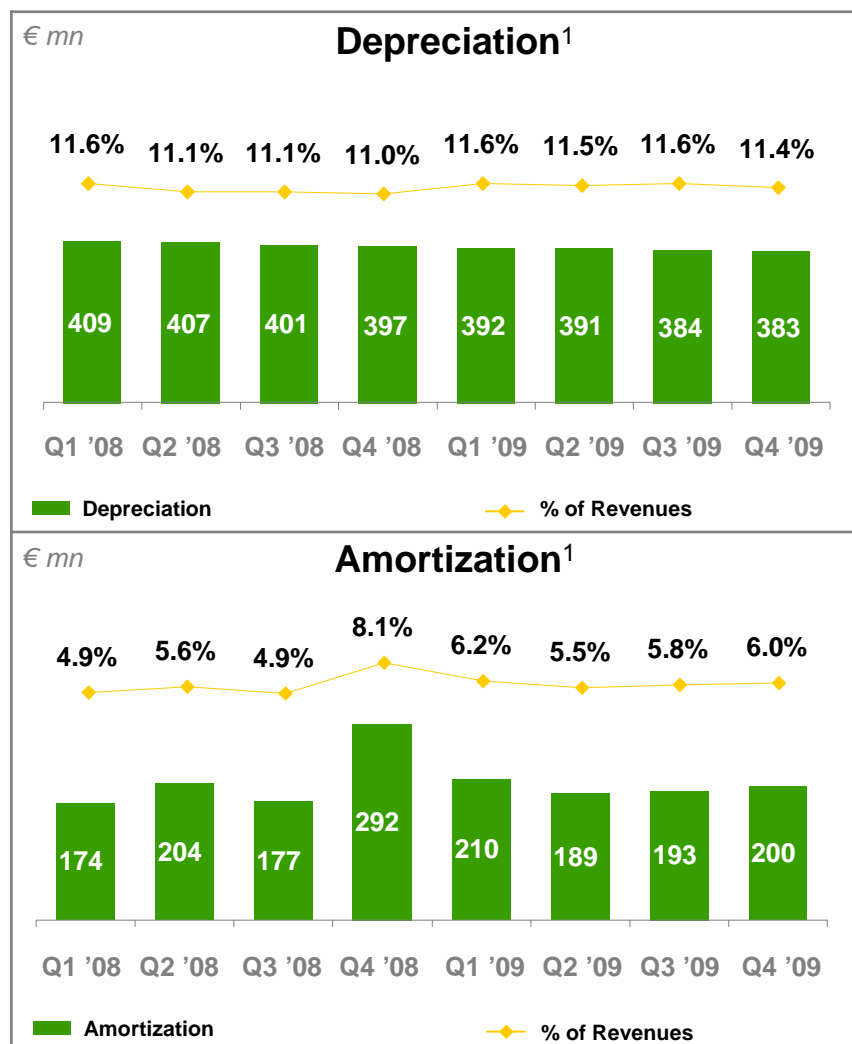
- Lower costs at Getronics due to disposals
- Restructuring charge of € 31 mn in Q4 '08 vs. € 21 mn in Q4 '09
- Decrease in other personnel costs like travel and education

Q-on-Q increase

- Restructuring charge of € 21 mn in Q4 '09, no charges in Q3 '09
- Accrual for unused site rental of € 9 mn in Q4 '09

Analysis operating expenses

Depreciation & Amortization



Y-on-Y decrease

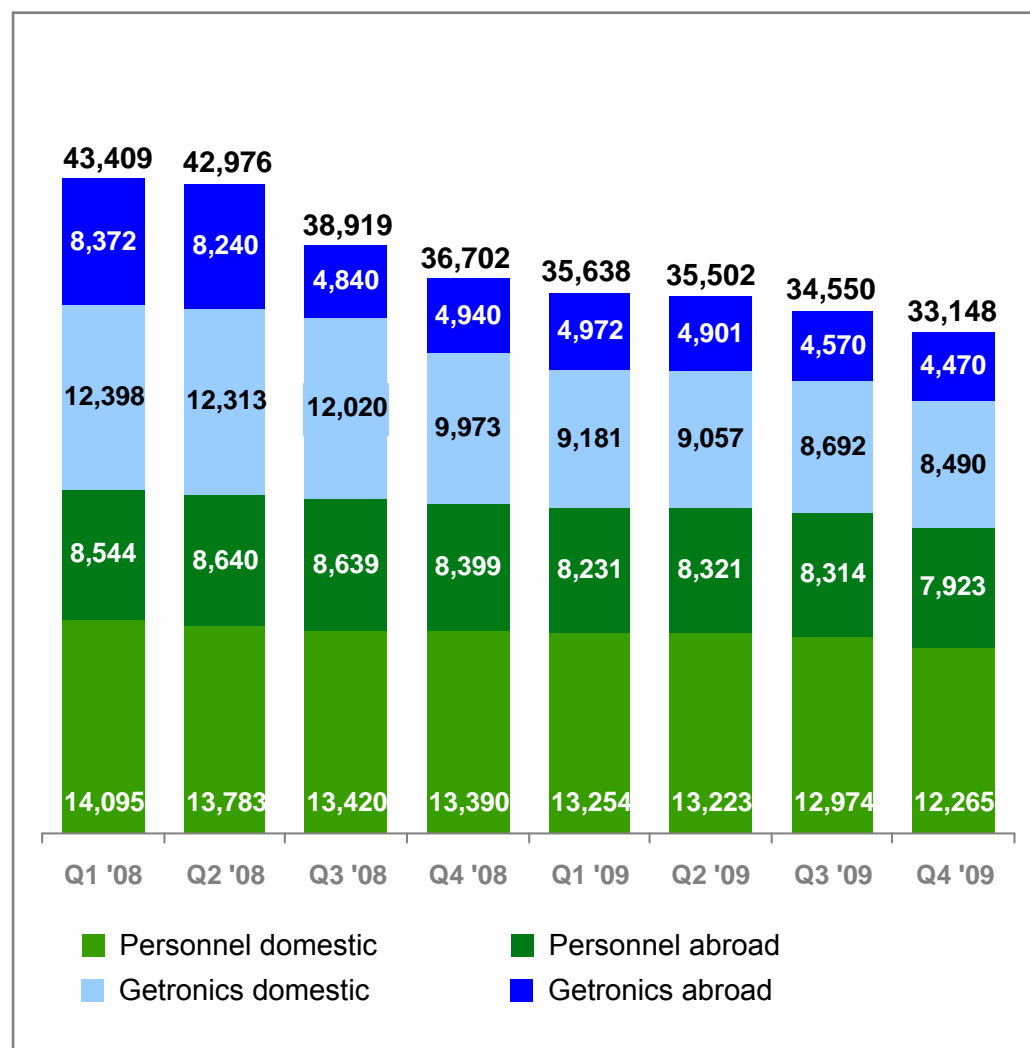
- Accelerated depreciation of € 16 mn copper network in Q4 '08

