

Creating a customer centric organization

Fixed-Mobile Integration in the Netherlands

13 April 2007

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 our operations, our and our joint ventures' share of new and existing markets, general industry and macro-economic trends and our 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 our 2006 Annual Report and Form 20-F.

All figures in this presentation are unaudited and based on IFRS as endorsed by the EU. 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 our GAAP figures. Our non-GAAP measures may not be comparable to non-GAAP measures used by other companies.

All market share information in this presentation is based on management estimates based on externally available information, unless indicated otherwise. Certain figures may be subject to rounding differences.

Disclaimer

We define EBITDA as operating profit before depreciation and impairments of PP&E and amortization and impairments of intangible assets. The measure is used by financial institutions and credit-rating agencies as one of the key indicators of borrowing potential. Many analysts use EBITDA as a component for their (cash flow) projections. Note that our definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization. Either definition of EBITDA has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our results as reported under IFRS or US GAAP.

We use EBITDA as a component of our guidance. In view of the possible volatility of impairments under IFRS, we believe that this is the most appropriate way of informing the financial markets on certain aspects of future company financial development. We do not view EBITDA as a measure of performance. In all cases, a reconciliation of EBITDA and the nearest GAAP measure (operating result) is provided.

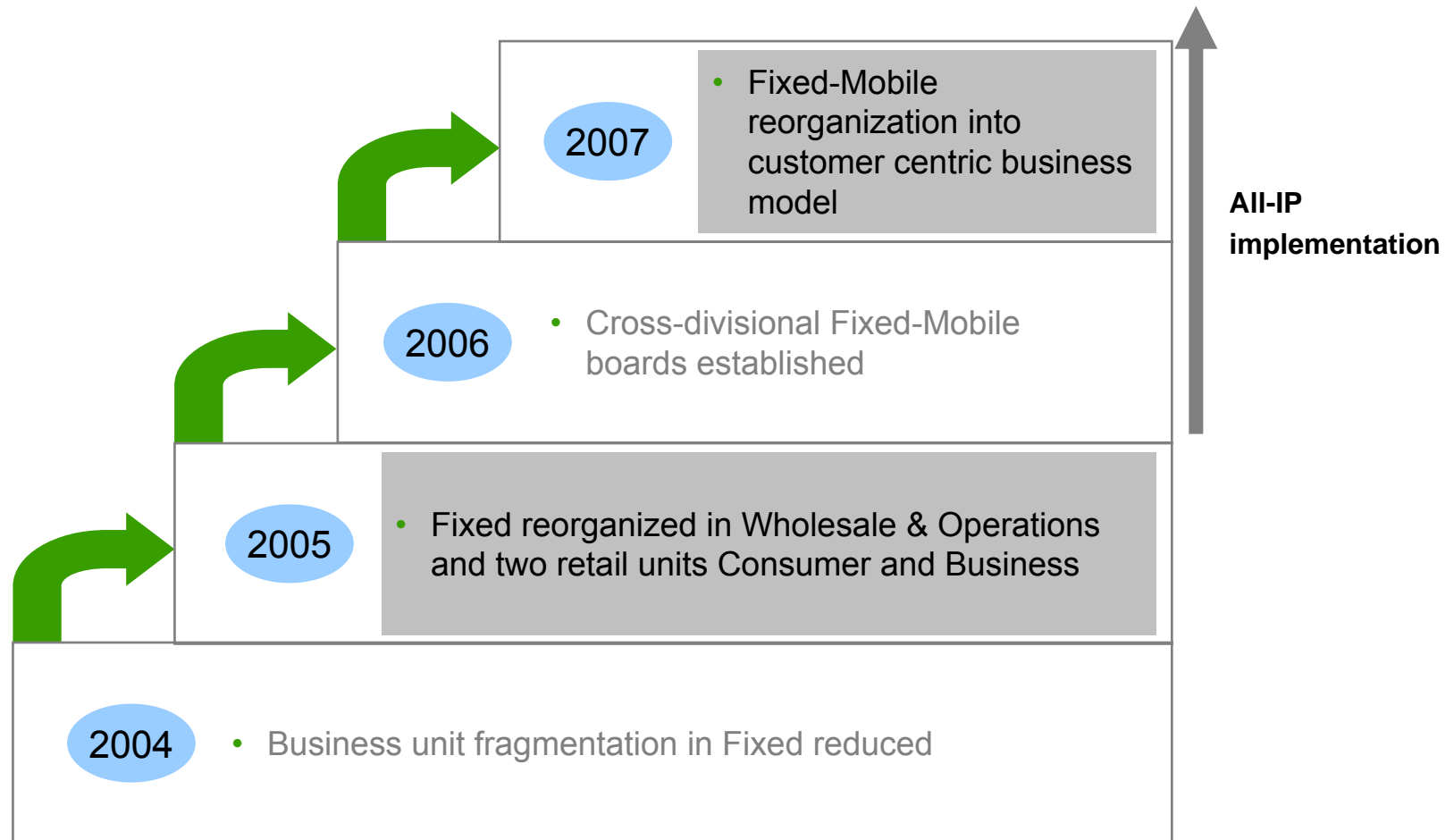
We define Free cash flow as “Cash flow from operating activities” plus “Proceeds from real estate” minus “Capital expenditures”, being expenditures on PP&E and software.

Agenda

Rationale	Marcel Smits, CFO
Governance	Marcel Smits, CFO
Reporting impact	Marcel Smits, CFO
Fixed-Mobile opportunities	Baptiest Coopmans, MD Consumer Eelco Blok, MD Business Marcel Smits, CFO
Concluding remarks	Marcel Smits, CFO

