

Third Quarter Results 2012

23 October 2012



Safe harbor

Non-GAAP measures and management estimates

This financial report contains a number of non-GAAP figures, such as EBITDA and free cash flow. These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures.

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

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

The term service revenues refers to wireless service revenues.

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

Forward-looking statements

Certain statements contained in this financial report constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, KPN's and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates" or similar expressions.

These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the Annual Report 2011.

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Executive summary

- Mixed performance across the group
- Domestic businesses on track to reach 2012 market share targets
 - Bottoming-out of broadband market share
 - Relatively stable market share in competitive mobile environment
 - Maintaining stable market positions in Business segment
- Continued upgrades of mobile and fixed networks
 - Mobile network upgrades started to enable LTE
 - Good results from hybrid VDSL / FttH approach
- Customer focus through investments in quality and service
- 4,000-5,000 FTE reduction program on track to be completed end 2013

Executive summary (cont'd)

- Price competition in Germany offsetting growth from new propositions
 - Growth from higher postpaid net adds offset by customer optimization
- Continued strong profitable growth in Belgium
- Efforts in corporate social responsibility recognized
 - Inclusion Dow Jones Sustainability World Index
 - #1 telecom operator worldwide on emissions reduction performance
- Outlook confirmed

Outlook

Confirming outlook

	2012 Outlook
EBITDA ¹	€ 4.7 - 4.9bn
Capex	€ 2.0 - 2.2bn
Free cash flow ²	€ 1.6 - 1.8bn
Dividend per share	€ 0.35

- On track to reach outlook for full year 2012

- Dividend per share outlook 2013 of at least € 0.35

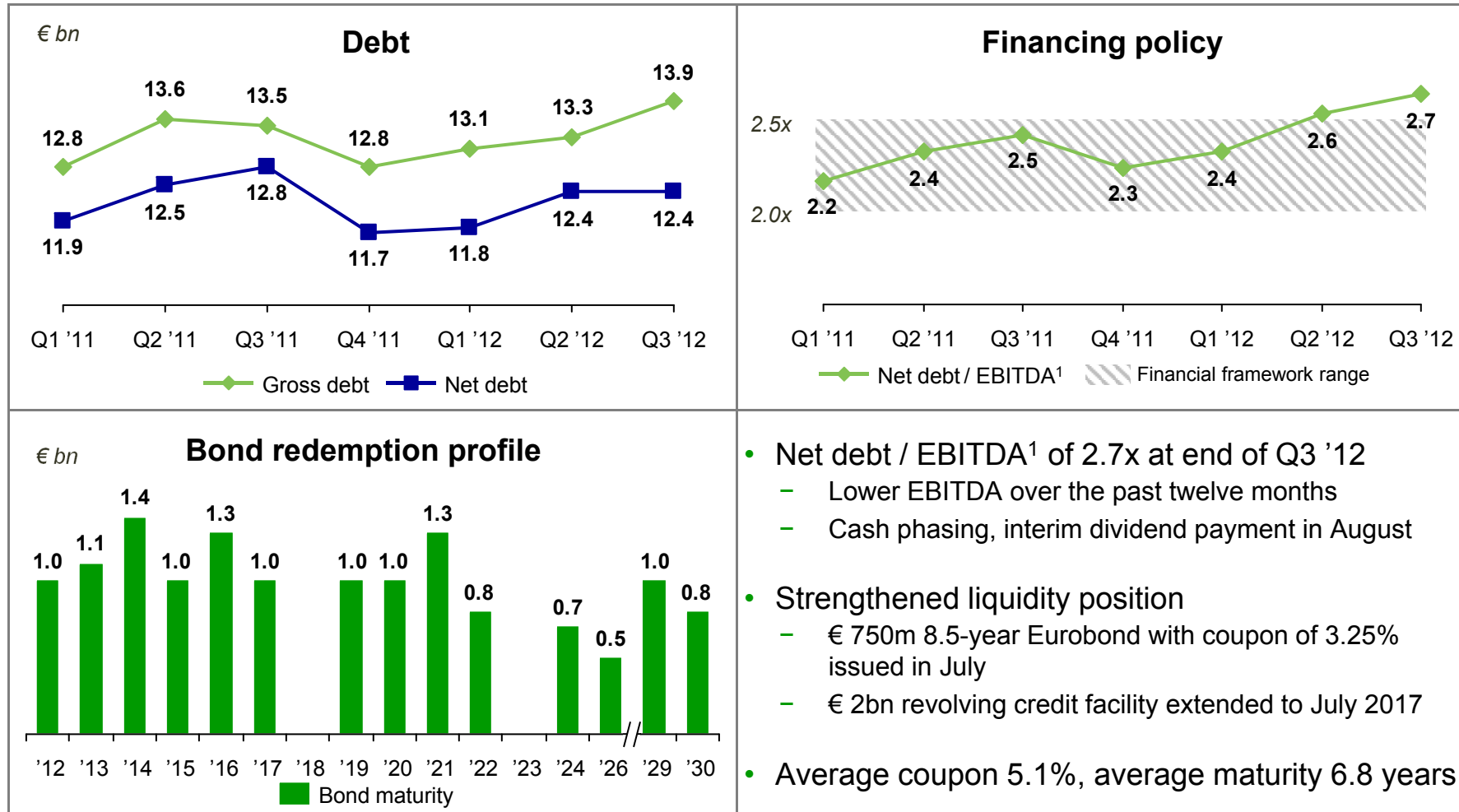
¹ Excluding restructuring costs

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

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Group financial profile



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

Group results Q3 '12

€ m	Q3 '12	Q3 '11	%
Revenues and other income	3,051	3,263	-6.5%
Operating expenses (excl. D&A)	1,887	2,018	-6.5%
– Depreciation ¹	414	371	12%
– Amortization ¹	214	217	-1.4%
Operating expenses	2,515	2,606	-3.5%
Operating profit	536	657	-18%
Financial income/expense	-210	-199	5.5%
Share of profit of associates	-3	-6	-50%
Profit before taxes	323	452	-29%
Taxes	-73	-84	-13%
Profit after taxes	250	368	-32%
Earnings per share²	0.17	0.26	-35%
EBITDA³ (reported)	1,164	1,245	-6.5%
– Restructuring costs	13	85	-85%
EBITDA (excl. restructuring costs)	1,177	1,330	-12%

- Revenues down 2.8%, excluding impact from sale of Getronics International (3.7%)
- EBITDA excluding restructuring costs down 12% mainly due to NetCo, Germany and Consumer Residential
- Operating expenses (excl. D&A) down 6.5%
 - € 197m lower operating expenses Corporate Market (sale Getronics International)
 - € 72m lower restructuring costs in Q3 '12
 Partly offset by
 - Investments to strengthen Dutch market positions
 - Higher commercial investments in Germany
 - Higher pension costs, incl. € 19m one-off actuarial losses Getronics UK & US
- Depreciation up 12%
 - Additional one-off Germany (€ 42m)

¹ Including impairments, if any

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

³ Defined as operating profit plus depreciation, amortization & impairments

Group results YTD '12

€ m	YTD '12	YTD '11	%
Revenues and other income	9,434	9,788	-3.6%
Operating expenses (excl. D&A)	6,027	5,966	1.0%
– Depreciation ¹	1,082	1,070	1.1%
– Amortization ¹	634	639	-0.8%
Operating expenses	7,743	7,675	0.9%
Operating profit	1,691	2,113	-20%
Financial income/expense	-574	-534	7.5%
Share of profit of associates	-16	-17	-5.9%
Profit before taxes	1,101	1,562	-30%
Taxes	-248	-189	31%
Profit after taxes	853	1,373	-38%
Earnings per share²	0.60	0.93	-35%
EBITDA³ (reported)	3,407	3,822	-11%
– Restructuring costs	83	108	-23%
EBITDA (excl. restructuring costs)	3,490	3,930	-11%

- Revenues down 1.6%, excluding impact from sale of Getronics International (2.0%)
- EBITDA excluding restructuring costs down 11% mainly due to NetCo and Consumer Residential
- Operating expenses (excl. D&A) up 1.0%
 - Investments to strengthen Dutch market positions
 - Commercial investments and higher traffic costs in Germany
 - Higher pension costs, incl. € 55m one-off actuarial losses Getronics UK & US
 Partly offset by
 - € 273m lower operating expenses Corporate Market (sale Getronics International)
 - € 25m lower restructuring costs YTD '12
- Higher taxes due to one-off benefit innovation tax facilities in 2011

¹ Including impairments, if any

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

³ Defined as operating profit plus depreciation, amortization & impairments

Group cash flow Q3 '12

€ m	Q3 '12	Q3 '11	%
Operating profit	536	657	-18%
Depreciation and amortization ¹	628	588	6.8%
Interest paid/received	-125	-219	-43%
Tax paid/received	-123	-127	-3.1%
Change in provisions	-52	29	n.m.
Change in working capital ²	-130	20	n.m.
Other movements	-3	-	n.m.
Net cash flow from operating activities	731	948	-23%
Capex³	476	498	-4.4%
Proceeds from real estate	2	13	-85%
Tax recapture E-Plus	89	92	-3.3%
Free cash flow⁴	346	555	-38%
Dividend paid	170	405	-58%
Share repurchases	-	333	-100%
Cash return to shareholders	170	738	-77%

- Free cash flow of € 346m
 - € 150m lower change in working capital
 - € 81m lower EBITDA
 - € 81m lower change in provisions
 Partly offset by
 - € 94m lower interest paid
- Capex down 4.4% y-on-y at € 476m
 - Lower Capex in Germany and NetCo partly offset by increased customer driven investments in The Netherlands
- € 0.12 interim dividend per share paid in August

¹ Including impairments, if any

² Excluding changes in deferred taxes

³ Including property, plant & equipment and software

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

Group cash flow YTD '12

€ m	YTD '12	YTD '11	%
Operating profit	1,691	2,113	-20%
Depreciation and amortization ¹	1,716	1,709	0.4%
Interest paid/received	-504	-570	-12%
Tax paid/received	-333	-149	>100%
Change in provisions	-105	-179	-41%
Change in working capital ²	-329	-246	34%
Other movements	-59	-65	-9.2%
Net cash flow from operating activities	2,077	2,613	-21%
Capex³	1,443	1,395	3.4%
Proceeds from real estate	40	75	-47%
Tax recapture E-Plus	243	245	-0.8%
Free cash flow⁴	917	1,538	-40%
Dividend paid	979	1,200	-18%
Share repurchases	-	1,000	-100%
Cash return to shareholders	979	2,200	-56%

¹ Including impairments, if any

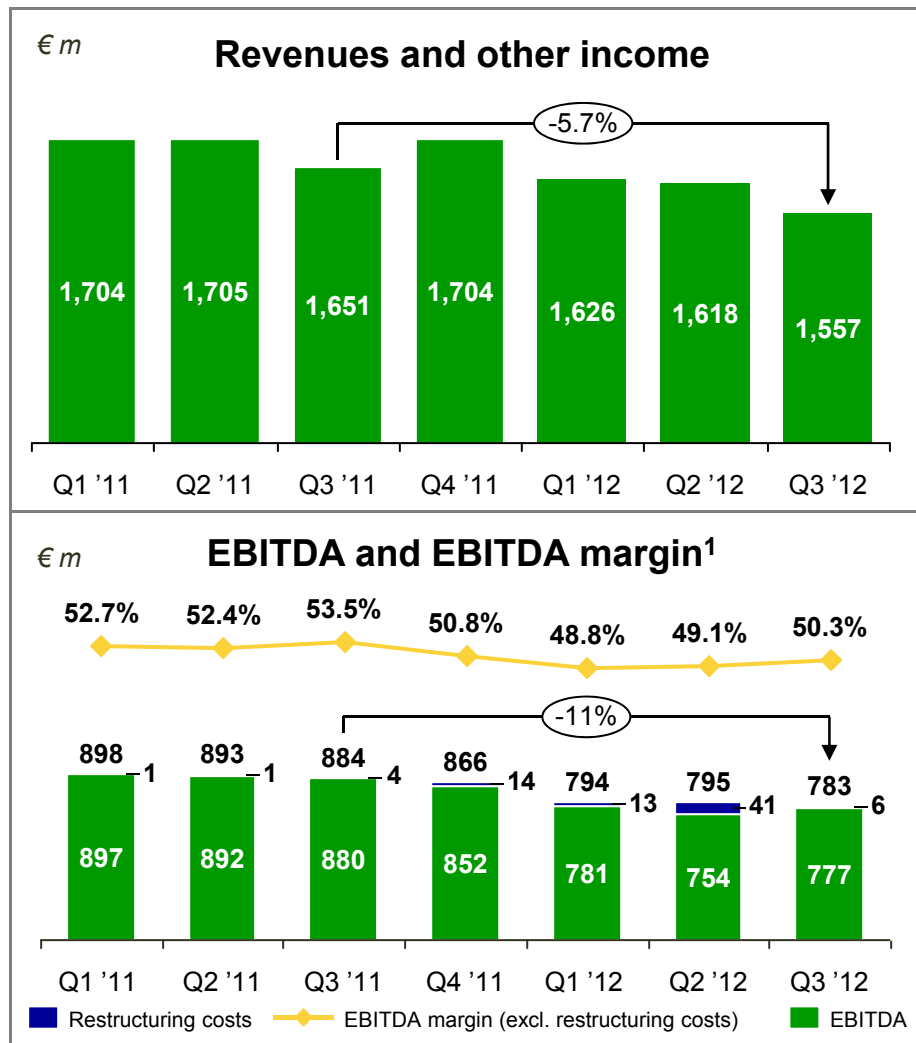
² Excluding changes in deferred taxes

³ Including property, plant & equipment and software

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

- Free cash flow of € 917m YTD '12
 - € 415m lower EBITDA
 - € 184m higher taxes paid
 - € 83m lower change in working capital
 - € 48m higher Capex
- Partly offset by
 - € 74m higher change in provisions
 - € 66m lower interest paid
- Higher Capex YTD '12 due to increased customer driven investments in The Netherlands
- Coverage ratio of KPN pension funds at 104% end of Q3 '12
 - Implementation Ultimate Forward Rate led to 3% positive effect on coverage ratio
 - € 19m recovery payment in Q3 '12
 - Recovery payments of € 23m in Q4 '12 and € 19m in Q1 '13