Y-on-Y decrease

- € 103 mn impairments at Getronics and iBasis in Q4 '08

¹ Including impairments, if any

Personnel¹



¹ New organizational structure as of Q1 '09, following integration of part of KPN Business Market into Getronics; restated numbers for 2008

- Decrease of 3,554 FTE Y-on-Y
 - Reduction of 1,125 FTE in the Netherlands (excl. Getronics), mainly from Consumer, W&O and SNT divestment
 - Reduction of 1,953 FTE at Getronics, mainly from divestments and restructuring
 - Reduction of 476 FTE at KPN abroad, mainly in call centers and E-Plus
- Decrease of 1,402 FTE in Q4 vs Q3
 - Reduction of 709 FTE in the Netherlands (excl. Getronics), mainly due to SNT divestment
 - Reduction of 302 FTE at Getronics
 - Reduction of 391 FTE at KPN abroad, mainly in call centers and E-Plus
- Cumulative reduction of 8,061 FTE in the Netherlands since 2005
 - Excluding Getronics and acquisitions
 - Reduction target of 10,000 FTE in the Netherlands by 2010
 - Taking a number of outsourcing decisions in the first half of 2010
 - Since the end of 2007, temporary personnel in the Netherlands has been reduced with 2,130 FTE

Tax

€ mn	P&L		Cash flow	
	Q4 '09	Q4 '08	Q4 '09	Q4 '08
Dutch activities	-85	-87	59	-189
Getronics	-3	5	-1	-2
German Mobile activities	654	-10	-2	-2
Belgian Mobile activities	-8	-12	-	-
Other	51	-3	-	-
Total	609	-107	56	-193

- Tax gain of € 705 mn recorded in Germany in Q4 '09 due to reassessment of deferred tax asset
 - Reflecting increased likelihood of utilizing loss carry forwards of E-Plus in the future
- Tax gain in Other in Q4 '09 reflecting the positive tax effect from an anticipated legal restructuring
- In Q4 '09 refunds and payment of Dutch Corporate income tax
 - € 49 mn receipt related to prior years
 - € 33 mn receipt related to 2009
 - € 16 mn payment related to E-Plus recapture

Net cash flow from operating activities

€ mn	Q4 '09	Q4 '08	FY '09	FY '08
Operating Result	724	592	2,850	2,597
Depreciation, amortization and impairments	583	689	2,342	2,461
Interest paid	-150	-217	-609	-597
Income tax paid	55	-193	-506	-522
Other income	-22	-94	-54	-141
Share based compensation	12	7	33	22
Change in provisions	-85	-58	-290	-208
Net cash flow from operating activities <i>before changes in working capital</i>	1,117	726	3,766	3,612
Inventory	21	20	42	11
Trade receivables	65	8	259	119
Other current assets	166	202	118	66
Current liabilities	54	373	-409	222
Change in working capital	306	603	10	418
Net cash flow from operating activities	1,423	1,329	3,776	4,030
Capex ¹	-565	-613	-1,767	-1,925
Proceeds from real estate	62	140	94	180
Tax recapture E-Plus	16	128	343	313
Free cash flow²	936	984	2,446	2,598

1 Including Property, Plant & Equipment and software

2 Defined as Net cash flow from operating activities plus proceeds from real estate minus Capex, excluding tax recapture at E-Plus

Total cash flow

€ mn	Q4 '09	Q4 '08	FY '09	FY '08
Net cash flow from operating activities	1,423	1,329	3,776	4,030
Capex ¹	-565	-613	-1,767	-1,925
Acquisitions	-84	-125	-180	-296
Disposals real estate	62	140	94	180
Disposals other	0	248	57	363
Other	-23	-3	-33	-21
Net cash flow from investing activities	-610	-353	-1,829	-1,699
Dividends paid	0	0	-1,039	-981
Share repurchases	-186	-103	-898	-1,103
Debt financing	-7	-803	1,923	714
Other	3	6	-53	-50
Net cash flow used in financing activities	-190	-900	-67	-1,420
Changes in cash and cash equivalents	623	76	1,880	911

