

# Annual Results 2008

27 January 2009

## Safe harbor

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 our control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the 2007 Annual Report.

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, when 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.

# Agenda

| <b>Chairman's review</b>         | <b>Ad Scheepbouwer, Chairman and CEO</b> |
|----------------------------------|--|
| Financial review                 | Marcel Smits, CFO                        |
| Operating review The Netherlands | Baptiest Coopmans, MD Consumer           |
|                                  | Eelco Blok, MD Business / W&O            |
| Operating review Mobile Int'l    | Stan Miller, MD Mobile International     |
| Concluding remarks               | Ad Scheepbouwer, Chairman and CEO        |



## Highlights 2008

- 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

## Financial highlights 2008

- Guidance for 2008 met on all metrics
  - EBITDA of € 5.06 bn
  - Capex of € 1.93 bn
  - Free cash flow of € 2.60 bn<sup>1</sup>
  - EBITDA inflection reached in the Netherlands<sup>2</sup>
- Working capital improvement of € 418 mn ahead of plan
- Solid financial profile following € 1.8 bn bond issues in 2008
  - Net debt / EBITDA ratio improved to 2.2x per Q4 '08, vs. 2.4x per Q3 '08
- Maintaining high level of shareholder returns
  - € 1 bn share repurchase program for 2008 completed in September 2008
  - € 1 bn program for 2009 started in November 2008, 19% completed to date
  - Dividend per share proposed of € 0.60 for FY 2008, up 11%

<sup>1</sup> Defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture at E-Plus

<sup>2</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring charges (until Q2 '08) and book gains on sale of real estate

## 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<br>2008 | Outlook<br>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 <sup>1</sup> | € 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



# Agenda

|                                  |                                      |
|----------------------------------|--------------------------------------|
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# Group results

## Solid full-year results

| € mn                                      | Q4 '08       | Q4 '07       | %            | FY '08        | FY '07        | %            |
|---|--------------|--------------|--------------|---------------|---------------|--------------|
| <b>Revenues and other income</b>          | <b>3,718</b> | <b>3,659</b> | <b>1.6%</b>  | <b>14,602</b> | <b>12,632</b> | <b>16%</b>   |
| — of which Revenues                       | 3,615        | 3,579        | 1.0%         | 14,427        | 12,461        | 16%          |
| <b>Operating expenses</b>                 | <b>3,126</b> | <b>3,025</b> | <b>3.3%</b>  | <b>12,005</b> | <b>10,132</b> | <b>19%</b>   |
| — of which Depreciation <sup>1</sup>      | 397          | 405          | -2.0%        | 1,614         | 1,640         | -1.6%        |
| — of which Amortization <sup>1</sup>      | 292          | 177          | 65%          | 847           | 760           | 11%          |
| <b>Operating result</b>                   | <b>592</b>   | <b>634</b>   | <b>-6.6%</b> | <b>2,597</b>  | <b>2,500</b>  | <b>3.9%</b>  |
| Financial income/(expense)                | -188         | -153         | 23%          | -704          | -560          | 26%          |
| Share of profit of associates             | -            | -1           | -            | -6            | 1             | -            |
| <b>Profit/(Loss) before taxes</b>         | <b>404</b>   | <b>480</b>   | <b>-16%</b>  | <b>1,887</b>  | <b>1,941</b>  | <b>-2.8%</b> |
| Taxes                                     | -107         | 1,101        | -            | -550          | 708           | -            |
| <b>Profit/(Loss) after taxes</b>          | <b>297</b>   | <b>1,581</b> | <b>-81%</b>  | <b>1,337</b>  | <b>2,649</b>  | <b>-50%</b>  |
| <b>Earnings per share (€)<sup>2</sup></b> | <b>0.18</b>  | <b>0.85</b>  | <b>-79%</b>  | <b>0.77</b>   | <b>1.42</b>   | <b>-46%</b>  |
| <b>EBITDA<sup>3</sup></b>                 | <b>1,281</b> | <b>1,216</b> | <b>5.3%</b>  | <b>5,058</b>  | <b>4,900</b>  | <b>3.2%</b>  |

- Revenues and EBITDA for FY '08 containing € 132 mn book gains on real estate, of which € 94 mn in Q4 '08
- Amortization up in Q4 '08 due to goodwill impairment of € 67 mn for iBasis and € 36 mn for Getronics
- High net profit and EPS in Q4 '07 as a result of recognition of € 1.2 bn deferred tax asset at E-Plus

<sup>1</sup> Including impairments, if any

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

<sup>3</sup> Defined as Operating result plus depreciation, amortization & impairments

## Group cash flow FY '08

Free cash flow of € 2.6 bn ahead of full-year guidance

| € mn   | FY '08       | FY '07       | %           |
|--|--------------|--------------|-------------|
| <b>Operating result</b>                        | <b>2,597</b> | <b>2,500</b> | <b>3.9%</b> |
| Depreciation and amortization <sup>1</sup>     | 2,461        | 2,400        | 2.5%        |
| Interest paid/received                         | -597         | -471         | 27%         |
| Tax paid/received                              | -522         | -251         | >100%       |
| Change in provisions                           | -208         | -288         | -28%        |
| Change in working capital <sup>2</sup>         | 418          | 163          | >100%       |
| Other movements                                | -119         | -163         | -27%        |
| <b>Net cash flow from operating activities</b> | <b>4,030</b> | <b>3,890</b> | <b>3.6%</b> |
| <b>Capex<sup>3</sup></b>                       | <b>1,925</b> | <b>1,688</b> | <b>14%</b>  |
| Proceeds from real estate                      | 180          | 143          | 26%         |
| Tax recapture E-Plus                           | 313          | -            | -           |
| <b>Free cash flow<sup>4</sup></b>              | <b>2,598</b> | <b>2,345</b> | <b>11%</b>  |
| Dividend paid                                  | 981          | 982          | -0.1%       |
| Share repurchases                              | 1,103        | 1,569        | -30%        |
| <b>Cash return to shareholders</b>             | <b>2,084</b> | <b>2,551</b> | <b>-18%</b> |

- Free cash flow of € 2.6 bn for FY '08 ahead of full-year guidance
  - € 180 mn proceeds from real estate
  - Improvement in working capital of € 418 mn
  - Increase in interest payments
- Capex of € 1.9 bn for FY '08, up 14% y-on-y
  - Step-up in investments in All-IP and Cybercenters in the Netherlands and 3G in Germany
- € 2.1 bn shareholder returns for FY '08
  - € 1.0 bn dividend
  - € 1.1 bn share repurchases, including € 0.1 bn of 2009 program

<sup>1</sup> Including impairments, if any

<sup>2</sup> Excluding changes in deferred taxes

<sup>3</sup> Including Property, Plant & Equipment and software

<sup>4</sup> Defined as cash flow from operating activities plus proceeds from real estate minus Capital expenditures and excluding tax recapture at E-Plus

## Group cash flow Q4 '08

Free cash flow of € 1.0 bn, driven by working capital and real estate

| € mn   | Q4 '08       | Q4 '07       | %            |
|--|--------------|--------------|--------------|
| <b>Operating result</b>                        | <b>592</b>   | <b>634</b>   | <b>-6.6%</b> |
| Depreciation and amortization <sup>1</sup>     | 689          | 582          | 18%          |
| Interest paid/received                         | -217         | -123         | 76%          |
| Tax paid/received                              | -193         | -171         | 13%          |
| Change in provisions                           | -58          | -90          | -36%         |
| Change in working capital <sup>2</sup>         | 603          | 459          | 31%          |
| Other movements                                | -87          | -79          | 10%          |
| <b>Net cash flow from operating activities</b> | <b>1,329</b> | <b>1,212</b> | <b>9.7%</b>  |
| <b>Capex<sup>3</sup></b>                       | <b>613</b>   | <b>707</b>   | <b>-13%</b>  |
| Proceeds from real estate                      | 140          | 19           | >100%        |
| Tax recapture E-Plus                           | 128          | -            | -            |
| <b>Free cash flow<sup>4</sup></b>              | <b>984</b>   | <b>524</b>   | <b>88%</b>   |
| Dividend paid                                  | -            | -            | -            |
| Share repurchases                              | 103          | 395          | -74%         |
| <b>Cash return to shareholders</b>             | <b>103</b>   | <b>395</b>   | <b>-74%</b>  |

- Free cash flow of € 1.0 bn in Q4 '08
  - Working capital improvement of € 603 mn, as a result of improvement program and seasonality
  - € 140 mn proceeds from real estate in Q4 '08, vs. € 19 mn in Q4 '07
- Expecting y-on-y decline in FCF for Q1 '09
  - Normal seasonality effects, e.g. working capital effect from Capex in Q4 '08 and annual prepayments at E-Plus and BASE
  - Reversal of € 150 mn non-structural working capital improvements
- Capex down 13% in Q4 '08 to € 613 mn
  - Strong seasonality in 2007, 42% of annual Capex in Q4 '07

<sup>1</sup> Including impairments, if any

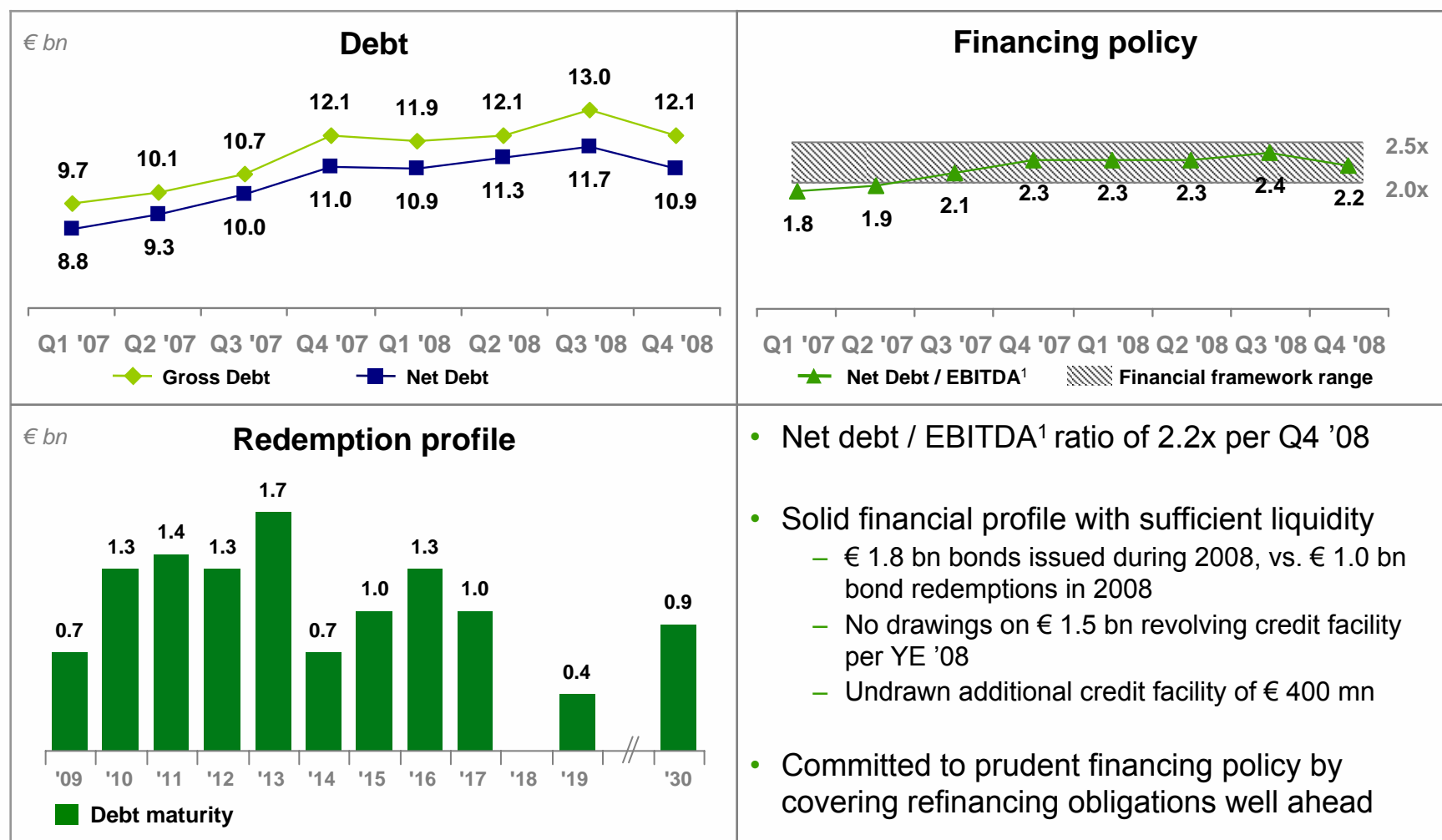
<sup>2</sup> Excluding changes in deferred taxes

<sup>3</sup> Including Property, Plant & Equipment and software

<sup>4</sup> Defined as cash flow from operating activities plus proceeds from real estate minus Capital expenditures and excluding tax recapture at E-Plus

# Group financial profile

Solid liquidity position and net debt / EBITDA ratio improved to 2.2x



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

# Pension plans

Pension plans impacted by deterioration of financial markets

## IFRS impact from pensions plans<sup>1</sup>

| (€ bn)                         | FY '07 | FY '08 | FY '09 |
|--------------------------------|--------|--------|--------|
| <b>Pension obligations</b>     | 6.7    | 5.8    |        |
| <b>Pension plan assets</b>     | 6.2    | 5.2    |        |
| <b>Deficit</b>                 | 0.5    | 0.6    |        |
| <b>Corridor gains/(losses)</b> | 0.4    | 0.04   |        |
| (€ mn)                         |        |        |        |
| <b>P&amp;L charge</b>          |        | ~140   | ~165   |

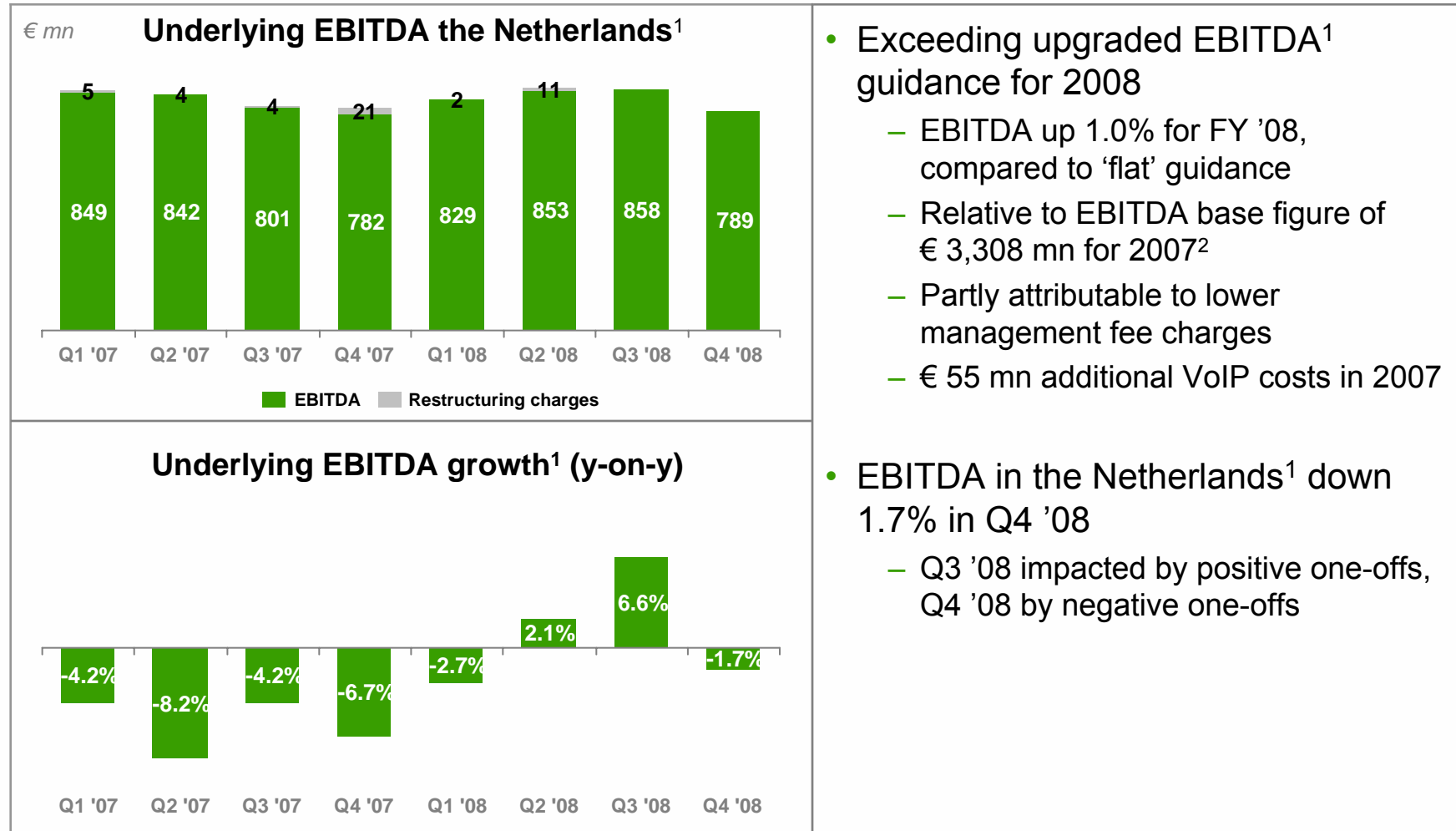
- Pension plans impacted by declining interest rates and deterioration of financial markets
- Average coverage ratio of KPN pension funds at 94% per YE '08 (vs. 105% per 17 October)
- Additional cash funding in 2009 of ~€ 120 mn
  - Payments expected to start per Q2 '09
  - Short term recovery period of 12 quarters<sup>2</sup>
- Ongoing discussions with Dutch Central Bank on timing and duration of recovery plan
- IFRS pension charge up ~€ 25 mn in 2009
  - Lower indexation estimates, higher discount rates and lower return on assets
- No indexation of benefits in 2009

<sup>1</sup> Please see Annex for detailed calculation

<sup>2</sup> If coverage ratio is below 105%: additional cash funding to be paid in the course of 12 quarters until minimum coverage ratio of 105% is reached

# EBITDA<sup>1</sup> trend in the Netherlands

Inflection point reached by exceeding 'flat' guidance for 2008



<sup>1</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring charges (until Q2 '08) and book gains on sale of real estate

<sup>2</sup> Revised base figure announced in Q2 '08, restructuring provision in Q2 '08 accounts for future restructuring charges in the Netherlands

# Performance vs. guidance

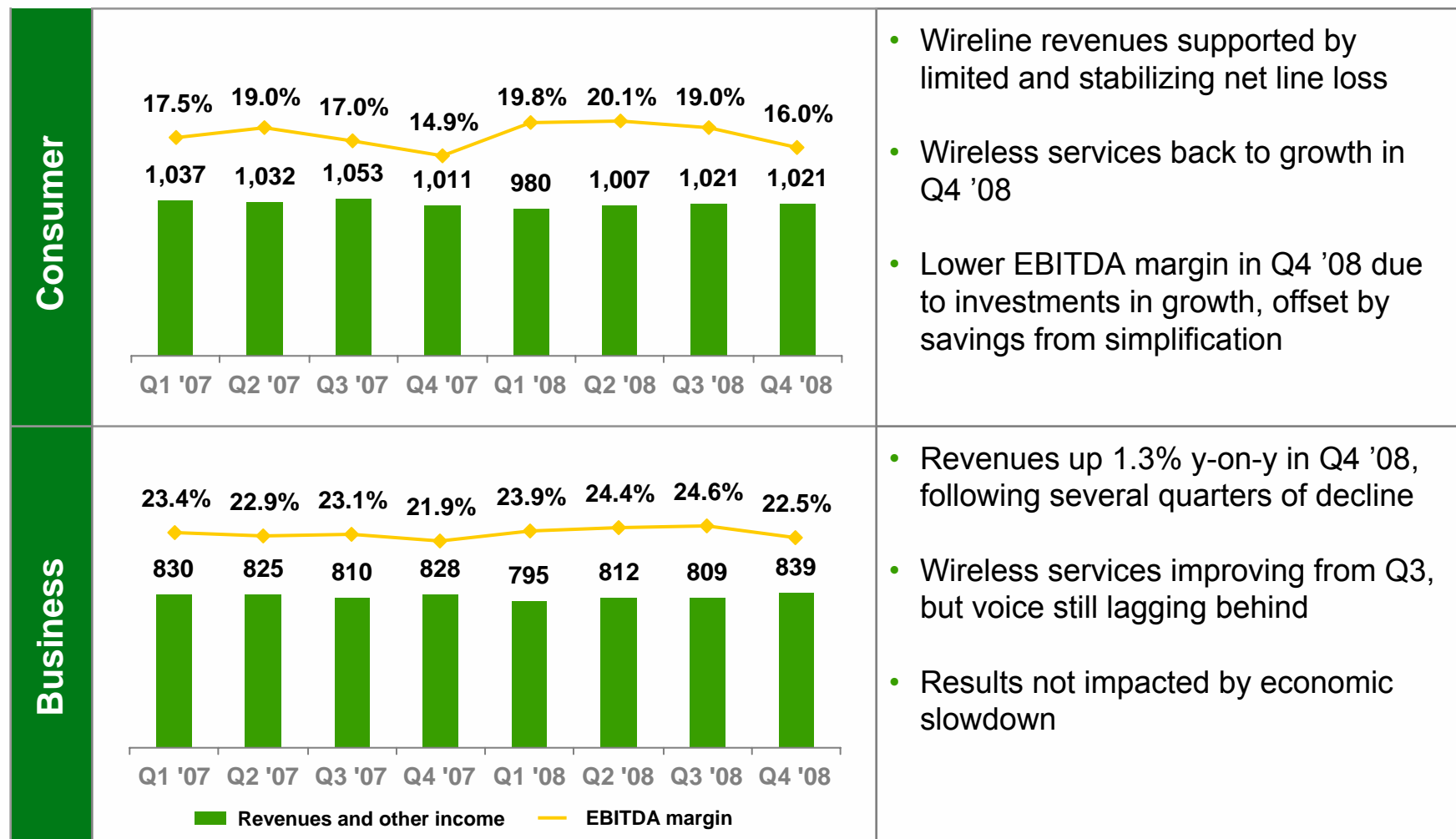
Guidance for 2008 met on all metrics

|                       | Guidance<br>2008 | Reported<br>2008 | Comments  |
|-----------------------|------------------|------------------|---|
| <b>EBITDA</b>         | € 5.0 bn         | € 5.06 bn        | <ul style="list-style-type: none"> <li>• High single-digit growth at Mobile International</li> <li>• EBITDA growth in the Netherlands excluding acquisitions and book gains on real estate</li> <li>• € 132 mn book gains on real estate</li> </ul> |
| <b>Capex</b>          | ~ € 2.0 bn       | € 1.93 bn        | <ul style="list-style-type: none"> <li>• Step-up from 2007, related to higher investments in All-IP and Cybercenters in the Netherlands and 3G in Germany</li> </ul>  |
| <b>Free cash flow</b> | > € 2.4 bn       | € 2.60 bn        | <ul style="list-style-type: none"> <li>• € 418 mn improvement in working capital</li> <li>• € 180 mn proceeds from real estate</li> <li>• € 126 mn increase in interest payments</li> </ul>   |



