

Citi European & Emerging Markets Telecoms Conference

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London, 24 March 2009

Safe harbor

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All figures in this presentation are unaudited and based on IFRS. This presentation 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.

All market share information in this presentation is based on management estimates based on externally available information, unless indicated otherwise.

Disclaimer

We define EBITDA as operating result before depreciation and impairments of PP&E and amortization and impairments of intangible assets. Note that our 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 all cases, a reconciliation of EBITDA and the nearest GAAP measure (operating result) is provided. In the net debt/EBITDA ratio, we define EBITDA as a 12 month rolling average excluding book gains, release of pension provisions and restructuring costs, all over EUR 20m. For 2008 and subsequent years, 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.

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Agenda

Highlights
Operating review the Netherlands
Operating review Mobile International
Concluding remarks

Highlights 2008

- Solid FY 2008 results, guidance met on all metrics
- EBITDA inflection in the Netherlands
- Continued profitable growth at Mobile International
- Getronics on track, iBasis goodwill impaired
- 2010 outlook confirmed

Financial highlights:

- FCF of € 2.6 bn in 2008, ahead of guidance of >€ 2.4 bn
- Working capital improvement of € 418 mn
- Solid financial profile with Net debt / EBITDA ratio of 2.2x per Q4 '08
- € 1 bn buyback for 2009 started in November 2008, >35% completed to date
- Dividend per share proposed of € 0.60 for FY 2008, up 11%

Impact of economic downturn

- Limited impact from economic downturn in 2008
 - No significant impact on FY '08 results, except for real estate disposals
 - Small increase in average interest paid on bonds during 2008
 - Early warning indicators being tracked continuously, no material issues yet
- Pre-emptive measures taken in Q4, in order to be prepared if conditions worsen
 - Reduced number of external staff and tariffs for freelance workers
 - Renegotiation of large supplier contracts
 - Efficiency improvements across the group
- Risks and opportunities further detailed
 - € 120 mn additional cash contribution for pensions in 2009
 - Well positioned as incumbent in the Netherlands and challenger abroad
 - Possible revenue pressure to be compensated by additional cost reductions and selective price increases

Outlook

Confirming outlook for 2010, as announced with 'Back to Growth' strategy

	Reported 2008	Outlook 2010
Revenues and other income	€ 14.60 bn	> € 15 bn
EBITDA	€ 5.06 bn	> € 5.5 bn
Capex	€ 1.93 bn	~ € 2 bn
Free cash flow ¹	€ 2.60 bn	> € 2.4 bn
Dividend per share	€ 0.60	€ 0.80