Customer focus

Building on past experience



Principles

Shift from product to customer focus

Product focus



Fixed



Mobile



Customer focus



Consumer



Business






Wholesale

New organization in the Netherlands

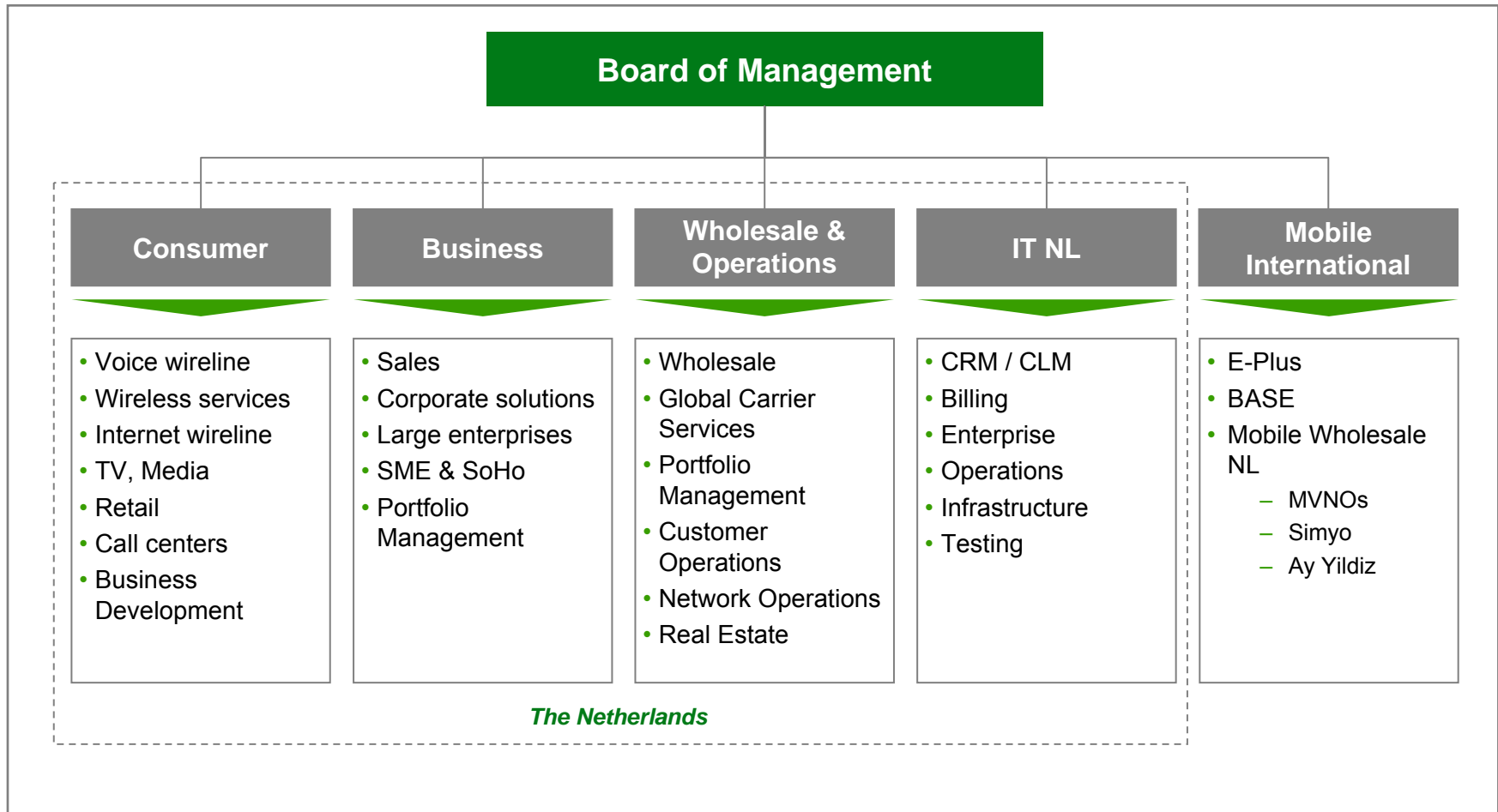
Completing the picture

Customer focus

IT	 Consumer <ul style="list-style-type: none"> • Wireline services • Wireless services 	<ul style="list-style-type: none"> • Distribution (shops, web) • Call centers
	 Business <ul style="list-style-type: none"> • Wireline services • Wireless services 	<ul style="list-style-type: none"> • Sales force
	 Wholesale <ul style="list-style-type: none"> • Wholesale services wireline • Wireline network • Wireless network 	<ul style="list-style-type: none"> • Real estate

Organizational structure

Achieving focus and simplification



Reporting impact 2006

Overall impact on revenues, EBITDA and EBITDA margin

Old			
€ mn	Revenues ¹	EBITDA ²	Margin ³
E-Plus	2,894	905	31.3%
BASE	622	264	42.4%
KPN Mobile NL	2,980	1,092	36.6%
Other	-46	-26	-
Mobile	6,450	2,235	34.7%
Consumer	2,262	269	11.9%
Business	2,535	349	13.8%
Wholesale & Operations	4,762	1,928	40.5%
Other	-2,912	28	-
Fixed	6,647	2,574	38.7%
Other	149	28	18.8%
Intercompany	-1,189	-	-
KPN Group	12,057	4,837	40.1%

New			
€ mn	Revenues ¹	EBITDA ²	Margin ³
E-Plus	2,894	905	31.3%
BASE	622	264	42.4%
Mobile wholesale NL	303	112	37.0%
Other	0	-5	-
Mobile International	3,819	1,276	33.4%
Consumer	4,236	729	17.2%
Business	3,316	711	21.4%
Wholesale & Operations	3,938	2,087	53.0%
Other ⁴	-2,973	-3	-
The Netherlands	8,517	3,524	41.4%
Other	97	37	38.1%
Intercompany	-376	-	-
KPN Group	12,057	4,837	40.1%

1 Revenues and other income

2 Defined as Operating result plus depreciation, amortization & impairments

3 Defined as EBITDA divided by revenues and other income

4 Including IT NL and intercompany

Business market opportunities

Demand for Fixed-Mobile services via integrated customer approach

Integrated customer approach

Fully integrated marketing, sales and customer service organization

- One face to the customer in all channels for entire service portfolio
- Drive customer focus and service orientation to increase customer loyalty
- Develop best-in-class marketing through excellent customer insights
- Capture CLM potential through cross- and upselling and churn reduction





Development Fixed-Mobile portfolio

Continue developing Fixed-Mobile portfolio, towards IP integrated services

- Migrate existing voice and data services to integrated IP voice / data services
- Continue to develop hybrid Fixed / Mobile services, e.g. network-based Forced on PBX functionality
- Capture full Fixed-Mobile benefits of existing core network, through fully integrated offerings in longer term

Consumer market opportunities

Attractive opportunities through channel and consumer marketing

Channel opportunities	
Web 	<ul style="list-style-type: none"> • Use Internet for customer acquisition • Improve Internet search and vertical marketing • Professionalize e-mail & Internet campaigns
Shops 	<ul style="list-style-type: none"> • Further improve store formulas and positioning • Move to world-class store management • Targeted cross-selling in customer interactions
Call center 	<ul style="list-style-type: none"> • Generate sales on inbound traffic • Route calls from customer recognition • Suggest services across product dimensions
External retail 	<ul style="list-style-type: none"> • Strategic partnerships to optimize shelf-space • Combine experience / distribution power to cover blank spots • Expand E-tailing
Multi-channel 	<ul style="list-style-type: none"> • Build test channels • Create one view on the customer

Marketing opportunities	
CLM¹ 	<ul style="list-style-type: none"> • Cross- and upselling via targeted sales (in, outbound) • Customer lock-in with product combinations • Integrated loyalty program
Multi-brands 	<ul style="list-style-type: none"> • Use branding opportunities to serve specific segments • Leverage brand power with different products • Optimize brand differentiation
Innovation 	<ul style="list-style-type: none"> • Grow value-added services based on customer needs • Expand IP-based service portfolio • Enhance channel economics and effectiveness

Wholesale & Operations opportunities

Simplification and efficient use of centralized assets

Customer operations

- Wholesale to maximize network utilization and reducing fixed costs
- Simplified organization
- Facilitating seamless use of all services, independent of infrastructure

Network operations

- Optimization across Fixed and Mobile assets
- Considerable reduction of stovepipes through All-IP transition
- Carve-out and sale of non-core real estate
- Single department managing all service platforms

Operational excellence

- Best-in-class operations leading to Opex and Capex savings
- Significantly lower cost from migration to All-IP infrastructure
- Phase out legacy infrastructure

IT opportunities

Simplification to improve customer focus, time to market and efficiency

Customer focus

- Improve data quality and availability for all channels
- Single view on customer to enable CLM
 - Order, contact, installed base, usage and support