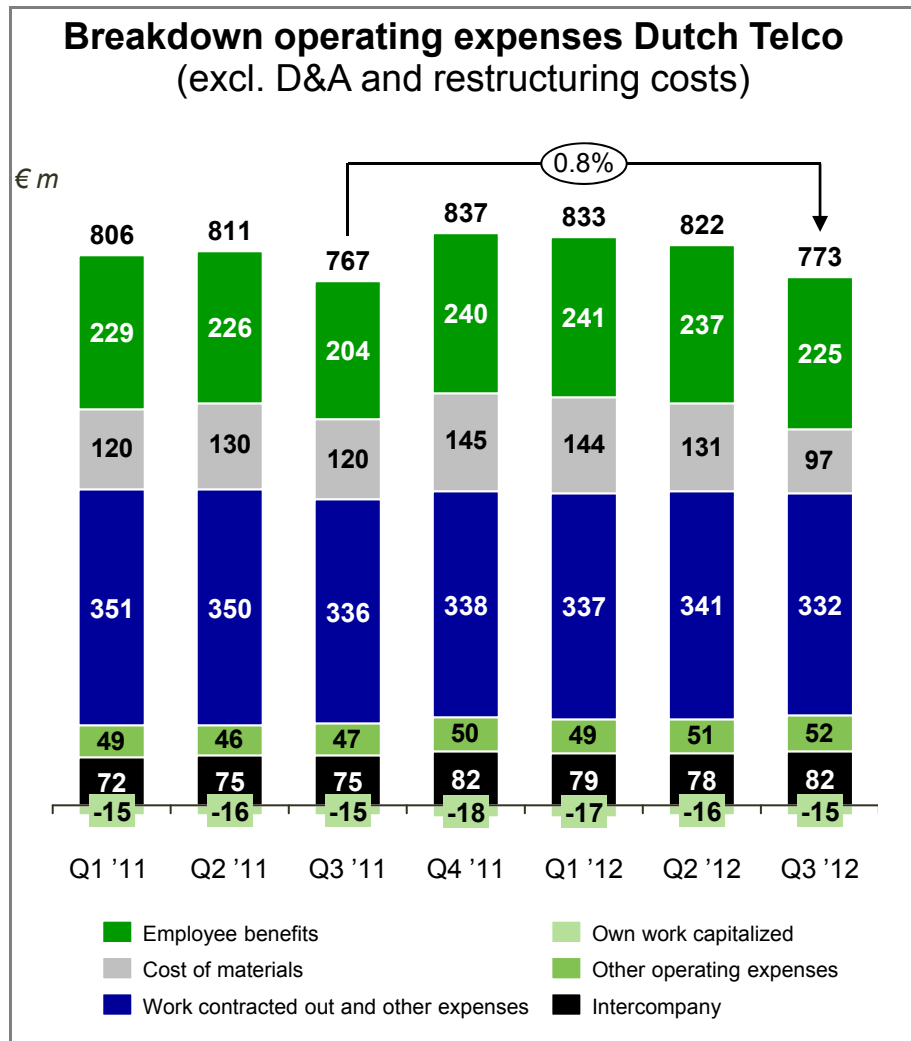
Financial review – Dutch Telco



- Revenues and other income down 5.7% y-on-y
 - Regulatory impact of € 27m (1.6%)
 - Lower revenues in Consumer Mobile and NetCo
- EBITDA excluding restructuring costs down 11% y-on-y
 - € 94m lower revenues
 - Regulatory impact of € 16m (1.8%)
- EBITDA margin¹ of 50.3% in Q3 '12
 - Margin pressure due to:
 - Investments to strengthen domestic market positions
 - Decline of high margin traditional services
 - Improvements in underlying cost structure planned to support margin
- € 6m restructuring costs in Q3 '12
 - Total restructuring costs € 80m since start of FTE reduction program

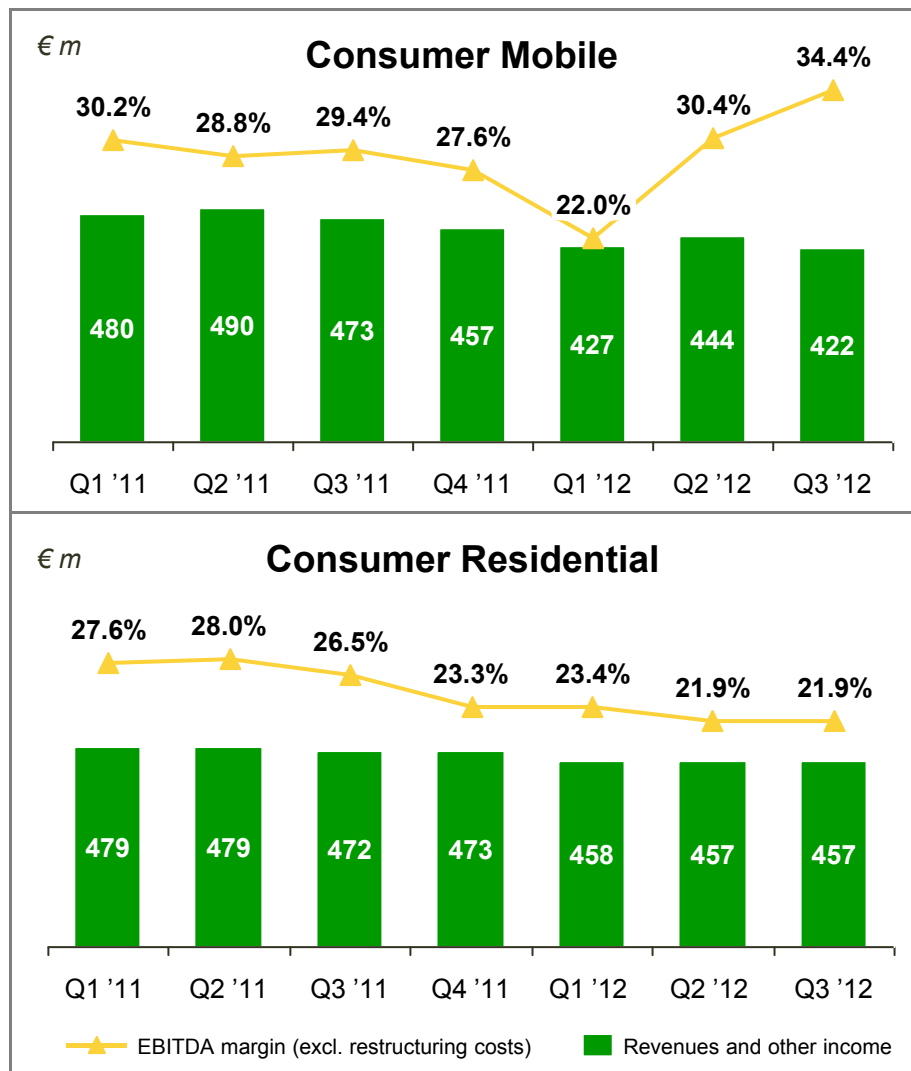
¹ EBITDA margin excluding restructuring costs, if any

Operating expenses Dutch Telco



- Operating expenses (excluding D&A and restructuring costs) up by 0.8% y-on-y
 - Employee benefits up € 21m due to release of provision in Q3 '11, higher expenses per FTE (wages and social security contributions) and higher costs for customer facing staff
 - Cost of materials down € 23m as a result of the introduction of new mobile propositions, including handset lease model
 - Work contracted out relatively stable as lower traffic costs across all segments are offset by higher content costs for TV and higher FttH access costs
- Improvements underlying cost structure planned related to FTE reduction program and quality improvements

Financial review – Dutch Telco by segment

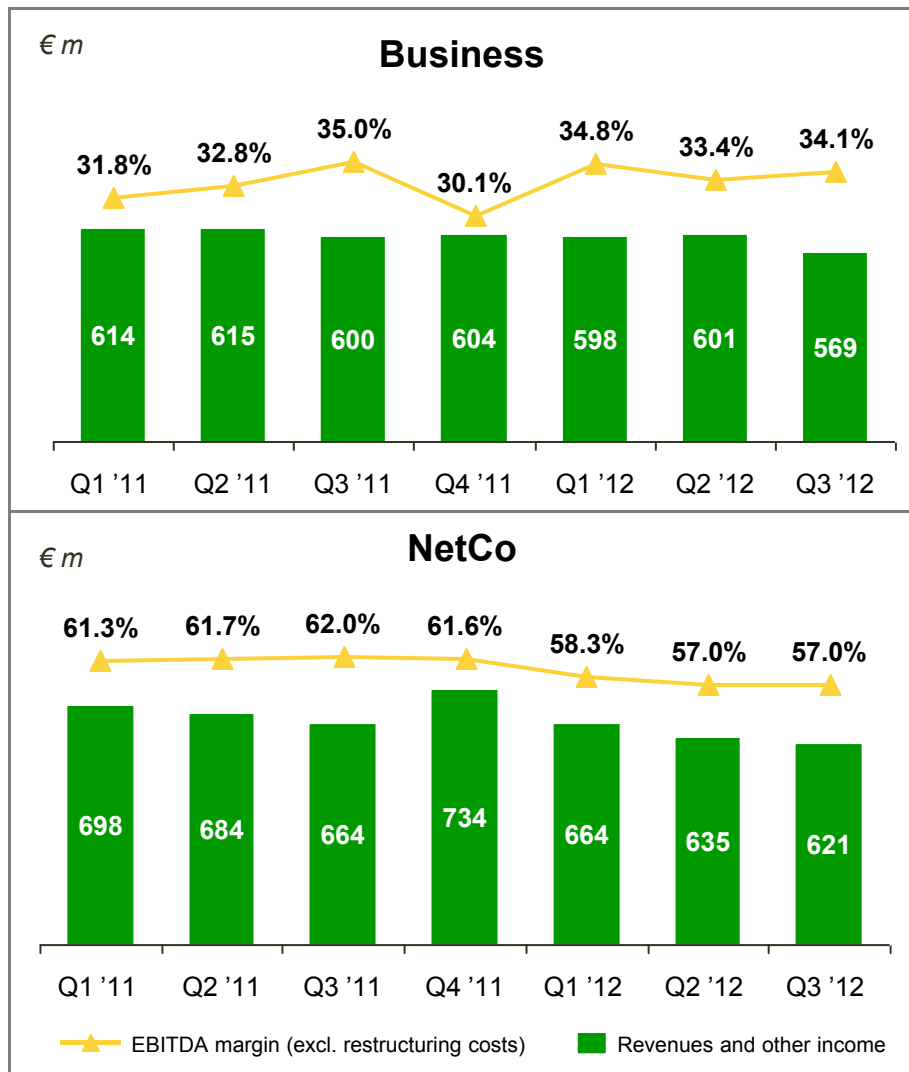


- Revenues Consumer Mobile down 11%
 - Service revenue decline of 10%, impacted by regulation of € 13m (3.0%)
 - Lower traffic partly offset by higher committed revenues¹
- EBITDA margin² increasing to 34.4%
 - Supported by introduction of new commercial propositions, including handset lease model
- Revenues Consumer Residential relatively stable q-on-q; higher TV and FttH revenues offsetting smaller fixed voice customer base
- EBITDA margin² at 21.9%
 - Increased FttH and IPTV activations
 - Higher content costs
 - Continued decline high margin traditional services