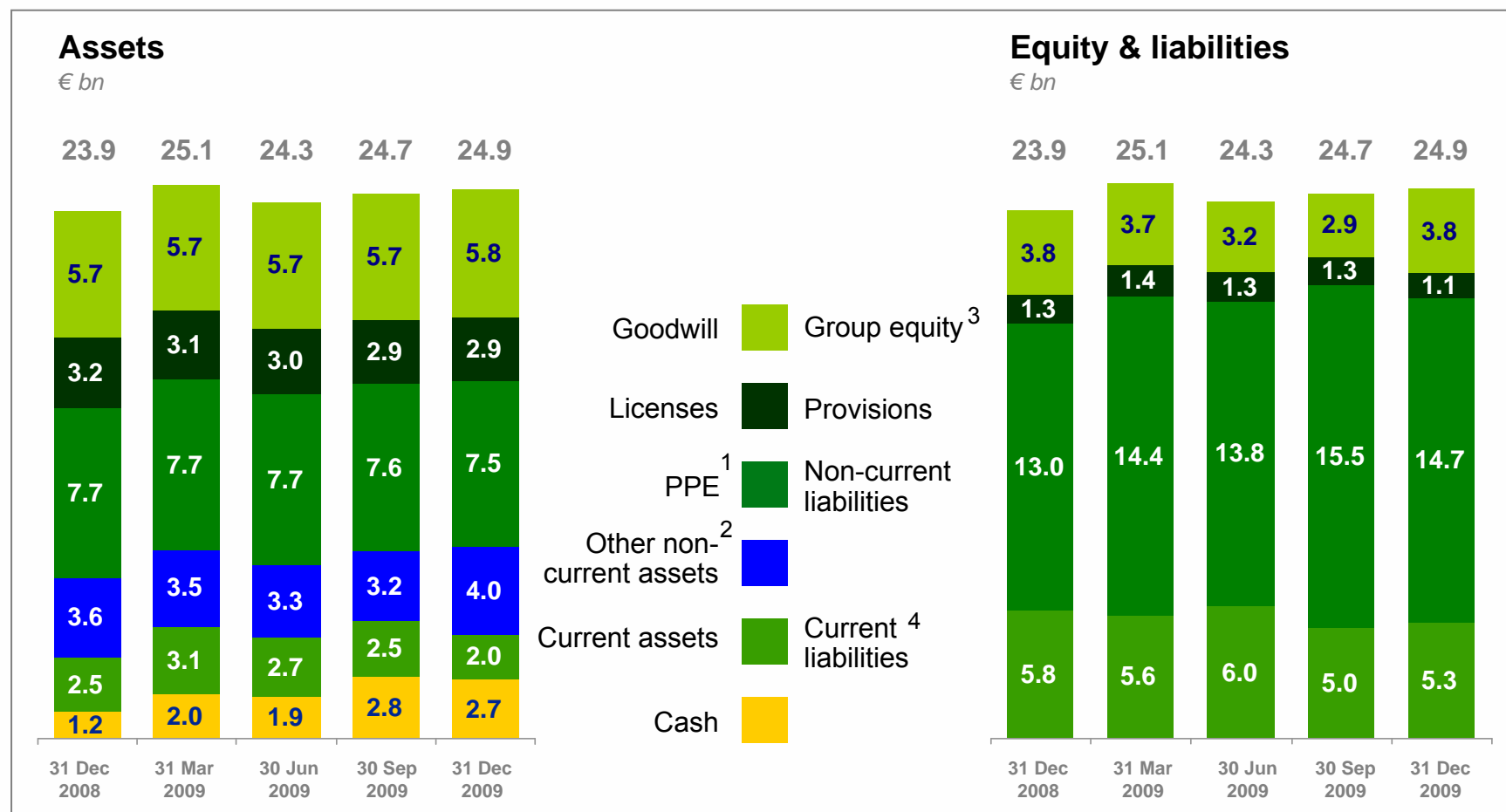
¹ Including Property, Plant & Equipment and software

Capex¹

€ mn	Q4 '09	Q4 '08	%	FY '09	FY '08	%
Germany	144	182	-21%	450	514	-13%
% Revenues Germany	18%	22%		14%	16%	
Belgium	31	58	-47%	101	130	-22%
% Revenues Belgium	15%	29%		13%	17%	
Rest of World	2	4	-50%	4	9	-56%
% Revenues Rest of World	6.5%	13%		4.2%	12%	
Mobile International	177	244	-28%	555	653	-15%
% Revenues Mobile International	17%	23%		14%	16%	
Consumer	69	68	1.5%	221	221	0.0%
% Revenues Consumer	6.9%	6.5%		5.4%	5.4%	
Business	32	27	19%	113	115	-1.7%
% Revenues Business	5.1%	4.2%		4.5%	4.5%	
Getronics (reported)	48	35	37%	107	156	-31%
% Revenues Getronics	8.9%	6.0%		5.2%	7.1%	
Wholesale & Operations	214	220	-2.7%	713	723	-1.4%
% Revenues Wholesale & Operations	25%	21%		21%	19%	
The Netherlands	385	366	5.2%	1,203	1,262	-4.7%
% Revenues The Netherlands	16%	14%		13%	12%	
Other	3	3	0.0%	9	10	-10%
Total	565	613	-7.8%	1,767	1,925	-8.2%
% Revenues	17%	17%		13%	13%	

¹ Including Property, Plant & Equipment and software

Balance sheet



Share repurchase progress

Date ¹	Value (€ mn)	mn shares	Avg. share price (€)
Q4 '08	101.9	9.7	10.54
Q1 '09	315.5	30.9	10.23
Q2 '09	198.7	21.2	9.36
Q3 '09	216.1	20.4	10.57
October	80.8	6.8	11.89
November	77.1	6.4	12.04
December	10.0	0.8	11.97
Q4 '09	167.8	14.0	11.97
Total	1,000.0	96.2	10.39