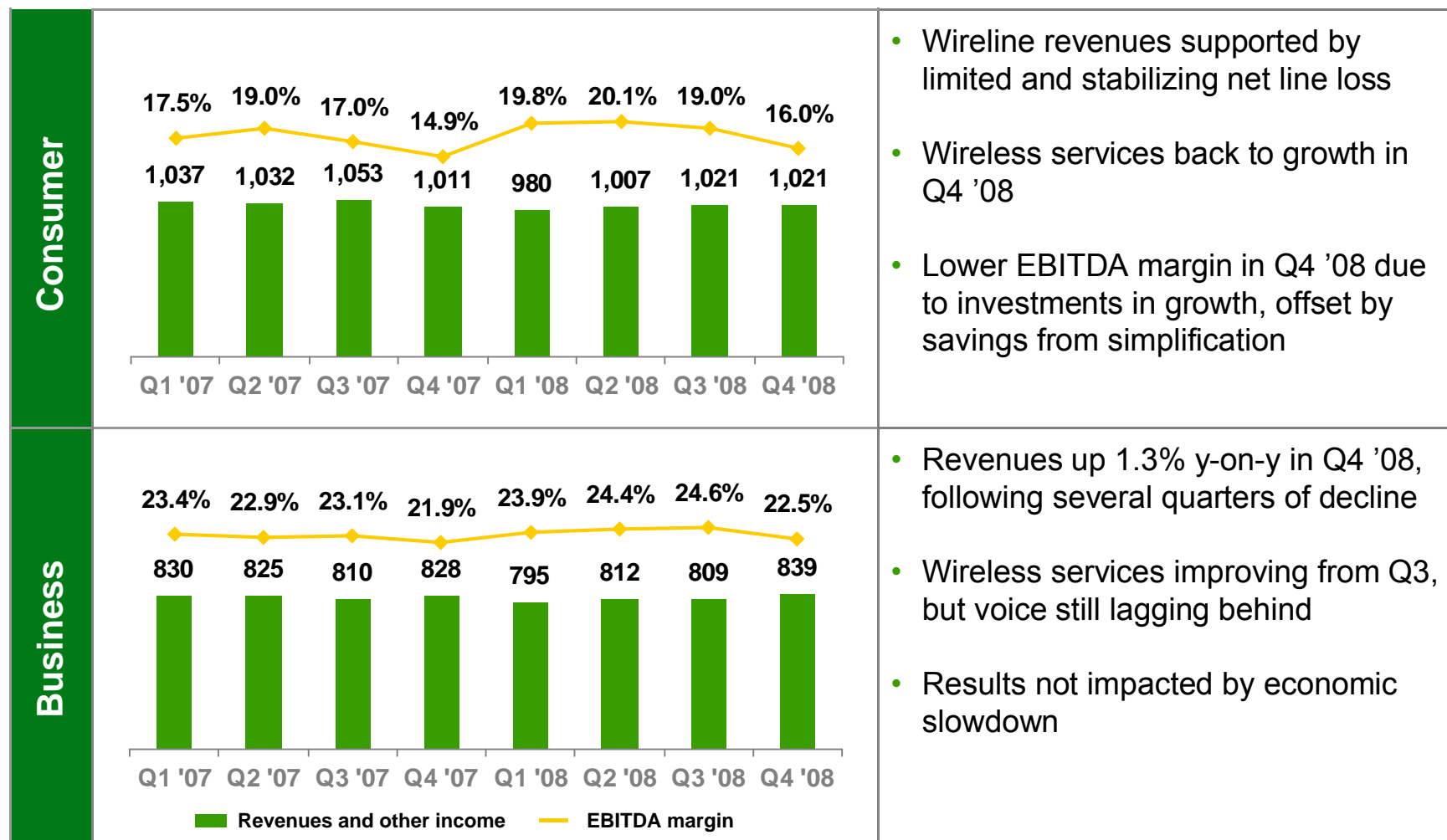
Outlook 2009

- Meaningful progress towards EBITDA target for 2010
- Free cash flow of ~€ 2.4 bn in 2009
 - Despite expected € 120 mn cash impact from pensions and regulatory developments
 - Despite reversal of € 150 mn non-structural working capital improvements of Q4 '08
 - Anticipating proceeds from real estate disposals of similar magnitude to that of 2008
 - Negative impact from seasonality in Q1 '09

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

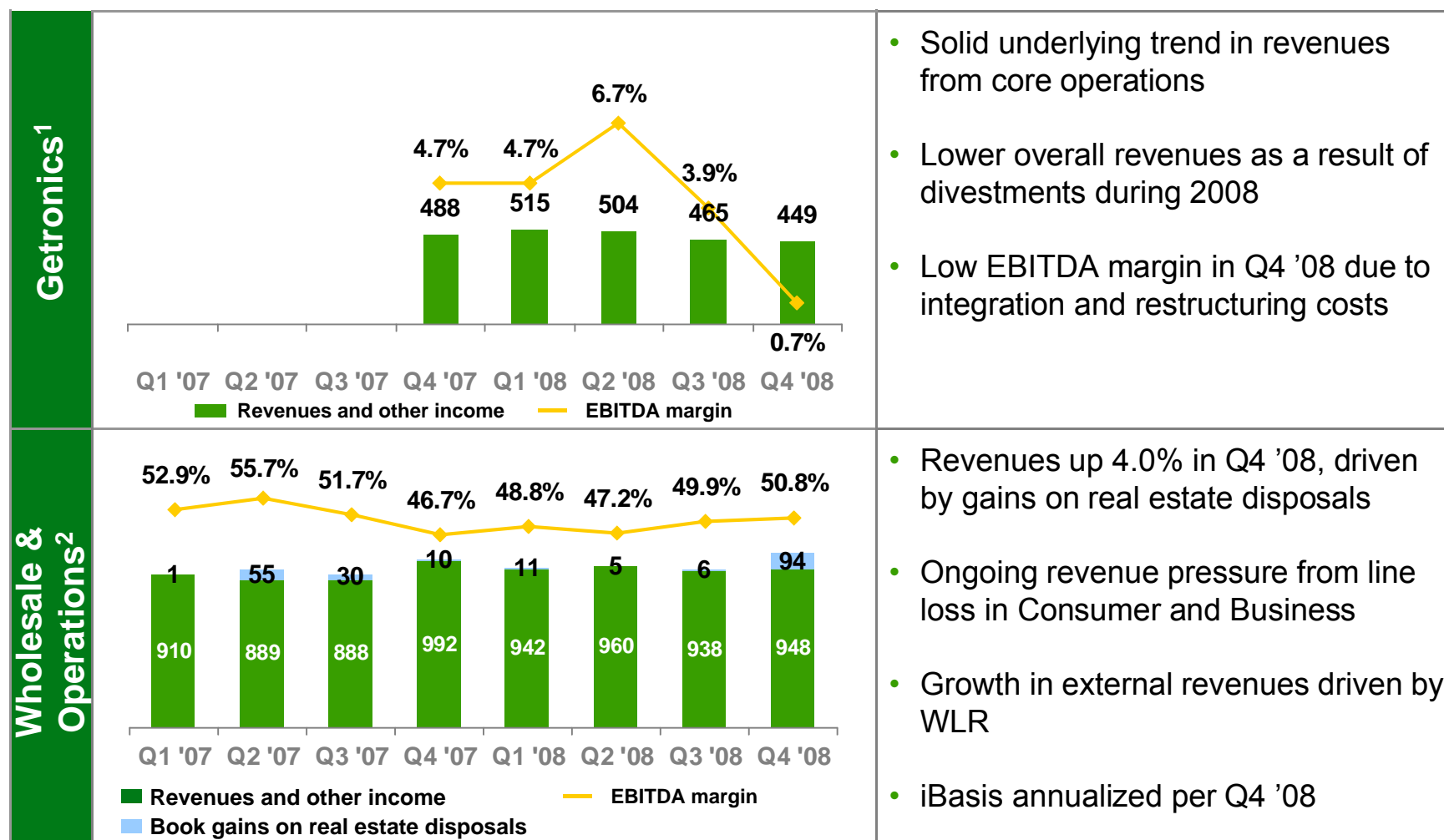
Financial review the Netherlands by segment