¹ Recurring subscription fees

² EBITDA margin excluding restructuring costs, if any

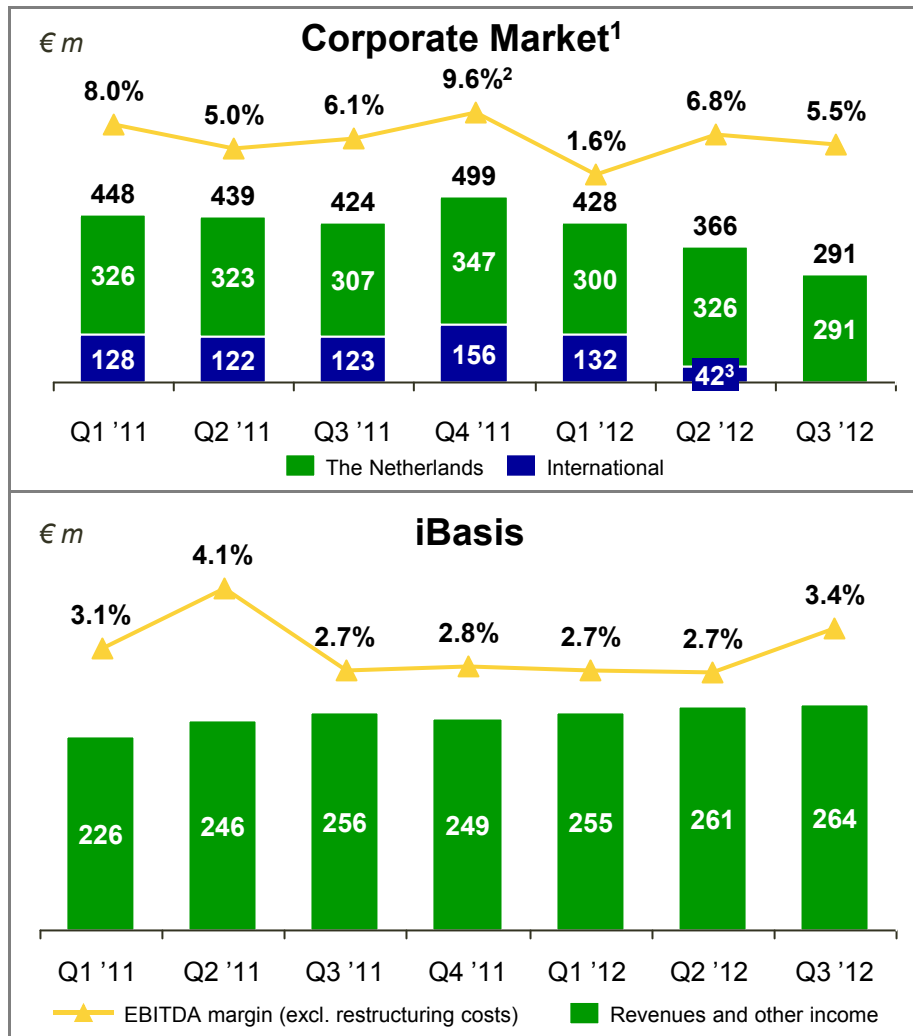
Financial review – Dutch Telco by segment (cont'd)



- Revenues Business down by 5.2% y-on-y
 - Regulatory impact of € 10m (1.7%)
 - Lower traffic, decline in traditional services and price pressure
 - Partly offset by good results challenger brands
- EBITDA margin¹ relatively stable at 34.1%
- Revenues decline at NetCo 6.5% y-on-y
 - Driven by revenue decline at other Dutch Telco segments
- EBITDA margin¹ at 57.0%
 - Higher costs related to uptake of FttH activations
- Tech Mahindra partnership enabling increased efficiency of future IT spend

¹ EBITDA margin excluding restructuring costs, if any

Financial review – Corporate Market & iBasis



- Revenues Corporate Market The Netherlands down by 5.2% y-on-y
 - Clients postponing investments and continued price pressure
- EBITDA margin⁴ at 5.5%
 - 7.2% EBITDA margin, corrected for negative incidental of € 5m
 - Lower personnel costs as a result of the FTE reduction program
 - Offset by lower margin business
- Revenues increased by 3.1% at iBasis
 - Including 4.6% positive currency effect
- EBITDA margin at 3.4%
 - Focus on cost control, offsetting continuous margin pressure

¹ Total revenues and other income includes eliminations

² EBITDA margin excluding impact Getronics International classification as asset held for sale

³ Impacted by sale of Getronics International on 1 May 2012

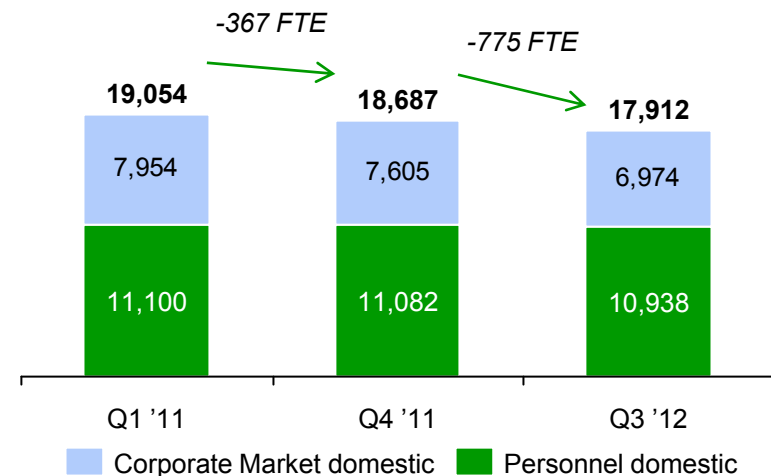
⁴ EBITDA margin excluding restructuring costs, if any

FTE reduction program on track

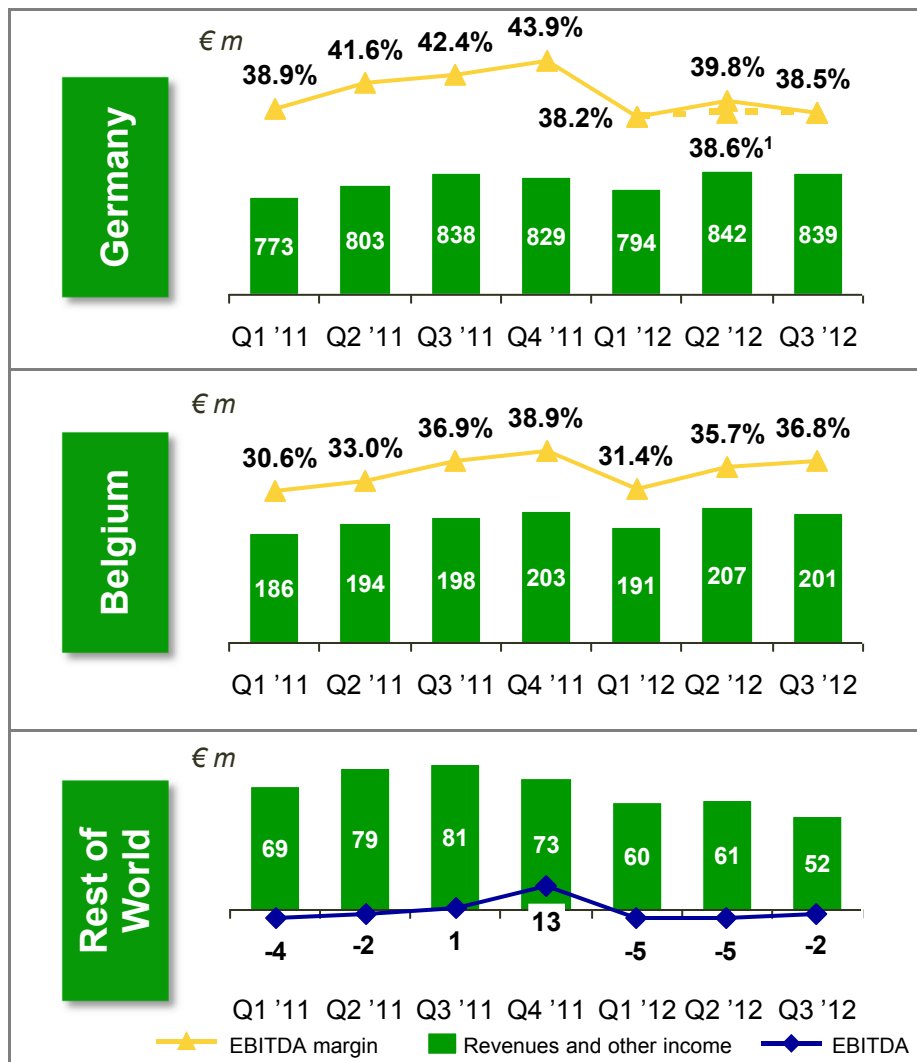
- ~1,150 less FTE in The Netherlands since start FTE reduction program
 - Accelerated investment strategy leading to ~150 FTE increase
 - ~1,300 less FTE resulting from FTE reduction program, mainly at Corporate Market
- € 208m restructuring costs per Q3 '12 related to ~2,500 FTE

Status 4,000-5,000 FTE reduction program

	Announced May '11	Provisions per Q3 '12
Restructuring costs	€ 250-300m	€ 208m
FTE	4,000-5,000	~2,500
➤ Efficiency	800-1,100	~1,700
➤ Outsourcing	1,400-1,700	~450
➤ Off-shoring	1,800-2,200	~350



Financial review – Mobile International



1 EBITDA margin excluding impact sale of SNT Inkasso (€ 16m)

- Revenues in Germany stable y-on-y
 - Roaming regulation impact of € 3m (0.4%)
 - Underlying service revenue growth of 0.9%
- EBITDA margin at 38.5%
 - Roaming regulation EBITDA impact of € 1m (0.3%)
 - Increased commercial investments
- Belgium revenues increased by 1.5% y-on-y
 - Regulation impact of € 10m (5.1%)
 - Underlying service revenue growth of 9.0%
- EBITDA margin at 36.8%
 - Regulation EBITDA impact of € 6m (8.2%)
 - Underlying EBITDA growth of 17% y-on-y
- Revenue decline in Rest of World of 36% y-on-y
 - Sale of KPN France in Q4 '11
 - Ortel Mobile operating in competitive environment
- EBITDA slightly improving q-on-q

Portfolio management

Streamlining portfolio of businesses, clear focus on value creation

- In-country, selective acquisitions to strengthen domestic businesses, addition of scale and capabilities
- Divestment of non-core assets to focus on core footprint and most profitable divisions

Selective acquisitions			
Acquisition	Segment	Rationale	Impact
<ul style="list-style-type: none"> Fiber wholesale platform (Q2 '12) 	NetCo	FttH commitment	Efficiency
<ul style="list-style-type: none"> Fiber ISPs¹ (Q4 '12) 	Consumer Residential	FttH commitment	~1.8% broadband market share
<ul style="list-style-type: none"> Lijbrandt² (Q2 '12) 	Consumer Residential	FttH commitment	~0.2% broadband market share
<ul style="list-style-type: none"> RoutIT (12.5% stake) (Q3 '12) 	Business	Add capability	Improvement in product offering
<ul style="list-style-type: none"> NL-ix (Q1 '11) 	Business	Add capability	Widening of portfolio
Total acquisition costs			€ 150-200m