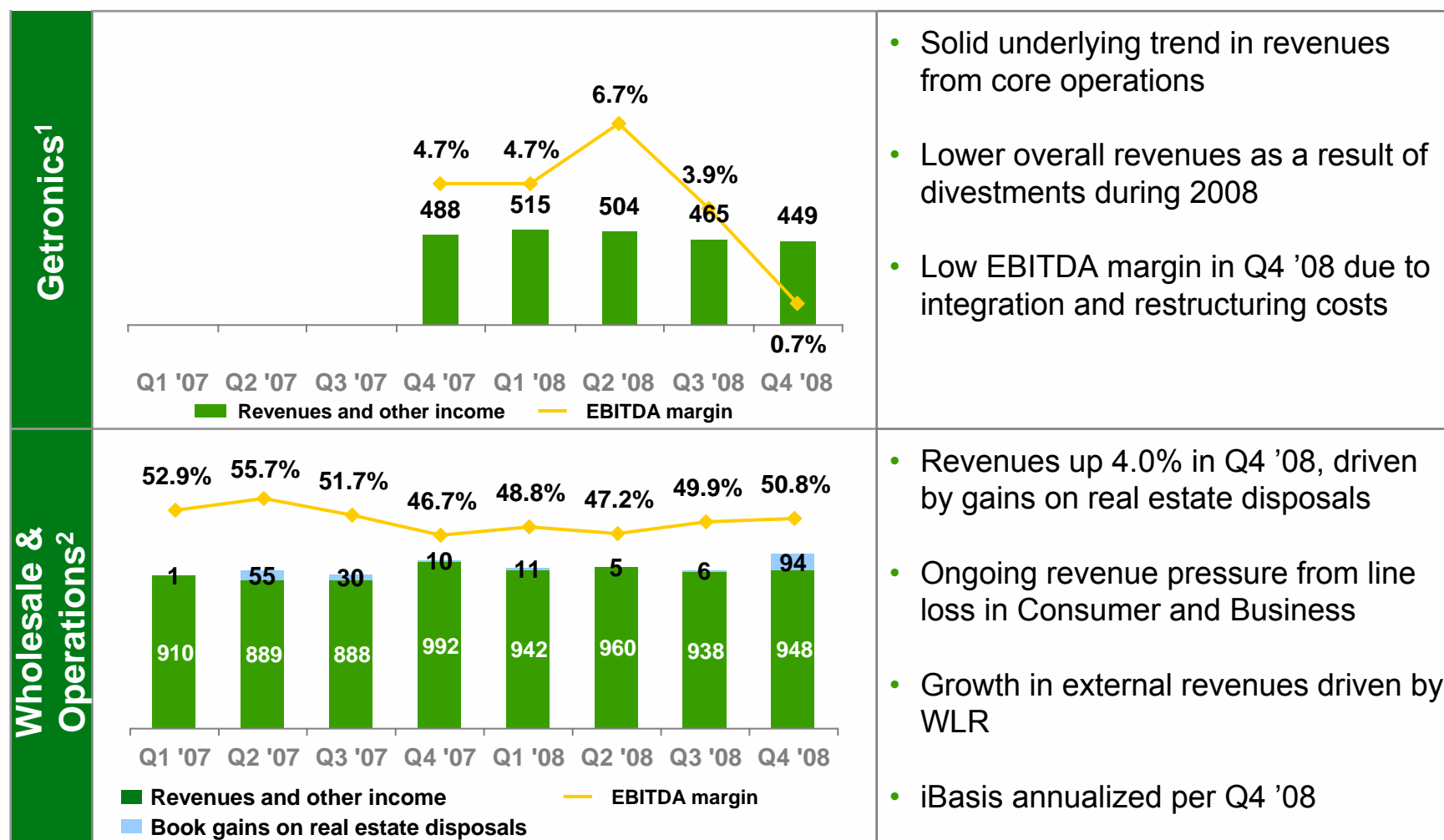
# Financial review the Netherlands by segment

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

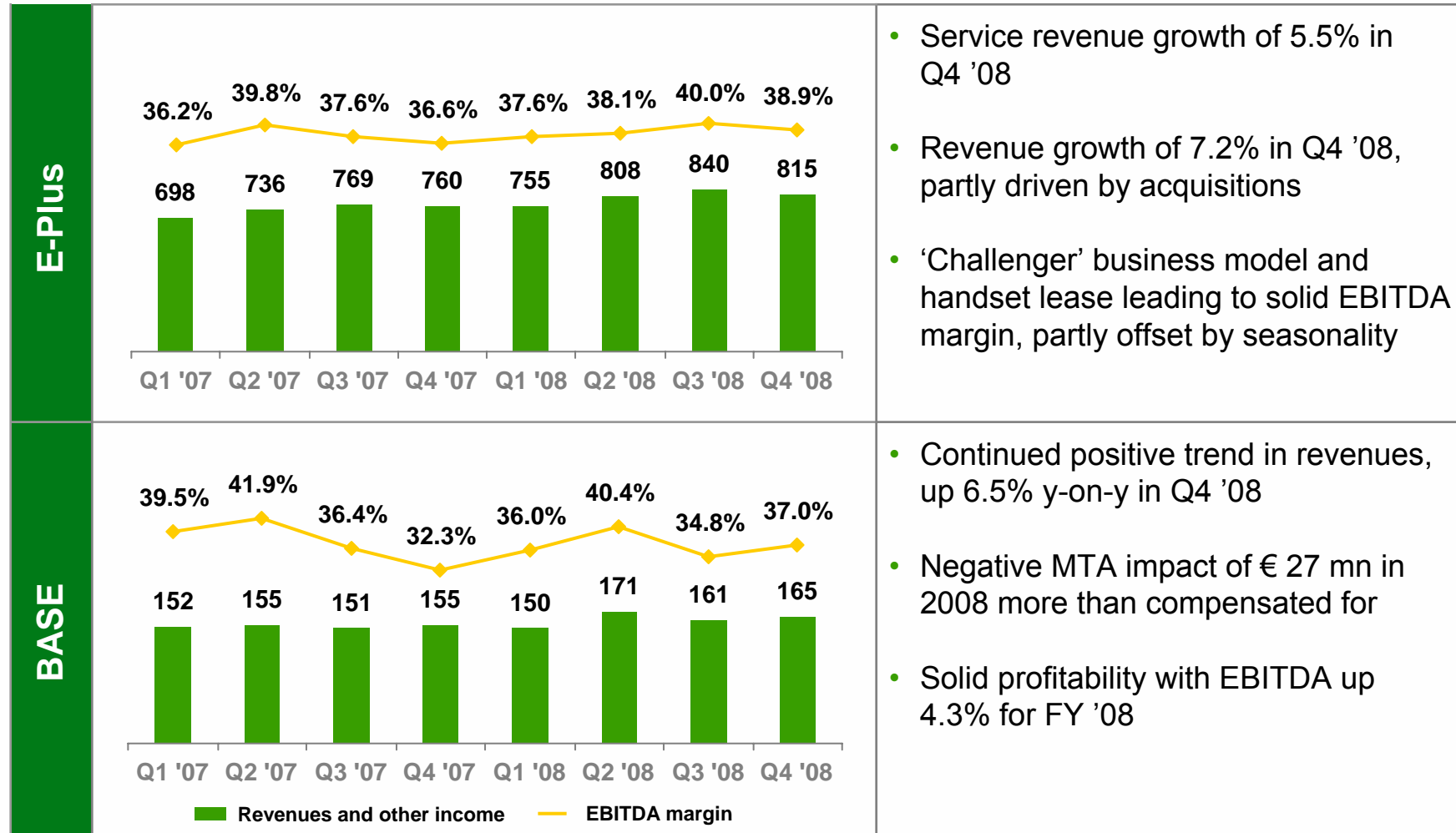


<sup>1</sup> Consolidated per 23 October 2007

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

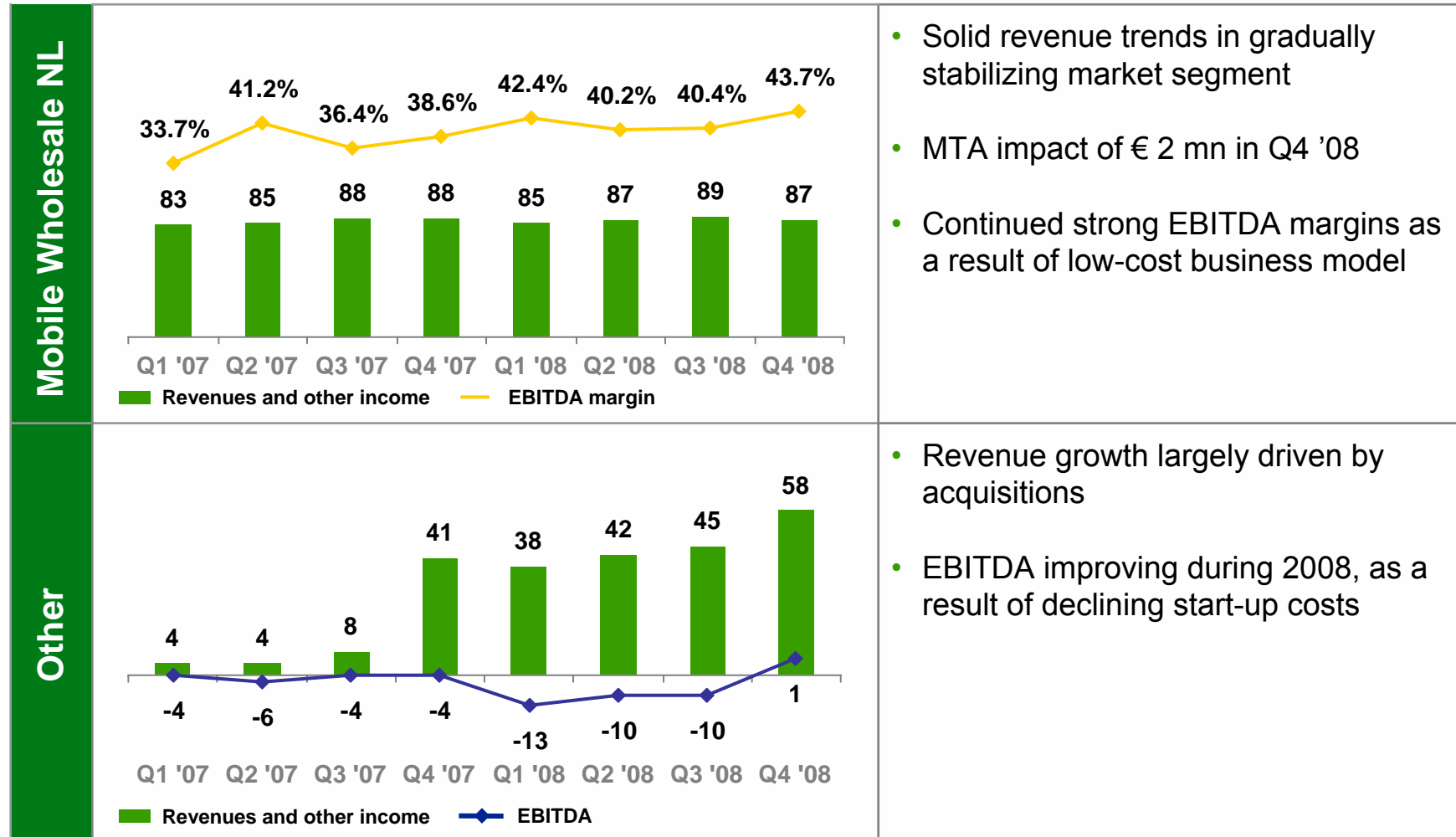
# Financial review Mobile International by segment

Profitable growth at both E-Plus and BASE



# Financial review Mobile International by segment (cont'd)

Solid performance in mobile wholesale, acquisitions and recent initiatives



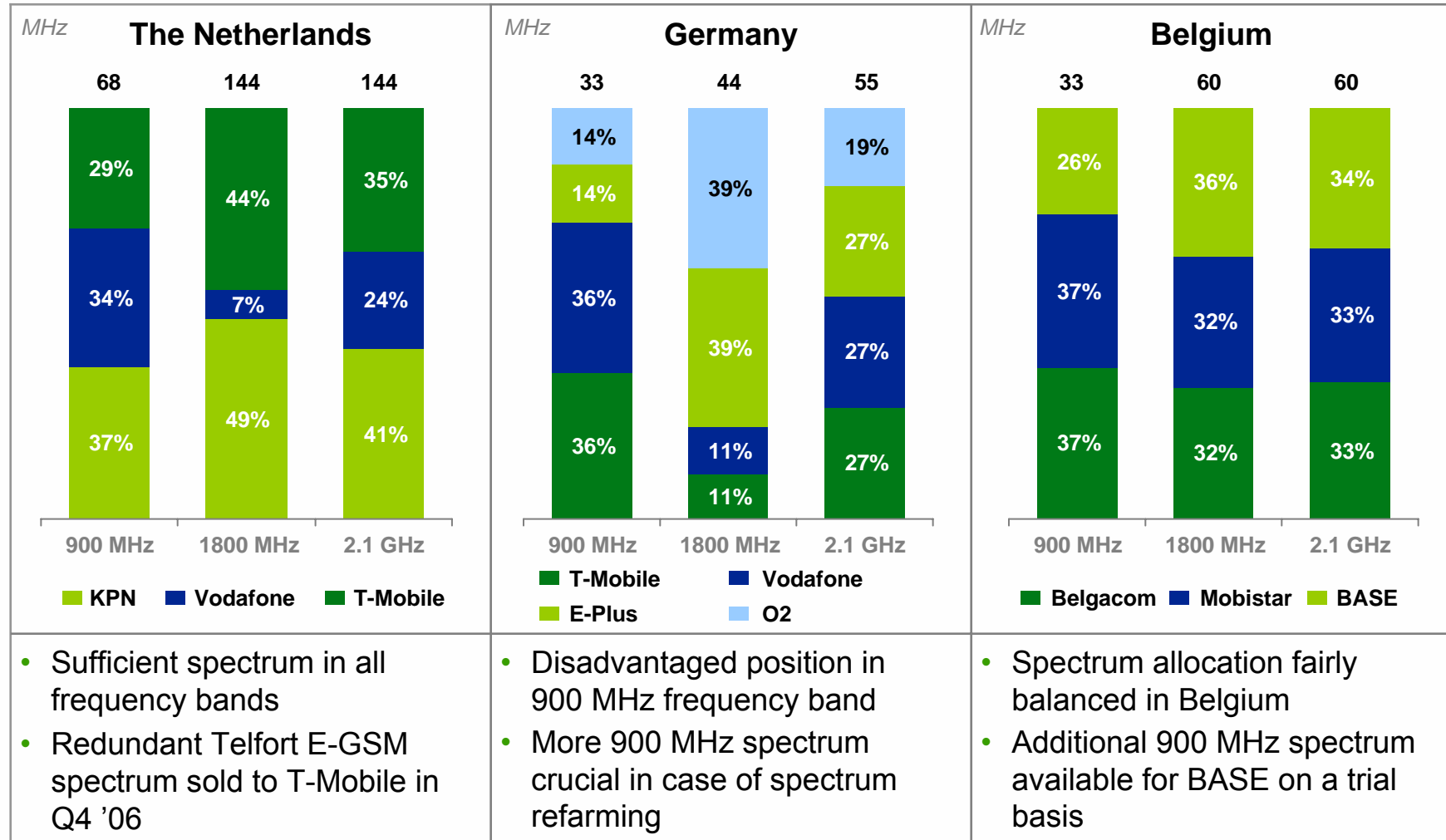
# Regulation

Increased regulatory clarity, especially in the Netherlands

|                                    | Status  | Impact  |
|------------------------------------|---|---|
| <b>Market analyses<br/>OPTA</b>    | <ul style="list-style-type: none"> <li>Final decisions published in December 2008</li> <li>Deregulation fixed telephony in retail markets, additional regulation for Business market</li> </ul>               | <ul style="list-style-type: none"> <li>Overall limited impact</li> </ul>  |
| <b>MTA in the<br/>Netherlands</b>  | <ul style="list-style-type: none"> <li>MTA framework successfully appealed by UPC, new OPTA decision in December 2008</li> <li>MTA tariffs in the Netherlands until 2010 unaffected</li> </ul>                | <ul style="list-style-type: none"> <li>No additional impact from MTA reductions</li> </ul>                                    |
| <b>FttH in the<br/>Netherlands</b> | <ul style="list-style-type: none"> <li>Regulation on tariffs and other conditions of access to passive fiber</li> <li>No regulation on WBA or retail pricing</li> </ul>                                       | <ul style="list-style-type: none"> <li>Approval Reggefiber JV</li> <li>Regulatory clarity for at least three years</li> </ul> |
| <b>EU roaming</b>                  | <ul style="list-style-type: none"> <li>EU roaming proposals on voice, SMS and wholesale data expected to pass</li> </ul>  | <ul style="list-style-type: none"> <li>Significant impact, mitigating actions defined</li> </ul>                              |
| <b>Spectrum<br/>auctions</b>       | <ul style="list-style-type: none"> <li>Belgian 2.6 GHz auction planned for 2009</li> <li>Several auctions planned in Germany in H2 '09</li> <li>Dutch 2.6 GHz auction possibly postponed to Q1 '10</li> </ul> | <ul style="list-style-type: none"> <li>No clarity yet on auction processes</li> </ul>   |

# Spectrum

Sufficient in the Netherlands and Belgium, disadvantage in 900 MHz in Germany



# Agenda

|   |                                       |
|---|---------------------------------------|
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## 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



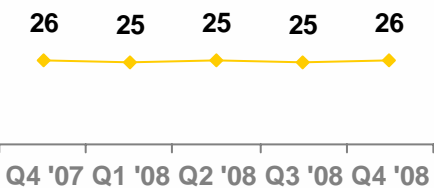
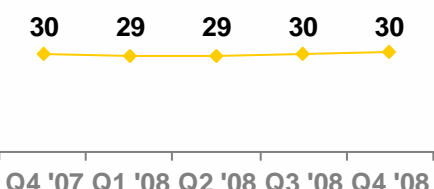
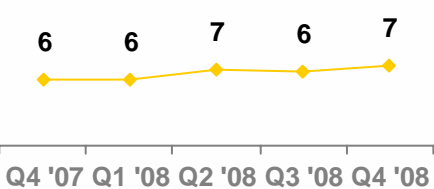
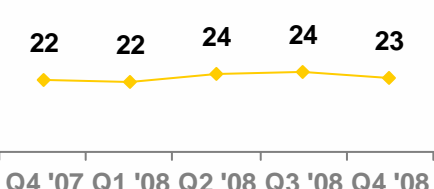
# Simplification

Strong progress during 2008

|                                |   |   |
|--------------------------------|---|---|
| <b>Brand rationalization</b>   | <ul style="list-style-type: none"> <li>• Number of brands halved from ten to five</li> <li>• Planet brand migrated to KPN brand in June 2008</li> <li>• Shops and distribution aligned with brands</li> </ul>                 |    |
| <b>Simplified portfolio</b>    | <ul style="list-style-type: none"> <li>• Portfolio with three broadband and VoIP packages</li> <li>• Number of price bundles in wireless halved</li> <li>• Wireless data propositions aligned with Business market</li> </ul> |    |
| <b>Single modem</b>            | <ul style="list-style-type: none"> <li>• New future-proof modem introduced in 2008</li> <li>• Serving all networks (ADSL, FttC, FttH) and all services (VoIP, broadband, IPTV)</li> </ul>                                     |   |
| <b>Simplified organization</b> | <ul style="list-style-type: none"> <li>• Created one multi-category price brand with Telfort</li> <li>• Staff reductions in innovation, business development and back-office</li> </ul>                                       |  |
| <b>IT &amp; processes</b>      | <ul style="list-style-type: none"> <li>• ~€ 65 mn reduction in overall IT costs in the Netherlands</li> <li>• Reduction of 25% in customer transaction cost</li> <li>• Fiber operator developed as greenfield</li> </ul>      |  |