Improved time to market

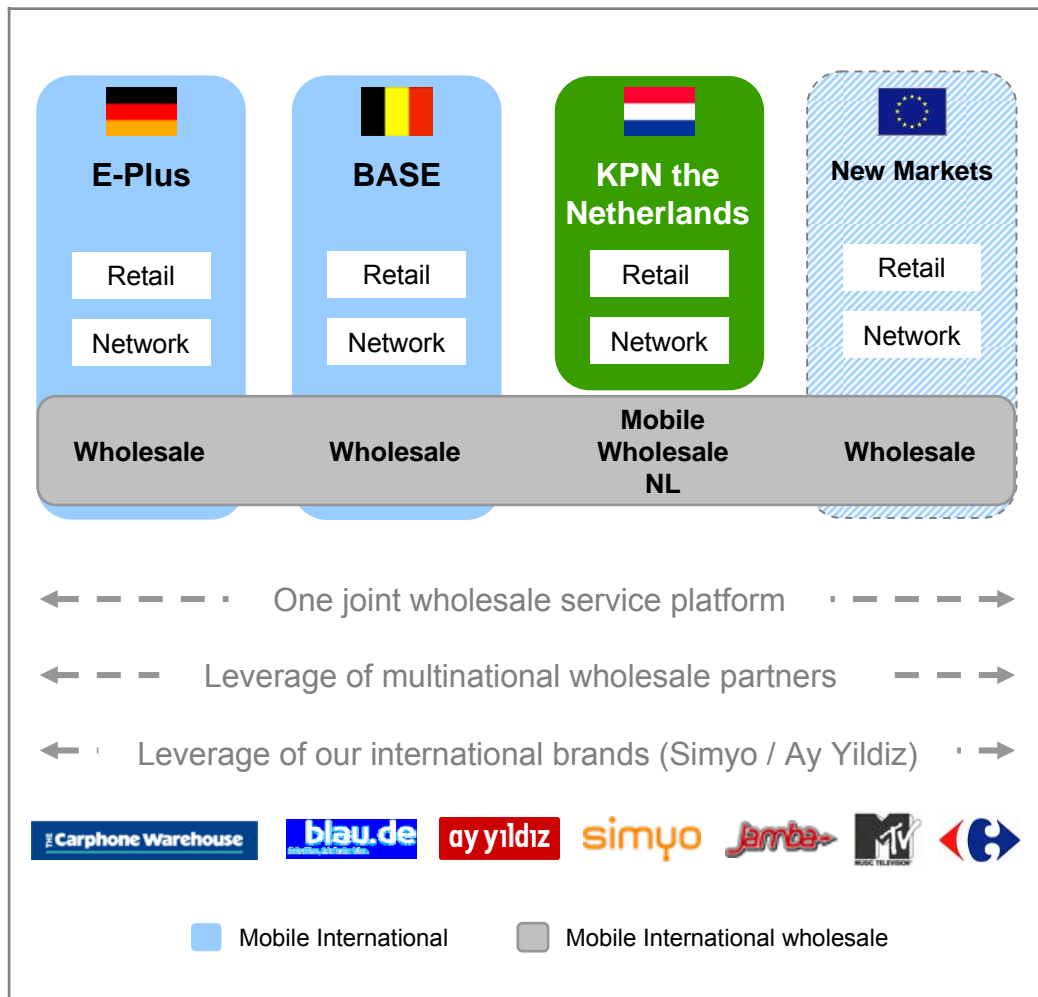
- IT development aligned with product lifecycle management
- Real-time interaction between IT systems
- Rationalization of IT systems, phase out legacy systems

Operational excellence

- Improve data quality and consistency
- Customer self-care
- Implement best practices
- Reduce rework as a consequence of incorrect data

Mobile International wholesale opportunities

Leveraging our assets to further tap into MVNO segments



- International wholesale organization built across markets
 - Mobile Wholesale NL activities integrated in Mobile International
- Managed through one team
- Scale through leveraging assets across markets
 - Platform
 - Partners
 - International brands
- Enabler for growth in other Western European markets
 - MVNOs
 - Selective acquisitions

Project scope

Process



- Cross-divisional Fixed-Mobile boards since 2004
- Successful pilot in 2005 and 2006
- Decision for Fixed-Mobile Integration in December 2005
- Some 200 people directly involved
- Core of project activities concentrated in 4 months

Organization



- From 2 product-focused divisions (Fixed, Mobile) to 3 customer-focused segments (Consumer, Business, Wholesale & Operations)
- New organizational structure effective as of 1 January 2007
- Change of management for some 21,000 FTEs

Financials



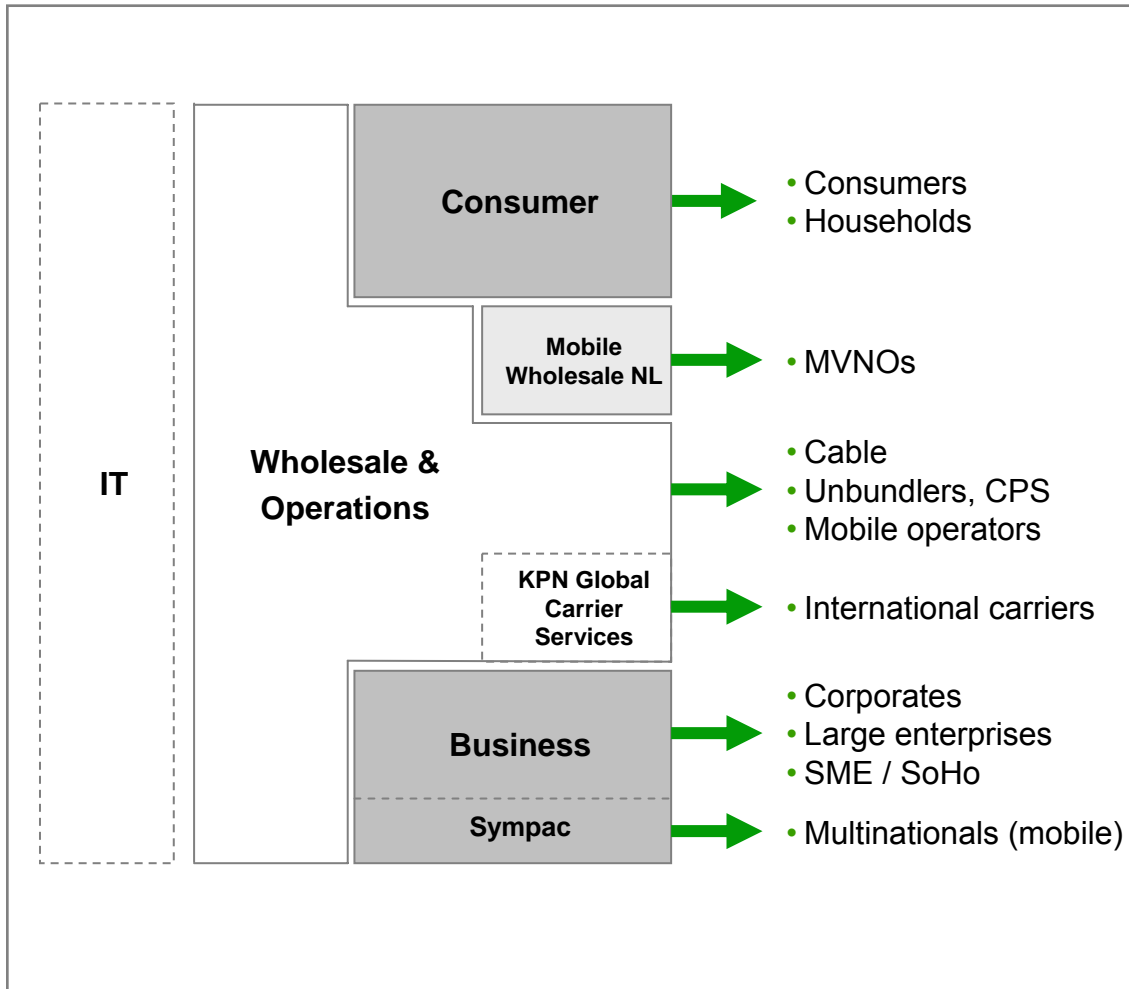
- € 3 bn business integrated, € 4.8 bn in revenues restated
- Internal revenues reduced by more than € 0.7 bn
- Many new transfer pricing relationships