1 ~120k FttH customers

2 ~13k FttH customers

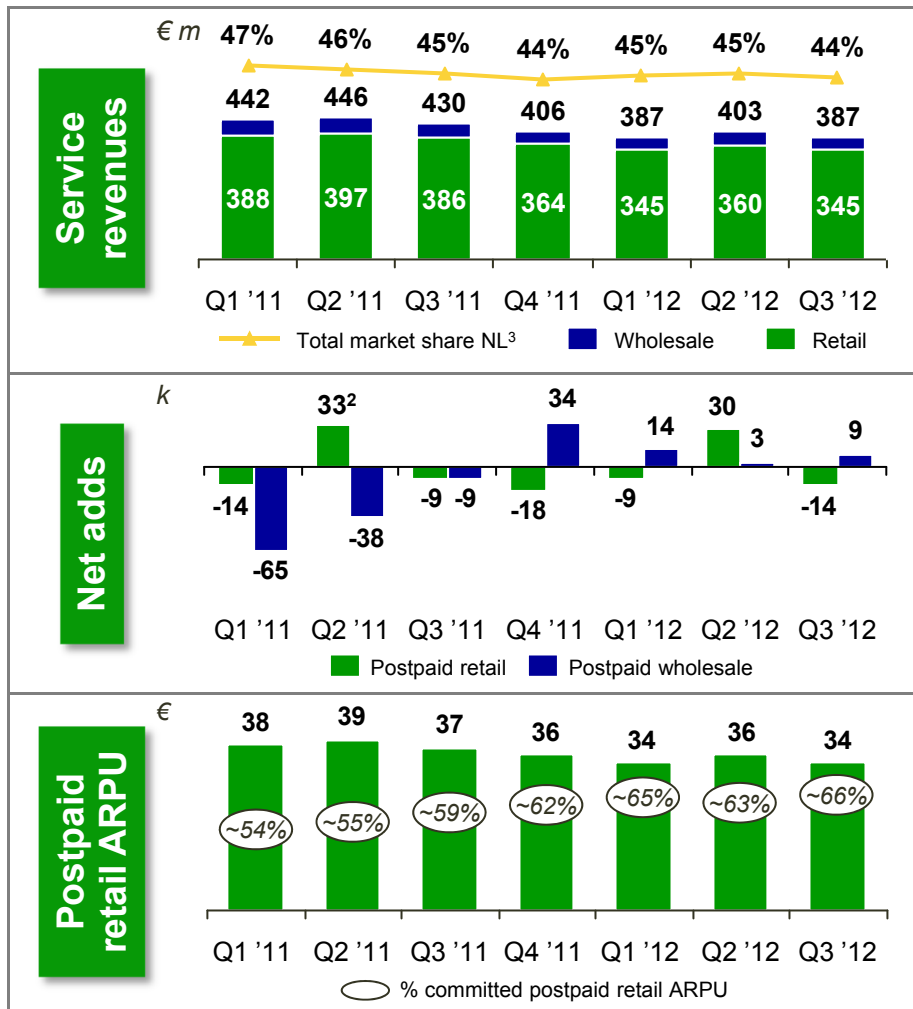
Divestments			
Divestment	Segment	Rationale	Impact
<ul style="list-style-type: none"> Getronics International (Q2 '12) 	Corporate Market	Low margin business	€ 8m book gain
<ul style="list-style-type: none"> Tower sales (The Netherlands) (Q4 '11 / Q1 '12) 	NetCo	Non-core	€ 98m book gain
<ul style="list-style-type: none"> SNT Inkasso Germany (Q2 '12) 	Germany	Non-core	€ 16m book gain
<ul style="list-style-type: none"> KPN France (Q4 '11) 	Rest of World	Non-core	€ 10m book gain
<ul style="list-style-type: none"> PharmaPartners (Q1 '11) 	Corporate Market	Non-core	€ 5m book gain
Total book gains			€ 137m

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Operating review – Consumer Mobile

Relatively stable market share in competitive mobile environment

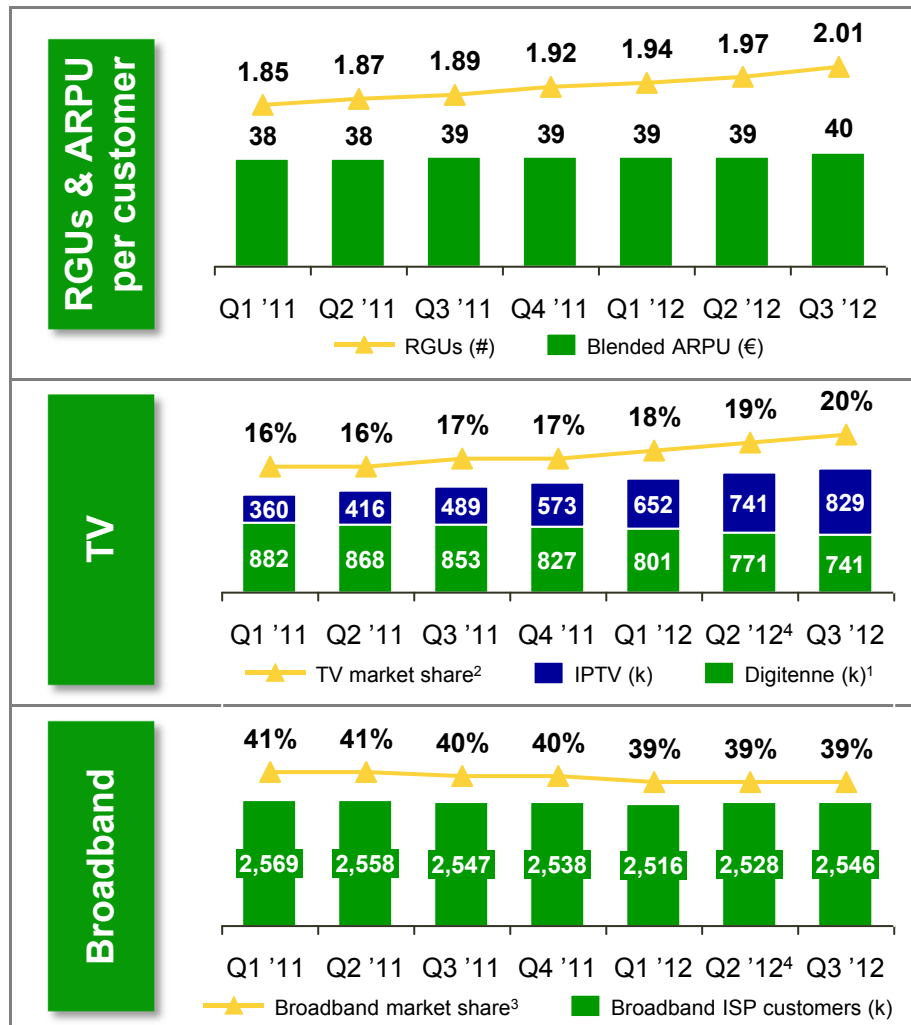


- Service revenues (incl. wholesale) down by 10% y-on-y
 - Regulatory impact (3.0%)
 - Lower traffic partly offset by committed revenues¹
- Market share service revenues³ relatively stable
 - Distribution footprint further expanded (multi-brand and XL stores)
- Retail postpaid net adds of -14k in Q3 '12
 - Aggressive promotions by competition following new Hi & Telfort propositions
- Postpaid ARPUs lower y-on-y at € 34
 - Committed % postpaid retail ARPUs ~66%, up ~7%-points y-on-y
 - New propositions launched for all brands

1 Recurring subscription fees
 2 Q2 2011 net adds positively impacted by acquisition of Tring (14k)
 3 Total Dutch (Consumer and Business) service revenue market share

Operating review – Consumer Residential

Broadband customer base increasing



- RGUs per customer continued to increase driven by take-up of triple play (63k net adds in Q3 '12)
 - Net line loss in Q3 '12 at 25k (Q3 '11: 35k)
- Continued increase TV market share to 20%
 - Strong IPTV growth at 88k net adds
 - IPTV base now larger than Digitenne base
- IPTV on smartphone introduced in Q3
- 18k broadband net adds in Q3, market share stabilizing around 39%
 - Good performance FttH activations
 - Customer base increasing at slightly increasing ARPU per customer

1 Digitenne used as primary TV connection

2 Source: Telecompaper, management estimates for Q3 '12, definition TV market share adjusted per Q3 '12

3 Source: Telecompaper, management estimates for Q3 '12

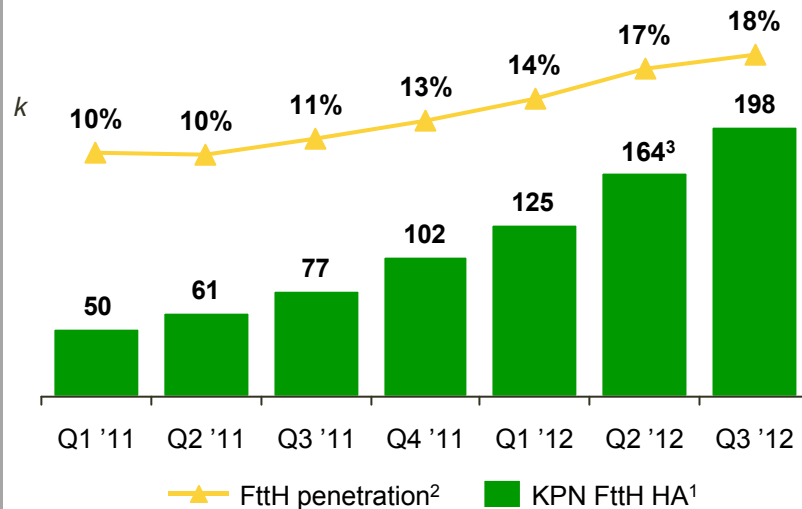
4 Includes 12k broadband customers and 13k TV customers from Lijbrandt acquisition in Q2 '12

Operating review – Consumer Residential (cont'd)

FttH penetration level continues to increase

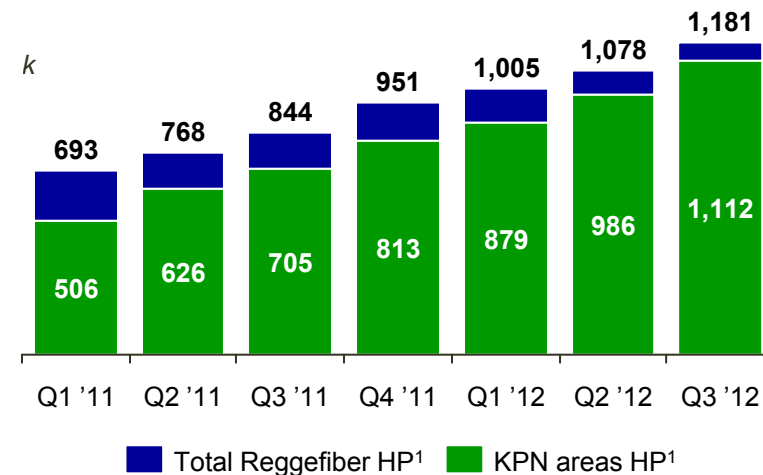
FttH penetration increasing

- Strong FttH activations: 34k in Q3
 - KPN FttH base at 198k
- Penetration of FttH increased to 18%
 - Penetration growth by 7%-points y-on-y



FttH roll-out continuing

- FttH roll-out continued at good pace, well over 1 million Homes Passed in KPN areas
 - 126k additional Homes Passed in Q3
- Total Reggefiber Homes Passed at 1,181k

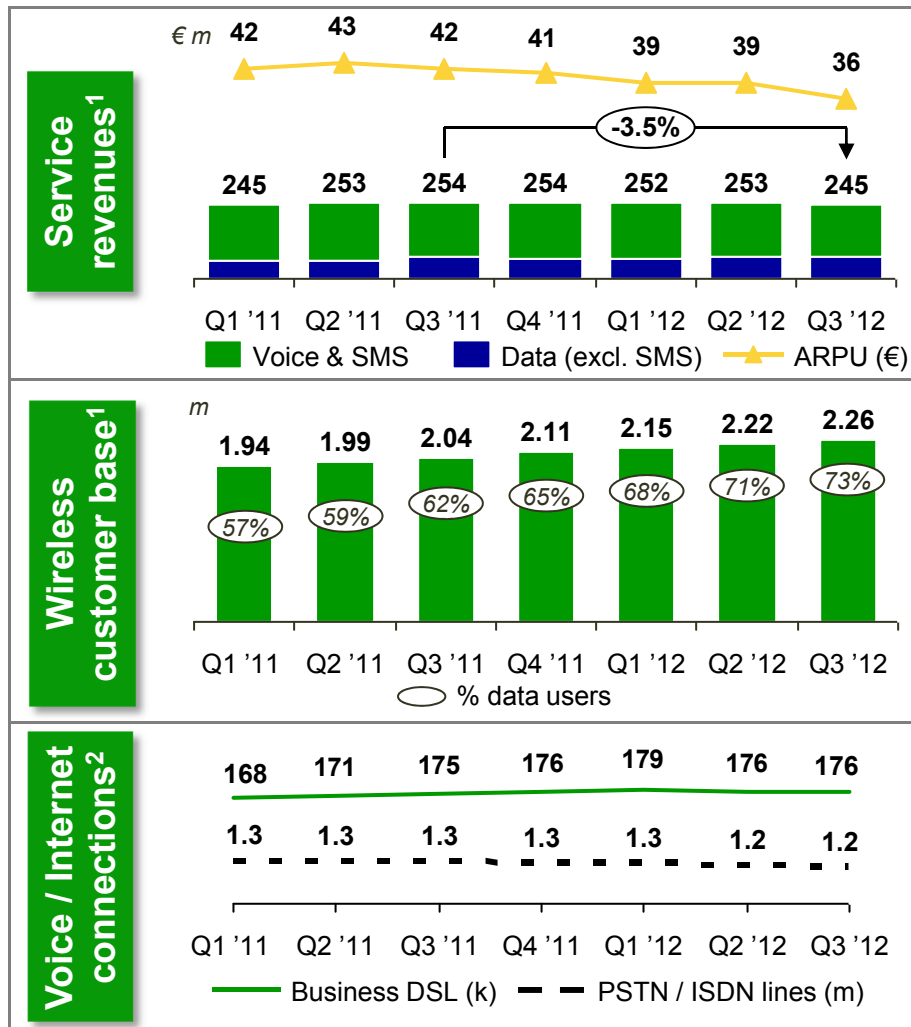


¹ HP is Homes Passed; HA is Homes Activated

² FttH penetration is defined as KPN FttH HA divided by KPN areas HP

³ Including 13k FttH customers from Lijbrandt acquisition

Operating review – Business



- Service revenues down 3.5% y-on-y
 - Impact from regulation € 10m (3.9%)
- ARPU at € 36 impacted by regulation, lower traffic, M2M growth and data mix effect
- Growing customer base and data users (73%) supporting wireless data revenues
- Good performance by challenger brands Telfort and Yes Telecom
- Market positions remained stable in Q3
- Stable performance Business DSL
- Strategic partnership RoutIT, strengthening SME product offering