# Customer value

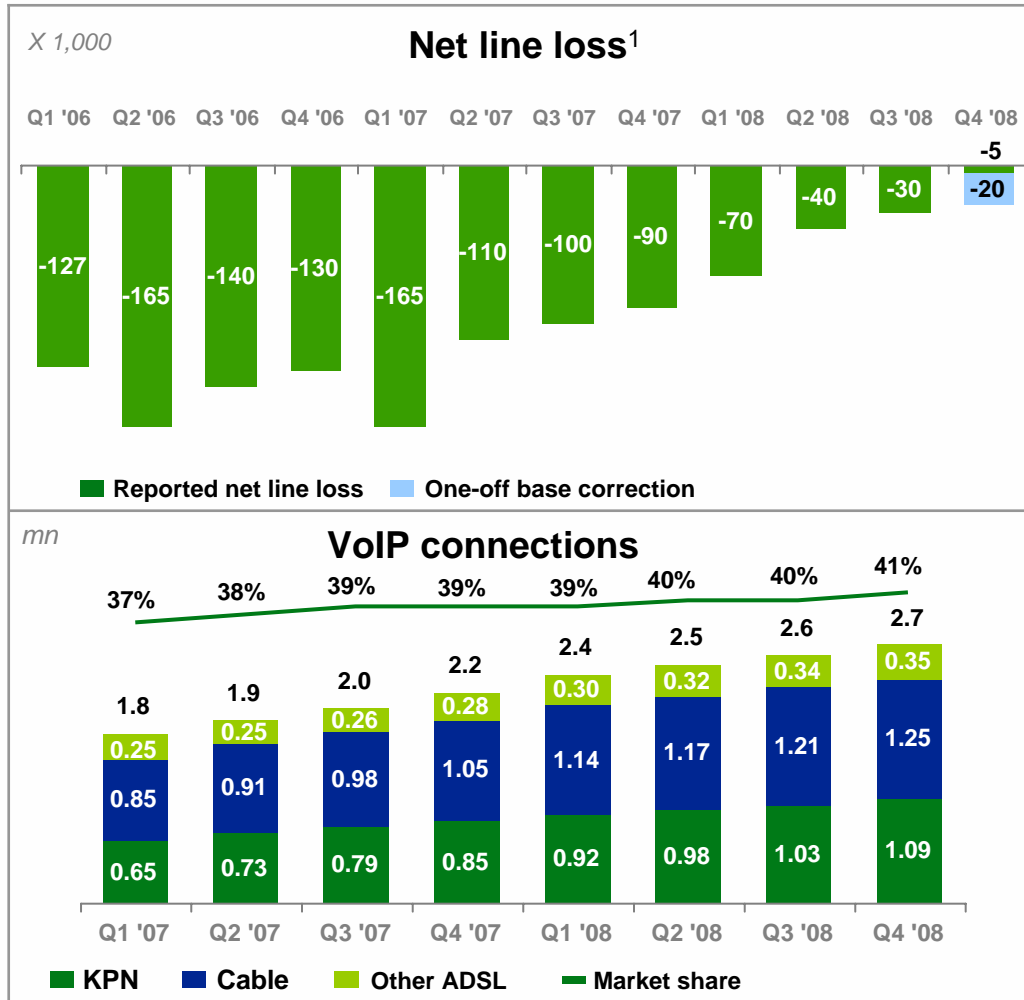
Managing customer base for value in all segments

| Service               | ARPU trend (€)  | Comments   |
|-----------------------|---|--|
| Traditional telephony |  <p>26 25 25 25 26</p> <p>Q4 '07 Q1 '08 Q2 '08 Q3 '08 Q4 '08</p>   | <ul style="list-style-type: none"> <li>Retention of customers with highest value</li> </ul>                                  |
| Broadband and VoIP    |  <p>30 29 29 30 30</p> <p>Q4 '07 Q1 '08 Q2 '08 Q3 '08 Q4 '08</p>   | <ul style="list-style-type: none"> <li>Upselling broadband to VoIP</li> <li>Growth in KPN and Telfort brands</li> </ul>      |
| TV                    |  <p>6 6 7 6 7</p> <p>Q4 '07 Q1 '08 Q2 '08 Q3 '08 Q4 '08</p>       | <ul style="list-style-type: none"> <li>Price increase for Digitenne in October 2008</li> <li>Value-added services</li> </ul> |
| Wireless              |  <p>22 22 24 24 23</p> <p>Q4 '07 Q1 '08 Q2 '08 Q3 '08 Q4 '08</p> | <ul style="list-style-type: none"> <li>Growth in Post Paid</li> <li>MTA and roaming impact compensated</li> </ul>            |

- Reporting solid ARPU trends in competitive Dutch market
- ARPU at least flat in all segments
- Focus on high-value customers which take multiple services from KPN

# Wireline voice

Maximizing value with low net line loss

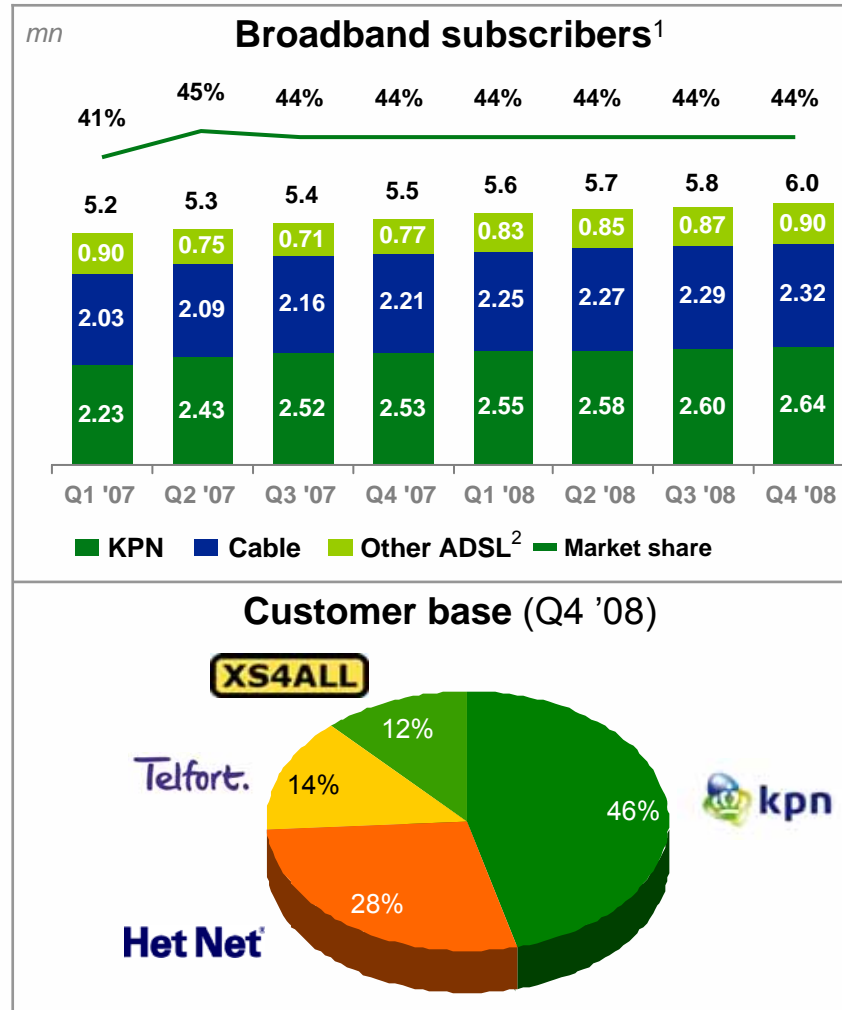


- Limited and stabilizing net line loss
  - Reported line loss 5k in Q4 '08
  - Including one-off base correction of 20k in Q4 '08
- Managed migration to VoIP
  - Maintaining strong position in traditional voice
  - Improvement in PSTN line loss driven by retention programs
- Market leadership in VoIP further strengthened
  - Over 1 mn customers, KPN VoIP market share of 41%
  - Capturing more than fair share of market growth

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

# Broadband

## Improving broadband net adds



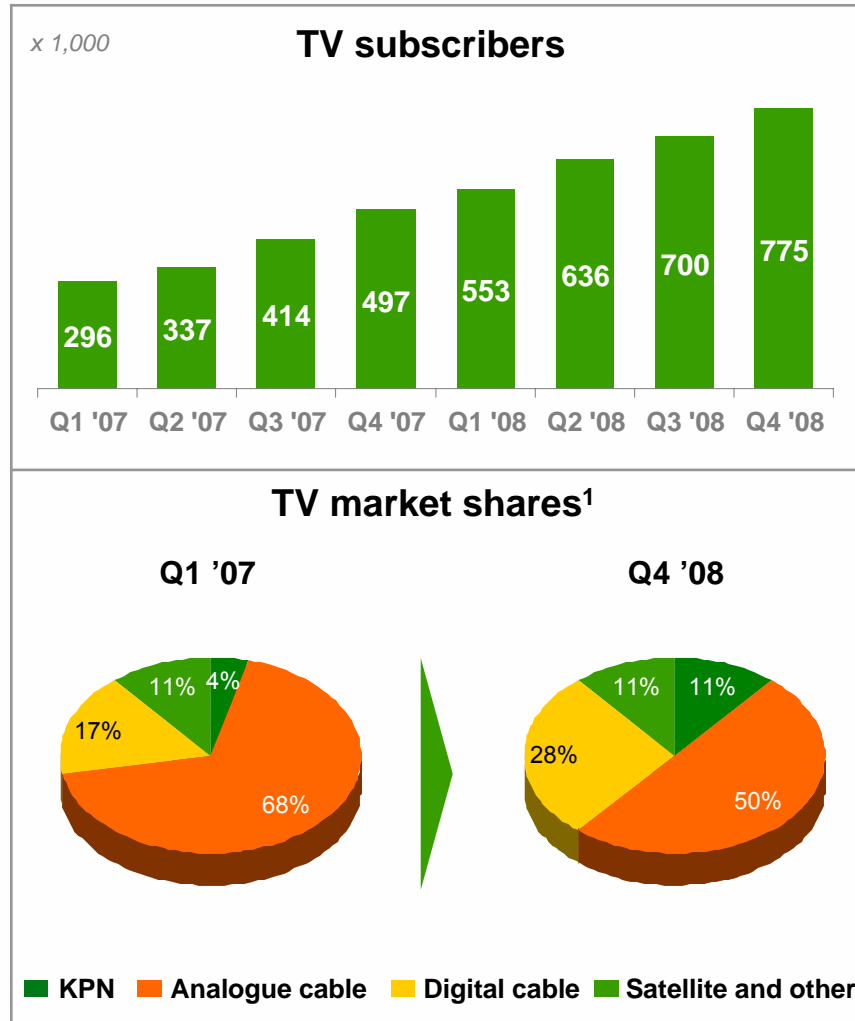
- Solid number of net adds and of high quality
  - Capturing ~45% of market growth in Q4 '08
  - KPN and Telfort fastest growing brands
- Simplification in brands and product portfolio delivering results
  - Clarity for consumer
  - Investments in quality paying off
- Fixed-Mobile offer for KPN brand
  - Free data card, bridging ~4 weeks between ordering and installation of fixed broadband
  - Upsell opportunity: part of customer base willing to pay for both fixed and wireless

<sup>1</sup> Based on management estimates, approximately 80% consumers and 20% businesses

<sup>2</sup> Excluding Bitstream

# TV

## Reaching critical mass



- KPN reaching critical mass in Dutch TV market that is dominated by cable
  - Customer base up 56% y-on-y, driven by Digitenne (DVB-T)
  - ~40k customers in IPTV
- Market share KPN TV more than doubled since Q1 '07
  - 11% market share in overall TV market
  - 22% market share in digital TV
- ARPU increase of ~€ 1 y-on-y
  - Price increase Digitenne in October
  - Value-added services, e.g. live football package
- Satisfied with uptake in DVB-H so far
  - Mobile TV still in start-up phase, ~30k customers per Q4 '08

<sup>1</sup> Management estimates

# Fiber

Focus on 5 cities with FttC and 5 cities with FttH, using new delivery process

## Propositions



- Simple product portfolio with three distinct propositions
- Focus on superior triple play offers
  - Gold: € 110 / month for up to 100 Mbps
  - Silver: € 80 / month for 50 Mbps
  - Bronze: € 65 / month for 30 Mbps
  - 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

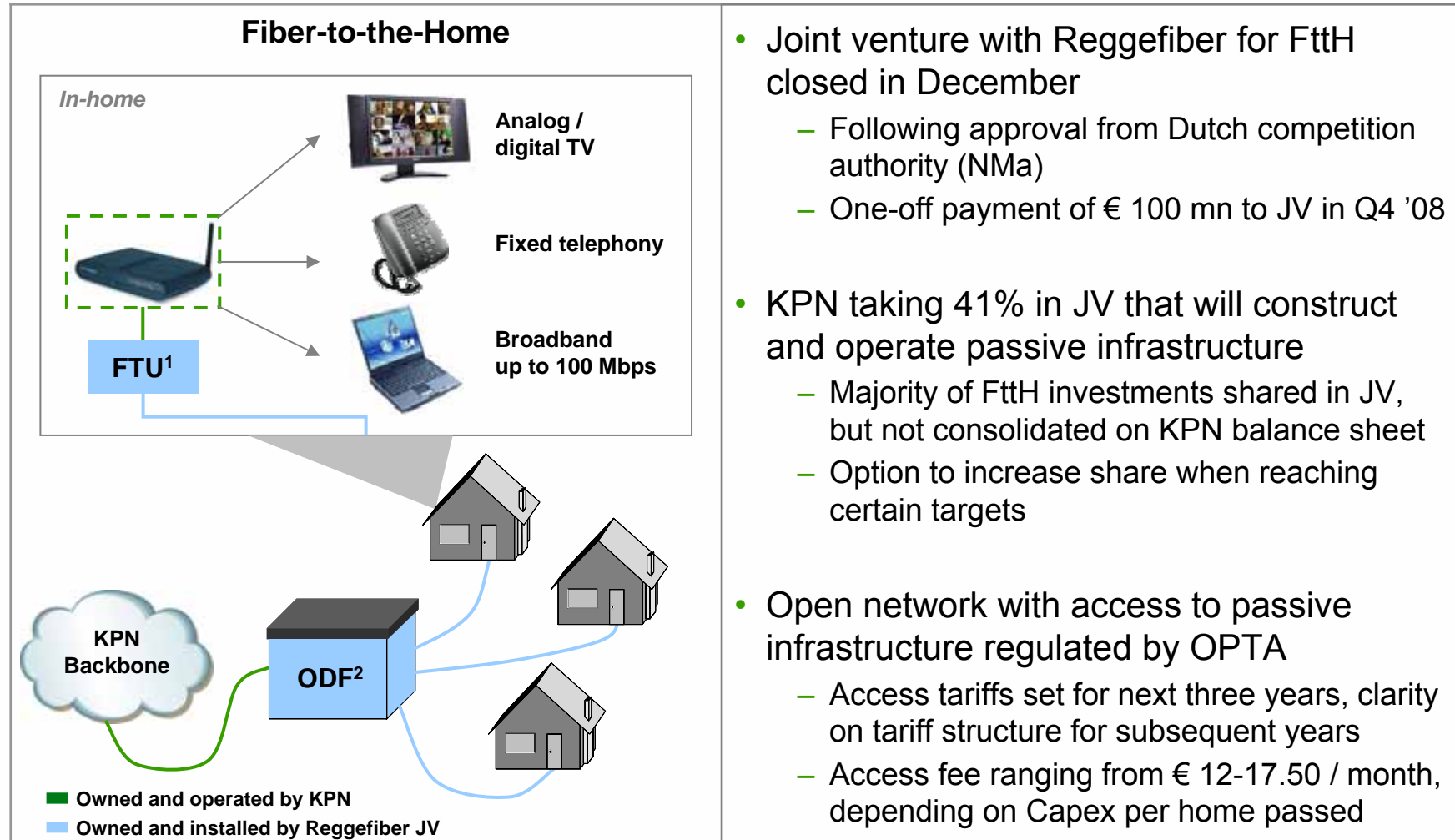
## Delivery process



- Local marketing approach for fiber
  - Demonstrating fiber possibilities in 'House of Opportunities'
- First customers activated through new delivery process as from Q1 '09
  - Simplified processes based on new product portfolio
  - Single delivery process, customer database and IT infrastructure
  - Using lessons learned from VoIP issues in 2007

# Ftth approach

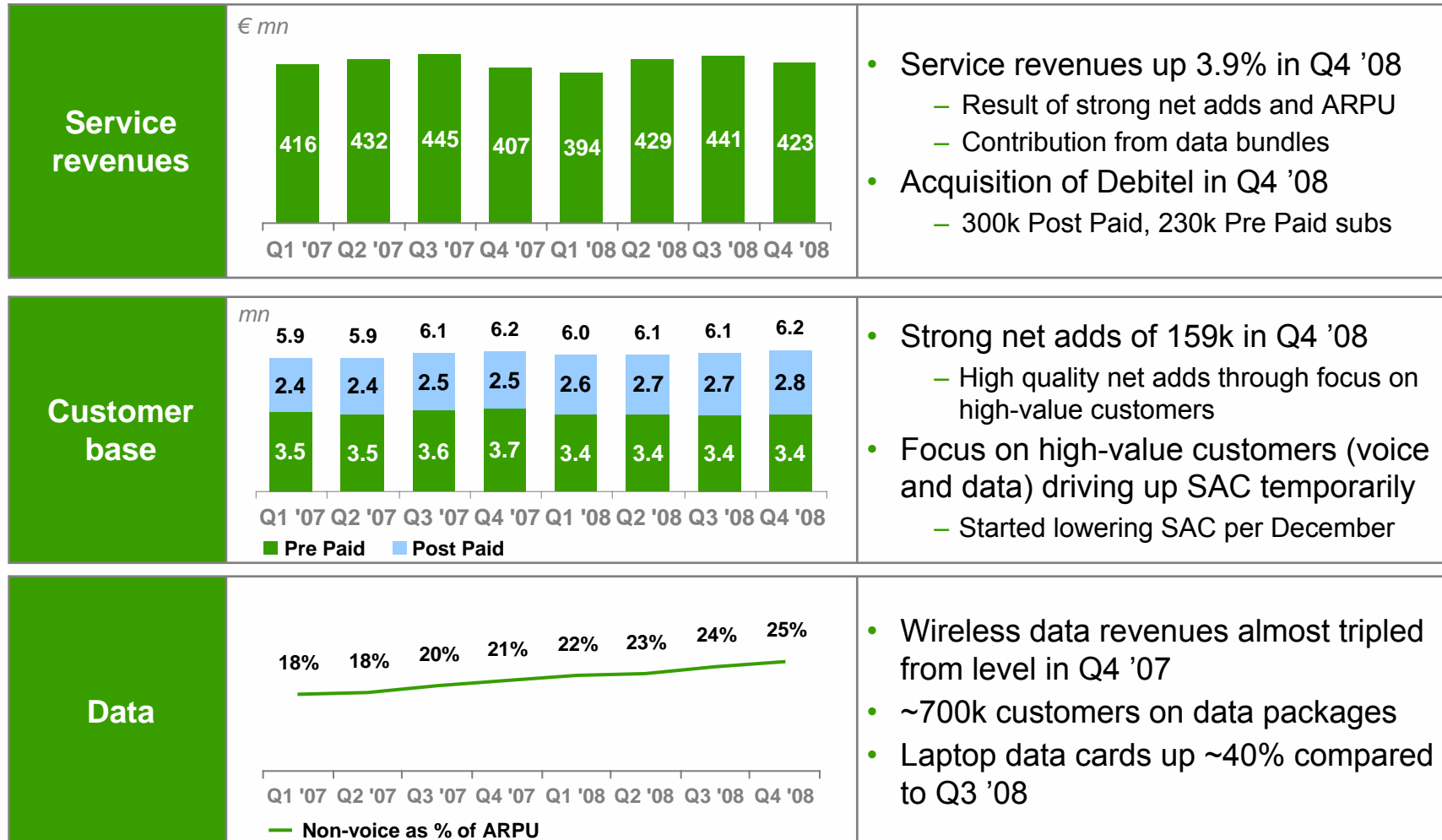
Committed to selected Ftth rollout following approval of Reggefiber JV



1 Fiber Termination Unit  
2 Optical Distribution Frame

# Wireless

Growth accelerating in net adds, service revenues back to growth in Q4 '08





# Agenda

|   |  |
|---|--|
| Chairman's review                       | Ad Scheepbouwer, Chairman and CEO        |
| Financial review                        | Marcel Smits, CFO                        |
| <b>Operating review The Netherlands</b> | Baptiest Coopmans, MD Consumer           |
|   | <b>Eelco Blok, MD Business / W&amp;O</b> |
| Operating review Mobile Int'l           | Stan Miller, MD Mobile International     |
| Concluding remarks                      | Ad Scheepbouwer, Chairman and CEO        |