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Concluding remarks	Marcel Smits, CFO

Governance

Split between retail segments and wholesale



- Retail segments with strong customer and market focus
- Wholesale & Operations activities with strong focus on operational excellence
- Wholesale & Operations serving both internal and external markets
- IT centralized to increase effectiveness and efficiency
- Simplified internal financial flows and costs through transfer pricing

Transfer pricing

Basic principles derived from principles in Fixed division

Objectives

- More focus and control in segments
- Creating right management focus and incentives
- Simple and transparent reporting on performance of segments
- Limiting intercompany flows within / between segments

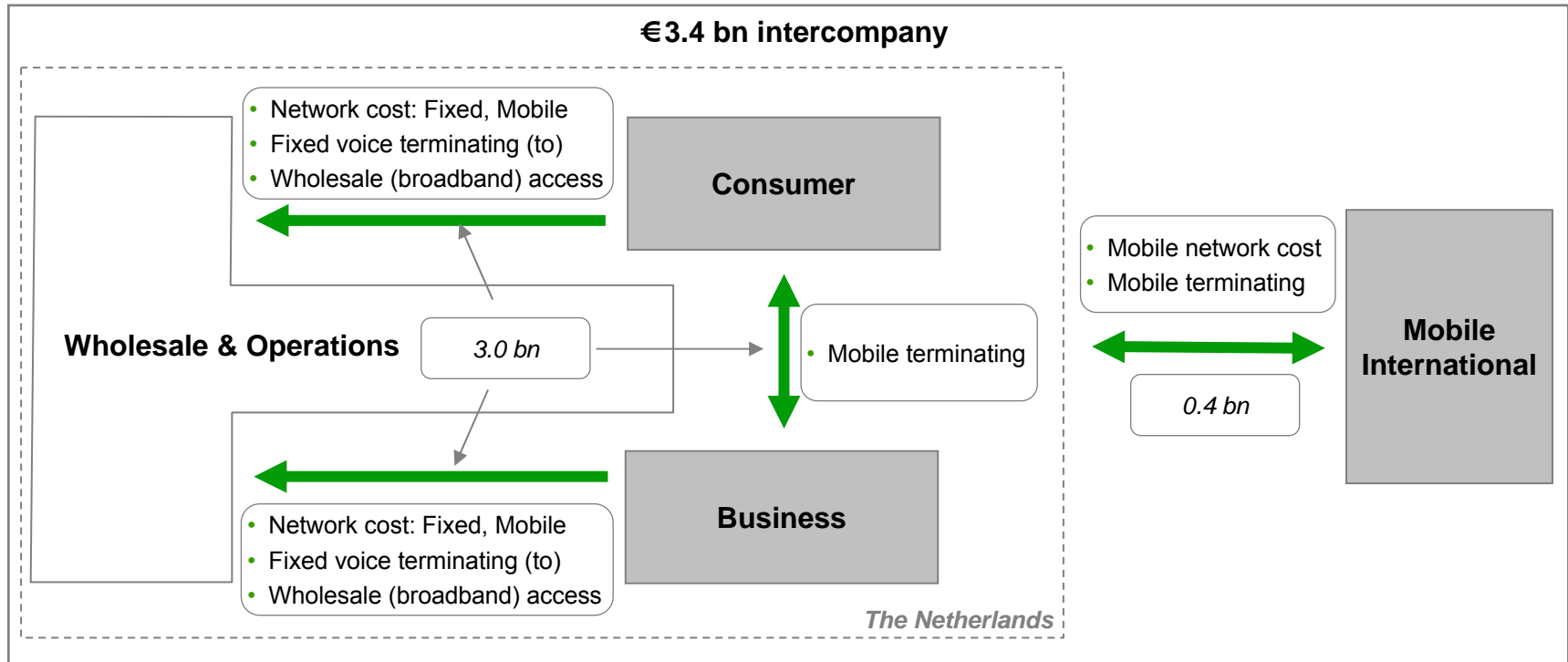


Principles

- Wholesale pricing for services that are already sold on a wholesale basis
- Retail-minus pricing for regulated retail products
- Cost-based pricing for non-regulated retail products
- Transfer pricing in line with regulatory framework

Intercompany overview

Intercompany revenues mainly driven by transfer pricing for network costs



Key changes in intercompany

- Transfer price for Mobile network costs
- Settlement of revenue and cost from Mobile terminating with retail segments and third parties no longer in Wholesale P&L

Financial impact

- Internal revenues reduced by ~ € 0.7 bn, no impact on external revenues
- Increase W&O EBITDA margin of 8%-points

Example: Consumer

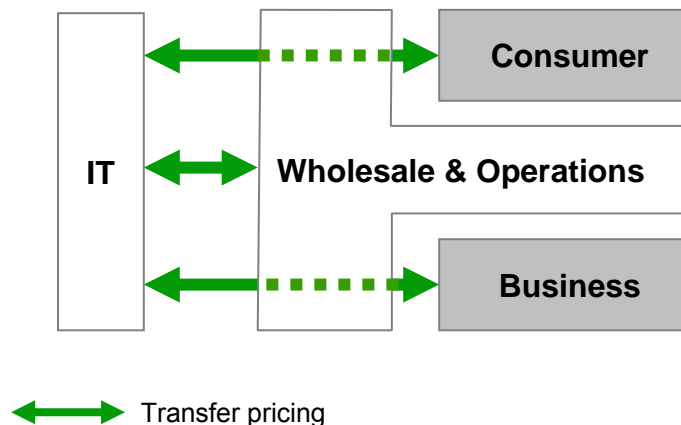
Key relationships with internal and external parties

ILLUSTRATIVE

	Consumer P&L	Basis	Intercompany recognition			Other Telco
			Business	Wholesale & Operations	Mobile International	
Voice	Revenue <ul style="list-style-type: none"> Subscription fee (fixed, mobile) Fixed originating Mobile originating Mobile terminating (from) 	ct / min	Opex		Opex	Opex
	Opex <ul style="list-style-type: none"> Terminating (to) Subscription fee (fixed, mobile) Network costs Fixed traffic Network costs Mobile traffic 	ct / min Monthly tariff Retail-minus ct / min	Revenue	Revenue Revenue Revenue	Revenue	Revenue
Internet	Revenue <ul style="list-style-type: none"> Subscription fee ADSL Flat fee VoIP VoIP traffic originating 					
	Opex <ul style="list-style-type: none"> Wholesale Broadband Access VoIP termination (to) Network costs VoIP traffic 	Monthly tariff ct / min Monthly tariff	Revenue	Revenue Revenue	Revenue	Revenue