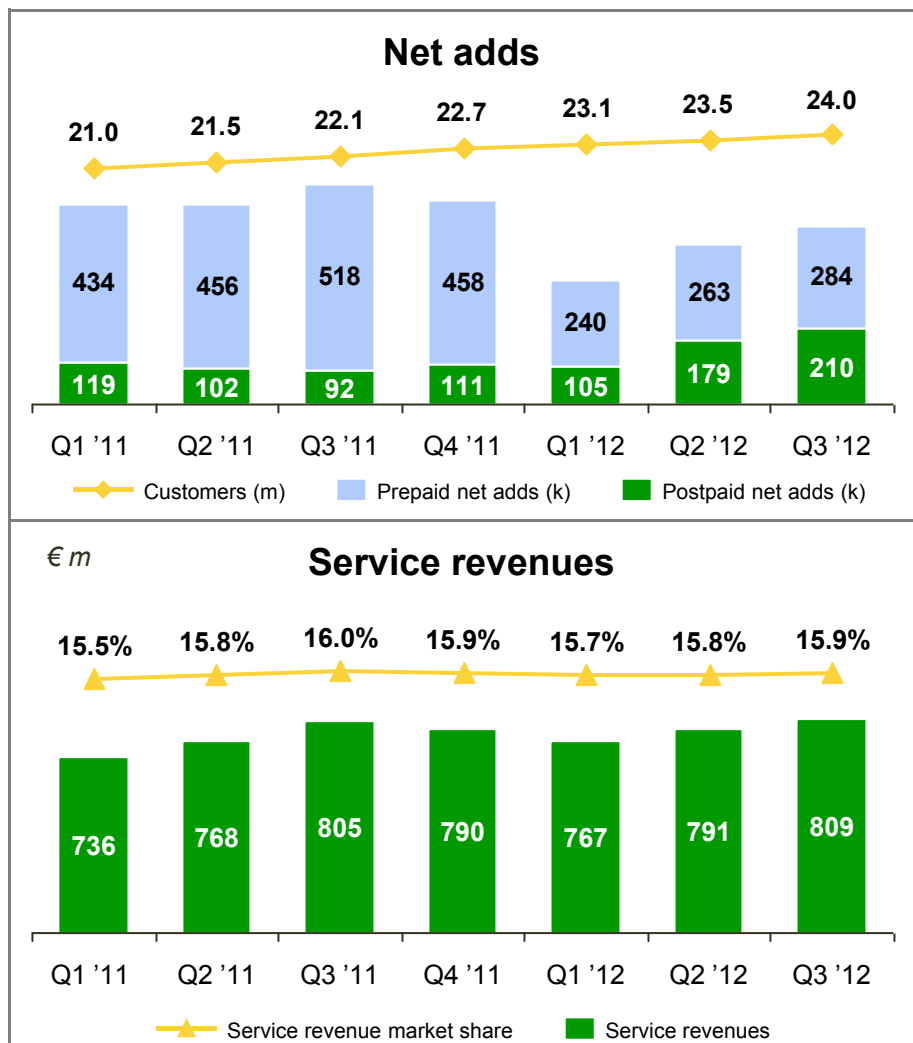
¹ Business wireless figures include Yes Telecom as of Q2 2011
² Voice / Internet connections include Atlantic Telecom lines as of Q2 2011

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Operating review – Germany

Price competition leading to a slow-down in growth in Germany



- High postpaid net adds at 210k
 - Successful all-net flat propositions roll-out continued
- Prepaid net adds at 284k
 - Competition in ethnic segment
 - Value focus in customer acquisition strategy
- Service revenue growth of 0.5%
 - Roaming regulation impact of 0.4%
 - Underlying service revenue growth of 0.9%
 - Higher postpaid net adds offset by customer optimization
- Stable market share at 15.9%
- Continued data service revenue growth of 40% y-on-y

Operating review – Germany (cont'd)

Growth from higher net adds offset by customer optimization

New initiatives



simyo

blau.de

yourfone.de
MEHR FÜR DICKE

ALDI TALK
MET ALDI

- New BASE tariffs introduced in Q1 2012
 - No-frills postpaid propositions introduced
 - Yourfone in April, simyo in May, Blau in June
 - New prepaid propositions to capture data growth in wholesale market
- New initiatives need few quarters following launch to gain traction
 - High speed data network roll-out to support further growth in data revenues

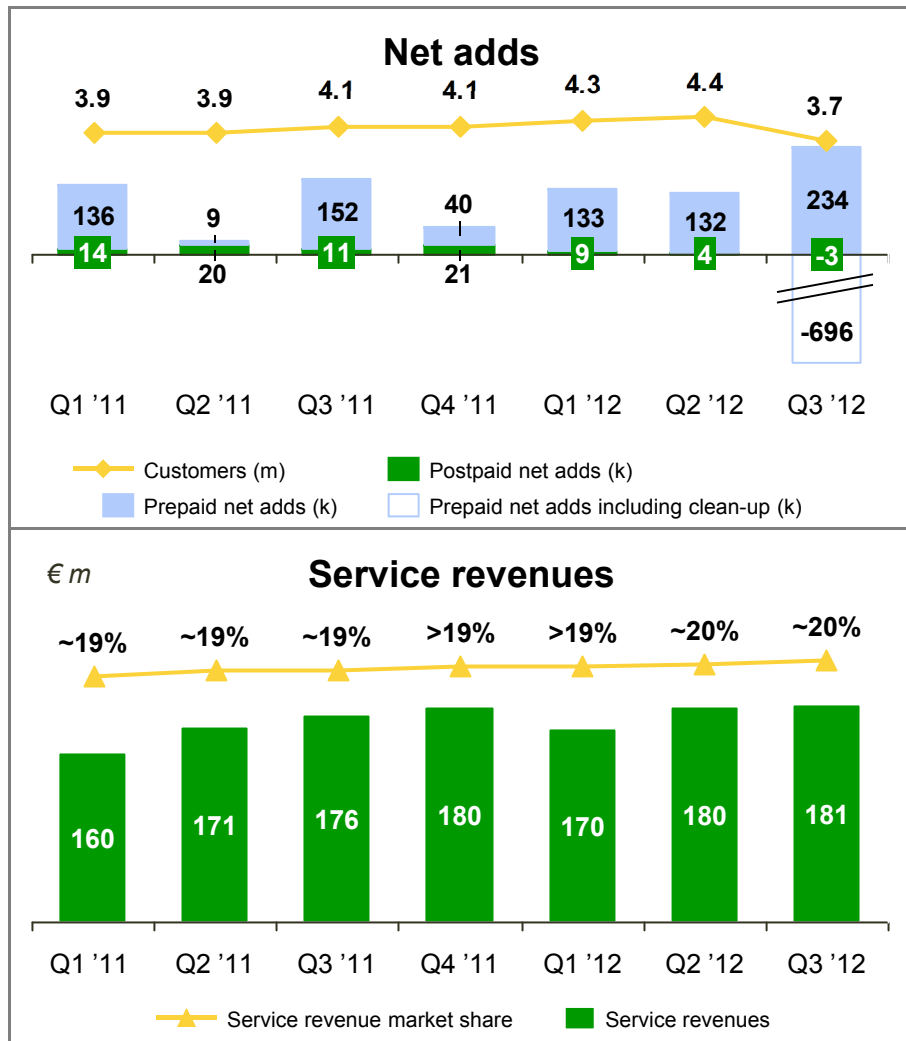
2011

2013

Market developments

- Competition (MVNOs) introduced low priced postpaid initiatives on competitor networks as of second half 2011
 - Increased competition in ethnic segment
 - 'High value' customers trading down and optimizing their packages
 - Customer optimization impacting service revenue growth rate

Operating review – Belgium



- Continued strong underlying service revenue growth of 9.0%
 - Driven by B2B, wholesale and data
- Service revenue market share increased to ~20%
- Net adds postpaid at -3k
 - Higher churn due to increased competition
- Net adds prepaid Q3 at 234k, corrected for clean-up
 - Clean-up of 930k expired SIM cards
- Commercial initiatives launched to maintain price-leadership
 - Jim Mobile as well as BASE portfolio revamped
- Continued focus on high speed data network roll-out

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Concluding remarks

- Mixed operational performance across the group
- Growing broadband customer base, market share stabilizing around 39%
- TV market share increased to 20% supporting triple play take-up
- Fiber penetration level increased to 18%
- Market share Dutch mobile relatively stable in competitive environment
- Lower growth in Germany due to increased price competition
- Continued strong profitable growth in Belgium
- 4,000-5,000 FTE reduction program on track to be completed end 2013
- Outlook confirmed

Q&A

Annex

For further information please contact

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Analysis of results

Impact regulation, incidentals and restructuring

€ m			Q3 '12	Q3 '11	YTD '12	YTD '11
Revenue effect						
MTA reduction	Regulation	Group	-21	-106	-81	-365
Roaming tariff reduction	Regulation	Group	-19	-10	-23	-20
EBITDA ¹ effect						
MTA reduction	Regulation	Group	-8	-45	-29	-153
Roaming tariff reduction	Regulation	Group	-15	-4	-18	-8
Restructuring costs	Restructuring	Group	-13	-85	-83	-108
Release of provisions	Incidental	Belgium	-	5	-	5
Release of provisions	Incidental	NetCo	-	-	9	-
Release of accrued expenses	Incidental	NetCo	-	-	5	-
Booking of provision	Incidental	Corporate Market	-5	-	-5	-
Release of provisions	Incidental	Corporate Market	-	-	10	10
Revenue & EBITDA ¹ effect						
Book gain on sale of real estate	Incidental	NetCo	-	5	31	49
Book gain on sale of business	Incidental	Germany	-	-	16	-
Book gain on sale of business	Incidental	Corporate Market	-	-	8	5
Release of deferred revenues	Incidental	Consumer Mobile	-	-	7	-
Release of deferred connection fees	Incidental	Consumer Residential	-	-	-	11
Release of deferred connection fees	Incidental	Business	-	-	-	10

Restructuring costs

€ m	Q3 '12	Q3 '11	YTD '12	YTD '11
Germany	-	-	-	-
Belgium	-	-1	-	-1
Rest of World	-	-1	-	-3
Mobile International	-	-2	-	-4
Consumer Mobile	-1	-	-2	-
Consumer Residential ¹	-2	-1	-23	-2
Business	-	-	-12	-
NetCo	-3	-1	-20	-1
Other	-	-2	-3	-3
Dutch Telco	-6	-4	-60	-6
Corporate Market	-4	-78	-8	-90
The Netherlands	-10	-82	-68	-96
Other	-3	-1	-15	-8
KPN Group	-13	-85	-83	-108