## 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**

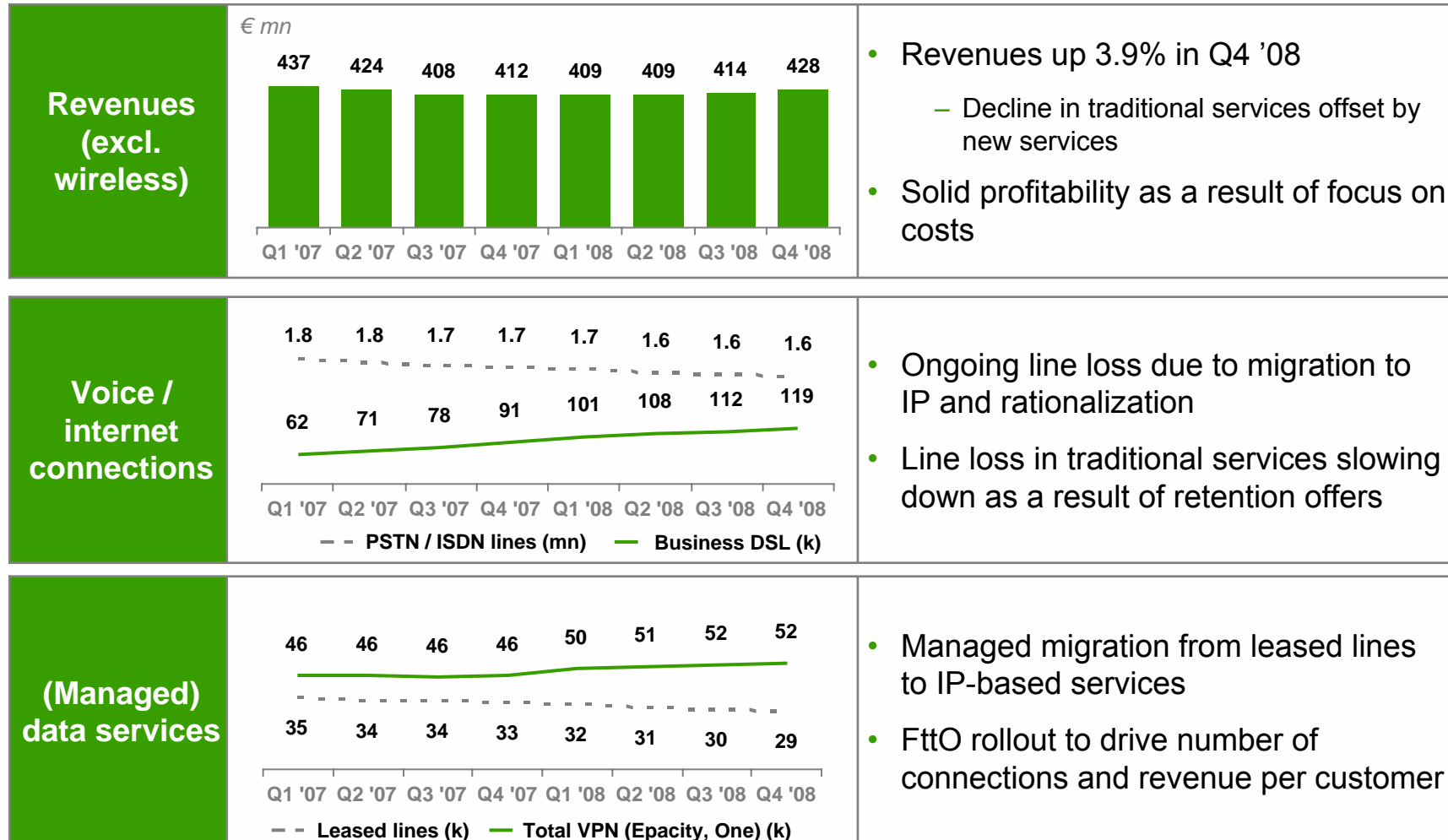
**Revenue growth with  
'best-in-class' margins**

### **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

# Infrastructure services – wireline

Share of new services continues to increase

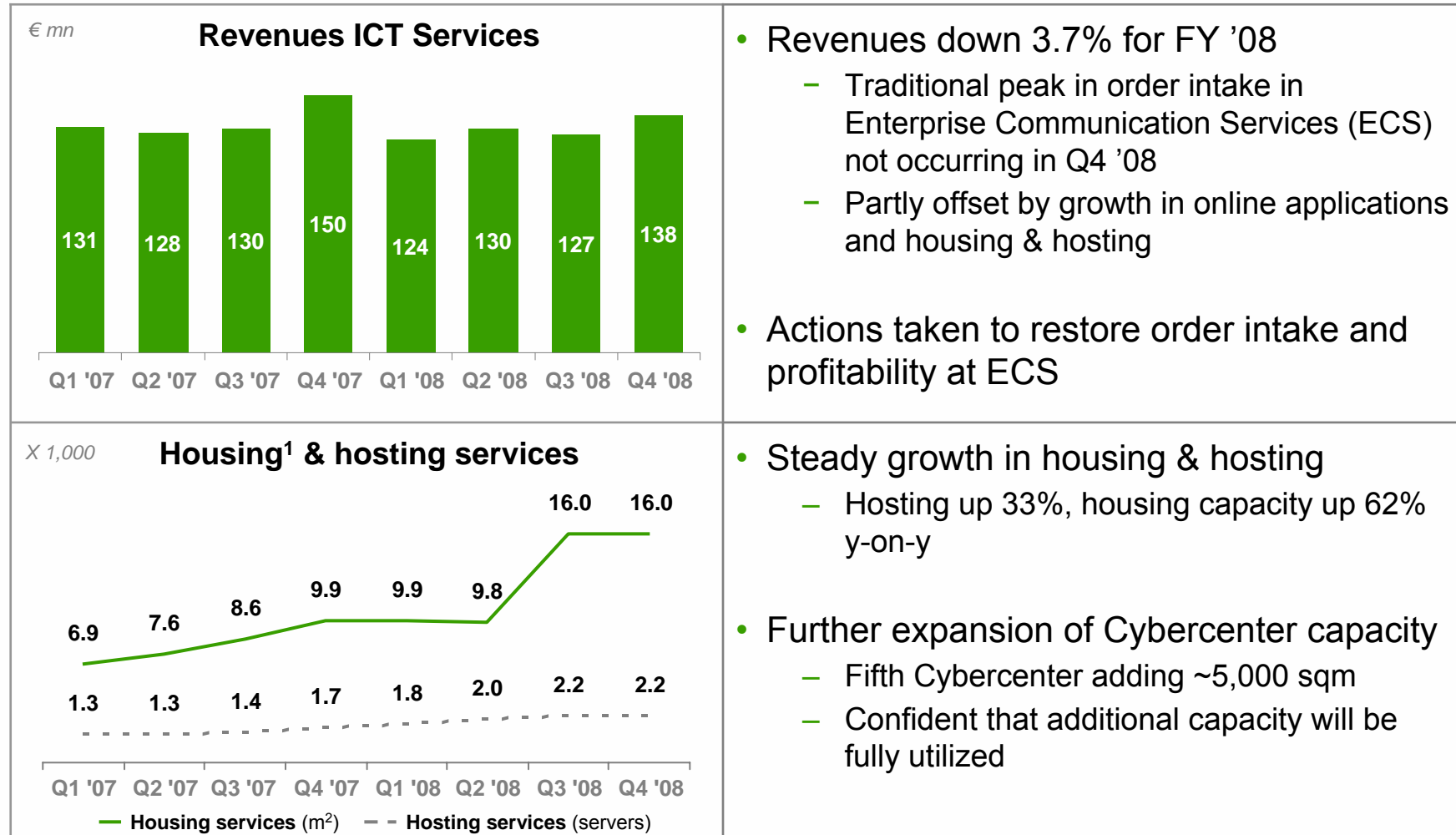


## Wireless services improving, but voice still lagging behind



# ICT Services

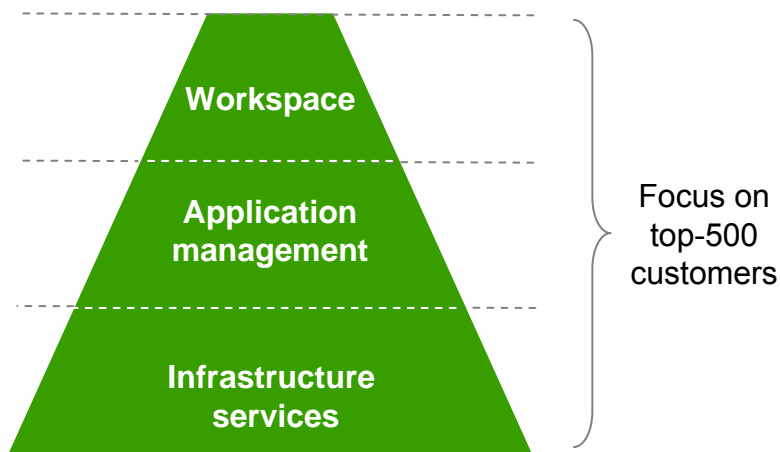
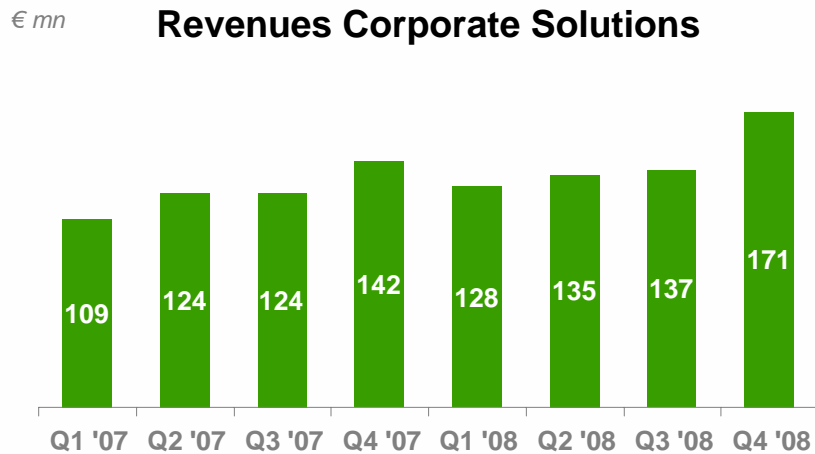
Continued weakness in PABX business, steady growth in housing & hosting



<sup>1</sup> Housing services available capacity in m²

# Corporate Solutions

Continued growth in managed ICT and outsourcing for large enterprises



- Strong revenue growth in Corporate Solutions
  - Growth of 14% for FY '08 and 20% in Q4 '08 y-on-y
  - Major contracts starting to generate revenues
  - Cross and up-selling to existing customers
- Strong growth in managed workspaces
  - Managed workspaces in voice up 47% y-on-y, mobile workspaces up 18%
- Ambition to become market leader as of 2009 through integration with Getronics

# 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

# Priorities Getronics 2009

Integration with Business and performance core businesses

## Manage integration Business segment

- Part of Business segment integrated into Getronics as from Jan '09
  - Transfer of Corporate Solutions, part of ICT Services and Corporate Sales
  - Representing € 800-900 mn in annual revenues for 2008
  - New reporting format for Business and Getronics as of Q1 '09
- Synergies of € 50 mn defined and expected to materialize in 2009

## Performance core businesses

- Maintaining solid deal pipeline for new business
  - Attracting new clients (e.g. outsourcing) and upselling to existing customers
  - Potential impact of economic slowdown, mainly in consulting business
- Lower profitability in ongoing operations offset with additional cost savings and synergy benefits

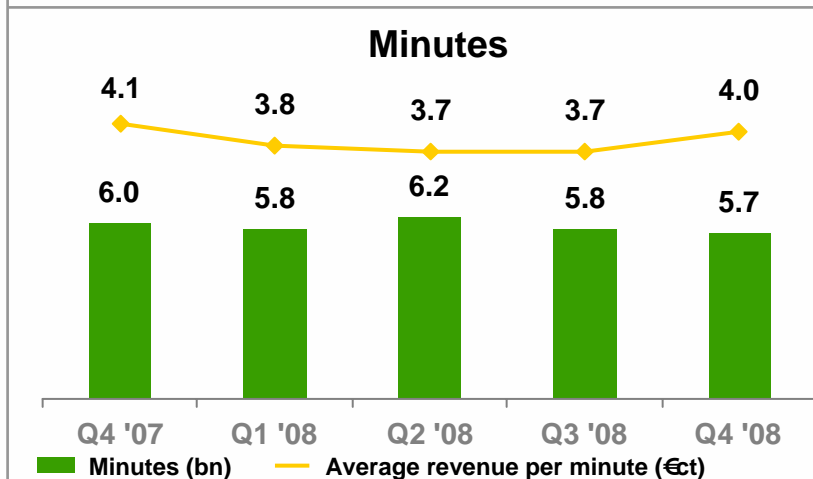
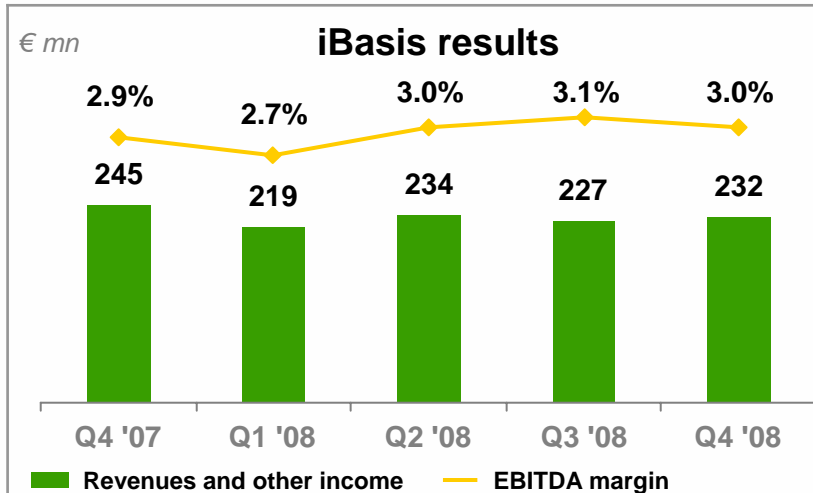
## Completion divestment program

- Divestment program expected to be completed in Q1 '09
  - Business Solutions to be closed in Q1 '09, Document Services expected to be signed in Q1 '09
- Revenue run rate of € 1.3 bn following divestments announced to date
  - Divestments to date representing € 850-900 mn in annual revenues



# iBasis

Revenues down 5% in Q4 '08, goodwill impairment charge of € 67 mn



- Revenues down 5.3% y-on-y in Q4 '08
- Goodwill impairment charge of € 67 mn in Q4 '08
  - Recognizing KPN's 56% share of the \$ 176 mn goodwill impairment at iBasis (under IFRS)
  - Market capitalization substantially below company book value
- iBasis press release for Q4 '08 results published on 26 January
  - Results impacted by declining economic conditions worldwide and exchange rates
  - Integration with KPN Global Carrier Services to be completed mid-2009
  - Expecting business to be relatively flat in 2009

## Real estate

€ 180 mn proceeds from sale of real estate in 2008

### Disposal strategy 2008

- Guided for proceeds of ~€ 150 mn in 2008 from real estate disposals
  - Guidance lowered from ~€ 300 mn to ~€ 150 mn due to market conditions
  - Sales process changed from block sale to individual disposals
- Focus on optimizing value rather than timing of disposals
  - State of financial markets affecting speed of real estate disposals

### Disposals Q4 '08

- Realized proceeds from real estate of € 180 mn in 2008
  - € 22 mn from technical buildings during Q1-Q3 '08, € 18 mn from Telfort towers in Q3 '08
  - € 140 mn from technical buildings in Q4 '08, of which several large buildings

### Going forward

- Continuing to optimize value from real estate, rather than timing
- Anticipating proceeds from real estate disposals in 2009 of similar magnitude to that of 2008
- Network rollout made largely independent of real estate disposals

# Agenda

|                                      |   |
|--------------------------------------|---|
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| Concluding remarks                   | Ad Scheepbouwer, Chairman and CEO           |



# Strategic progress Mobile International

Sustained market outperformance through challenger strategy

|                      | 2006 – 2007<br><i>Establishing the business model</i>   | 2008<br><i>Refining the business model</i>  |
|----------------------|---|---|
| Germany              | <ul style="list-style-type: none"> <li>• Strong top-line growth through focus on voice / SIM-only with multi-brands</li> <li>• Step change in EBITDA through SIM-only, wholesale and outsourcing</li> </ul> | <ul style="list-style-type: none"> <li>• Sustained customer growth, driven by new brands and wholesale</li> <li>• Continued Fixed-Mobile substitution</li> <li>• Focused marketing and network rollout</li> </ul> |
| Belgium              | <ul style="list-style-type: none"> <li>• Sustained top-line growth by focus on consumer segments and wholesale</li> <li>• Efficiency through smart follower for new technology</li> </ul>                   | <ul style="list-style-type: none"> <li>• Optimization of retail tariffs and wholesale portfolio</li> <li>• Expansion of captive distribution</li> <li>• Tailwind from more favourable MTA ruling</li> </ul>       |
| Inter-national MVNOs | <ul style="list-style-type: none"> <li>• First-mover to tap attractive segment</li> <li>• Leveraged wholesale partners across footprint</li> <li>• Prepared international MVNO rollout</li> </ul>           | <ul style="list-style-type: none"> <li>• Spain launched in January 2008, fastest growing MVNO</li> <li>• French MVNO prepared, Simyo launched in January 2009</li> </ul>  |

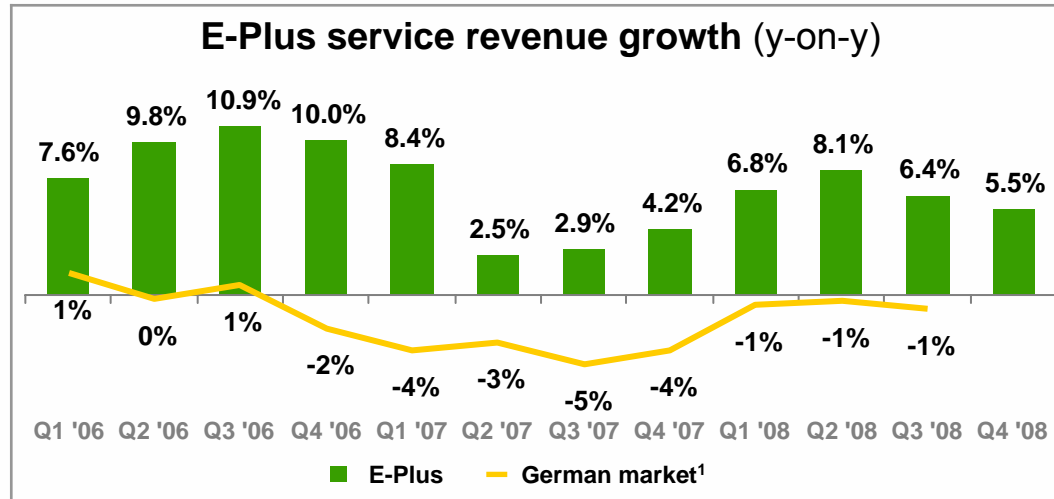
**Sustained market outperformance**

**High-single digit revenue and EBITDA growth in 2008, in line with guidance**

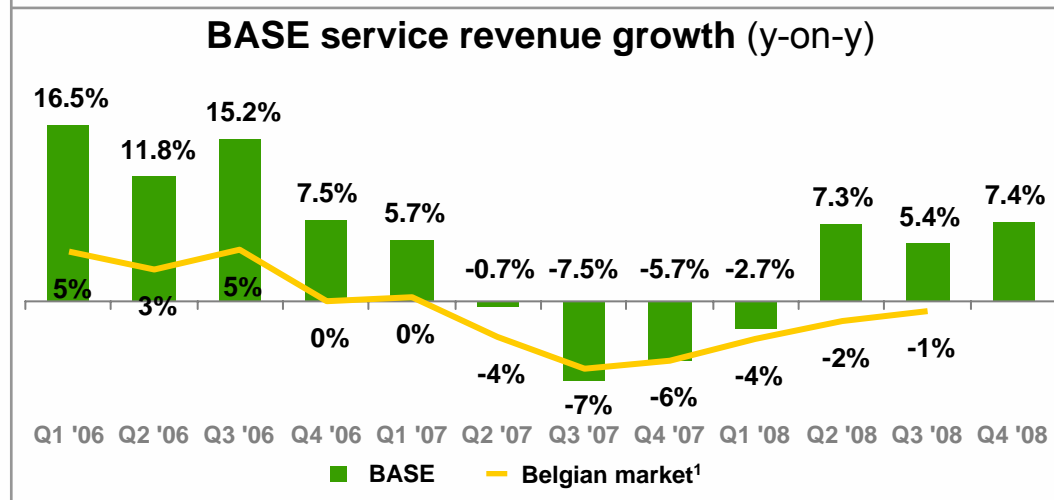
**Robust financial business model, amongst most profitable # 3 operators**