Revenue decline in Consumer stopped, solid trends in Business



Financial review the Netherlands by segment (cont'd)

Getronics results impacted by restructuring costs, W&O resilient



¹ Consolidated per 23 October 2007

² iBasis consolidated per 1 October 2007, revenues and other income and EBITDA in Q4 '07 excluding € 66 mn book gain

Strategic progress Consumer

Strong improvement in Consumer segment, strategy delivering results

'Back to Growth' strategy

**Strengthen position as
leading consumer
service provider**

**Market share growth in
broadband and
strengthening wireless**

**Reach inflection in
EBITDA**

Achievements 2008

- Consumer strategy delivering results
 - Revenue decline stopped per Q4 '08
 - Shift to customer value
 - Investments for growth (wireless, TV, fiber)
 - Supported by simplification program
- Net line loss improved to low levels
- 11% market share in TV
- Position in wireless improving during 2008
 - Higher quality net adds
 - Service revenues back to growth in Q4 '08

Fiber

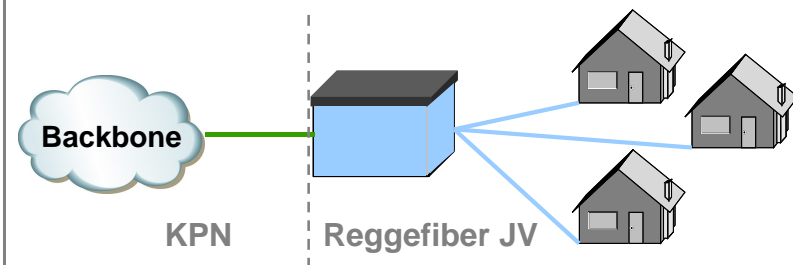
Focus on 5 cities with FttC and 5 cities with FttH

Fiber approach



- Simple product portfolio with three distinct propositions
 - Differentiation on bandwidth, value-added services and content
- Targeting penetration and ARPU uplift
 - Initially 5 cities FttC and 5 cities FttH
 - Decision on rollout speed and direction in H2 '09
- Local marketing approach for fiber
 - Demonstrating fiber possibilities in 'House of Opportunities'

Reggefiber JV



- FttH rolled out through Reggefiber JV
 - KPN owning 41% of JV that constructs and operates passive infrastructure
 - Majority of FttH investments shared in JV, not on KPN's balance sheet
 - € 100 mn payment to JV in Q4 '08
- Open network with access to passive infrastructure regulated by OPTA
 - Access fee of € 12-17.50 / month, depending on Capex per home passed
 - Multiple service providers (incl. KPN)

Strategic progress Business

Leading managed ICT service provider, upside from Getronics integration

'Back to Growth' strategy

**Leading managed ICT
service provider**

**Preferred supplier for
business market**

**Revenue growth with
'best-in-class' margins**

Achievements 2008

- Solid revenue and profitability trends
- Stable market shares in most segments
- Tapping growth potential in wireless data and housing & hosting
- Fully prepared for integration with Getronics in 2009