1 YTD '11 adjusted due to better insights

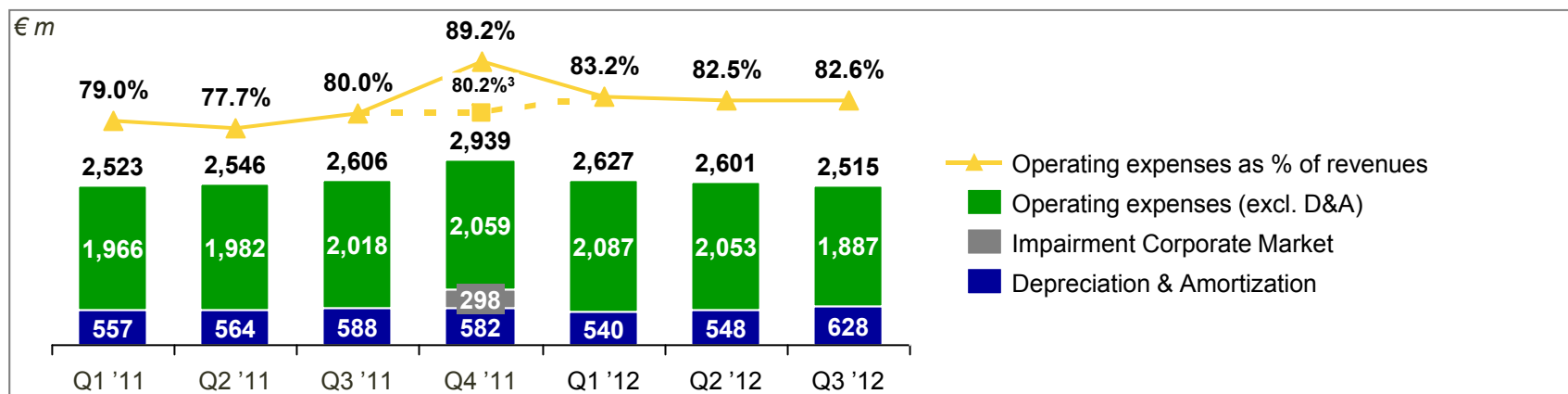
Impact MTA reduction

€ m	Q3 '12		YTD '12	
	Revenues	EBITDA ¹	Revenues	EBITDA ¹
Germany	-	-	-	-
Belgium	-6	-3	-19	-9
Mobile International	-6	-3	-19	-9
Consumer Mobile	-8	-3	-33	-12
<i>Of which: Mobile Wholesale</i>	-1	-	-6	-
Business	-3	-2	-14	-7
NetCo	-4	-	-15	-1
Intercompany	-	-	-	-
The Netherlands	-15	-5	-62	-20
KPN Group	-21	-8	-81	-29

¹ Defined as operating profit plus depreciation, amortization and impairments

Operating expenses

€ m	Q3 '12	Q3 '11	%
Employee benefits	432	446	-3.1%
Cost of materials	186	230	-19%
Work contracted out and other expenses	1,110	1,134	-2.1%
Own work capitalized	-26	-26	flat
Other operating expenses ¹	185	234	-21%
Depreciation ²	414	371	12%
Amortization ²	214	217	-1.4%
Total	2,515	2,606	-3.5%



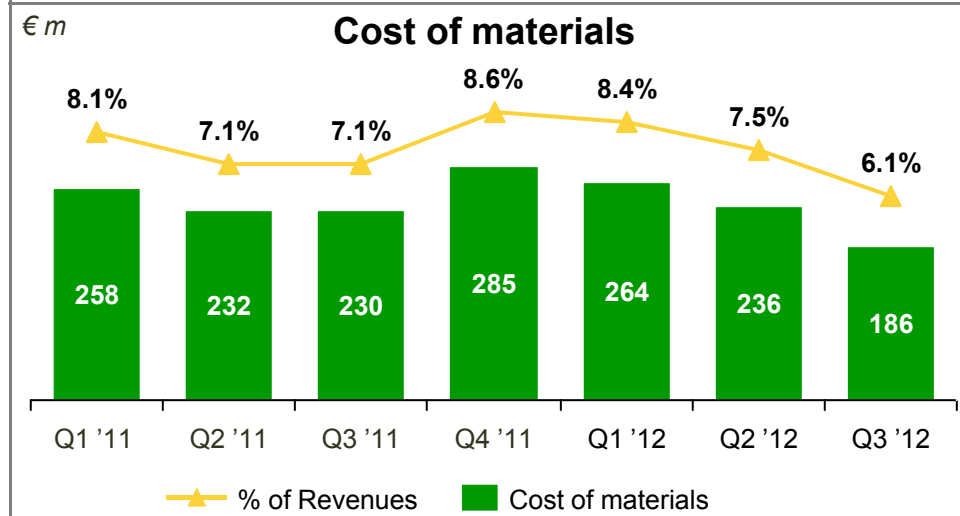
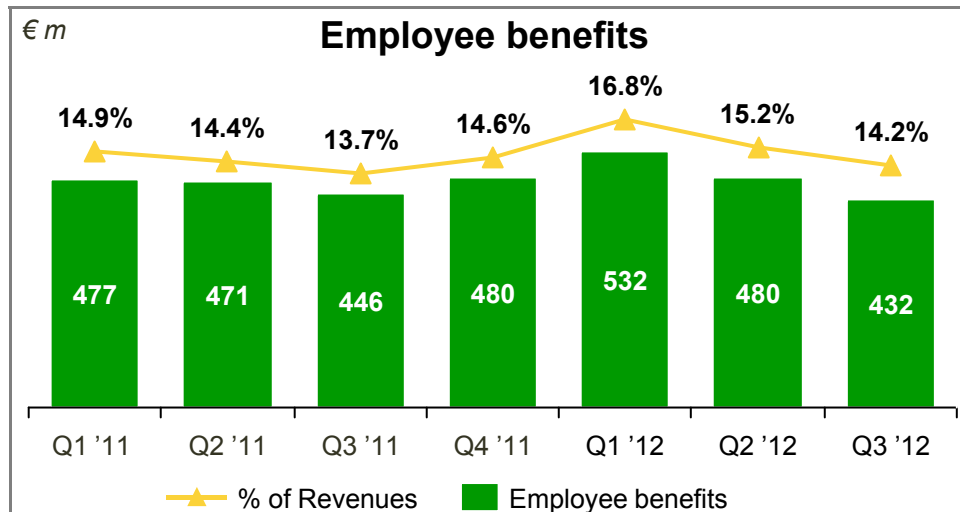
¹ Including restructuring costs

² Including impairments, if any

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

Operating expenses - analysis

Employee benefits & Cost of materials



Y-on-Y decrease

- Lower costs due to sale of Getronics International
- Partly offset by:
 - Higher pension costs relating to UK and US Getronics pension funds (€ 19m)
 - Release of several incentive schemes in Q3 '11

Q-on-Q decrease

- Lower costs due to sale of Getronics International
- Release of paid holiday provision

Y-on-Y decrease

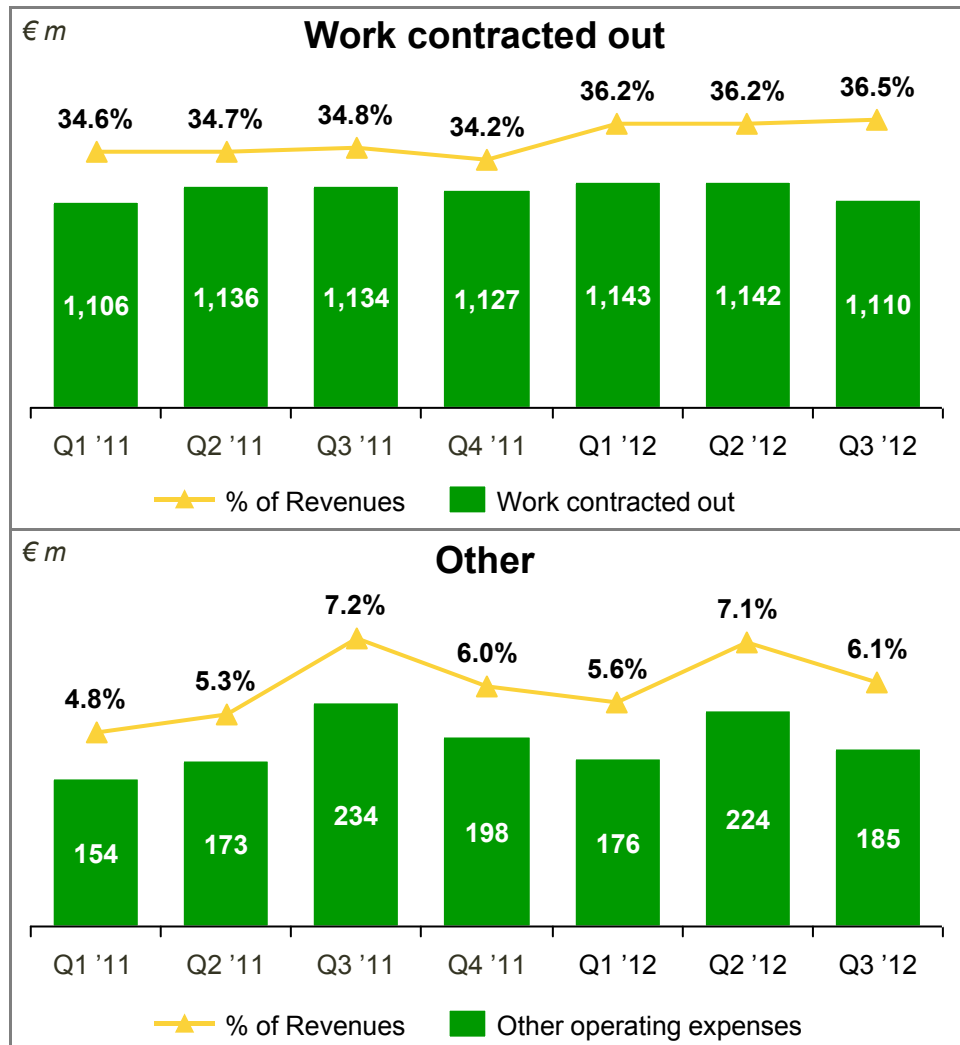
- Lower SAC at Consumer Mobile due to new propositions, incl. handset lease model
- Lower costs due to sale of Getronics International

Q-on-Q decrease

- Lower SAC due to handset lease model
- Lower costs due to sale of Getronics International
- Lower sales high end smartphones at Business

Operating expenses - analysis

Work contracted out & Other



Y-on-Y decrease

- Lower traffic costs in The Netherlands
- Lower costs due to sale of KPN France
- Partly offset by
 - Higher content costs at Consumer Residential
 - Higher traffic costs iBasis and Belgium

Q-on-Q decrease

- Lower maintenance and IT contract costs at Netco

Y-on-Y decrease

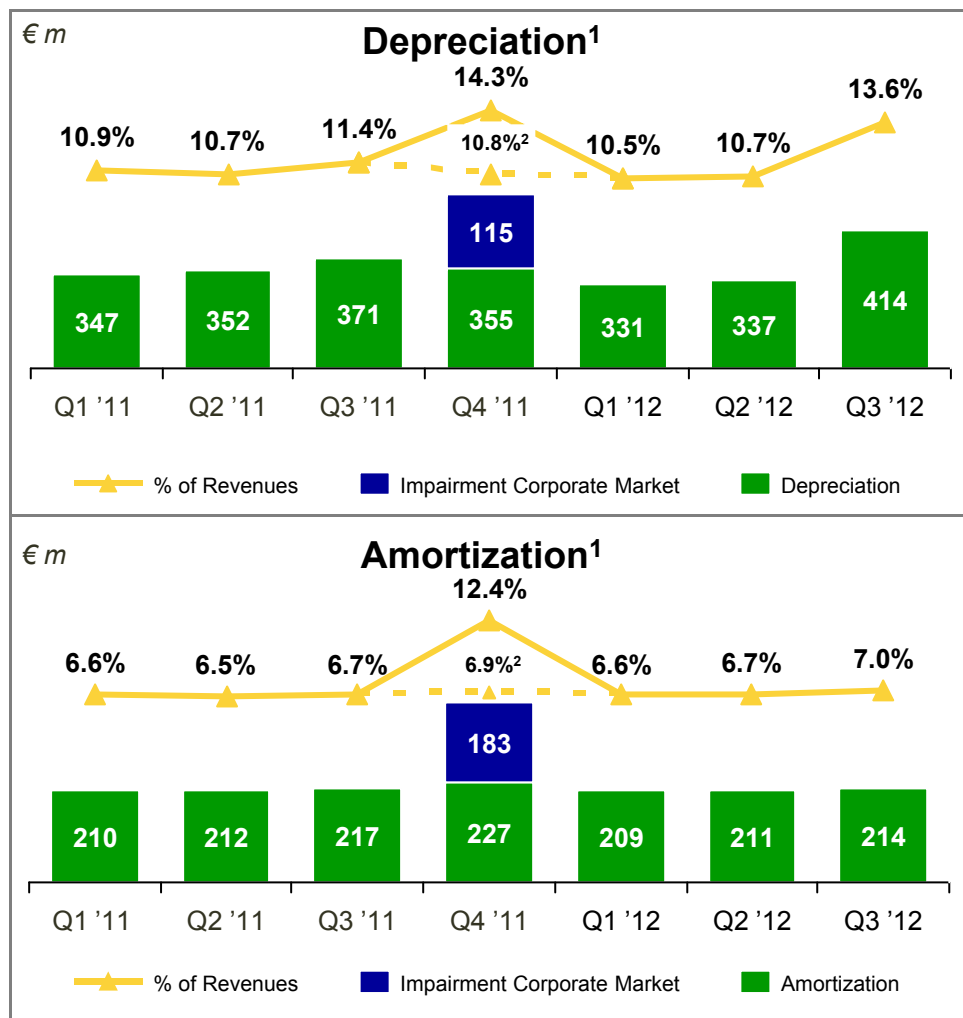
- Lower restructuring costs
- Partly offset by higher marketing costs