# 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

<sup>1</sup> Management estimates

# Wireless data

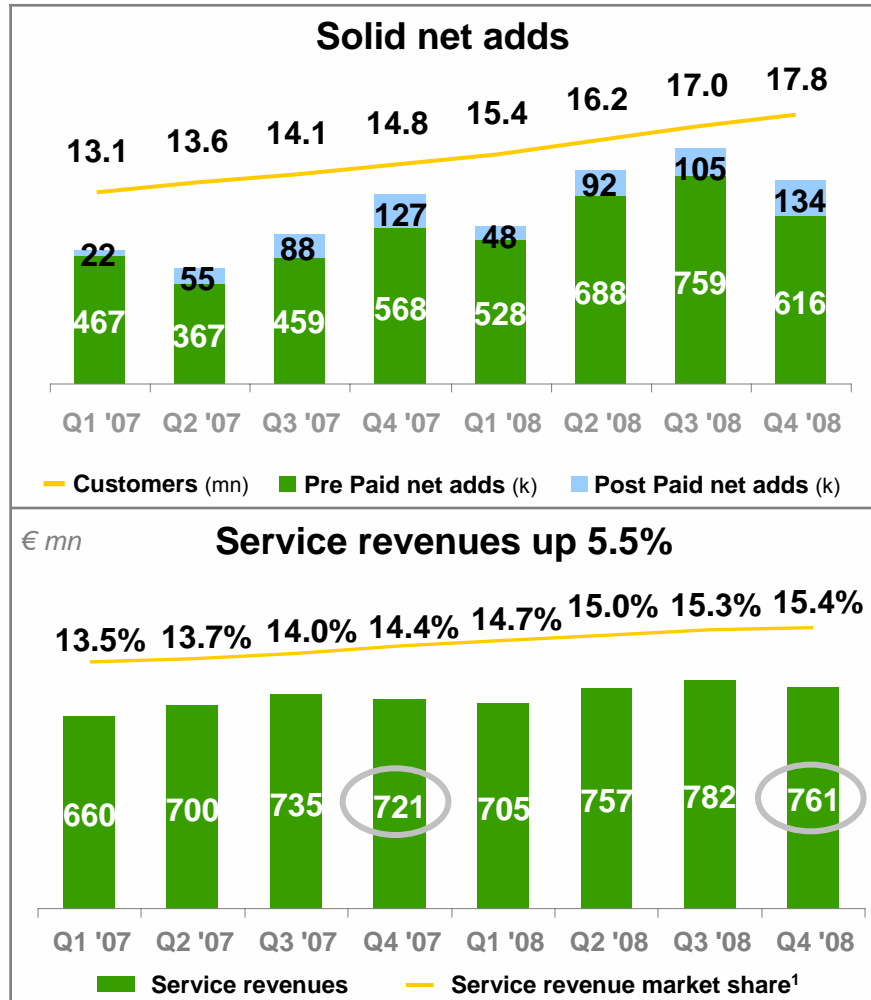
E-Plus deploying smart follower strategy in wireless data

| Technology  | Approach   |
|-------------|--|
| <b>GPRS</b> | <ul style="list-style-type: none"> <li>National coverage in place</li> </ul>   |
| <b>EDGE</b> | <ul style="list-style-type: none"> <li>EDGE rollout in 2009</li> <li>Targeting ~90% population coverage by YE '09</li> </ul> |
| <b>UMTS</b> | <ul style="list-style-type: none"> <li>&gt;60% population coverage per YE '08</li> </ul>                                     |
| <b>HSPA</b> | <ul style="list-style-type: none"> <li>Rolling out in 15 focus cities and key hotspots</li> </ul>                            |

| Smart follower strategy  |
|--|
| <ul style="list-style-type: none"> <li>Smart follower in wireless data, based on E-Plus' market approach <ul style="list-style-type: none"> <li>E-Plus targeting consumer and SME/SoHo segments with value offers</li> <li>Combination of EDGE and UMTS sufficient to meet demand for 'light' data</li> </ul> </li> <li>Phased data network rollout in Germany <ul style="list-style-type: none"> <li>National EDGE upgrade to meet initial data demand</li> <li>Gradual UMTS rollout with regional focus</li> <li>Upgrade to HSPA in regions with strong data demand</li> </ul> </li> <li>Rollout strategy enables scaling up rapidly, if customer demand requires</li> </ul> |

# Operating review E-Plus

Continued profitable growth and solid net adds

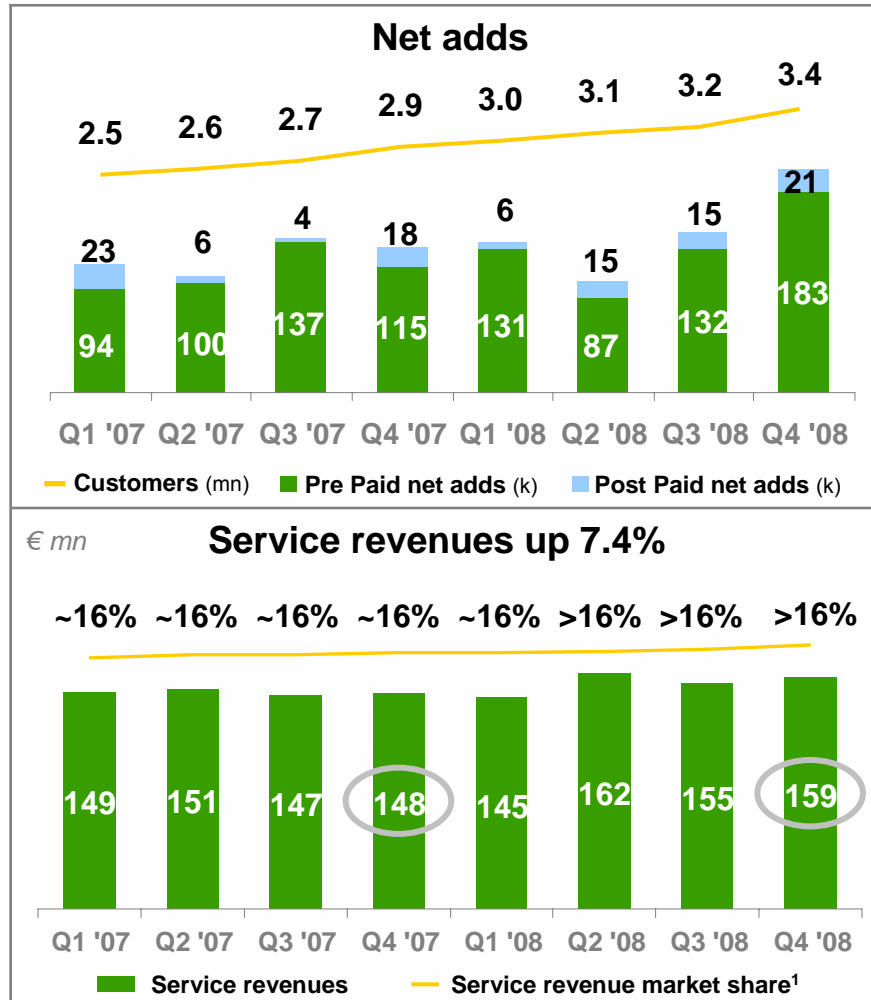


- Solid net adds of 750k in Q4 '08
  - Increasing share of Post Paid
  - Lower net adds than in previous quarters, due to higher one-off churn in Pre Paid
- Service revenues up 5.5% y-on-y in Q4
  - Supported by high levels of net adds in previous quarters
  - No MTA impact in December
  - Continued growth in market share up 1%-point y-on-y
- 'Challenger' business model leads to EBITDA margin of 38.9% in Q4 '08
  - SAC/SRC down 30% y-on-y to € 49
  - Positive impact from handset lease service

<sup>1</sup> Management estimates, based on service revenues

# Operating review BASE

Continuing to show solid revenue growth



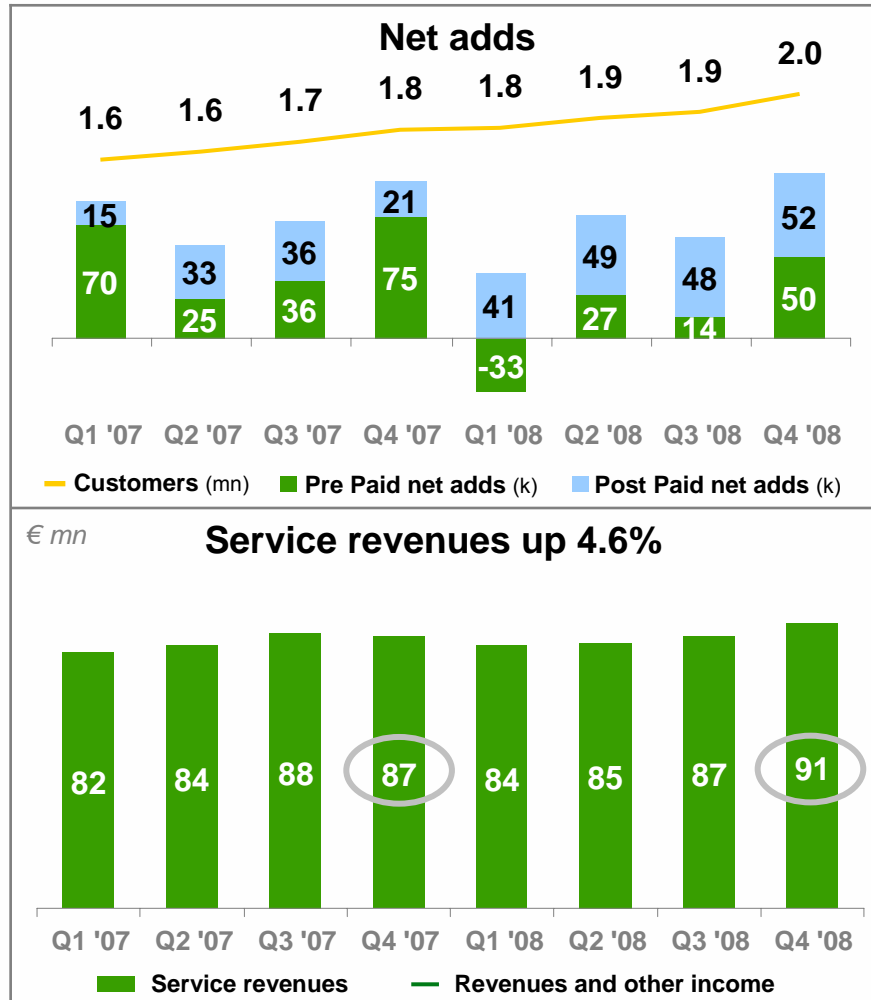
- Solid net adds of 204k in Q4 '08
  - 21k Post Paid net adds
  - 183k Pre Paid net adds, mainly driven by wholesale partners
- Third consecutive quarter with positive service revenue growth, up 7.4% in Q4 '08 y-on-y
  - MTA impact of € 7 mn, or 4.7%
- Integration of captive distribution channels on track (Allo Telecom)
- Committed to focused 3G strategy
  - Network based on combination of EDGE and UMTS
  - Contingent on balanced playing field

<sup>1</sup> Management estimates, based on service revenues



# Operating review Mobile Wholesale NL

Further growth in wholesale, transfer to Consumer segment per Q1 '09

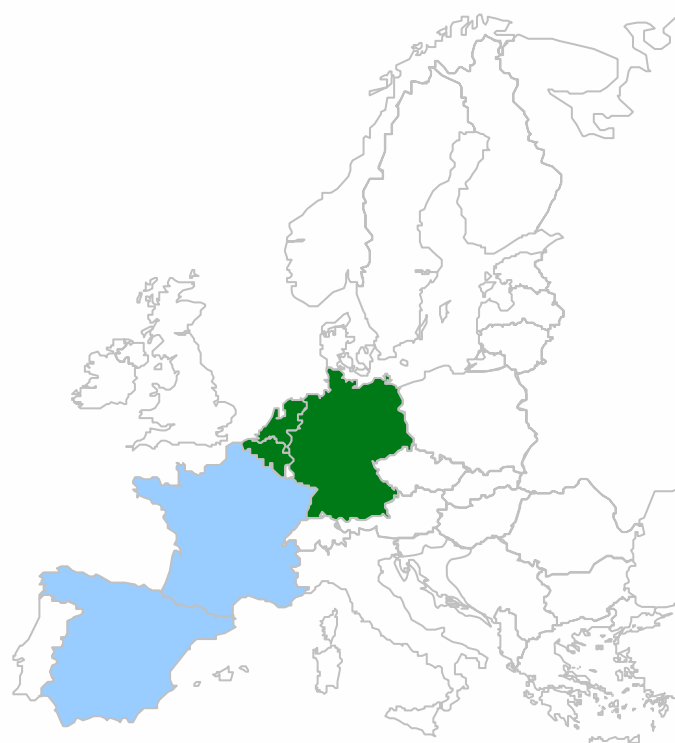


- Further growth in maturing MVNO market
  - Solid net adds of 102k in Q4 '08
  - Strengthening market leading position in Dutch wholesale segment
- Service revenues up 4.6% y-on-y in Q4
  - Impacted by revenue reclassification for 2008
- Acquisition of Debitel NL closed in December
  - Adding ~300k Post Paid and ~230k Pre Paid customers, already on KPN network
- Transfer of Mobile Wholesale NL to Consumer segment per Q1 '09

# International MVNO strategy

Proving success in Spain and France before entering other markets

## Footprint Mobile International











- Countries with own networks
- Countries with MVNO/MVNEs

## Strategy

- Exporting successful challenger business model to other countries
  - Leveraging own successful low-cost / no-frills brands to other countries
  - Targeting attractive market segments through partners
  - Based on standardized technology platform
- Criteria for target markets
  - Large market with untapped value potential
  - Relatively high price levels and low share of MVNOs
  - Mutually attractive deal with local operator
- No new markets planned until success has been proven in Spain and France

## MVNO Spain

Firmly established within one year with own brands and partners

| Brands    |  | Status after first year  | Going forward  |
|-----------|--|--|--|
| No Frills |    | <ul style="list-style-type: none"> <li>Launched Simyo, Blau</li> <li>High awareness, especially for Simyo</li> </ul>         | <ul style="list-style-type: none"> <li>Drive volume, expand offer</li> <li>Exploit economic environment</li> </ul>       |
| Cultural  |  <br> | <ul style="list-style-type: none"> <li>Launched ~10 brands</li> <li>Range of cultural &amp; no-frills brands</li> </ul>      | <ul style="list-style-type: none"> <li>Target new (int'l) partners</li> <li>Focus on distribution and scale</li> </ul>   |
| Other     |    |  |  |
| MVNE      |   | <ul style="list-style-type: none"> <li>Operations implemented in 7 months</li> <li>Enabling high quality services</li> </ul> | <ul style="list-style-type: none"> <li>Increase in scale and efficiency</li> <li>Same platform used in France</li> </ul> |
|           |  | Own brands   |  |
|           |  | Partner brands   |  |
|           |  | Platform   |  |

Firmly established within one year  
Fastest growing MVNO in Spain with ~150k customers

## MVNO France

Launched in January, tapping French market with low-cost business model



- Low-cost business model expanded to France
  - MVNO on Bouygues Telecom network
  - Leveraging expertise of executing MVNOs and multi-brand strategies
  - Leveraging existing technology platforms
- Significant untapped market potential
  - Pre Paid share of 34% (EU average 58%)
  - High usage combined with high prices
  - Low share of MVNOs in France (<5%)
- Own Simyo brand launched in January with high awareness
  - Tariff of € 0.19 / min to all networks vs. average Pre Paid tariff of >€ 0.40 / min
- Planning to launch other propositions through own brands and partner brands

# Agenda

|                                  |                                      |
|----------------------------------|--------------------------------------|
| Chairman's review                | Ad Scheepbouwer, Chairman and CEO    |
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| Operating review The Netherlands | Baptiest Coopmans, MD Consumer       |
|                                  | Eelco Blok, MD Business / W&O        |
| Operating review Mobile Int'l    | Stan Miller, MD Mobile International |
| Concluding remarks               | Ad Scheepbouwer, Chairman and CEO    |



## 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



# Annex

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# Analysis of results

Key items worth mentioning in results interpretation

| € mn  |           | Q4 '08 | Q4 '07 | FY '08 | FY '07 |
|---|-----------|--------|--------|--------|--------|
| Revenue effect MTA tariff reduction             | Group     | -35    | -50    | -159   | -174   |
| EBITDA effect MTA tariff reduction              | Group     | -16    | -26    | -81    | -95    |
| Book gain on sale of subsidiaries               | Other/W&O | -      | 66     | 8      | 70     |
| Book gain on sale of real estate                | W&O       | 94     | 10     | 132    | 96     |
| Additional costs to solve VoIP issues           | NL        | -      | -      | -      | -55    |
| Restructuring charges                           | Group     | -31    | -33    | -282   | -59    |
| Depreciation effect Telfort network integration | W&O       | -      | -      | -      | -32    |
| Amortization effect Telfort network integration | W&O       | -      | -      | -      | -116   |
| Accelerated depreciation copper network         | W&O       | -16    | -      | -70    | -      |
| Goodwill impairment <sup>1</sup>                | Getronics | -36    | -      | -58    | -      |
| Goodwill impairment                             | iBasis    | -67    | -      | -67    | -      |
| Release pension provisions                      | Other     | -      | -      | 199    | -      |
| Recognition deferred tax asset                  | E-Plus    | 34     | 1,165  | 34     | 1,165  |

<sup>1</sup> Related to business classified as held for sale

# MTA regulation

## The Netherlands

| € cents per minute | 15 Aug '07 | 1 July '08 | 1 April '09 | 1 July '09 |
|--------------------|------------|------------|-------------|------------|
| KPN                | 10.0       | 9.0        | 8.0         | 7.0        |
| Vodafone           | 10.0       | 9.0        | 9.0         | 7.0        |
| T-Mobile           | 11.4       | 10.4       | 10.4        | 8.1        |
| Avg. asymmetry     | 1.4        | 1.4        | 2.4         | 1.1        |

## Germany

- MTA tariffs valid from 1 December 2007 until 31 March 2009
  - T-Mobile / Vodafone lowered from € 8.78 to € 7.92 cents per minute
  - E-Plus / O<sub>2</sub> lowered from € 9.94 to € 8.80 cents per minute

## Belgium

- BIPT proposal for less asymmetry suspended
- Former glide path with more asymmetry remains in place for now and has been implemented retrospectively as of 1 February 2008

| € cents per minute | 1 May '08 | 1 July '08 |
|--------------------|-----------|------------|
| BASE               | 11.82     | 10.41      |
| Proximus           | 7.48      | 6.56       |
| Mobistar           | 9.38      | 8.21       |
| Avg. asymmetry     | 3.39      | 3.03       |

## Impact MTA reduction

| € mn                        | Q4 '08     |                     | FY '08      |                     |
|-----------------------------|------------|---------------------|-------------|---------------------|
|                             | Revenues   | EBITDA <sup>1</sup> | Revenues    | EBITDA <sup>1</sup> |
| E-Plus                      | -9         | -5                  | -44         | -25                 |
| BASE                        | -7         | -5                  | -27         | -19                 |
| Mobile Wholesale NL         | -2         | -1                  | -10         | -7                  |
| <b>Mobile International</b> | <b>-18</b> | <b>-11</b>          | <b>-81</b>  | <b>-51</b>          |
| Consumer                    | -9         | -4                  | -50         | -25                 |
| Business                    | -6         | -1                  | -26         | -5                  |
| Wholesale & Operations      | -5         | -                   | -21         | 0                   |
| <b>The Netherlands</b>      | <b>-20</b> | <b>-5</b>           | <b>-97</b>  | <b>-30</b>          |
| Intercompany                | 3          | -                   | 19          | -                   |
| <b>KPN Group</b>            | <b>-35</b> | <b>-16</b>          | <b>-159</b> | <b>-81</b>          |

1 Defined as Operating result plus depreciation, amortization and impairments

## Restructuring charges

| € mn                        | Q4 '08     | FY '08      |
|-----------------------------|------------|-------------|
| E-Plus                      | -          | -           |
| BASE                        | -1         | -1          |
| Mobile Wholesale NL         | -          | -           |
| Other Mobile International  | -          | -3          |
| <b>Mobile International</b> | <b>-1</b>  | <b>-4</b>   |
| Consumer                    | -          | -9          |
| Business                    | -          | -1          |
| Getronics                   | -11        | -16         |
| Wholesale & Operations      | -10        | -22         |
| <b>The Netherlands</b>      | <b>-21</b> | <b>-48</b>  |
| Other                       | -9         | -230        |
| <b>KPN Group</b>            | <b>-31</b> | <b>-282</b> |

## Development P&L pension charge under IFRS

P&L pension charge of around € 165 mn in '09 compared to € 140 mn in '08

| € mn  | FY '07     | Impact 2008 | FY '08      | YE '09      |
|---|------------|-------------|-------------|-------------|
| Pension obligations                                 | 6,697      |             | 5,852       |             |
| Pension plan assets                                 | 6,205      |             | 5,239       |             |
| Deficit   | 492        |             | 613         |             |
| Corridor gains/(losses)                             | 449        |             | 40          |             |
| <b>Pension provisions on balance sheet</b>          | <b>941</b> |             | <b>653</b>  |             |
| Loss of assets in 2008                              |            | -1,305      |             |             |
| Lower indexation and rise in Corp. AA discount rate |            | 891         |             |             |
| Recognition of gains/(losses), past service cost    |            | 5           |             |             |
| <b>Total impact on corridor</b>                     |            | <b>-409</b> |             |             |
| <b>P&amp;L pension charge</b>                       |            |             | <b>~140</b> | <b>~165</b> |

# Revenues in the Netherlands

Per guidance definition<sup>1</sup>

| Revenues and other income            |               |              |              |              |              |
|--------------------------------------|---------------|--------------|--------------|--------------|--------------|
|                                      | FY '08        | Q4 '08       | Q3 '08       | Q2 '08       | Q1 '08       |
| <b>Reported</b>                      | <b>10,500</b> | <b>2,672</b> | <b>2,597</b> | <b>2,637</b> | <b>2,594</b> |
| Getronics                            | 1,933         | 449          | 465          | 504          | 515          |
| iBasis / KGCS                        | 912           | 232          | 227          | 234          | 219          |
| Other gains and losses, eliminations | -163          | 15           | -68          | -61          | -49          |
| <b>The Netherlands</b>               | <b>7,818</b>  | <b>1,976</b> | <b>1,973</b> | <b>1,960</b> | <b>1,909</b> |
| <i>Of which:</i>                     |               |              |              |              |              |
| Consumer                             | 4,029         | 1,021        | 1,021        | 1,007        | 980          |
| Business                             | 3,255         | 839          | 809          | 812          | 795          |
| Wholesale & Operations               | 3,070         | 764          | 763          | 776          | 767          |
| Other                                | -2,536        | -648         | -620         | -635         | -633         |

| Y-on-Y growth |              |            |            |            |
|---------------|--------------|------------|------------|------------|
| FY '08        | Q4 '08       | Q3 '08     | Q2 '08     | Q1 '08     |
| <b>17%</b>    | <b>-1.0%</b> | <b>23%</b> | <b>25%</b> | <b>26%</b> |

|             |             |             |             |              |
|-------------|-------------|-------------|-------------|--------------|
| <b>0.5%</b> | <b>0.5%</b> | <b>1.8%</b> | <b>1.3%</b> | <b>-1.5%</b> |
|-------------|-------------|-------------|-------------|--------------|