- € 1 bn share repurchase program for 2009 started on 19 November 2008
 - 100% completed to date, of which 10% already done in 2008
- € 7.8 bn in shares repurchased between start in 2004 and Q4 '09
 - 876 mn shares repurchased until Q4 '09, average price of € 8.93
- Number of outstanding shares amounting to 1,628,855,322 as of 23 December 2009
 - ~35% of outstanding shares cancelled since 2004
 - 10.7 mn shares, remaining from the 2009 program, will be cancelled in Q1 '10

¹ Figures based on transaction date of share repurchases, some rounding changes may be applicable

Debt summary¹

€ bn	Q4 '09	Q3 '09	Q4 '08
Bonds	13.16	13.16	11.44
Eurobonds	11.60	11.56	9.12
Global bonds	1.56	1.60	2.32
Other debt	0.21	0.94	0.60
Other loans at Royal KPN ²	0.16	0.15	0.14
Consolidated debt	0.05	0.79	0.46
Fair value financial instruments³	0.45	0.44	0.06
Total debt	13.82	14.54	12.10
— of which short-term ²	0.92	0.82	1.15

Cash and cash equivalents	2.69	2.81	1.20
Total net debt	11.13	11.73	10.90

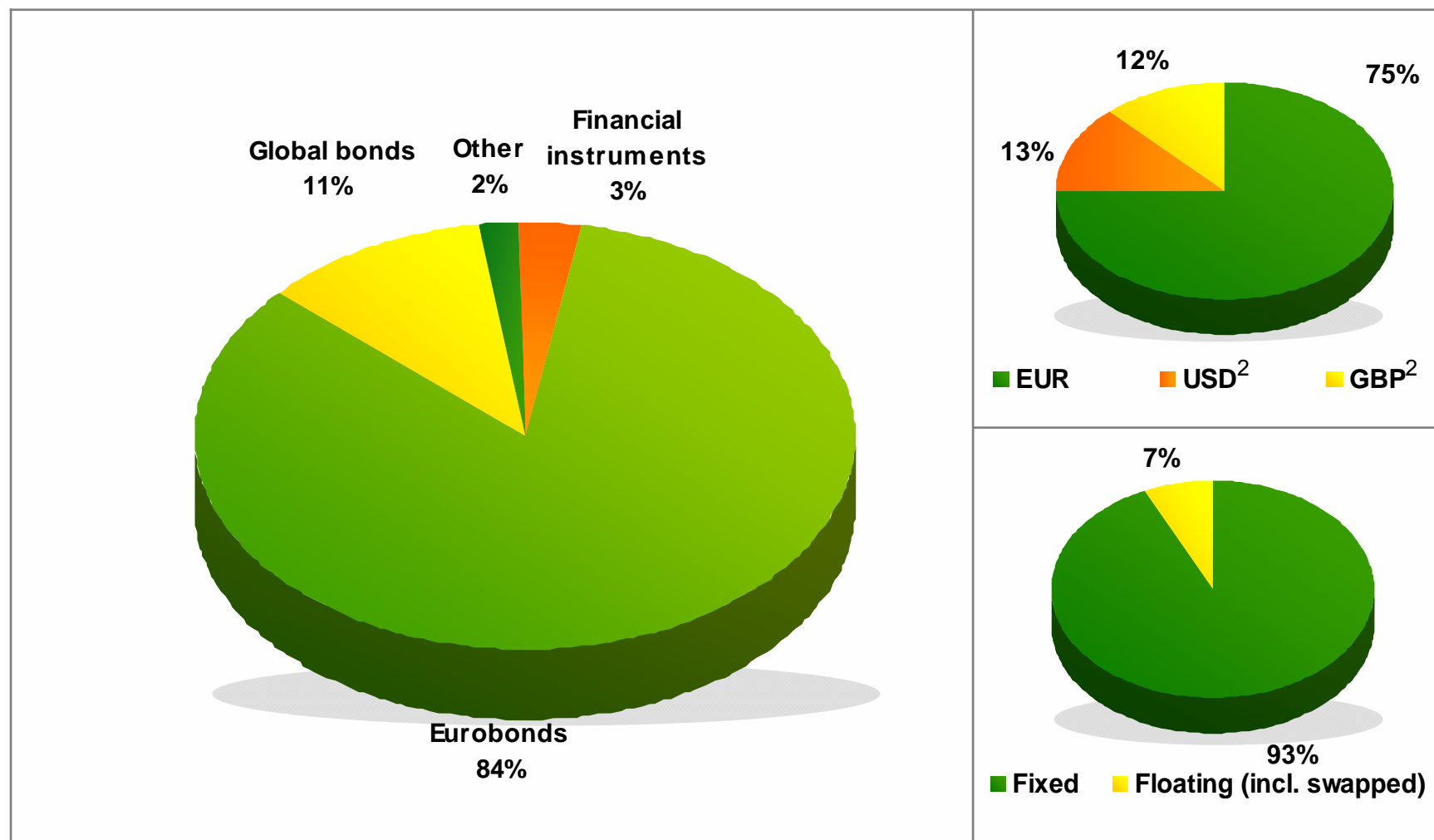
1 Book value of interest bearing financial liabilities plus the fair value of financial instruments related to these financial liabilities