Strategic progress Getronics

Restructuring on track, overall solid profitability for ongoing business

'Back to Growth' strategy

Benelux market leader

**Expand global
workspace management**

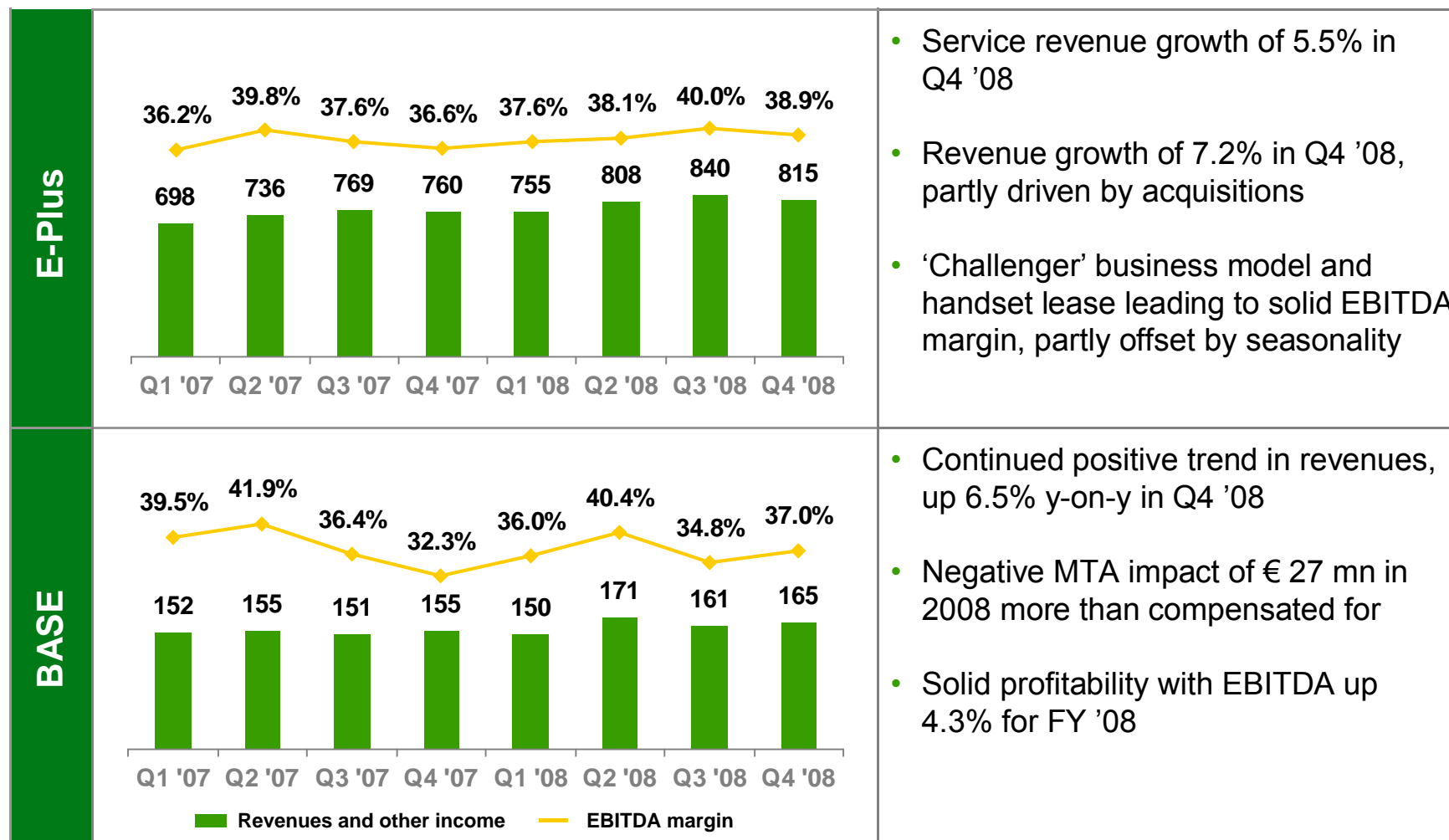
'Best-in-class' margins

Achievements 2008

- Successful transition during 2008
- Timely disposals at good prices
 - Focus on workspace management
 - Total consideration of disposals >€ 500 mn
- Cost reductions on track
 - Headquarters moved to lower-cost location
 - Lower overhead from integration with KPN
- Deal pipeline unimpaired despite restructuring and market environment
- Fully prepared for integration of part of Business market operations into Getronics