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| -2.5% | 1.0%  | -3.0% | -2.4% | -5.5% |
| -1.2% | 1.3%  | -0.1% | -1.6% | -4.2% |
| -0.7% | -5.7% | 2.8%  | 2.4%  | -2.0% |
| -7.5% | -5.0% | -6.9% | -6.8% | -11%  |

| External revenues and other income   |               |              |              |              |              |
|--------------------------------------|---------------|--------------|--------------|--------------|--------------|
|                                      | FY '08        | Q4 '08       | Q3 '08       | Q2 '08       | Q1 '08       |
| <b>Reported</b>                      | <b>10,274</b> | <b>2,616</b> | <b>2,536</b> | <b>2,580</b> | <b>2,542</b> |
| Getronics                            | 1,870         | 425          | 449          | 492          | 504          |
| iBasis / KGCS                        | 733           | 189          | 177          | 188          | 179          |
| Other gains and losses, eliminations | 122           | 92           | 6            | 7            | 17           |
| <b>The Netherlands</b>               | <b>7,549</b>  | <b>1,910</b> | <b>1,904</b> | <b>1,893</b> | <b>1,842</b> |
| <i>Of which:</i>                     |               |              |              |              |              |
| Consumer                             | 3,778         | 955          | 960          | 947          | 916          |
| Business                             | 3,089         | 795          | 767          | 772          | 755          |
| Wholesale & Operations               | 680           | 160          | 176          | 174          | 170          |
| Other                                | 2             | 0            | 1            | 0            | 1            |

| Y-on-Y growth |              |            |            |            |
|---------------|--------------|------------|------------|------------|
| FY '08        | Q4 '08       | Q3 '08     | Q2 '08     | Q1 '08     |
| <b>18%</b>    | <b>-0.7%</b> | <b>24%</b> | <b>26%</b> | <b>27%</b> |

|              |             |             |              |              |
|--------------|-------------|-------------|--------------|--------------|
| <b>-0.3%</b> | <b>1.6%</b> | <b>0.5%</b> | <b>-0.1%</b> | <b>-3.1%</b> |
|--------------|-------------|-------------|--------------|--------------|

|       |      |       |       |       |
|-------|------|-------|-------|-------|
| -1.7% | 1.4% | -2.2% | -1.0% | -5.0% |
| -0.8% | 1.7% | 0.1%  | -1.2% | -3.8% |
| 11%   | 1.9% | 21%   | 11%   | 12%   |

<sup>1</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring costs (until Q2 2008) and book gains on sale of real estate

# EBITDA in the Netherlands

Per guidance definition<sup>1</sup>

| EBITDA                               |              |            |            |            |            |
|--------------------------------------|--------------|------------|------------|------------|------------|
|                                      | FY '08       | Q4 '08     | Q3 '08     | Q2 '08     | Q1 '08     |
| <b>Reported</b>                      | <b>3,555</b> | <b>888</b> | <b>890</b> | <b>900</b> | <b>877</b> |
| Getronics                            | 79           | 3          | 18         | 34         | 24         |
| iBasis / KGCS                        | 27           | 7          | 7          | 7          | 6          |
| Restructuring costs                  | -13          | -          | -          | -11        | -2         |
| Other gains and losses, eliminations | 120          | 89         | 7          | 6          | 18         |
| <b>The Netherlands</b>               | <b>3,342</b> | <b>789</b> | <b>858</b> | <b>864</b> | <b>831</b> |
| <i>Of which:</i>                     |              |            |            |            |            |
| Consumer                             | 753          | 163        | 194        | 202        | 194        |
| Business                             | 776          | 189        | 199        | 198        | 190        |
| Wholesale & Operations               | 1,776        | 433        | 457        | 442        | 444        |
| Other                                | 37           | 4          | 8          | 22         | 3          |

| Y-on-Y growth |             |             |              |             |
|---------------|-------------|-------------|--------------|-------------|
| FY '08        | Q4 '08      | Q3 '08      | Q2 '08       | Q1 '08      |
| <b>1.8%</b>   | <b>0.2%</b> | <b>6.0%</b> | <b>-0.7%</b> | <b>2.1%</b> |

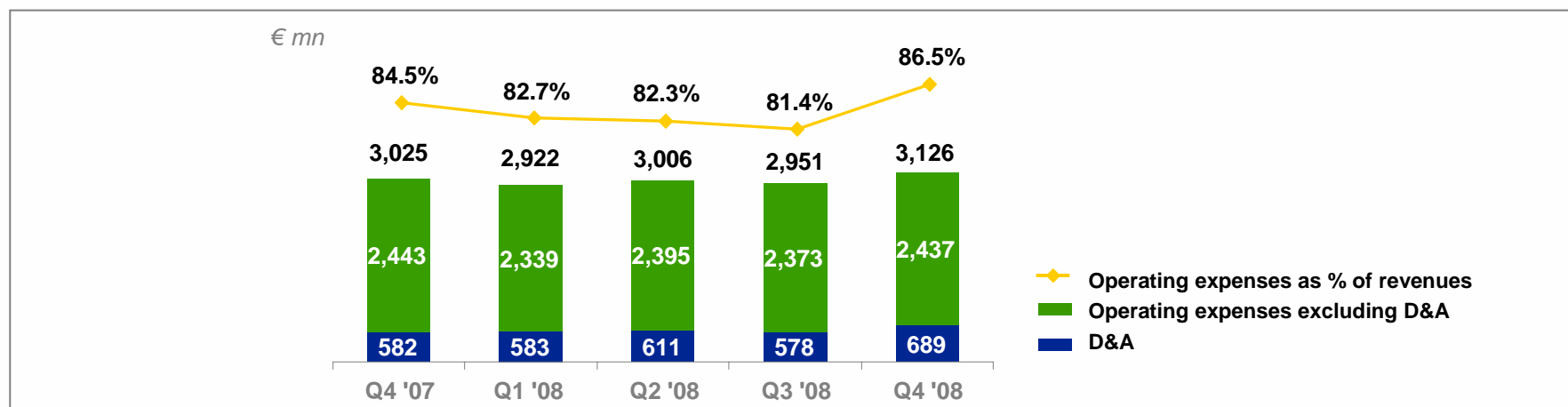
|             |              |             |             |              |
|-------------|--------------|-------------|-------------|--------------|
| <b>1.0%</b> | <b>-1.7%</b> | <b>6.6%</b> | <b>2.1%</b> | <b>-2.7%</b> |
|-------------|--------------|-------------|-------------|--------------|

|       |       |      |       |       |
|-------|-------|------|-------|-------|
| 6.5%  | 7.9%  | 8.4% | 3.1%  | 7.2%  |
| 3.3%  | 4.4%  | 6.4% | 4.8%  | -2.1% |
| -2.5% | -4.4% | 5.1% | -4.3% | -5.9% |

<sup>1</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring costs (until Q2 2008) and book gains on sale of real estate

# Operating expenses

| € mn                                       | Q4 '08       | Q4 '07       | %           | FY '08        | FY '07        | %            |
|--|--------------|--------------|-------------|---------------|---------------|--------------|
| Salaries and social security contributions | 562          | 587          | -4.3%       | 2,222         | 1,632         | 36.2%        |
| Cost of materials                          | 293          | 280          | 4.6%        | 1,037         | 914           | 13.5%        |
| Work contracted out and other expenses     | 1,338        | 1,327        | 0.8%        | 5,265         | 4,569         | 15.2%        |
| Own work capitalized                       | -25          | -40          | -37.5%      | -102          | -143          | -28.7%       |
| Other operating expenses                   | 269          | 289          | -6.9%       | 1,122         | 760           | 47.6%        |
| Depreciation <sup>1</sup>                  | 397          | 405          | -2.0%       | 1,614         | 1,640         | -1.6%        |
| Amortization <sup>1</sup>                  | 292          | 177          | 65.0%       | 847           | 760           | 11.4%        |
| <b>Total</b>                               | <b>3,126</b> | <b>3,025</b> | <b>3.3%</b> | <b>12,005</b> | <b>10,132</b> | <b>18.5%</b> |

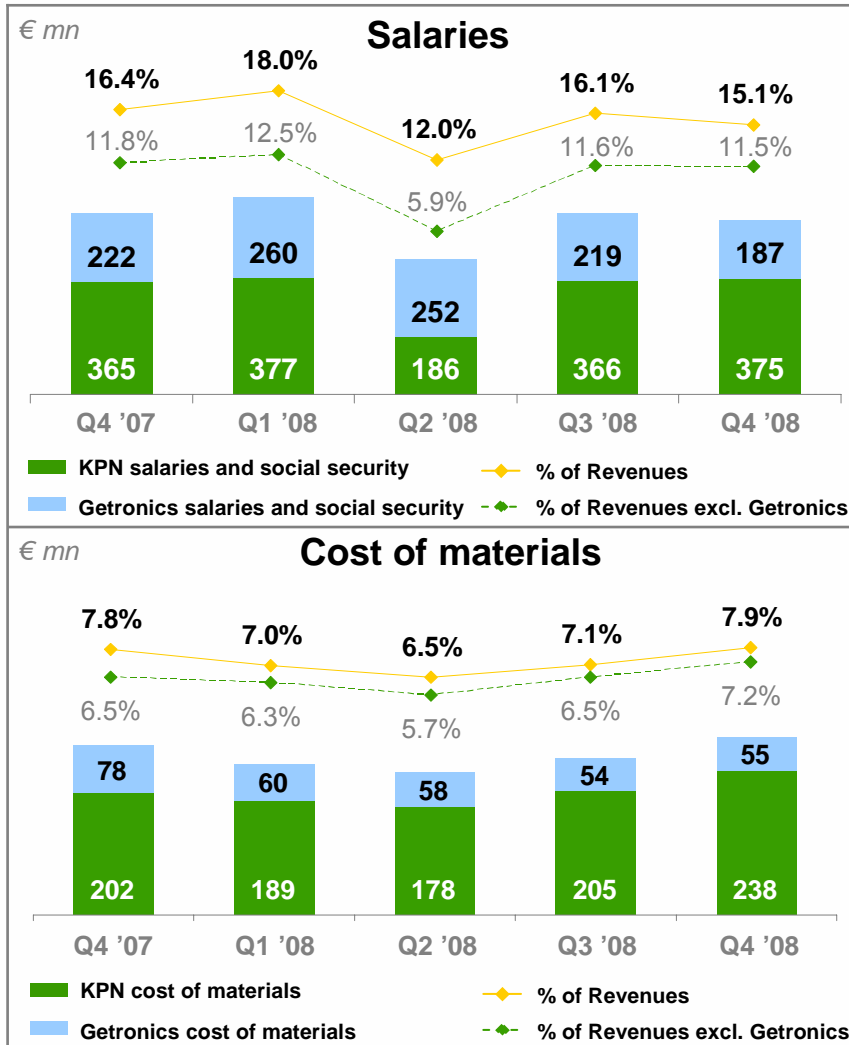


<sup>1</sup> Including impairments, if any



# Analysis operating expenses

## Salaries & Cost of materials



### Y-on-Y decrease

- Continued headcount reductions, supported by Getronics divestments

### Q-on-Q decrease

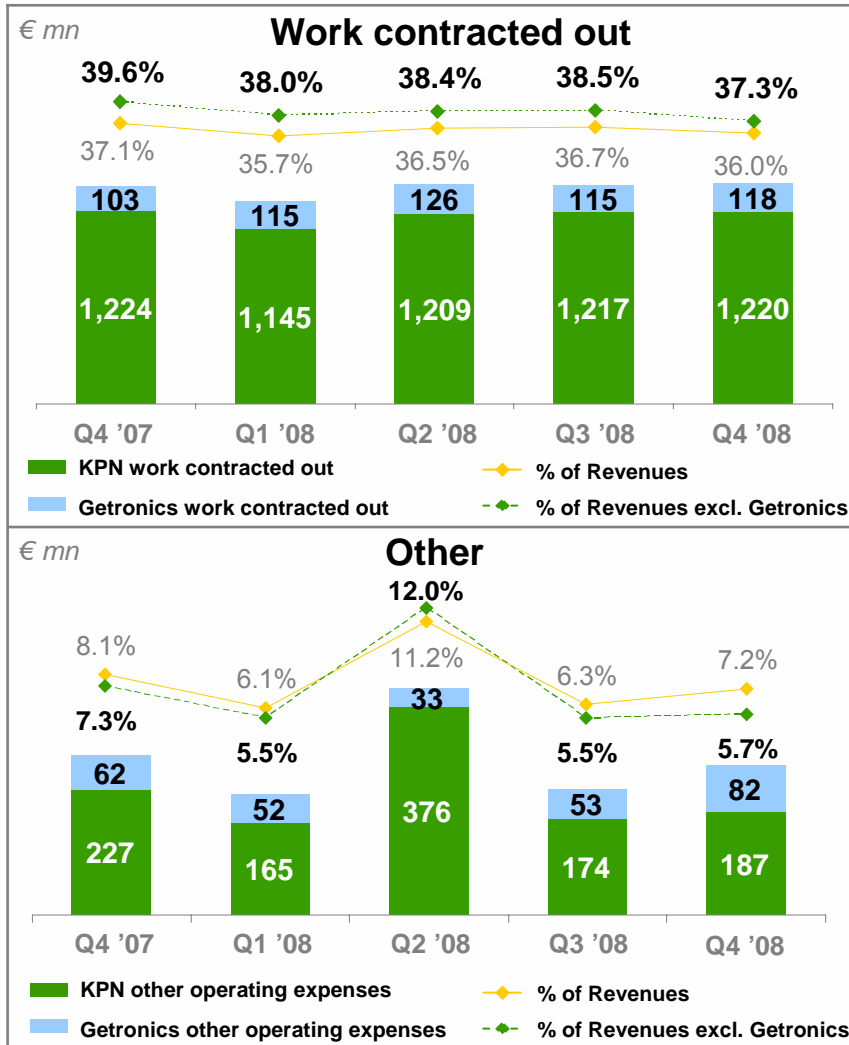
- Divestment of Getronics North America in Q3 '08 and Business Application Services in Q4 '08
- Release of € 199 mn pension provision in Q2 '08

### Q-on-Q increase

- More sales of expensive handsets in smart phone segment
- Continued focus on distribution via own channels

# Analysis operating expenses

## Work contracted out & Other



### Y-on-Y decrease

- Lower MTA tariffs, partly offset by increased MoU

### Q-on-Q increase

- Higher handset sales due to increase in (Post Paid) gross adds in wireless

### Y-on-Y decrease

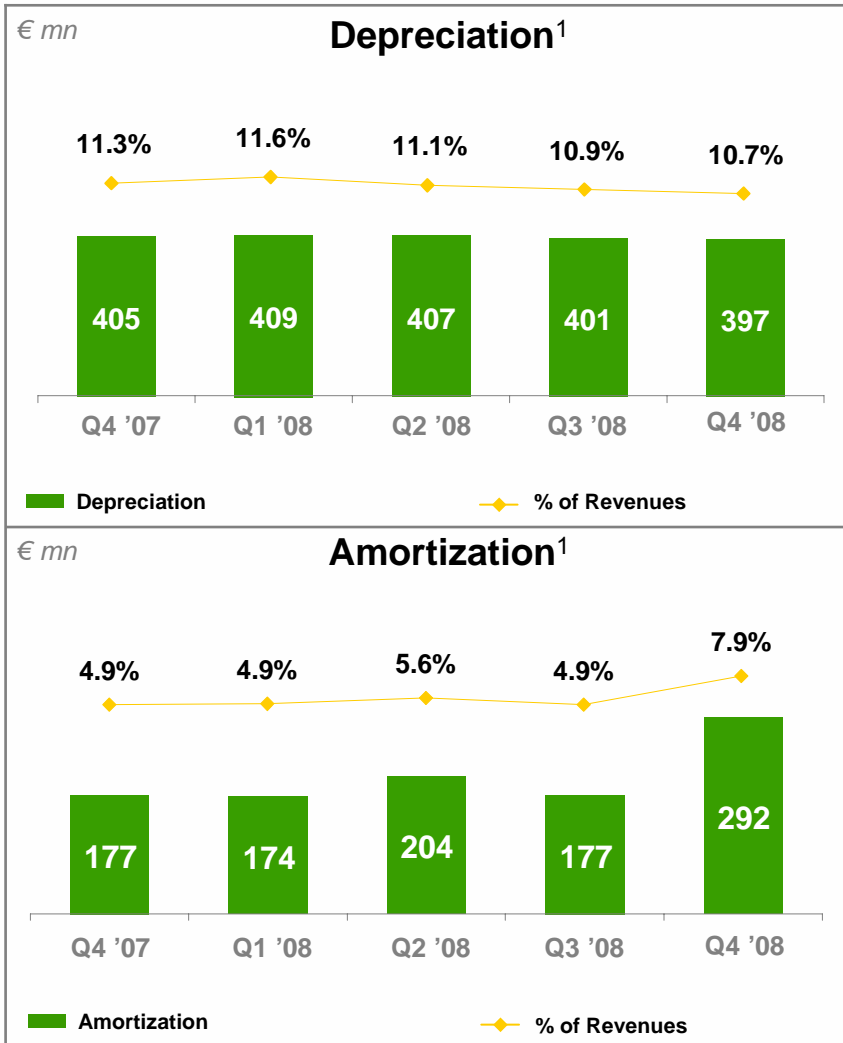
- Step-up in marketing efforts in Q4 '07

### Q-on-Q increase

- Provision for superfluous office rental contracts at Getronics of € 17 mn in Q4 '08

# Analysis operating expenses

## Depreciation & Amortization



### Y-on-Y decrease

- Lower asset base due to less Capex spending in prior years

### Q-on-Q decrease

- Accelerated depreciation of € 16 mn on copper network in Q4 '08 (Q3 '08: € 17 mn)

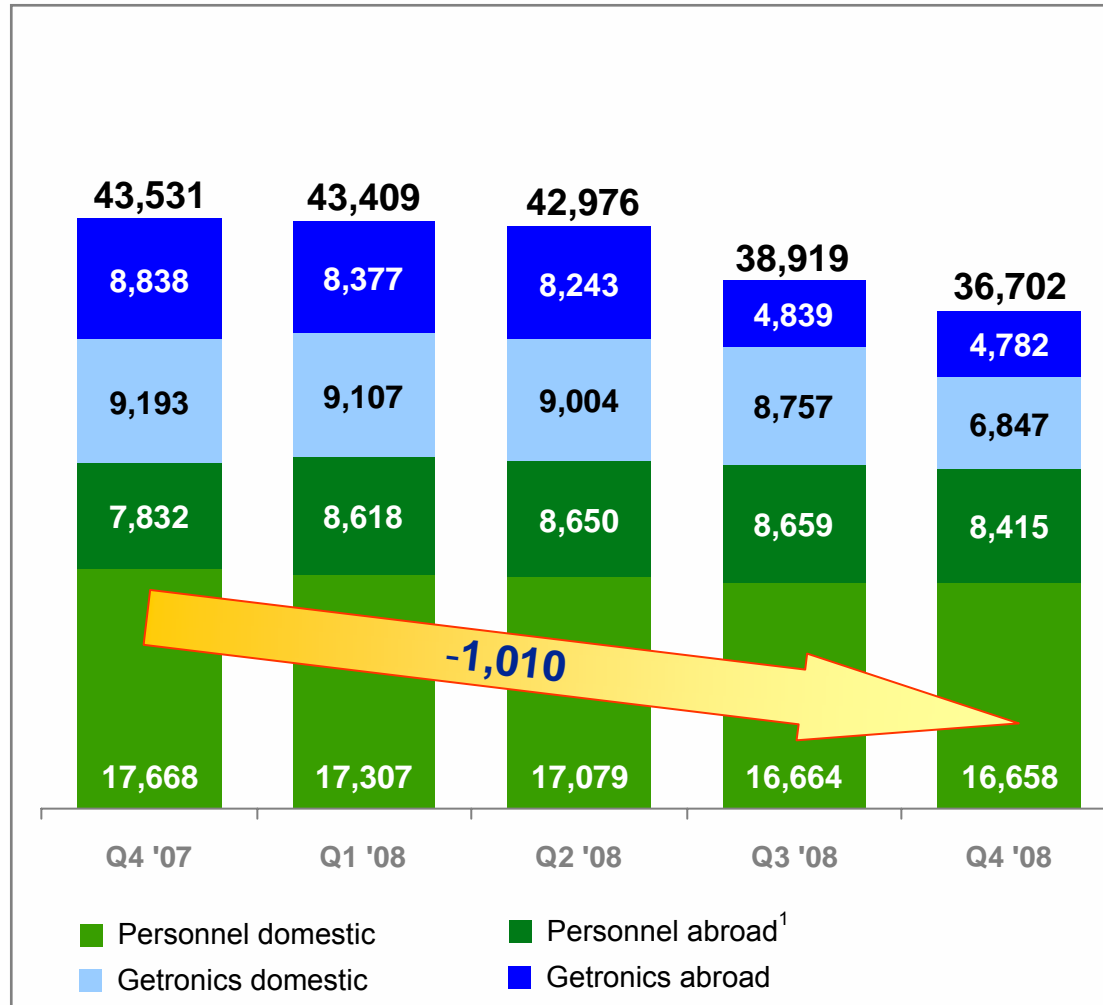
### Q-on-Q increase

- Goodwill impairment iBasis of € 67 mn and Getronics<sup>2</sup> of € 36 mn in Q4 '08