IT

Alignment between ownership and efficient use of IT assets



IT expenditures

	Running Opex	Innovation	
		Opex	Capex
IT	✓	✓	-
Segments	-	✓	✓

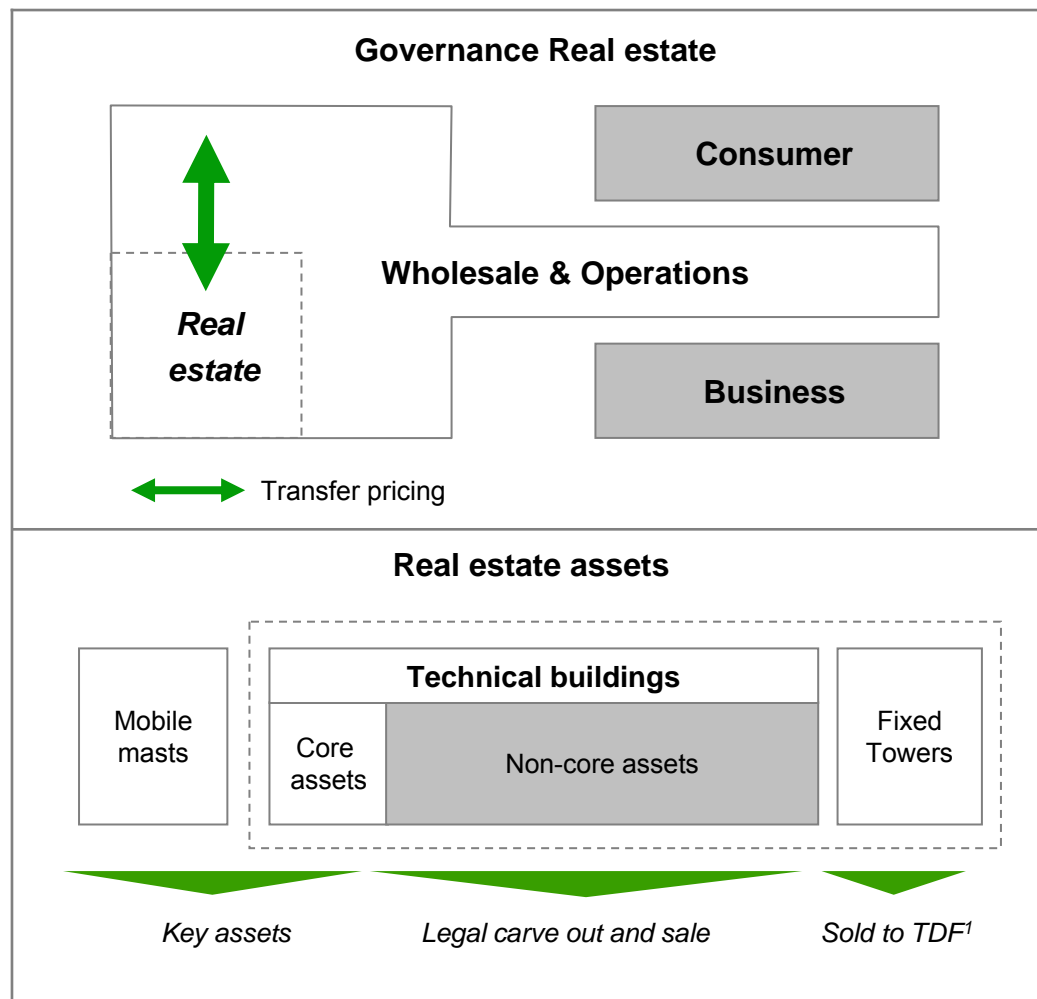
- Centralization of IT to increase efficiency
- IT keeping overview of all Opex and Capex related to IT
- IT-related Opex allocated to segments



- Transparent EBITDA, Capex
- Higher D&A in retail segments
- Reduction target by 2010
 - Harmonized financial systems
 - Cost reductions
 - Online billing
 - Phasing out legacy systems

Real estate

Alignment between ownership and efficient use of real estate



- Centralization of real estate and facilities to increase efficiency
- Real estate carved out internally
 - Facilitate future sale of non-core assets
 - Transparency through separate reporting
- Segments charged through transfer pricing

¹ Sale of 23 towers in January 2007, pending NMA approval

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Disclosure

Principles and key take-aways

Principles

- Overall 2005 and 2006 numbers unchanged in new reporting format
- Primary reporting according to underlying strategy and operations
- Secondary reporting on commonly known split in Fixed and Mobile

Key take-aways

- Margin 'old' Fixed segments enhanced by Mobile services
- Changed recognition of Mobile terminating at Wholesale & Operations
 - Lower internal revenues
 - Higher EBITDA margin
- Higher D&A in Wholesale & Operations due to centralization of assets

Additional disclosure

Maintaining comparability with peers during transition phase

- High level disclosure of financials and KPIs through previous reporting structure (KPN Mobile the Netherlands, Fixed) for comparability with peers
- Temporarily pro forma reporting on previous structure with minimum deviation

Financials

- Revenue
 - KPN Mobile the Netherlands
 - Fixed (incl. Other)
- EBITDA
 - KPN Mobile the Netherlands
 - Fixed (incl. Other)
- EBITDA margin
 - KPN Mobile the Netherlands
 - Fixed (incl. Other)

KPIs

- KPN Mobile the Netherlands
 - Market share service revenue
 - Customers
 - Service revenues
 - Total traffic
 - ARPU blended
 - MoU blended
 - SAC/SRC blended

Consumer

€ mn	2006	Q4	Q3	Q2	Q1	2005
Voice wireline	1,444	334	347	374	389	1,677
Wireless services	1,705	431	458	417	399	1,349
Internet wireline	762	208	194	184	176	699
Other (incl. Intercompany) ¹	325	84	71	88	82	311
Revenue and other income	4,236	1,057	1,070	1,063	1,046	4,036
EBITDA	729	163	184	197	185	806
EBITDA margin	17.2%	15.4%	17.2%	18.5%	17.7%	20.0%

Revenue trends

- Declining Voice wireline from lower traditional access / traffic revenues due to proactive VoIP migration
- Single digit organic growth in Wireless services, following step-up caused by Telfort acquisition
- Revenue growth at Internet driven by migration to broadband and VoIP, supported by ISP acquisitions
- 'Other' containing expanding TV and new media initiatives and growing call centers activities

EBITDA trends

- Migration to lower margin wireline services, whilst organic growth in higher margin wireless services
- Investments in Wireline customer base (VoIP, TV), partly offset by Wireless SAC reductions

¹ Including other income

Business

€ mn	2006	Q4	Q3	Q2	Q1	2005
Corporate solutions	505	144	121	122	118	492
Voice wireline	1,086	245	267	281	293	1,238
Wireless services	868	226	220	215	207	827
Network services	746	190	180	190	186	804
Application services	467	132	115	102	118	444
Other (incl intercompany) ¹	-356	-90	-93	-91	-82	-381
Revenue and other income	3,316	847	810	819	840	3,424
EBITDA	711	178	165	187	181	646
EBITDA margin	21.4%	21.0%	20.4%	22.8%	21.5%	18.9%

Revenue trends

- Growth from network outsourcing in Corporate solutions
- Decline in Voice wireline from less traditional minutes and new tariff schemes
- Growth in Wireless services and Application services, supported by small acquisitions
- Decline in traditional Network services partly offset by growth in IP-based services

EBITDA trends

- Revenue decline in Voice wireline and Network services partly offset by lower cost to Wholesale
- Growth in Wireless from lower SAC and lower network costs due to higher utilization after Telfort

¹ Including other income and intercompany, predominantly between Corporate solutions and Network services

Wholesale & Operations

€ mn	2006	Q4	Q3	Q2	Q1	2005
Revenue and other income	3,938	994	968	986	990	4,048
Internal revenue	2,766	708	670	696	692	2,873
External revenue	1,147	284	289	290	284	1,163
EBITDA	2,087	521	497	537	532	2,211
EBITDA margin	53.0%	52.4%	51.3%	54.5%	53.7%	54.6%
EBIT	680	105	171	198	206	874
EBIT margin	17.3%	10.6%	17.7%	20.1%	20.8%	21.6%