2 Current liabilities include approximately € 0.04 bn of non-netted cash balances per Q4 '09

3 Excluding option agreements related to Reggefiber € 0.1 bn

Debt portfolio

Breakdown of € 13.8 bn gross debt¹



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

² Foreign currency amounts hedged into Euro

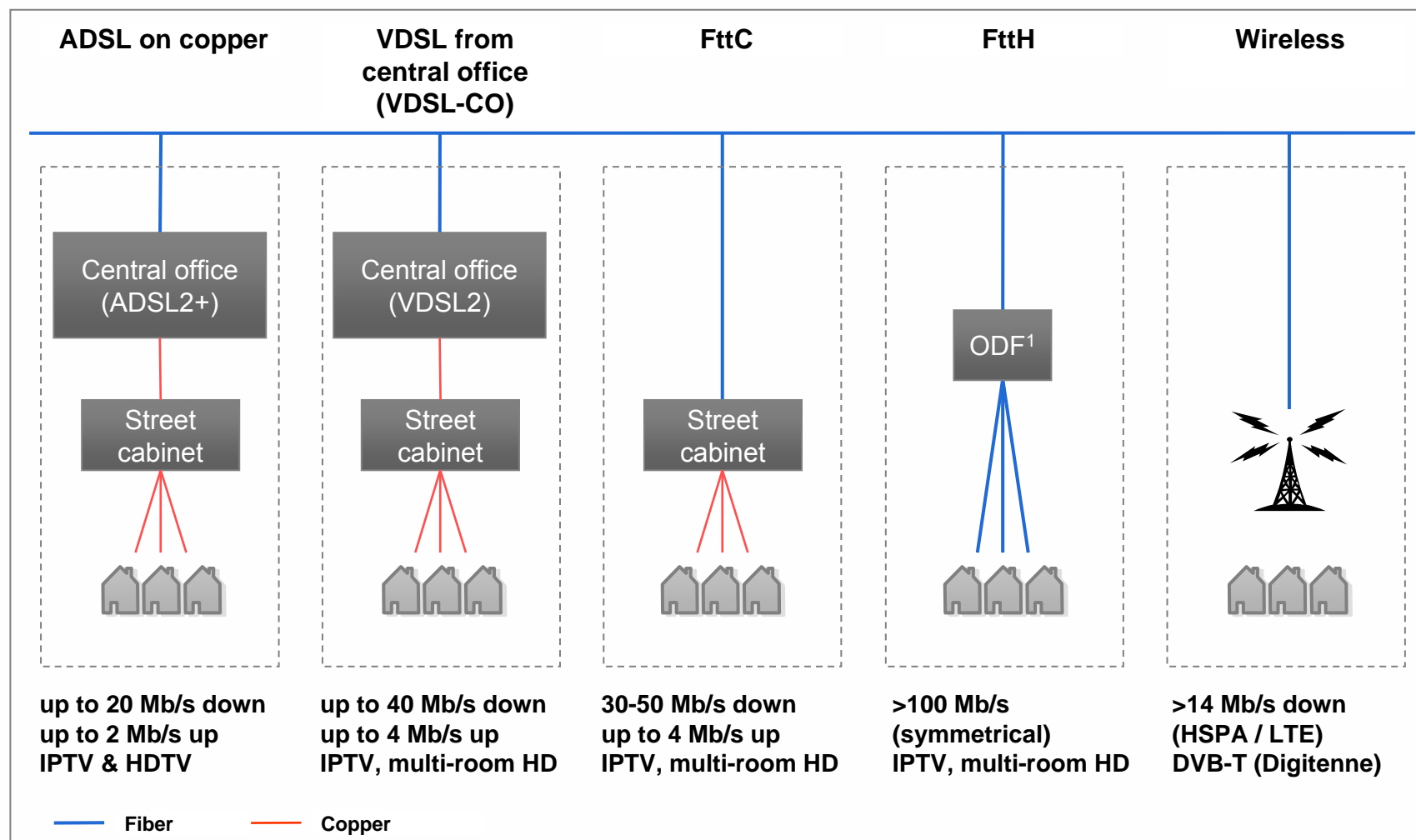
Consumer voice market¹

<i>mn</i>	Q4 '09	Q3 '09	Q4 '08
KPN PSTN / ISDN	2.02	2.11	2.36
Wholesale Line Rental (WLR)	0.41	0.42	0.39
Total traditional voice	2.43	2.53	2.75
KPN VoIP	1.20	1.17	1.09
Cable VoIP	1.49	1.45	1.27
Alternative DSL VoIP	0.42	0.40	0.35
Total VoIP	3.11	3.02	2.71
Cable voice analogue	0.04	0.04	0.04
Mobile-only	1.25	1.24	1.24
Total households	6.83	6.83	6.74