<sup>1</sup> Including impairments, if any

<sup>2</sup> Related to businesses classified as held for sale

# Personnel



- Personnel decrease y-on-y of 6,829 FTEs
  - 1,010 FTEs reduction in the Netherlands (excl. Getronics)
  - Reduction of 1,247 FTEs in the Netherlands excluding acquisitions
- FTE decrease of 2,217 compared to Q3
  - Decrease of 199 FTEs in the Netherlands excluding Getronics and acquisitions
  - Decrease of 1,967 FTEs at Getronics primarily due to divestment of Business Application Services
  - Decrease of 244 FTEs abroad, primarily in call center activities

1 Including ~4,000 FTE in call center activities abroad, reported under Consumer the Netherlands

# Tax

| Fiscal units (€ mn)       | P&L         |              | Cash flow   |             |
|---------------------------|-------------|--------------|-------------|-------------|
|                           | Q4 '08      | Q4 '07       | Q4 '08      | Q4 '07      |
| Dutch activities          | -87         | -51          | -189        | -171        |
| Getronics                 | 5           | -            | -2          | -           |
| German Mobile activities  | -10         | 1,160        | -2          | -           |
| Belgian Mobile activities | -12         | -8           | -           | -           |
| Other                     | -3          | -            | -           | -           |
| <b>Total</b>              | <b>-107</b> | <b>1,101</b> | <b>-193</b> | <b>-171</b> |

- € 193 mn net corporate tax paid in Q4 '08
  - Tax recapture on E-Plus EBITDA of € 128 mn paid to Dutch fiscal authorities, bringing the total to € 313 mn in 2008
- P&L tax on German activities of -/- € 10 mn in Q4 '08
  - € 1.2 bn deferred tax asset recorded at E-Plus in Q4 '07
  - € 34 mn additional deferred tax asset at E-Plus in Q4 '08, based on updated projections of future taxable income

## Net cash flow from operating activities

| € mn   | Q4 '08       | Q4 '07       | FY '08       | FY '07       |
|--|--------------|--------------|--------------|--------------|
| <b>Operating Result</b>  | <b>592</b>   | <b>634</b>   | <b>2,597</b> | <b>2,500</b> |
| Depreciation, amortization and impairments   | 689          | 582          | 2,461        | 2,400        |
| Interest paid  | -217         | -123         | -597         | -471         |
| Income tax paid  | -193         | -171         | -522         | -251         |
| Other income   | -94          | -80          | -141         | -171         |
| Share based compensation   | 7            | 1            | 22           | 8            |
| Change in provisions   | -58          | -90          | -208         | -288         |
| <b>Net cash flow from operating activities</b><br><i>before changes in working capital</i> | <b>726</b>   | <b>753</b>   | <b>3,612</b> | <b>3,727</b> |
| Inventory  | 20           | 14           | 11           | 9            |
| Trade receivables  | 8            | -27          | 119          | -30          |
| Other current assets   | 202          | 167          | 66           | 69           |
| Current liabilities  | 373          | 305          | 222          | 115          |
| <b>Change in working capital</b>   | <b>603</b>   | <b>459</b>   | <b>418</b>   | <b>163</b>   |
| <b>Net cash flow from operating activities</b>   | <b>1,329</b> | <b>1,212</b> | <b>4,030</b> | <b>3,890</b> |
| Capex <sup>1</sup>   | -613         | -707         | -1,925       | -1,688       |
| Proceeds from real estate  | 140          | 19           | 180          | 143          |
| Tax recapture E-Plus   | 128          | -            | 313          | -            |
| <b>Free cash flow<sup>2</sup></b>  | <b>984</b>   | <b>524</b>   | <b>2,598</b> | <b>2,345</b> |

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 '08       | Q4 '07        | FY '08        | FY '07        |
|---|--------------|---------------|---------------|---------------|
| <b>Net cash flow from operating activities</b>    | <b>1,329</b> | <b>1,212</b>  | <b>4,030</b>  | <b>3,890</b>  |
| Capex <sup>1</sup>                                | -613         | -707          | -1,925        | -1,688        |
| Acquisitions                                      | -125         | -1,157        | -296          | -1,690        |
| Disposals real estate                             | 140          | 19            | 180           | 143           |
| Disposals other                                   | 248          | 58            | 363           | 89            |
| Other   | -3           | -1            | -21           | -8            |
| <b>Net cash flow from investing activities</b>    | <b>-353</b>  | <b>-1,788</b> | <b>-1,699</b> | <b>-3,154</b> |
| Dividends paid                                    | 0            | 0             | -981          | -982          |
| Share repurchases                                 | -103         | -395          | -1,103        | -1,569        |
| Debt financing <sup>2</sup>                       | -803         | 1,313         | 714           | 2,021         |
| Other   | 6            | 3             | -50           | 28            |
| <b>Net cash flow used in financing activities</b> | <b>-900</b>  | <b>921</b>    | <b>-1,420</b> | <b>-502</b>   |
| <b>Changes in cash and cash equivalents</b>       | <b>76</b>    | <b>345</b>    | <b>911</b>    | <b>234</b>    |

1 Including Property, Plant & Equipment and software

2 Reclassification of credit facility as it is used as bank overdraft and therefore included in net cash and cash equivalents as of 2008.

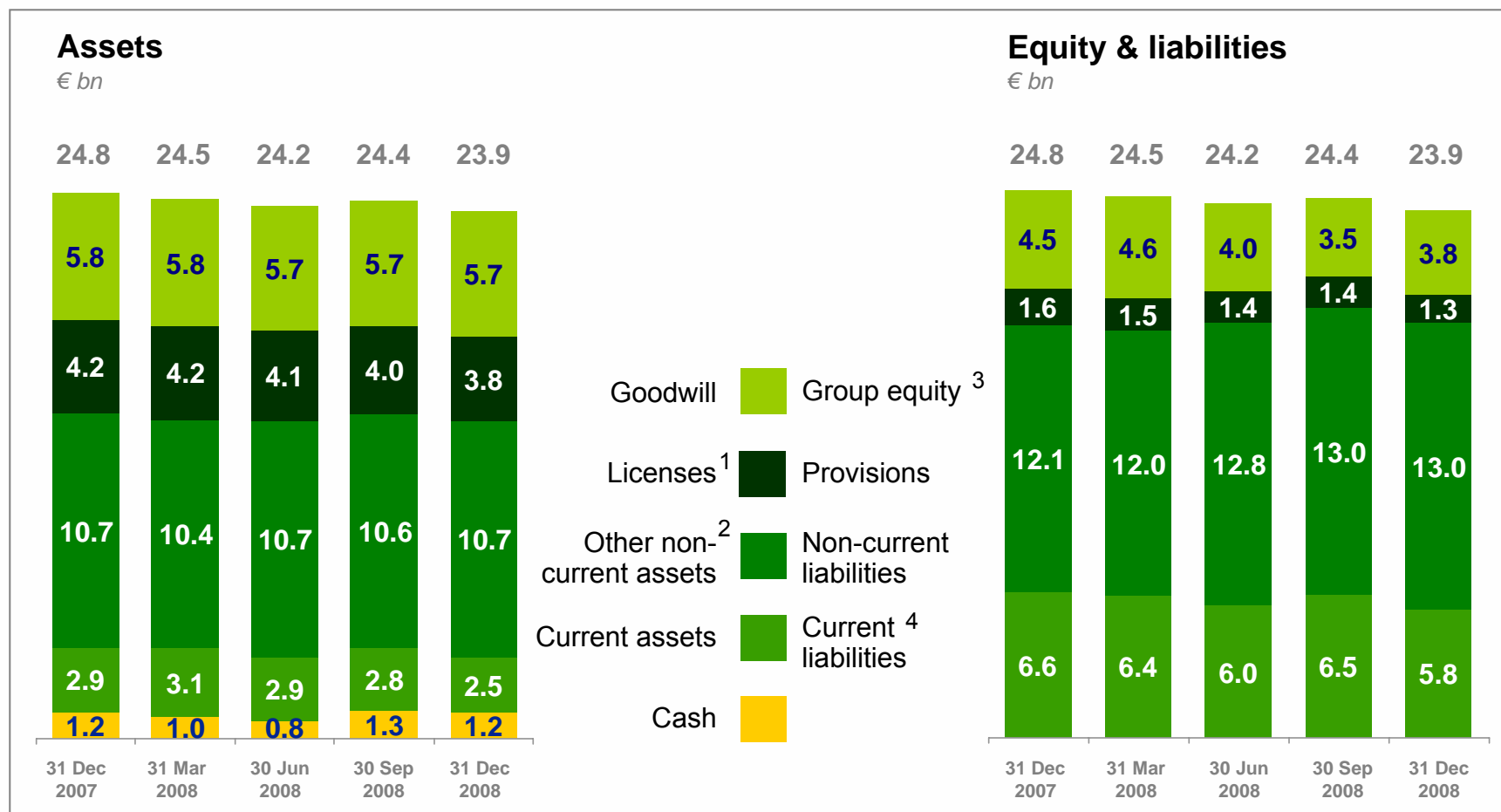
# Capex<sup>1</sup>

| € mn   | Q4 '08       | Q4 '07       | %             | FY '08       | FY '07       | %             |
|--|--------------|--------------|---------------|--------------|--------------|---------------|
| <b>Mobile International</b>                  | <b>244</b>   | <b>207</b>   | <b>17.9%</b>  | <b>656</b>   | <b>577</b>   | <b>13.7%</b>  |
| <i>% Revenues Mobile International</i>       | <i>21.7%</i> | <i>19.9%</i> |               | <i>14.9%</i> | <i>14.5%</i> |               |
| E-Plus                                       | 182          | 149          | 22.1%         | 514          | 435          | 18.2%         |
| <i>% Revenues E-Plus</i>                     | <i>22.4%</i> | <i>19.6%</i> |               | <i>16.0%</i> | <i>14.7%</i> |               |
| BASE   | 51           | 50           | 2.0%          | 109          | 131          | -16.8%        |
| <i>% Revenues BASE</i>                       | <i>30.9%</i> | <i>32.3%</i> |               | <i>16.8%</i> | <i>21.4%</i> |               |
| Mobile Wholesale NL                          | 0            | 0            | n.m.          | 2            | 2            | 0.0%          |
| <i>% Revenues Mobile Wholesale NL</i>        | <i>0.0%</i>  | <i>0.0%</i>  |               | <i>0.6%</i>  | <i>0.6%</i>  |               |
| <b>The Netherlands</b>                       | <b>368</b>   | <b>500</b>   | <b>-26.4%</b> | <b>1,267</b> | <b>1,110</b> | <b>14.1%</b>  |
| <i>% Revenues the Netherlands</i>            | <i>14.3%</i> | <i>19.1%</i> |               | <i>12.2%</i> | <i>12.6%</i> |               |
| Consumer                                     | 71           | 93           | -23.7%        | 227          | 214          | 6.1%          |
| <i>% Revenues Consumer</i>                   | <i>7.0%</i>  | <i>9.2%</i>  |               | <i>5.6%</i>  | <i>5.2%</i>  |               |
| Business                                     | 54           | 90           | -40.0%        | 224          | 194          | 15.5%         |
| <i>% Revenues Business</i>                   | <i>6.5%</i>  | <i>10.9%</i> |               | <i>6.9%</i>  | <i>5.9%</i>  |               |
| Getronics                                    | 9            | 10           | -10.0%        | 47           | 10           | 370.0%        |
| <i>% Revenues Getronics</i>                  | <i>2.0%</i>  | <i>2.0%</i>  |               | <i>2.4%</i>  | <i>2.0%</i>  |               |
| Wholesale & Operations                       | 220          | 305          | -27.9%        | 723          | 676          | 7.0%          |
| <i>% Revenues Wholesale &amp; Operations</i> | <i>23.2%</i> | <i>30.8%</i> |               | <i>19.2%</i> | <i>18.4%</i> |               |
| <b>Other</b>                                 | <b>1</b>     | <b>0</b>     | <b>n.m.</b>   | <b>2</b>     | <b>1</b>     | <b>100.0%</b> |
| <b>Total</b>                                 | <b>613</b>   | <b>707</b>   | <b>-13.3%</b> | <b>1,925</b> | <b>1,688</b> | <b>14.0%</b>  |
| <i>% Revenues</i>                            | <i>17.0%</i> | <i>19.8%</i> |               | <i>13.3%</i> | <i>13.5%</i> |               |

<sup>1</sup> Including Property, Plant & Equipment and software



# Balance sheet



- 1 Including other intangibles
- 2 Including Property, Plant & Equipment and software
- 3 Including minority interest
- 4 Current liabilities include approximately € 0.43 bn of non-netted cash balances per Q4 '08

## Share repurchase progress

| Date <sup>1</sup> | Value (€ mn) | mn shares   | Avg. share price (€) |
|-------------------|--------------|-------------|----------------------|
| Q1 '08            | 213          | 18.1        | 11.75                |
| Q2 '08            | 424          | 37.5        | 11.28                |
| Q3 '08            | 364          | 32.9        | 11.06                |
| October           | -            | -           | -                    |
| November          | 17           | 1.6         | 10.60                |
| December          | 85           | 8.1         | 10.53                |
| Q4 '08            | 103          | 9.7         | 10.54                |
| <b>Total</b>      | <b>1,103</b> | <b>98.2</b> | <b>11.22</b>         |

- € 1.1 bn of share repurchases in 2008
  - € 1 bn share repurchase for program 2008 completed on 17 September
  - € 1 bn for program 2009 started on 19 November 2008, 19% completed to date
- € 6.9 bn in shares repurchased between start in 2004 and Q4 '08
  - Average price of € 8.77
- Number of outstanding shares amounting to 1,714,362,792 as of 15 December 2008
  - 30,703,288 shares cancelled on 15 December
  - 31% of outstanding shares cancelled since 2004

<sup>1</sup> Figures based on transaction date of share repurchases

## Debt summary

| € bn                                    | Q4 '08       | Q3 '08       | Q4 '07       |
|---|--------------|--------------|--------------|
| <b>Bonds</b>                            | <b>11.44</b> | <b>11.99</b> | <b>10.37</b> |
| Eurobonds                               | 9.12         | 9.99         | 8.48         |
| Global bonds                            | 2.32         | 2.00         | 1.89         |
| <b>Other debt</b>                       | <b>0.60</b>  | <b>0.79</b>  | <b>1.38</b>  |
| Other loans at Royal KPN <sup>1</sup>   | 0.14         | 0.12         | 1.29         |
| Consolidated debt                       | 0.46         | 0.67         | 0.09         |
| <b>Fair value financial instruments</b> | <b>0.06</b>  | <b>0.26</b>  | <b>0.35</b>  |
| <b>Total debt</b>                       | <b>12.10</b> | <b>13.04</b> | <b>12.10</b> |
| — of which short-term <sup>1</sup>      | 1.15         | 2.11         | 2.33         |

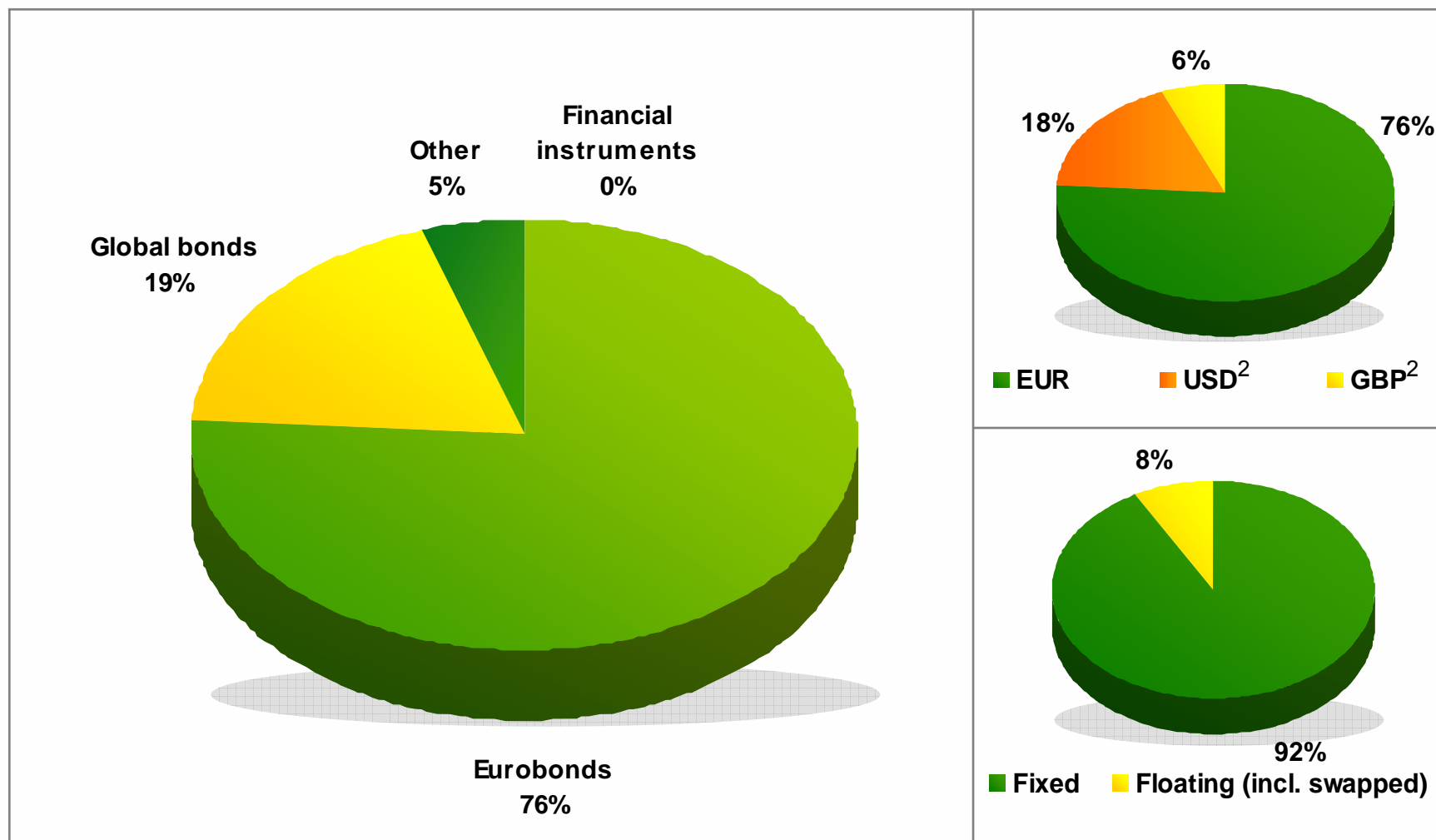
  

|                           |              |              |              |
|---------------------------|--------------|--------------|--------------|
| Cash and cash equivalents | 1.20         | 1.33         | 1.15         |
| <b>Total net debt</b>     | <b>10.90</b> | <b>11.71</b> | <b>10.95</b> |

<sup>1</sup> Current liabilities include approximately € 0.43 bn of non-netted cash balances per Q4 '08

# Debt portfolio

Breakdown of € 12.1 bn gross debt<sup>1</sup>



<sup>1</sup> Book value of interest bearing financial liabilities plus the fair value of financial instruments related to these financial liabilities

<sup>2</sup> Foreign currency amounts hedged into Euro

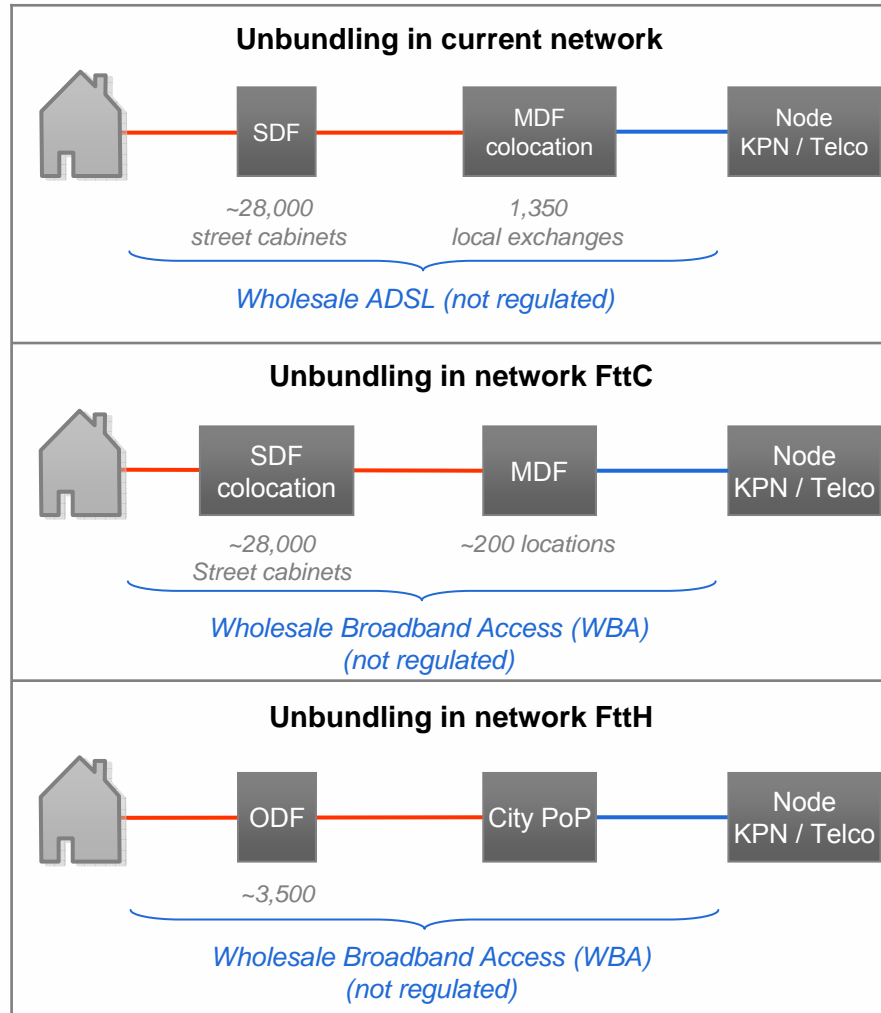
# Consumer voice market<sup>1</sup>

| <i>mn</i>                      | Q4 '08      | Q3 '08      | Q4 '07      |
|--------------------------------|-------------|-------------|-------------|
| KPN PSTN / ISDN                | 2.36        | 2.46        | 2.85        |
| Wholesale Line Rental (WLR)    | 0.39        | 0.38        | 0.32        |
| <b>Total traditional voice</b> | <b>2.75</b> | <b>2.84</b> | <b>3.17</b> |
| KPN VoIP                       | 1.09        | 1.03        | 0.85        |
| Cable VoIP                     | 1.26        | 1.21        | 1.05        |
| Alternative DSL VoIP           | 0.35        | 0.34        | 0.28        |
| <b>Total VoIP</b>              | <b>2.70</b> | <b>2.58</b> | <b>2.18</b> |
| Cable voice analogue           | 0.04        | 0.06        | 0.11        |
| Mobile-only                    | 1.18        | 1.18        | 1.17        |
| <b>Total households</b>        | <b>6.67</b> | <b>6.66</b> | <b>6.63</b> |