Revenue trends

- Declining internal revenues: Retail line loss and lower traffic in Wireline, partly offset by Wireless growth
- External revenues nearly stable: less originating, terminating minutes offset by transit and international

EBIT(DA) trends

- Shift from high margin originating, terminating minutes to lower margin transit and international
- Retail line loss, lower traffic volumes and more termination on other networks
- Stable Fixed national wholesale tariffs until 2008 following wholesale pricecap agreement with OPTA
- Costs savings on traditional portfolio partly offset by launch cost of IP service portfolio
- One-offs from real estate sales and eco tax refund offset by Telfort network integration costs

Mobile wholesale NL

€ mn	2006	Q4	Q3	Q2	Q1	2005
Revenue and other income	303	85	80	73	65	202
External revenues	255	75	66	60	54	177
EBITDA	112	28	33	26	25	73
EBITDA margin	37.0%	32.9%	41.3%	35.6%	38.5%	36.1%

Revenue trends

- Market growth following entrance of new MVNOs with strong distribution and brands
- Strong organic growth with step-up caused by Telfort acquisition
- Significant volume growth partly offset by Pre Paid dilution and new pricing schemes

EBITDA trends

- Profitable growth due to strong wholesale partnerships and SAC-light business model
- Increased scale and operational excellence
- Q4 negatively impacted by Telfort network integration costs

Other

€ mn	2006	Q4	Q3	Q2	Q1	2005
Revenue and other income	97	7	1	2	87	266
External revenues	22	-1	-6	2	27	183
EBITDA	37	-21	7	-6	57	126

Noteworthy items 2005

- € 59 mn NTT DoCoMo book gain in revenue and EBITDA
- € 21 mn book gain on Intelsat / Infonet in revenue and EBITDA
- € 63 mn pension curtailment in EBITDA

Noteworthy items 2006

- € 74 mn book gain on Xantic in revenue and EBITDA
- Contribution from Xantic till 14 February (€ 19 mn revenue and € 2 mn EBITDA)
- Project costs, amongst other Fixed-Mobile Integration

Going forward











- All corporate departments reporting directly to Board of Management
- Centralized pensions, restructuring and project costs

Agenda

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Governance	Marcel Smits, CFO
Reporting impact	Marcel Smits, CFO
Fixed-Mobile opportunities Consumer	Baptiest Coopmans, MD Consumer
Concluding remarks	Marcel Smits, CFO

Consumer

Key components of Consumer activities

Reporting entity	Reported activities	Key KPIs
Voice wireline Revenues €1.4 bn	<ul style="list-style-type: none"> Access: traditional lines and CPS Originating minutes Bundles and value-added services 	<ul style="list-style-type: none"> Market share traditional Traditional lines Total traffic
Wireless services Revenues €1.7 bn	<ul style="list-style-type: none"> Access for both voice and data Originating minutes, bundles, VAS Terminating revenues Handset revenues  	<ul style="list-style-type: none"> Subscribers ARPU, MoU SAC/SRC
Internet wireline Revenues €0.8 bn	<ul style="list-style-type: none"> Broadband access VoIP access and minutes Bundles and content     	<ul style="list-style-type: none"> Broadband market share VoIP market share Net line loss
Other Revenues €0.3 bn	<ul style="list-style-type: none"> TV: access and additional packages Media: advertising and ventures Retail: shops, web, call centers (contact) Intercompany revenues  	<ul style="list-style-type: none"> TV market share TV subscribers

Consumer assets

Building on strong position in the Netherlands

Multi-brands

- Premium



- Value

Telfort.

Het Net

slim

- Community



Multi-channel distribution

Strong position in retail

- KPN: 104 shops, portal
- Hi: 4 shops, portal
- Telfort: 18 shops, portal
- (External) retail partners
- Largest call center



Market leadership¹

	Customers	Share
Traditional voice	3.9 mn	65%
Mobile	5.9 mn	40%
Broadband	2.1 mn	41%
VoIP	517 k	36%
Digital TV	265 k	12%

CLM

Essential capability for cross- & upselling

- Knowing exact value of customers
- Higher revenue per customer through upselling
- Decrease churn by targeted cross-selling
- Segmented approach on value and churn risk
- Direct marketing execution

Propositions

Now

- Voice / VoIP
- Internet
- Mobile
- TV

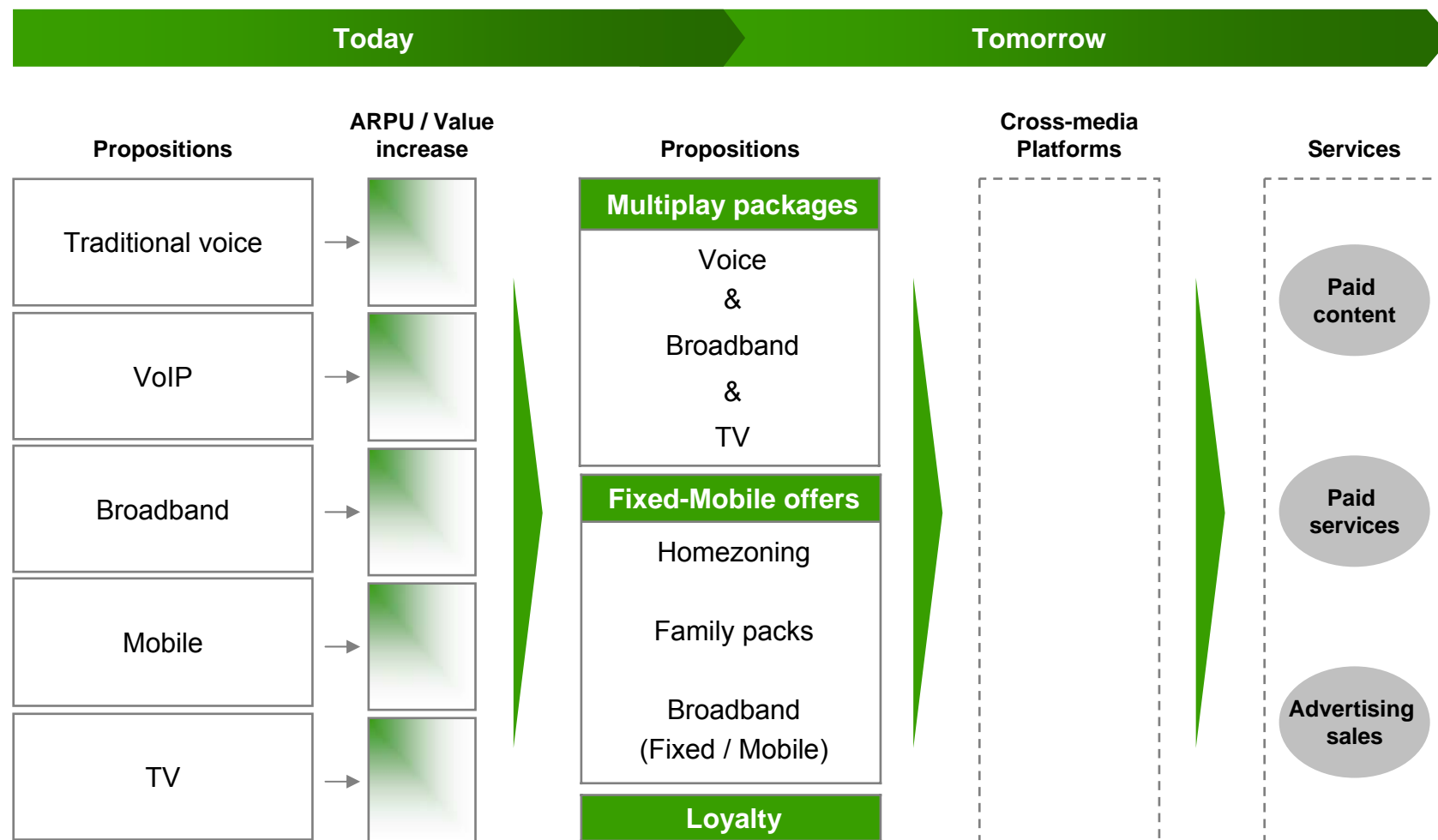
Future

- Multiplay offers
- Fixed-Mobile offers



Consumer market objectives

From cross- and upselling to multiplay packages and Fixed-Mobile offers



TV strategy

TV propositions essential for multiplay

Competitive market

- High cable penetration: 93%
- Cable upsells TV subscribers with broadband and VoIP