¹ Management estimates

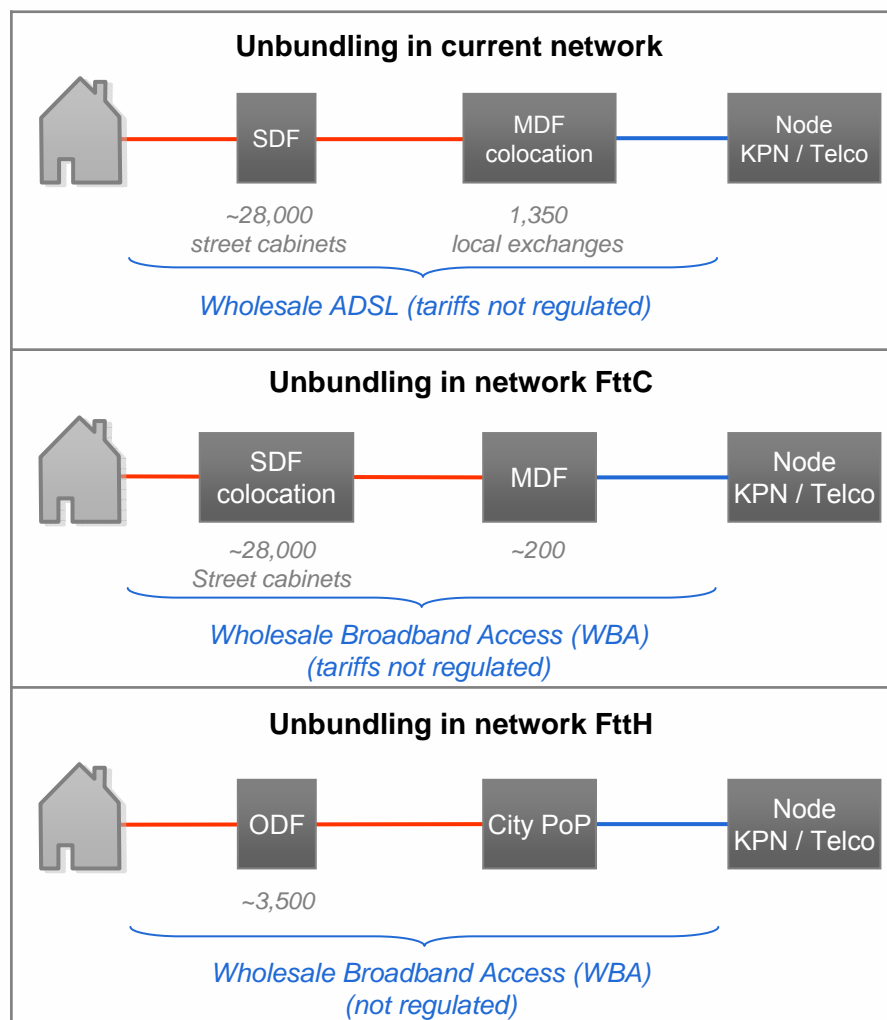
Infrastructure

Deploying mix of technologies going forward



1 Optical distribution frame

Unbundling tariffs



— Regulated — Not-regulated

1 Tariffs refer to WPC 2009-2011 |(WPC 2A); WPC 2B to be expected in H1 2010

Category	Monthly tariff
Line sharing (LLU) ¹	€ 0.10 / line
Fully unbundled (LLU) ¹	€ 6.52 / line
MDF colocation ¹	€ 776.40 / footprint / year
MDF backhaul ¹	Commercial pricing, not regulated
Wholesale ADSL access fee	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Line sharing (SLU)	€ 7.58 / line
Fully unbundled (SLU)	€ 7.48 / line
SDF colocation	€ 1.20 / line or 5.32 / per unit One-off € 492.61/ per unit
SDF backhaul	To be regulated
Wholesale Broadband Access (WBA)	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Fully unbundled (ODF FttH)	€ 12.00 – € 17.50
ODF colocation	≤ € 500 / month One-off ≤ € 3,000
ODF Backhaul	≤ 600 / month
Wholesale Broadband Access (WBA)	Deal pricing

KPN service portfolio per Q2 '10

Transparent multi-play packages, symmetrical speeds on FttH

List prices (incl. VAT)		Basic / Bronze	Extra / Silver	Premium / Gold
Broadband	FttH	30 Mb download, €65 30 Mb upload	50 Mb download, €80 50 Mb upload	100 Mb download, €110 100 Mb upload
	Copper /FttC	Up to 8 Mb download, €45 1 Mb upload	Up to 16 Mb download, €60 2 Mb upload	Up to 40 Mb download, €75 4 Mb upload
	Mobile	€0.15 / Mb AlwaysOnline (Mobile Internet) + Internet HotSpots		
TV	1 st TV receiver free (SD or HD, Video-on-demand, Electronic guide, missed program)			
	2 nd TV receiver optional (€ 4/month – iTV or Digitenne)			
	PVR optional (€ 4/month)			
	iTV basis: 53 channels, 90 radio, Video-on-demand >1,000 videos Digitenne basis: 23 TV channels, 19 radio Extra options: Plus-package, HD package, Sport 1			
Voice	Unlimited calling to fixed Weekend & Night		Always unlimited calling to fixed	