Q-on-Q decrease

- Lower restructuring costs

Operating expenses - analysis

Depreciation & Amortization



Y-on-Y increase

- Additional depreciation assets under construction ('AUC') Germany (€ 42m)
- Introduction new mobile propositions, incl. handset lease model at Consumer Mobile and Germany
- Partly offset by extension economic lifetime fiber network at NetCo

Q-on-Q increase

- Additional depreciation AUC Germany (€ 42m)
- Introduction new mobile propositions, incl. handset lease model at Consumer Mobile and Germany

Y-on-Y and Q-on-Q relatively stable

- Nothing material to explain

¹ Including impairments, if any

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

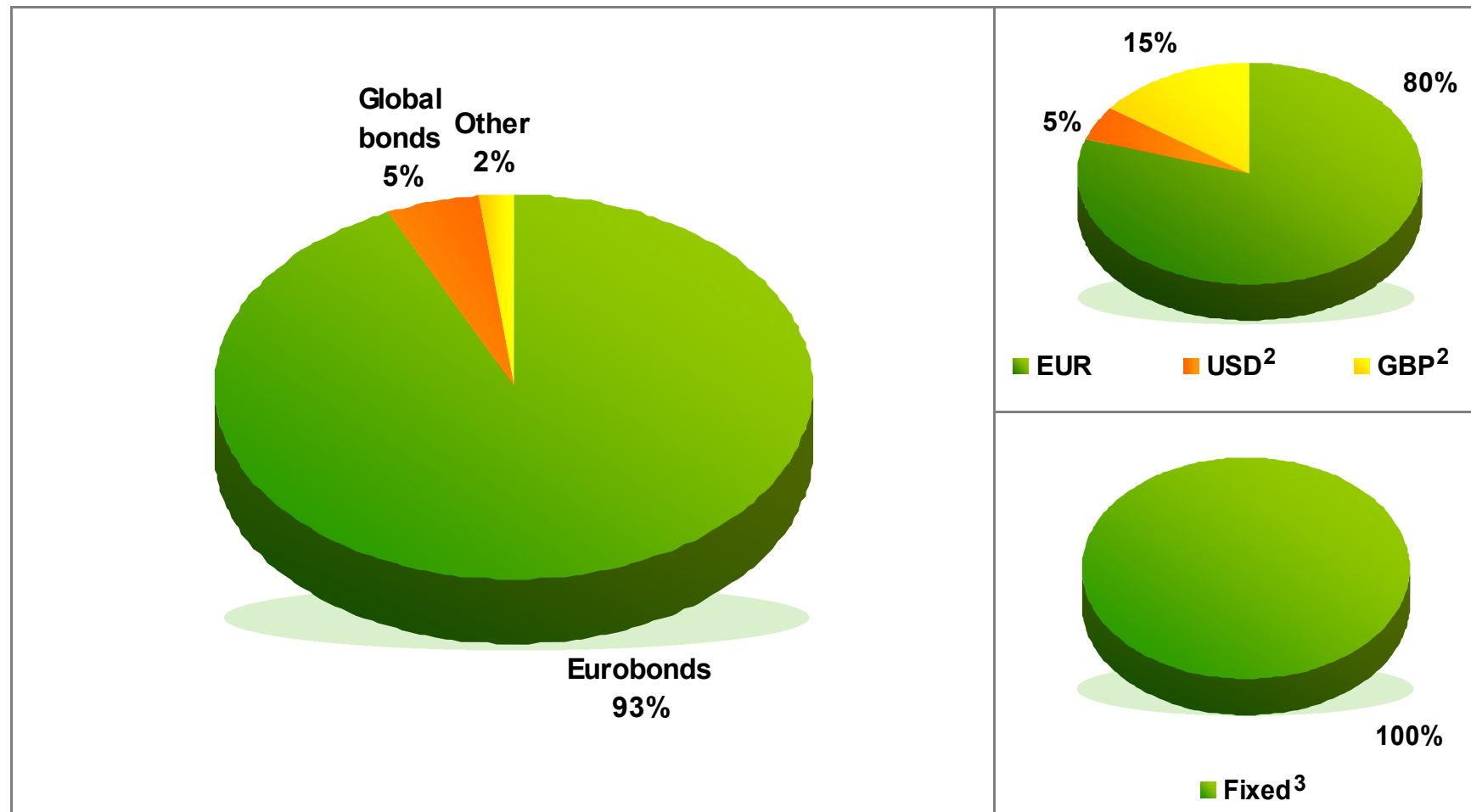
Tax

Fiscal units (€ m)	P&L		Cash flow	
	Q3 '12	Q3 '11	Q3 '12	Q3 '11
The Netherlands	-40	-60	-121 ¹	-121 ¹
Corporate Market	4	23	-1	-1
Germany	-27	-34	-	2
Belgium	-8	-9	-	-
Other	-2	-4	-1	-7
Total reported tax	-73	-84	-123	-127
<i>Effective tax rate</i>	<i>22.7%</i>	<i>18.4%</i>		

- In Q3 '12, the effective tax rate amounted to 22.7% mainly due to losses related to non-deductible pension expenses in 2012 for the UK and US Getronics pension funds
 - Effective Group tax rate expected to be ~22% for 2012, 20% in years 2013-2015
- The positive tax impact on the P&L of Corporate Market for Q3 '11 is mainly due to restructuring costs

Debt portfolio

Breakdown of € 13.9bn gross debt¹



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

² Foreign currency amounts hedged into EUR

³ Excluding bank overdraft

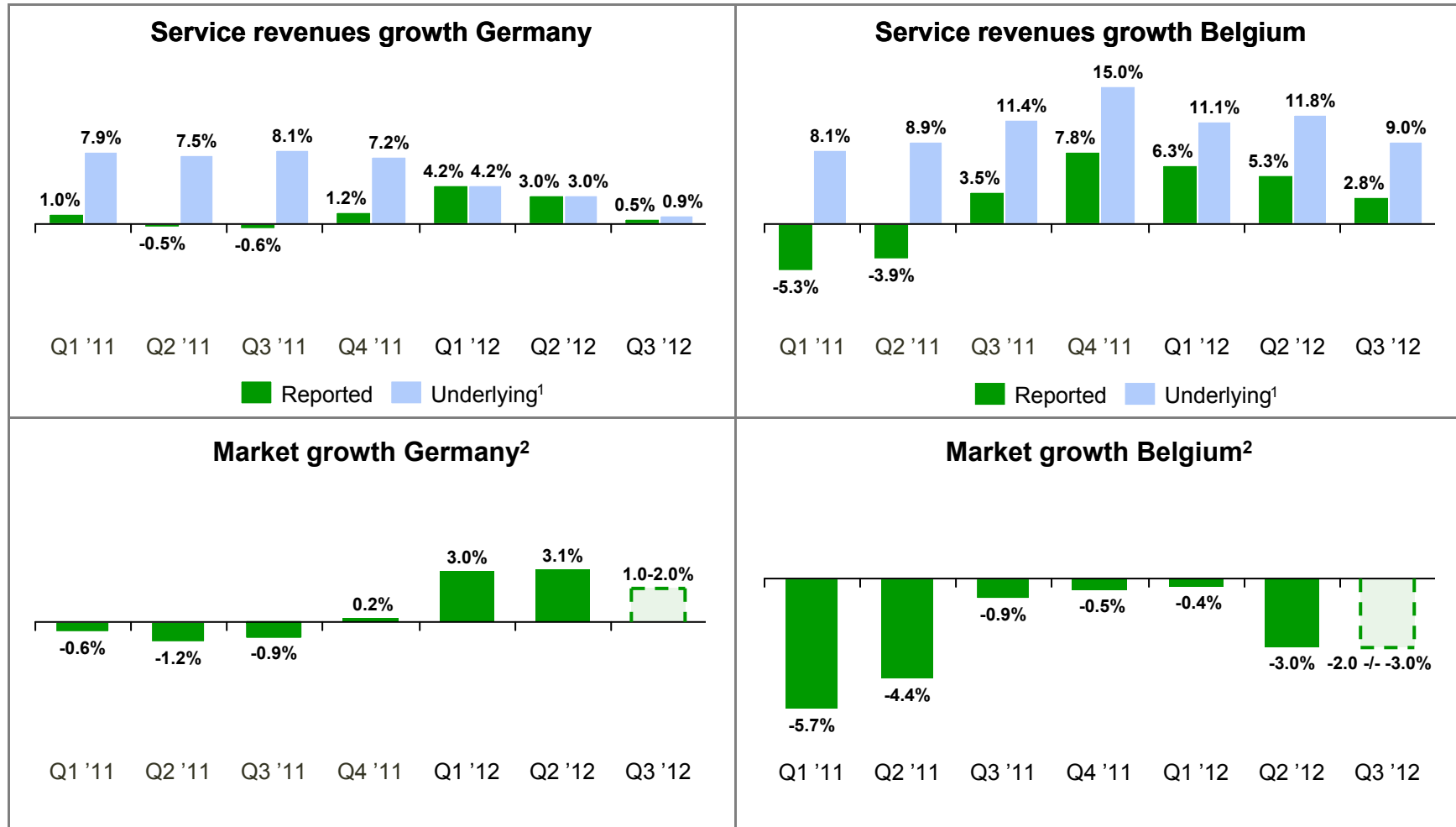
Dutch wireless disclosure

€ m	Q3 '12	Q3 '11	%
Service revenues	639	690	-7.4%
- Consumer retail	345	386	-11%
- Business	245	254	-3.5%
- Other ¹	49	50	-2.0%
SAC/SRC			
- Consumer retail ²	174	122	43%
- Business	320	227	41%

1 Includes amongst others Consumer Mobile wholesale and visitor roaming revenues at NetCo

2 Including handset subsidies, commissions, SIM costs and capitalization of handsets corrected for residual value

Mobile International wireless disclosure



- 1 The definition of underlying is explained in the safe harbor of this presentation
 2 Management estimates for market service revenues growth, based on equity research

Regulation

MTA rates across the group

NL

- In Q3 '11, the Dutch Court overruled OPTAs MTA tariff decision and determined a new tariff as of 1 September 2012 of € 2.40 cent per minute instead of € 1.20 cent per minute

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

GER

- Legal proceedings against current MTA decisions ongoing
- New MTA tariff decision expected in November 2012

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

BE

- KPN's annulment request has been rejected

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

Impact on Group revenues & EBITDA

€ m	2010	2011	2012E
Revenues	180	459	~105
EBITDA	62	192	~40

Regulation

Spectrum in The Netherlands

Current status

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

Upcoming spectrum auction

The auction starts October 31st 2012. The auction rules published in January 2012 include the following:

- Frequencies auctioned in 800MHz, 900MHz, 1.8GHz, 1.9GHz, 2.1GHz and 2.6GHz bands
- 2*10MHz in 800MHz band reserved for new entrant(s). Reservation of 2x5MHz in 900MHz has been removed
- Existing 900MHz and 1.8GHz licenses will expire as of 26 February 2013. The government decided to allow extension of the existing licenses for a maximum period of 21 months
- All spectrum has minimum prices and roll-out obligations. In addition, reserved spectrum has trading restrictions for the first five years
- No spectrum caps for non-reserved spectrum
- License duration of 800MHz, 900MHz, 1.8GHz, 1.9GHz and 2.6GHz bands is 17 years. 2.1GHz licenses expire on 1 January 2017