Strategy

- TV as strategic pillar of multiplay, driving broadband share
- KPN's low-cost DVB-T (Digitenne) as challenger to cable
- Premium IPTV (Mine) supporting increased broadband needs

Future service portfolio

- Multiplay propositions with Digitenne and Mine
- DVB-T, linked to the open Internet
- Pilot "Over the top" interactive service concept (MediaMall)
- Launch mobile TV (DVB-H) by the end of 2007



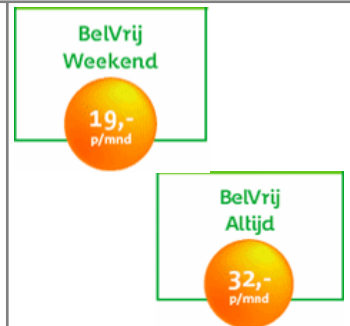
Consumer principles

Simple offerings and intelligent packaging

Simplification

Simplification and smaller range of propositions

- Telephone tariff schemes in small / medium / large
- Cost reduction potential



Clear propositions

Clear propositions, different to technologies

- Simple communication of multiplay packages
- Flat-fee mobile with Telfort Unlimited
- Family packages through KPN brand



Value-added services

Value Added Services for additional ARPU

- KPN ExperTeam: service engineers on-call
- PC Veilig: security service for consumer PCs
- Mobile bundles
- Loyalty program



Consumer propositions

Initial propositions launched, attractive roadmap

Launches Q1



- Homezoning ('MobielThuis')
 - Mobile calls for fixed-line rates around customer's homes
- Telfort Unlimited
 - Flat fee mobile to all fixed and Telfort numbers
- Loyalty program "bij kpn"
 - Credit points and free minutes based on usage for both Fixed and Mobile

Future propositions



- More Fixed-Mobile propositions
 - Family propositions
 - Prepaid segment
- Multiplay offers with telephony, Internet and TV
- Leveraging new cross-media platforms across TV, Mobile and Internet

Consumer portfolio

Matrix organization to optimize customer value

		Services			
Customer focus		Voice wireline	Wireless services	Internet wireline	TV
Customer value ↓	Acquisition	<ul style="list-style-type: none">• CPS winback	<ul style="list-style-type: none">• Post Paid, Pre Paid• Hybrids• SIM only	<ul style="list-style-type: none">• VoIP• ADSL• ADSL Only	<ul style="list-style-type: none">• DVB-T• IPTV
	Up-selling	<ul style="list-style-type: none">• Flat fees• Bundles	<ul style="list-style-type: none">• Pre / Post migration• Flat fee• Homezone• Mobile Internet	<ul style="list-style-type: none">• Higher bandwidth• Security• Hosting• Entertainment	<ul style="list-style-type: none">• Live football• Video on demand• Content
	Cross-selling and retention	<ul style="list-style-type: none">• Mobile Only• DVB-T	<ul style="list-style-type: none">• Homezone• ADSL Only	<ul style="list-style-type: none">• VoIP• IPTV	<ul style="list-style-type: none">• Multiplay
		Multiplay packages			
	Loyalty program				
		Service portfolio →			

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Business

Key components of Business activities

Reporting entity	Reported activities	Key KPIs
Corporate solutions Revenues €0.5 bn	<ul style="list-style-type: none"> End-to-end ICT services for top 500 customers Outsourcing services 	<ul style="list-style-type: none"> Contract wins
Voice wireline Revenues €1.1 bn	<ul style="list-style-type: none"> Access, originating minutes, bundles Traditional and IP-based voice 	<ul style="list-style-type: none"> # PSTN, ISDN, VoIP Minutes
Wireless services Revenues €0.9 bn	<ul style="list-style-type: none"> Access, originating minutes, bundles for voice and data Value-added services Terminating revenues Handset revenues 	<ul style="list-style-type: none"> Subscribers MoU, ARPU SAC/SRC
Network services Revenues €0.7 bn	<ul style="list-style-type: none"> Connectivity Housing and hosting services (Cyber centers) 	<ul style="list-style-type: none"> # leased lines # IP-VPN, E-VPN Housing services (m²)
Application services Revenues €0.5 bn	<ul style="list-style-type: none"> Installation, maintenance and servicing (IP) PBX Managed services for voice, data workspace Online applications (desktop, financial reporting, back-up) 	
Other Revenues -/- €0.4 bn	<ul style="list-style-type: none"> Sales force Narrowcasting: targeted audiovisual communication Intercompany between Corporate solutions and other units 	