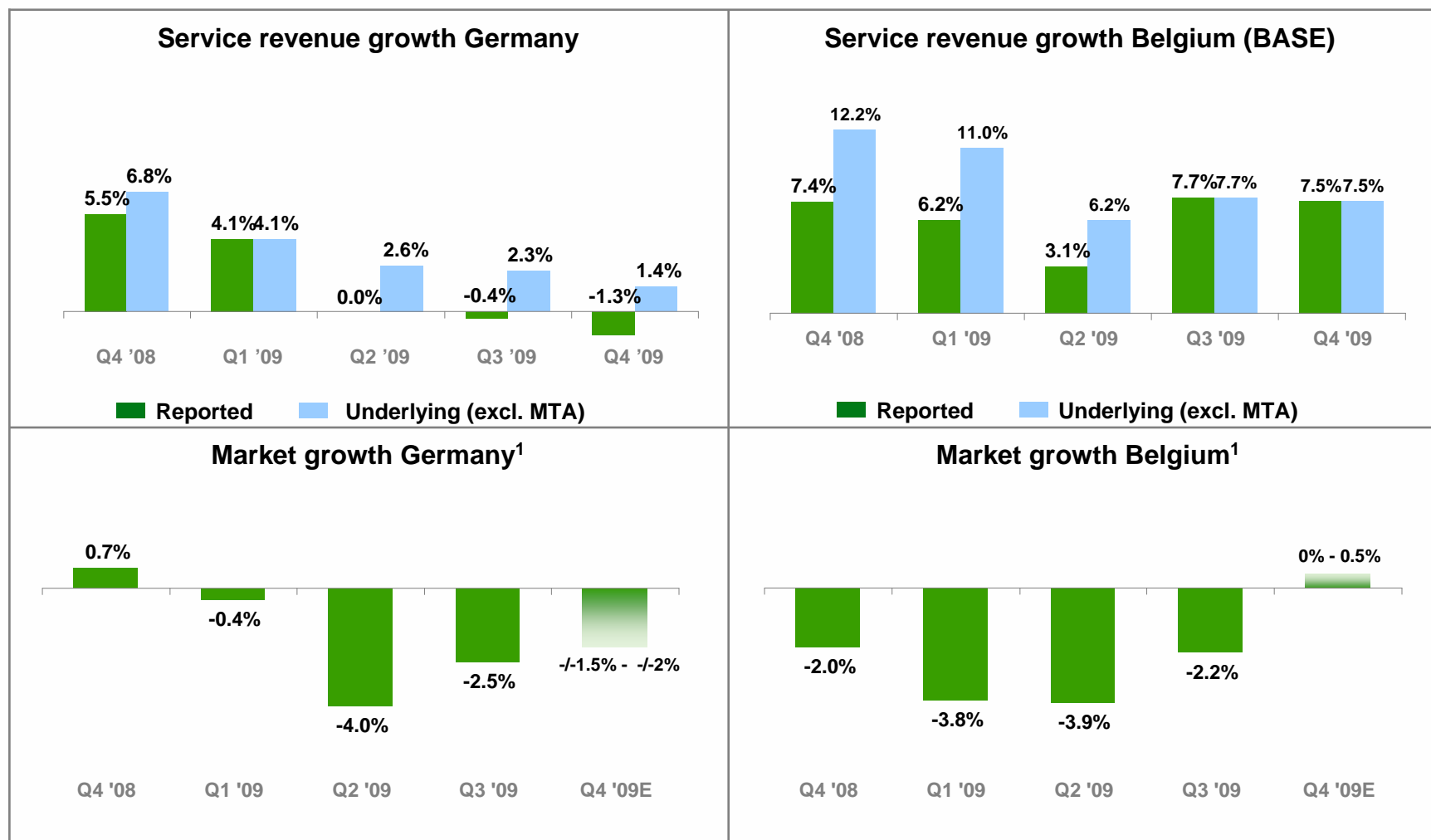
Spectrum Germany

in MHz

	Current allocation				
Band	T-Mobile	Vodafone	E-Plus	O ₂	Total
800 MHz	-	-	-	-	-
900 MHz	2 x 12.4	2 x 12.4	2 x 5	2 x 5	70
1800 MHz	2 x 5	2 x 5	2 x 17.5	2 x 17.5	90
2.1 GHz	2 x 10	2 x 10	2 x 10	2 x 10	80
2.6 GHz	-	-	-	-	-
Total	55	55	65	65	240

Auction 2010	
Blocks	Total
6 blocks 2 x 5	60
-	-
5 blocks 2 x 5	50
4 blocks 2 x 5 1 block 1 x 5 1 block 1 x 14.2	59.2
14 blocks 2 x 5 10 blocks 1 x 5	190
359.2	359.2

Service revenue growth Mobile International



¹ Management estimates for service revenue growth, based on equity research

Dutch wireless services disclosure

	Q4 '09	Q3 '09	Q4 '08
Service revenues (€ mn)	758	757	754
- Consumer	453	460	423
- Business	247	234	244
- Other Dutch activities ¹	58	63	87
SAC / SRC (€)			
- Consumer	183	150	150
- Business ²	272	287	284

1 Indicates amongst others Mobile Wholesale NL, Simyo and visitor roaming revenues within KPN the Netherlands

2 Restated numbers for Q3 '09 and Q4 '08 following recalculation, now also including all data SAC/SRC in addition to voice SAC/SRC

KPIs Consumer

Wireline Voice

Voice	Q4 '09	Q3 '09	Q4 '08
Market share¹			
– Voice ²	~55%	~55%	>55%
– Traditional voice ³	>80%	~80%	>75%
– VoIP	39%	39%	41%
Market penetration VoIP	53%	51%	46%
Access lines (x 1,000)	3,218	3,273	3,444
– PSTN	1,819	1,894	2,124
– ISDN	200	212	234
– VoIP (packages broadband and voice)	1,199	1,167	1,086
Net line loss (x 1,000)	-50	-55	-5
Traditional voice ARPU (€)	26	25	26
– Access	17	16	16
– Traffic	9	9	10

1 Based on management estimates

2 Market shares defined as share in total consumer voice (including VoIP), based on management estimates

3 Market shares defined as share in traditional consumer voice (excluding VoIP), based on management estimates

KPIs Consumer

Broadband & TV

Broadband	Q4 '09	Q3 '09	Q4 '08
Market penetration Broadband ¹	81%	81%	80%
Broadband ISP customers (x 1,000)	2,540	2,550	2,536
– KPN	1,830	1,161	1,129
– Het Net	0	670	680
– XS4ALL	276	280	291
– Other	434	439	436
Broadband ARPU (€)	31	31	30
TV	Q4 '09	Q3 '09	Q4 '08
Market share TV ²	13%	13%	11%
– Subscribers (x 1,000)	970	924	775
– ARPU (€)	8	8	7

1 Including DSL and Cable, based on management estimates

2 Based on management estimates

KPIs Consumer

Wireless & Mobile Wholesale NL

Wireless	Q4 '09	Q3 '09	Q4 '08
- Customers ¹ (x 1,000)	6,523	6,739	6,248
- Service revenues (€ mn)	453	460	423
- ARPU (€)	23	23	23
- MoU (originating, terminating)	109	105	111
- SAC/SRC (€)	183	150	150

Mobile Wholesale NL ²	Q4 '09	Q3 '09	Q4 '08
Customers (x 1,000)	2,120	1,944	2,094
- Post Paid	403	372	603
- Pre Paid	1,717	1,572	1,491