<sup>1</sup> Management estimates

# Unbundling tariffs

SLU, ODF, colocation set by OPTA; backhaul and WBA based on deal pricing



— Regulated — Not-regulated

| Category                  | Monthly tariff                      |
|---------------------------|-------------------------------------|
| Line sharing (LLU)        | € 0.19 / line                       |
| Fully unbundled (LLU)     | € 7.83 / line                       |
| MDF colocation            | € 473 / footprint / year            |
| MDF backhaul              | Deal pricing                        |
| Wholesale ADSL access fee | € 5.32 shared<br>€ 13.00 non-shared |

| Category                         | Monthly tariff                              |
|----------------------------------|---|
| Line sharing (SLU)               | € 6.17 / line                               |
| Fully unbundled (SLU)            | € 7.88 / line                               |
| SDF colocation                   | € 50-100 / cabinet<br>One-off € 3,000-6,000 |
| SDF backhaul                     | Deal pricing                                |
| Wholesale Broadband Access (WBA) | Deal pricing                                |

| Category                         | Monthly tariff                                |
|----------------------------------|---|
| Fully unbundled (ODF)            | € 12.00 – € 17.50                             |
| ODF colocation                   | € 83 / footprint / month<br>One-off > € 3,000 |
| ODF Backhaul                     | Deal pricing                                  |
| Wholesale Broadband Access (WBA) | Deal pricing                                  |

# Pricing

## Triple-play packages FttH and FttC



Gold



Silver

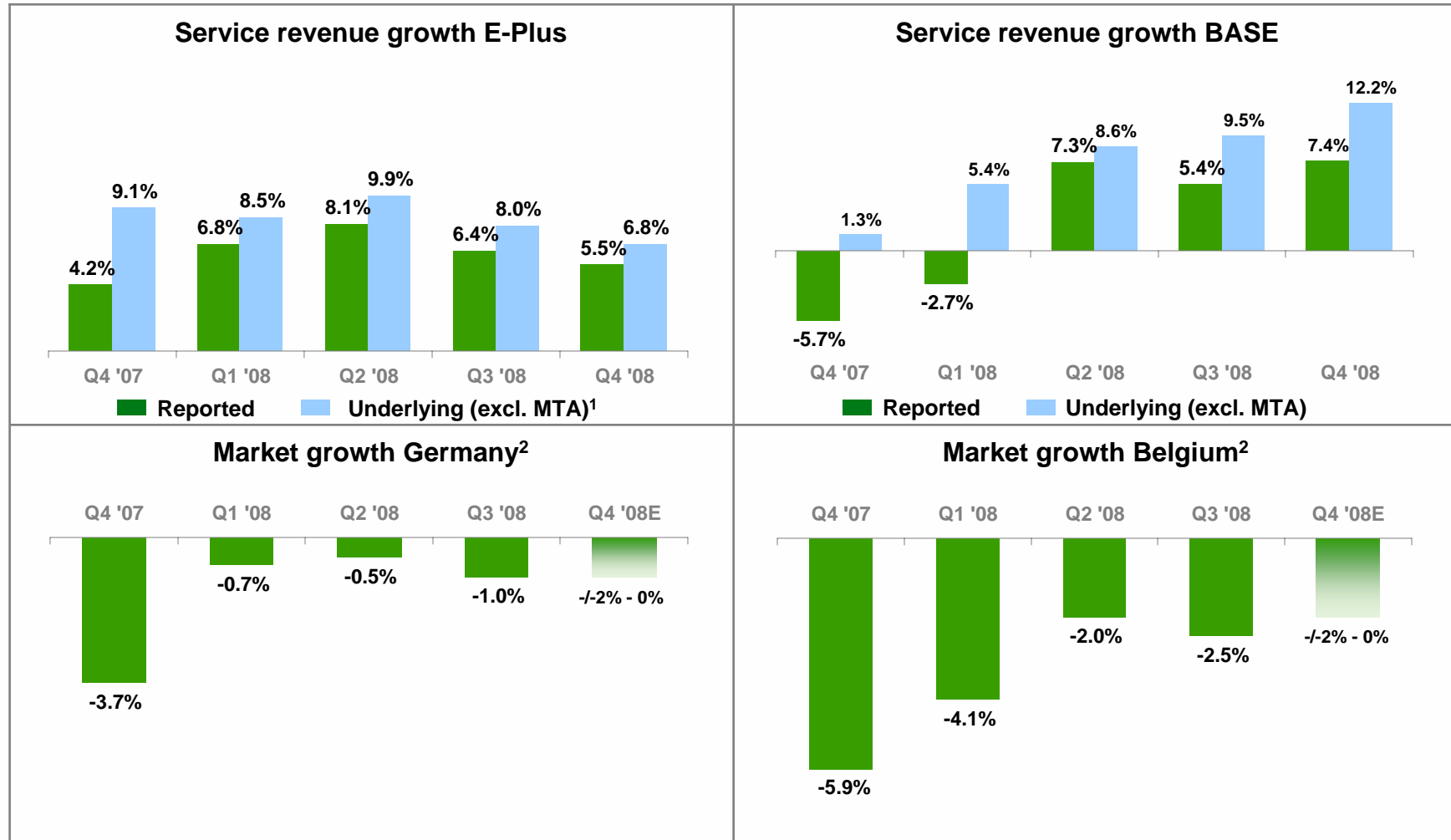


Bronze

|      | Price per month | € 110   | € 80  | € 65  |
|------|-----------------|---|---|---|
| FttH | Broadband       | Up to 100 Mb download<br>6 Mb upload                                | 50 Mb download<br>5 Mb upload                     | 30 Mb download<br>3 Mb upload                     |
|      | TV              | >100 channels<br>(incl. football package)<br>IPTV                   | >70 channels<br>IPTV                              | >50 channels<br>IPTV                              |
|      | Telephony       | Unlimited calls to national<br>fixed-line numbers                   | Unlimited calls to national<br>fixed-line numbers | Unlimited calls to national<br>fixed-line numbers |
|      | Price per month | € 75  | € 60  | € 45  |
| FttC | Broadband       | ~30 Mb download<br>3 Mb upload                                      | 8 Mb download<br>1 Mb upload                      | 3 Mb download<br>0.5 Mb upload                    |
|      | TV              | >100 channels<br>(incl. football package)<br>IPTV & Digitenne tuner | >70 channels<br>IPTV & Digitenne tuner            | >50 channels<br>IPTV & Digitenne tuner            |
|      | Telephony       | Unlimited calls to national<br>fixed-line numbers                   | Unlimited calls to national<br>fixed-line numbers | Unlimited calls to national<br>fixed-line numbers |

# Service revenue growth Mobile International

Strong underlying growth outperforming the market



<sup>1</sup> Also excluding VAT increase with negative impact of 2.4% on service revenue growth in 2007

<sup>2</sup> Service revenue growth, based on equity research



## Dutch wireless services disclosure

|                                       | Q4 '08     | Q3 '08     | Q4 '07     |
|---------------------------------------|------------|------------|------------|
| <b>Service revenues (€ mn)</b>        | <b>754</b> | <b>764</b> | <b>725</b> |
| - Consumer                            | 423        | 441        | 407        |
| - Business                            | 234        | 228        | 229        |
| - Other Dutch activities <sup>1</sup> | 97         | 95         | 89         |
| <b>SAC / SRC (€)</b>                  |            |            |            |
| - Consumer                            | 150        | 159        | 130        |
| - Business                            | 380        | 411        | 315        |

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

# KPIs Consumer

## Voice

| Voice                                      | Q4 '08       | Q3 '08       | Q4 '07       |
|--|--------------|--------------|--------------|
| <b>Market penetration<sup>1</sup></b>      |              |              |              |
| – Broadband                                | 80%          | 79%          | 76%          |
| – VoIP penetration                         | 46%          | 45%          | 40%          |
| <b>Market share</b>                        |              |              |              |
| – Voice <sup>2</sup>                       | >55%         | >55%         | >55%         |
| – Traditional voice <sup>3</sup>           | >75%         | >75%         | ~75%         |
| – VoIP                                     | 41%          | 40%          | 39%          |
| – Broadband <sup>4</sup>                   | 44%          | 44%          | 44%          |
| – TV                                       | 11%          | 10%          | 7%           |
| <b>Access lines (x 1,000)</b>              | <b>3,444</b> | <b>3,491</b> | <b>3,694</b> |
| – PSTN                                     | 2,124        | 2,214        | 2,563        |
| – ISDN                                     | 234          | 247          | 284          |
| – VoIP packages (Voice / Broadband)        | 1,086        | 1,030        | 847          |
| <b>Net line loss<sup>5</sup> (x 1,000)</b> | <b>-5</b>    | <b>-30</b>   | <b>-90</b>   |
| <b>Traditional voice ARPU (€)</b>          | <b>26</b>    | <b>25</b>    | <b>26</b>    |
| – Access                                   | 16           | 16           | 16           |
| – Traffic                                  | 10           | 9            | 10           |

1 Based on management estimate

2 Share in total consumer voice (including VoIP); management estimates

3 Share in traditional consumer voice (excluding VoIP); management estimates

4 Including DSL and Cable; management estimates

5 Quarterly delta in PSTN/ISDN access lines + delta consumer VoIP, ADSL only and WLR; management estimates, including 20k base correction in Q4 '08 82

# KPIs Consumer

## Broadband, TV & Wireless

| Broadband                                | Q4 '08       | Q3 '08       | Q4 '07       |
|--|--------------|--------------|--------------|
| <b>Broadband ISP customers (x 1,000)</b> | <b>2,536</b> | <b>2,500</b> | <b>2,402</b> |
| – KPN (Direct & Planet)                  | 1,129        | 1,111        | 1,107        |
| – Het Net                                | 680          | 680          | 643          |
| – XS4ALL                                 | 291          | 288          | 288          |
| – Other                                  | 436          | 421          | 364          |
| <b>Broadband ARPU (€)</b>                | <b>30</b>    | <b>30</b>    | <b>30</b>    |
| TV                                       | Q4 '08       | Q3 '08       | Q4 '07       |
| – Subscribers (x 1,000)                  | 775          | 700          | 497          |
| – ARPU (€)                               | 7            | 6            | 6            |
| Wireless                                 | Q4 '08       | Q3 '08       | Q4 '07       |
| – Customers (x 1,000)                    | 6,248        | 6,089        | 6,194        |
| – Service revenues (€ mn)                | 423          | 441          | 407          |
| – ARPU (€)                               | 23           | 24           | 22           |
| – MoU (originating, terminating)         | 111          | 110          | 109          |
| – SAC/SRC (€)                            | 150          | 159          | 130          |

# KPIs Business

## Infrastructure Services

| Wireline                                  | Q4 '08       | Q3 '08       | Q4 '07       |
|---|--------------|--------------|--------------|
| <b>Market share voice<sup>1</sup></b>     | ~50%         | >50%         | ~55%         |
| <b>Access lines (x 1,000)</b>             | <b>1,581</b> | <b>1,605</b> | <b>1,695</b> |
| – PSTN                                    | 745          | 761          | 815          |
| – ISDN                                    | 812          | 821          | 867          |
| – VoIP                                    | 24           | 23           | 13           |
| <b>Traditional voice ARPU (€)</b>         | <b>52</b>    | <b>49</b>    | <b>46</b>    |
| – Access                                  | 27           | 26           | 25           |
| – Traffic                                 | 25           | 23           | 21           |
| <b>Network services (x 1,000)</b>         |              |              |              |
| – Leased lines                            | 29.0         | 29.5         | 32.7         |
| – E-VPN connections                       | 10.9         | 9.9          | 7.5          |
| – Business DSL                            | 119.0        | 112.3        | 90.5         |
| <b>Managed network services (x 1,000)</b> |              |              |              |
| – IP-VPN connections                      | 31.9         | 32.2         | 30.4         |
| – M-VPN routers                           | 20.1         | 19.3         | 15.9         |
| Wireless                                  | Q4 '08       | Q3 '08       | Q4 '07       |
| – Customers (x 1,000)                     | 1,487        | 1,429        | 1,306        |
| – of which data users                     | 43%          | 41%          | 35%          |
| – Service revenues (€ mn)                 | 234          | 228          | 229          |
| – ARPU (€)                                | 53           | 55           | 59           |
| – MoU (originating, terminating)          | 247          | 224          | 275          |
| – SAC/SRC (€)                             | 380          | 411          | 315          |

1 Share in traditional voice (including VoIP and internet dial-up); management estimates

# KPIs Business

## ICT Services & Corporate Solutions

| ICT Services                           | Q4 '08 | Q3 '08 | Q4 '07 |
|--|--------|--------|--------|
| <b>Applications online</b> (x 1,000)   |        |        |        |
| – Customers                            | 104    | 89     | 18     |
| <b>Housing &amp; Hosting</b> (x 1,000) |        |        |        |
| – Housing services (# m <sup>2</sup> ) | 16.0   | 16.0   | 9.9    |
| – Hosting services (# servers)         | 2.21   | 2.16   | 1.66   |
| Corporate Solutions                    | Q4 '08 | Q3 '08 | Q4 '07 |
| <b>Managed workspaces</b> (x 1,000)    |        |        |        |
| – Data                                 | 2      | 2      | 2      |
| – Voice                                | 405    | 346    | 276    |
| – Mobile                               | 180    | 173    | 153    |

# KPIs Getronics<sup>1</sup>

| Getronics                       | Q4 '08 | Q3 '08 | Q4 '07 |
|---------------------------------|--------|--------|--------|
| Revenue and other income (€ mn) | 449    | 465    | 488    |
| Service revenues (€ mn)         | 400    | 416    | 433    |
| Margin                          |        |        |        |
| – Gross profit <sup>2</sup>     | 23%    | 21%    | 21%    |
| – Service profit <sup>3</sup>   | 25%    | 22%    | 22%    |
| Number of FTEs                  | 11,629 | 13,596 | 18,031 |

1 Consolidated as of 23 October 2007

2 Defined as total gross profit divided by total revenue. Gross profit defined as revenue minus revenue related direct costs

3 Defined as service gross profit divided by service revenue. Gross profit defined as revenue minus revenue related direct costs

# KPIs Wholesale & Operations

| Wholesale & Operations                               | Q4 '08        | Q3 '08        | Q4 '07        |
|--|---------------|---------------|---------------|
| <b>Retail voice</b> (without ADSL)                   | <b>3,915</b>  | <b>4,043</b>  | <b>4,529</b>  |
| <b>Local loop</b> (x 1,000)                          |               |               |               |
| MDF access lines <sup>1</sup>                        | 3,702         | 3,632         | 3,445         |
| – of which line sharing <sup>2</sup>                 | 1,612         | 1,670         | 1,895         |
| <b>Unbundling</b> <sup>3</sup> (mn)                  | <b>1.1</b>    | <b>1.0</b>    | <b>0.9</b>    |
| – Shared unbundled lines                             | 0.3           | 0.3           | 0.3           |
| – Fully unbundled lines                              | 0.8           | 0.7           | 0.6           |
| <b>Minutes</b> <sup>4</sup> (bn)                     | <b>4.8</b>    | <b>4.5</b>    | <b>5.0</b>    |
| – Originating  | 1.1           | 1.1           | 1.4           |
| – Terminating  | 2.3           | 2.1           | 2.3           |
| – Transit  | 1.4           | 1.3           | 1.3           |
| <b>Population coverage</b>                           |               |               |               |
| – ADSL 2+  | 57%           | 57%           | 57%           |
| – UMTS / HSDPA                                       | 99%           | 99%           | 95%           |
| <b>iBasis</b> <sup>5</sup> (international wholesale) | <b>Q4 '08</b> | <b>Q3 '08</b> | <b>Q4 '07</b> |
| Minutes (bn)   | 5.7           | 5.8           | 6.0           |
| Average revenue per minute (€ cents)                 | 4.0           | 3.7           | 4.1           |

<sup>1</sup> Including Bitstream

<sup>2</sup> Includes KPN ADSL connections, line sharing other telcos and KPN Bitstream

<sup>3</sup> External lines based on management estimates

<sup>4</sup> Restated numbers for 2007 due to refined methodology; internal voice minutes no longer included

<sup>5</sup> Consolidated as of 1 October 2007; further information can be found on <http://www.ibasis.com>

# KPIs E-Plus

|                                       | Q4 '08        | Q3 '08        | Q4 '07        |
|---------------------------------------|---------------|---------------|---------------|
| <b>Market share<sup>1</sup></b>       |               |               |               |
| – Service revenue                     | 15.4%         | 15.3%         | 14.4%         |
| – Base                                | 16.4%         | 16.0%         | 15.3%         |
| <b>Customers (x 1,000)</b>            | <b>17,777</b> | <b>17,027</b> | <b>14,807</b> |
| – Of which new brands                 | 11,340        | 10,451        | 7,575         |
| – Post Paid                           | 6,676         | 6,542         | 6,297         |
| – Pre Paid                            | 11,101        | 10,485        | 8,510         |
| <b>Service revenues (€ mn)</b>        | <b>761</b>    | <b>782</b>    | <b>721</b>    |
| <b>ARPU (€)</b>                       | <b>15</b>     | <b>16</b>     | <b>17</b>     |
| – Post Paid                           | 29            | 30            | 30            |
| – Pre Paid                            | 6             | 6             | 6             |
| <b>Non-voice as % of ARPU</b>         | <b>24%</b>    | <b>23%</b>    | <b>21%</b>    |
| <b>MoU (originating, terminating)</b> | <b>142</b>    | <b>139</b>    | <b>146</b>    |
| – Post Paid                           | 284           | 275           | 273           |
| – Pre Paid                            | 60            | 56            | 52            |
| <b>SAC/SRC (€)</b>                    | <b>49</b>     | <b>44</b>     | <b>70</b>     |
| – Post Paid                           | 114           | 107           | 148           |
| – Pre Paid                            | 14            | 13            | 17            |

<sup>1</sup> Management estimates



# KPIs BASE

|   | Q4 '08       | Q3 '08       | Q4 '07       |
|---|--------------|--------------|--------------|
| <b>Market share<sup>1</sup></b>           |              |              |              |
| — Revenue                                 | >16%         | >16%         | ~16%         |
| — Base                                    | >24%         | >24%         | >23%         |
| <b>Customers (x 1,000)</b>                | <b>3,445</b> | <b>3,241</b> | <b>2,855</b> |
| — Post Paid                               | 569          | 548          | 512          |
| — Pre Paid                                | 2,876        | 2,693        | 2,343        |
| <b>Service revenues (€ mn)</b>            | <b>159</b>   | <b>155</b>   | <b>148</b>   |
| <b>ARPU (€)</b>                           | <b>16</b>    | <b>16</b>    | <b>18</b>    |
| — Post Paid                               | 50           | 51           | 49           |
| — Pre Paid                                | 9            | 9            | 11           |
| <b>Non-voice as % of ARPU</b>             | <b>17%</b>   | <b>15%</b>   | <b>17%</b>   |
| <b>MoU (originating, terminating min)</b> | <b>122</b>   | <b>122</b>   | <b>137</b>   |
| — Post Paid                               | 446          | 385          | 425          |
| — Pre Paid                                | 57           | 68           | 74           |
| <b>SAC/SRC (€)</b>                        | <b>17</b>    | <b>17</b>    | <b>26</b>    |
| — Post Paid                               | 51           | 44           | 81           |
| — Pre Paid                                | 9            | 11           | 16           |

<sup>1</sup> Management estimates

# KPIs Mobile Wholesale NL

|                                | Q4 '08       | Q3 '08       | Q4 '07       |
|--------------------------------|--------------|--------------|--------------|
| <b>Customers</b> (x 1,000)     | <b>2,039</b> | <b>1,937</b> | <b>1,791</b> |
| — Post Paid                    | 660          | 608          | 470          |
| — Pre Paid                     | 1,379        | 1,329        | 1,321        |
| <b>Service revenues</b> (€ mn) | <b>91</b>    | <b>87</b>    | <b>87</b>    |