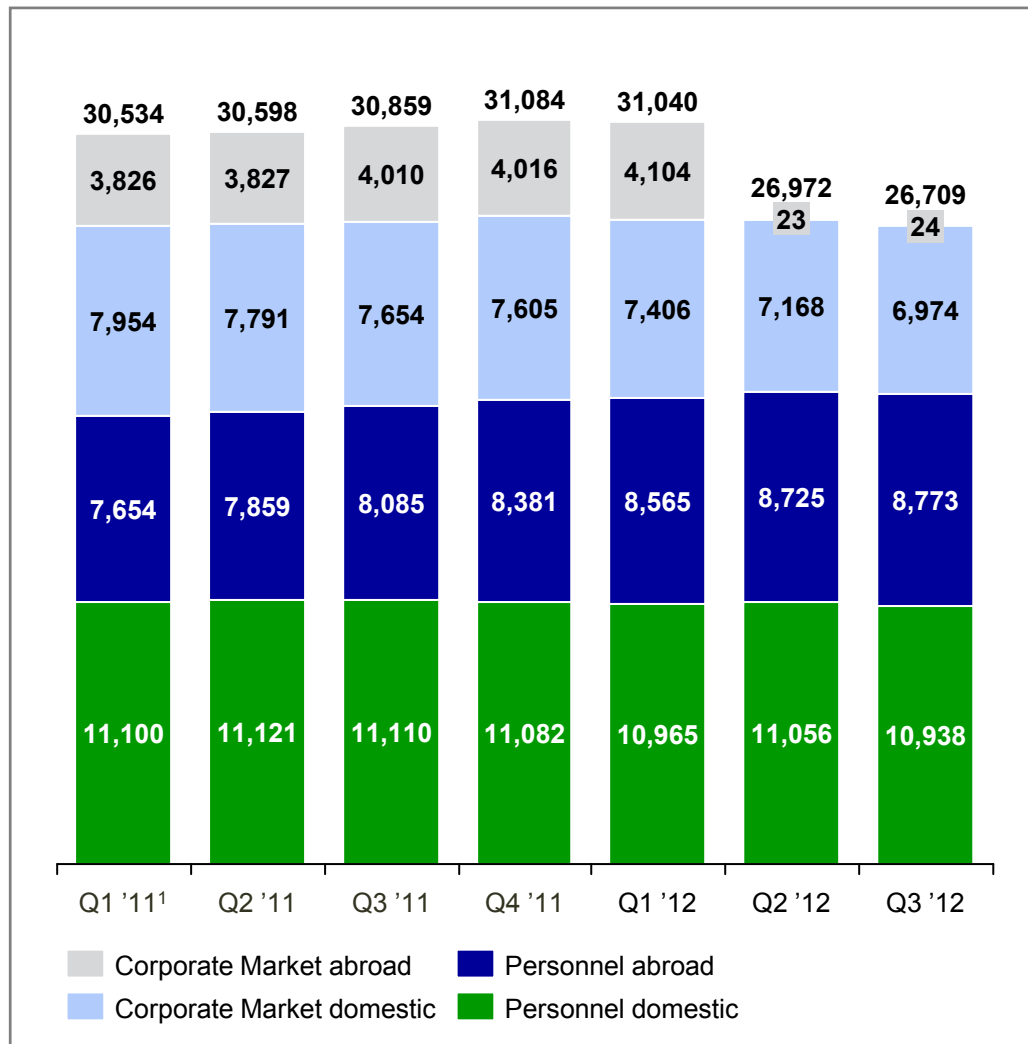
Regulation

Spectrum in Germany

Current status

800MHz Paired	O2 2*5 2*5		VOD 2*5 2*5		DT 2*5 2*5		2*30						
900MHz Paired	E+ 2*5	O2 2*5	DT 2*5	DT 2*7.4	VOD 2*5	VOD 2*7.4	2*34.8						
1.8GHz Paired	DT 2*5 2*5 2*5 2*5				E+ 2*5	O2 2*5 2*5 2*7.4	VOD 2*5.4	E+ 2*5 2*5 2*5 2*7.4		2*70.2			
2.1GHz Paired	VOD 2*5 2*5 2*5			E+ 2*5 2*5 2*5 2*5				O2 2*5 2*5 2*5		DT 2*5 2*5	2*60		
2.1GHz Unpaired	E+ 5	DT 5	VOD 5	O2 5 14.2								1*34.2	
2.6GHz Paired	VOD 2*5 2*5 2*5 2*5				DT 2*5 2*5 2*5 2*5				E+ 2*5 2*5		O2 2*5 2*5 2*5 2*5		2*70
2.6GHz Unpaired	E+ 5	VOD 5 5 5 5 5					DT 5	O2 5					1*45
Total	VOD 155.6MHz				DT 154.8MHz				E+ 139.8MHz		O2 164MHz		

Personnel

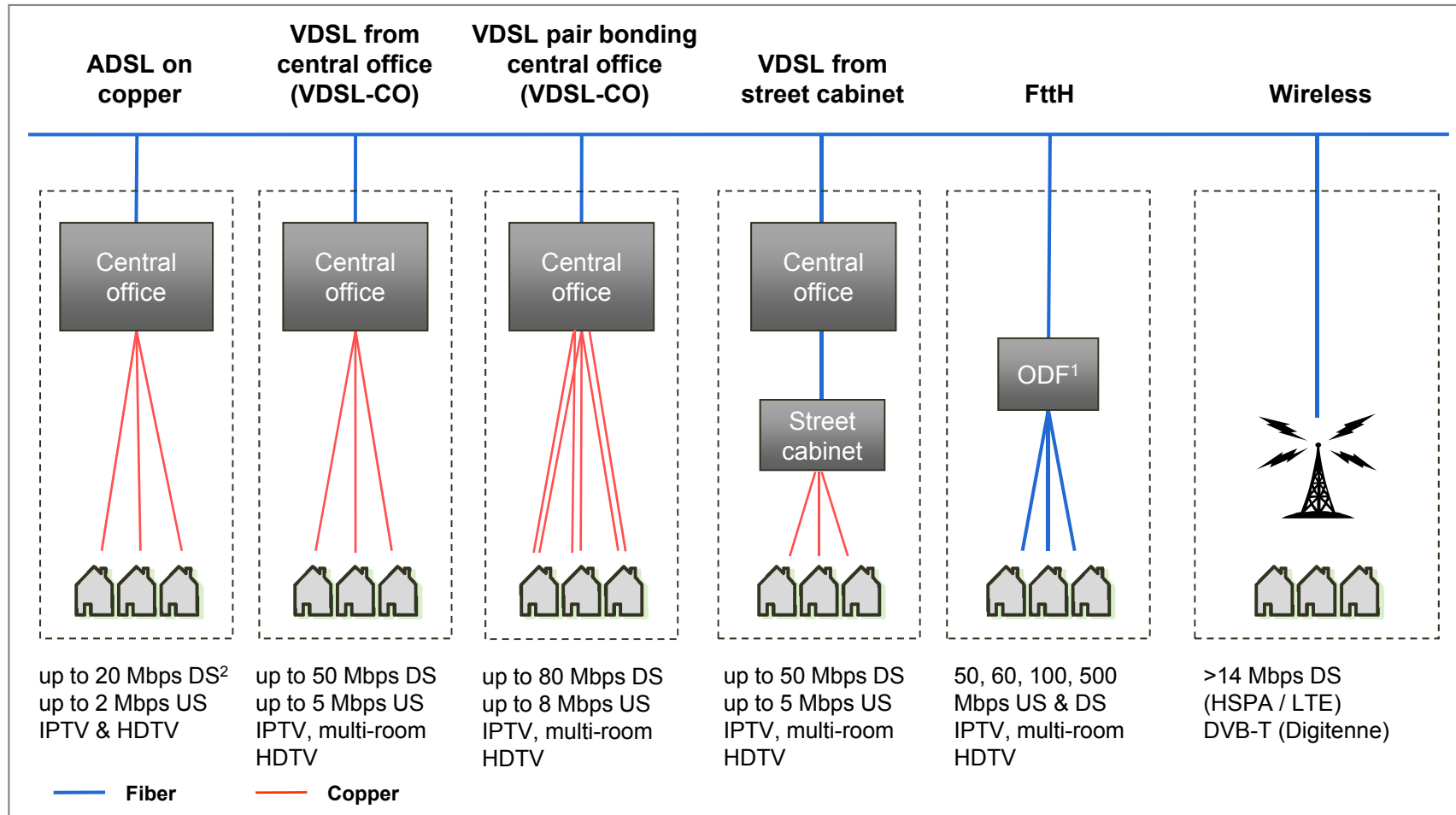


- Decrease of 4,150 FTE y-on-y
 - Reduction of 172 FTE domestic personnel across all segments
 - Increase of 688 FTE abroad personnel to support growth
 - Reduction of 680 FTE Corporate Market domestic
 - Reduction of 3,986 FTE at Corporate Market abroad due to sale of Getronics International
- Decrease of 263 FTE q-on-q
 - Reduction of 118 FTE domestic personnel across all segments
 - Increase of 48 FTE personnel abroad
 - Reduction of 194 FTE Corporate Market domestic

1 Distribution of FTE between segments adjusted due to better insights

Infrastructure

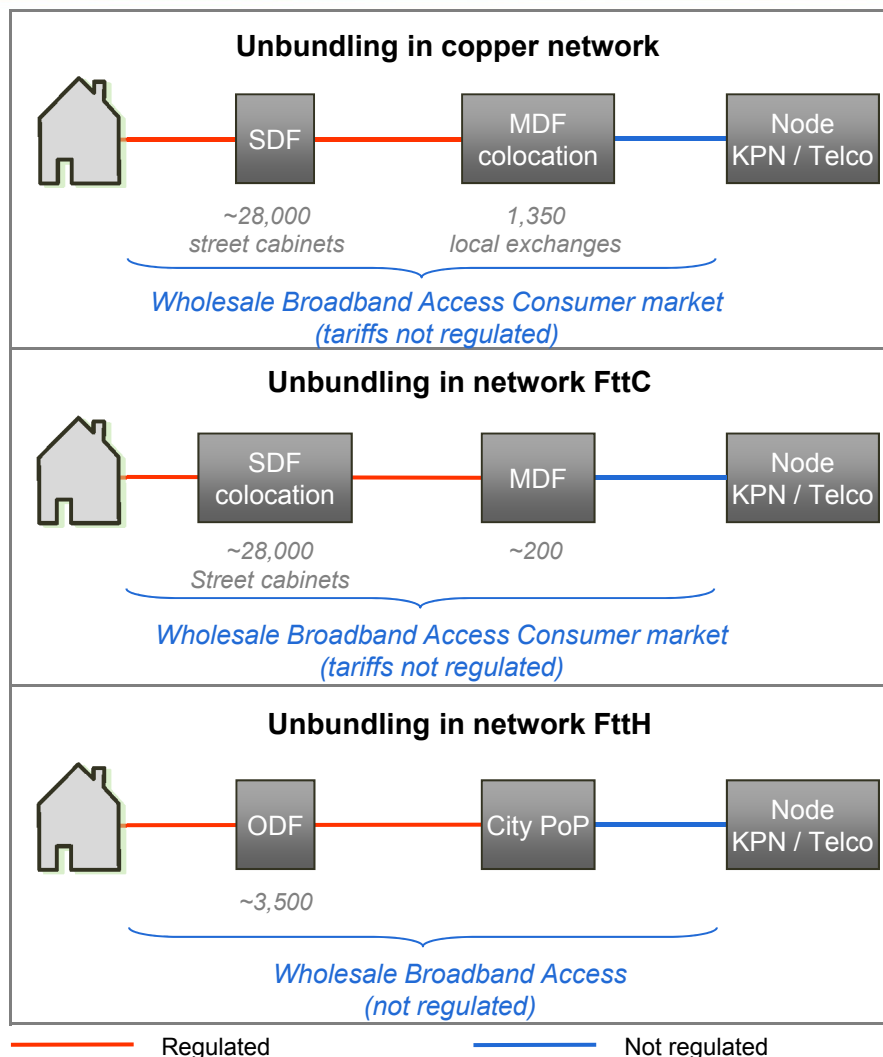
Deploying mix of technologies going forward



1 Optical distribution frame

2 DS: Download Speed; US: Upload Speed

Unbundling tariffs



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

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

Category	Monthly tariff
Fully unbundled (ODF FttH)	€ 12.58 – € 18.35
ODF FttH colocation	≤ € 524 / month / per Area Pop One-off ≤ € 3,146 / per Area Pop
ODF FttH Backhaul	≤ € 629 / month
Wholesale Broadband Access FttH	€ 25.00 - € 45.00 non-shared
ODF FttO	Not regulated

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

2 Tariffs per 1 April 2012

3 Tariffs per 1 May 2012