Service revenues (€ mn)	50	52	85
--------------------------------	-----------	-----------	-----------

1 Including Debitel migrated from Mobile Wholesale NL as of Q1 '09

2 Excluding Debitel migrated to Consumer Wireless as of Q1 '09

KPIs Business

Infrastructure Services

Wireline	Q4 '09	Q3 '09	Q4 '08
Market share voice¹	>45%	~50%	~ 50%
Access lines (x 1,000)	1,469	1,501	1,581
– PSTN	691	706	745
– ISDN	749	767	812
– VoIP	29	28	24
Business DSL	141.8	133.7	119.0
Traditional voice ARPU (€)	51	49	52
– Access	27	27	27
– Traffic	24	22	25
Network services (x 1,000)			
– Leased lines	23.3	24.3	29.0
– E-VPN connections	14.9	14.0	10.9
Managed network services (x 1,000)			
– IP-VPN connections ²	24.0	31.2	31.9
– M-VPN routers	23.7	23.5	20.1
Wireless	Q4 '09	Q3 '09	Q4 '08
– Customers (x 1,000)	1,662	1,636	1,551
– of which data users	48%	46%	43%
– Service revenues (€ mn)	247	234	244
– ARPU (€)	50	48	53
– MoU (originating, terminating)	216	191	247
– SAC/SRC ³ (€)	272	287	284

1 Market shares defined as share in traditional voice (including VoIP and internet dial-up), based on management estimates.

2 One-off rationalization of technically inactive VPN connections in Q4 '09

3 Restated numbers for Q3 '09 and Q4 '08 following recalculation, now also including all data SAC/SRC in addition to voice SAC/SRC

KPIs Getronics

	Q4 '09	Q3 '09	Q4 '08
Service revenues (€ mn)	477	437	520
Workspaces (in mn)			
– Serviced IT workspaces ¹	1.8	1.7	n.a.
– Serviced Voice workspaces	0.6	0.6	0.6

ICT Services	Q4 '09	Q3 '09	Q4 '08
Housing & Hosting (x 1,000)			
– Housing services (# m ²)	25.0	25.0	21.6
– Hosting services (# servers)	12.0	11.7	8.9

1 Number of IT workspaces not available per quarter for 2008 due to annual measurement and including disposals effect

KPIs Wholesale & Operations

Wholesale & Operations	Q4 '09	Q3 '09	Q4 '08
Retail voice (without ADSL)	3,460	3,579	3,915
Local loop (x 1,000)			
MDF access lines ¹	3,743	3,751	3,702
— of which line sharing ²	1,374	1,434	1,612
Unbundling (mn)	1.1	1.1	1.1
— Shared unbundled lines ³	0.2	0.2	0.3
— Fully unbundled lines ⁴	0.9	0.9	0.8
Minutes (bn)	4.4	4.0	4.8
— Originating	1.1	1.0	1.1
— Terminating	2.0	1.8	2.3
— Transit	1.3	1.2	1.4
Population coverage			
— ADSL 2+	57%	57%	57%
— UMTS / HSDPA	99%	99%	99%
iBasis⁵ (international wholesale)	Q4 '09	Q3 '09	Q4 '08
Minutes (bn)	5.0	5.0	5.7
Average revenue per minute (€ cents)	3.2	3.5	4.0

1 Including Bitstream

2 Includes KPN ADSL connections, line sharing other telcos and KPN Bitstream

3 Line sharing -/- KPN ADSL + KPN VoIP + KPN ADSL Only

4 MDF access -/- line sharing -/- KPN VoIP -/- KPN ADSL Only

5 Consolidated as of 1 October 2007 and wholly owned as of 21 December 2009

KPIs Germany

	Q4 '09	Q3 '09	Q4 '08
Market share¹			
– Service revenue	15.5%	15.8%	15.4%
– Base	17.3%	17.1%	16.4%
Customers (x 1,000)	18,987	18,712	17,777
– Of which new brands	13,461	13,018	11,340
– Post Paid	6,768	6,800	6,676
– Pre Paid ²	12,219	11,912	11,101
Service revenues (€ mn)	751	779	761
ARPU (€)	13	14	15
– Post Paid	26	27	29
– Pre Paid	6	6	6
Non-voice as % of ARPU	30%	28%	24%
MoU (originating, terminating)	149	145	142
– Post Paid	285	278	284
– Pre Paid	77	72	60
SAC/SRC (€)	46	45	49
– Post Paid	127	126	114
– Pre Paid	15	12	14

1 Management estimates

2 Clean-up of ~300k Pre Paid customers amounting in Q1 '09; ~320k in Q2 '09

KPIs Belgium (Mobile)¹

	Q4 '09	Q3 '09	Q4 '08
Market share²			
— Service revenue	~18%	>17%	>16%
— Base	>25%	>25%	>24%
Customers (x 1,000)	3,578	3,560	3,445
— Post Paid	678	646	569
— Pre Paid ³	2,900	2,914	2,876
Service revenues (€ mn)	171	167	159
ARPU (€)	16	16	16
— Post Paid	48	50	50
— Pre Paid	9	8	9
Non-voice as % of ARPU	17%	16%	17%
MoU (originating, terminating)	126	112	122
— Post Paid	456	406	446
— Pre Paid	52	49	57
SAC/SRC⁴ (€)	21	23	20
— Post Paid ⁴	58	57	69
— Pre Paid	9	12	9

¹ Relating to Mobile business only

² Management estimates

³ Clean-up of 96k inactive Pre Paid customers in Q3 '09; 176k in Q4 '09

⁴ Restatement of SAC/SRC for 2008/2009 to include promotional costs not considered SAC/SRC before. The changes do not impact any financials of BASE