Financial review Mobile International by segment

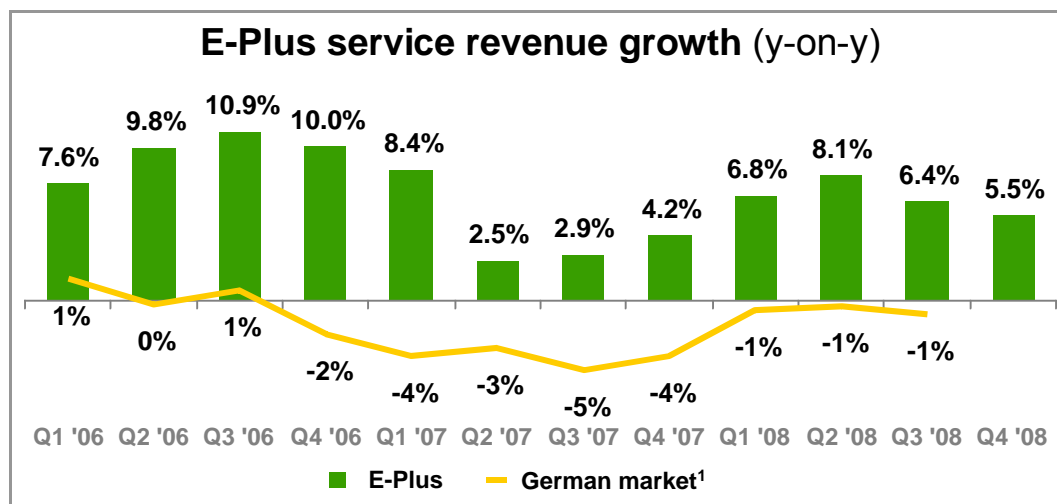
Profitable growth at both E-Plus and BASE



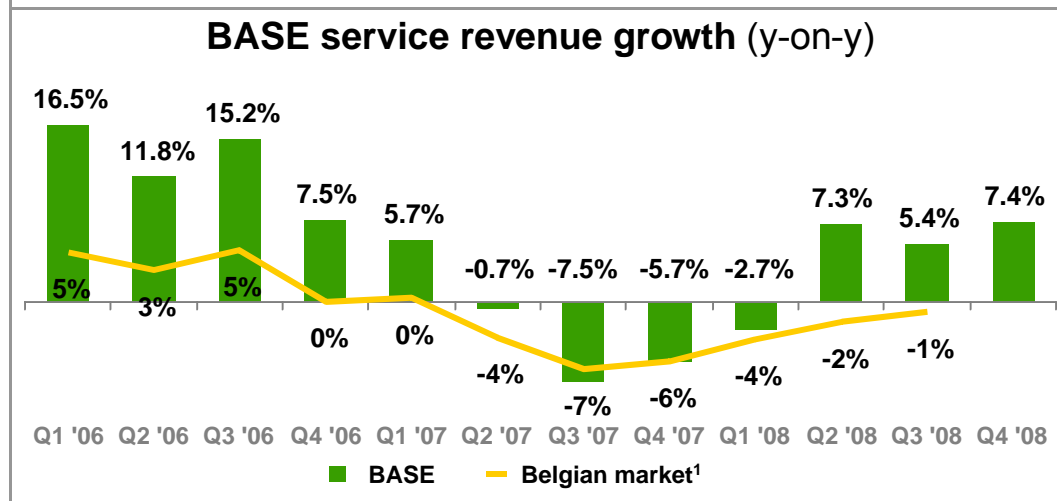
- Service revenue growth of 5.5% in Q4 '08
- Revenue growth of 7.2% in Q4 '08, partly driven by acquisitions
- 'Challenger' business model and handset lease leading to solid EBITDA margin, partly offset by seasonality
- Continued positive trend in revenues, up 6.5% y-on-y in Q4 '08
- Negative MTA impact of € 27 mn in 2008 more than compensated for
- Solid profitability with EBITDA up 4.3% for FY '08

Market outperformance

Service revenue growth consistently higher than overall market growth



- E-Plus ~8% ahead of market growth in past years
- Market contraction in 2007 mainly due to MTA and VAT effects



- BASE ahead of market growth in most quarters
- Tailwind from more favourable MTA ruling in Belgium since Q2 '08

¹ Management estimates

Concluding remarks

- Solid FY 2008 results, guidance met on all metrics, dividend up 11%
- EBITDA inflection in the Netherlands
- Continued profitable growth at Mobile International
- Getronics on track, iBasis goodwill impaired
- 2010 outlook confirmed

Q&A

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