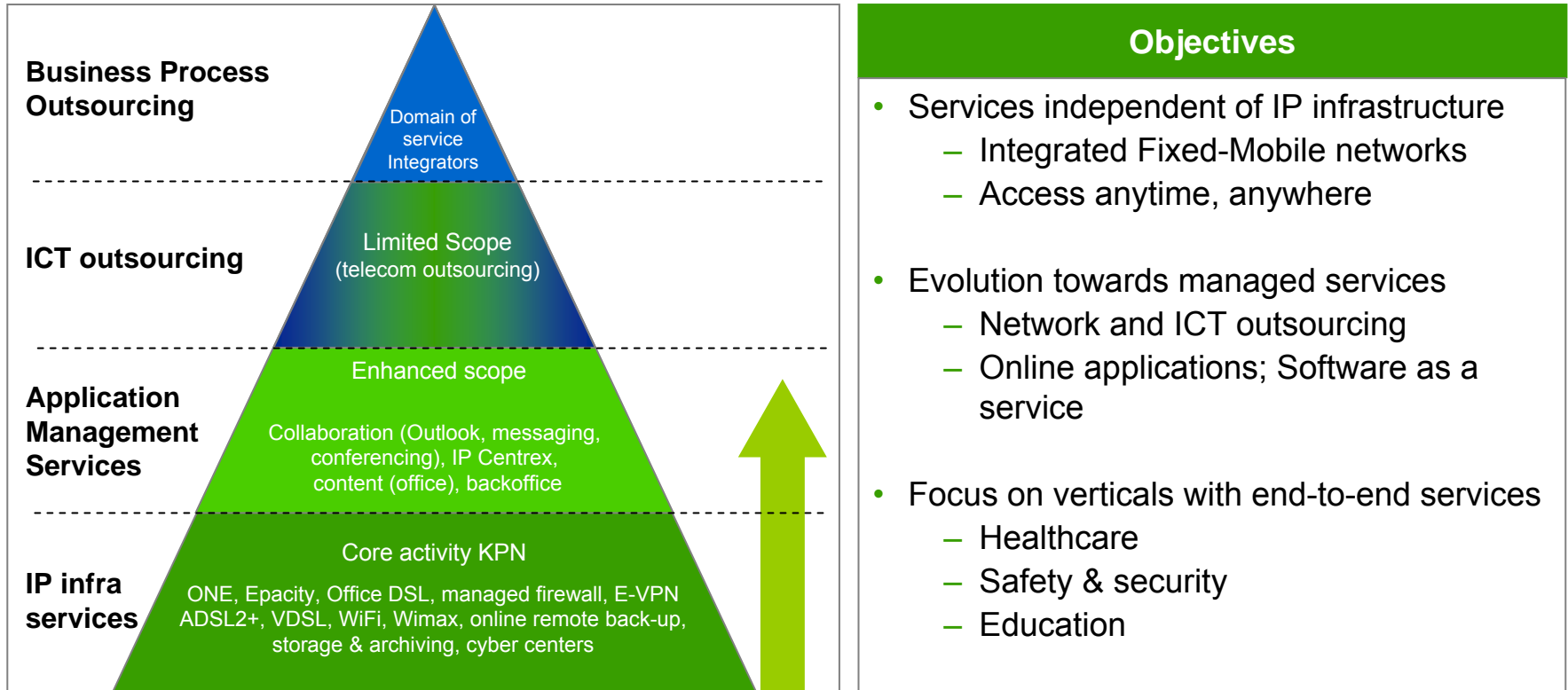
Business organization

Matrix organization in Business

Customer focus		Product focus					
		Corporate solutions	Voice wireline	Wireless services	Network services	Application services	Other
Corporates	<ul style="list-style-type: none"> End-to-end ICT services for top 500, Fixed-Mobile integrated Outsourcing services 						
Large enterprises	<ul style="list-style-type: none"> Leveraging customer relationship Personal sales to maximize market share 		<div>Service portfolio</div> 				
SME	<ul style="list-style-type: none"> Leveraging customer relationship Mass marketing to maximize market share 						
SoHo	<ul style="list-style-type: none"> Cross- and upselling, lower churn and higher customer satisfaction through CLM 						
			Customer segments				

Business market objectives

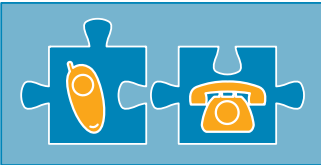
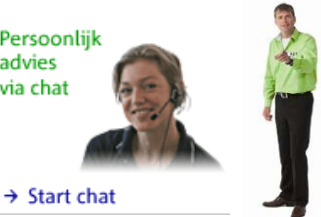


Moving up the value chain to provide managed end-to-end ICT services



**Transforming from communication service provider
towards end-to-end ICT provider**

Business market achievements

Integrated customer and converged product approach

Integrated marketing & sales approach	<ul style="list-style-type: none"> Fully customer centric integrated sales and marketing Converged channels: personal sales, Business Centers, call center, Internet Top 500 customer needs addressed through one organization 	
Converged service campaign	<ul style="list-style-type: none"> Total service provider in all channels, launched end 2005 Fixed and Mobile offerings in one campaign Major step in service differentiation, e.g. live chat with KPN advisor 	<p>Persoonlijk advies via chat</p>  <p>→ Start chat</p>
Integrated customer service	<ul style="list-style-type: none"> All pre-sales and after sales agents centralized in one location Significant reduction in calls per order Successful pilots, further roll out in progress 	
New Fixed-Mobile portfolio	<ul style="list-style-type: none"> Building on strong performance of existing Fixed-Mobile offerings Mobiel InBedrijf: wireless PBX offering for SME users ONE: fully integrated Fixed-Mobile offer for LE and Corporate¹ Implementation of Forced on PBX through smart SIM 	

¹ Office, mobile and home access, secure Internet access, managed IP voice

Business market achievements

IT services already part of services portfolio

 <p>2,000 Managed workspaces</p>	 <p>Large workspace contracts, e.g. ING, Olympia, Veolia</p>	 <p>13 small ICT companies acquired</p>	 <p>60 Major web sites with millions of hits</p>	 <p>8,000 Servers in KPN CyberCenter, of which 2,000 managed by KPN</p>
 <p>18,000 Application Online users</p>	<p>Business market achievements in 2006</p>			 <p>900 Terabytes storage managed and secured in KPN CyberCenter(s)</p>
 <p>10,000 KPN Mail Scan users</p>	 <p>1,200,000 mailboxes managed by KPN</p>	 <p>6,000,000 X400-messages sent via KPN</p>	 <p>1,000 Trucks equipped with KPN fleet control</p>	 <p>12,000 m² used capacity in State-of-the-Art CyberCenters</p>

Wholesale & Operations organization

Key components of Wholesale & Operations activities

Entity	Main activities	Key KPIs
Wholesale	<ul style="list-style-type: none"> • Connectivity services for retail segments and competition • Voice: originating, fixed terminating and transit • Access: wholesale broadband access, ULL, MDF colocation • Wireless services 	<ul style="list-style-type: none"> • Market shares • # minutes • # access lines • # unbundled lines
KPN Global Carrier Services	<ul style="list-style-type: none"> • Interconnection services for international carriers • Voice and data for both Wireline and Wireless • Value-added services 	<ul style="list-style-type: none"> • Gross margin • # minutes
Operations	<ul style="list-style-type: none"> • Network operations for Wireline and Wireless services • Telfort and Fixed-Mobile network integration • Innovation to increase network capacity at lower costs: HSDPA, DVB-H 	<ul style="list-style-type: none"> • ADSL coverage • VDSL coverage • UMTS coverage • FTEs
Real estate	<ul style="list-style-type: none"> • Internal revenues for real estate rent • Proceeds from real estate sale 	<ul style="list-style-type: none"> • Separate line item in reporting • Proceeds from sale

All-IP objectives

Transforming all aspects of our business

Attack

- Proactive migration of traditional services to IP-based services, e.g. VoIP
- New IP and broadband services, extended with value-added services
- Services independent of infrastructure

Defend

- Maximize position in traditional services prior to migration to IP-based services and phase-out
- Open access model based on IP
- Unbundlers as resellers on KPN infrastructure

Exploit

- Ethernet backbone to reduce stovepipes
- Broadband access network: VDSL, HSDPA
- Rationalization of systems and processes

- Higher bandwidth
- New revenue streams
- Structurally lower costs

Wholesale & Operations achievements

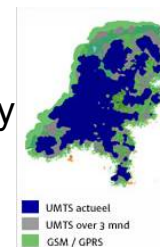
Significant progress made on network efficiency and service offering

New services

- Continued launch of new services through wholesale and retail to achieve scale
- Reference offers for Wholesale Broadband Access, SLU and SDF backhaul
- Introduction of Wholesale Line Rental
- Discussions on wholesale offers for DVB-H

Network integration / rollout

- Network integration for Fixed and Mobile in progress
- Telfort network integration on track, 2G radio integration concluded by
- HSDPA services available, 90% UMTS coverage by end 2006
- DVB-T coverage 55% by end 2006, rapid expansion until end 2007



Wholesale international









- Intended merger between international VoIP carrier iBasis and KPN Global Carrier Services, closing pending regulatory approval
- Basis for expansion of international footprint and customer base

Agenda

Rationale	Marcel Smits, CFO
Governance	Marcel Smits, CFO
Reporting impact	Marcel Smits, CFO
Fixed-Mobile opportunities Mobile International	Marcel Smits, CFO
Concluding remarks	Marcel Smits, CFO

Mobile International

Challengers focusing on further capturing Fixed-Mobile substitution potential

Reporting entity	Reported activities	Key KPIs
 <p>Revenues €2.9 bn EBITDA €0.9 bn</p>	<ul style="list-style-type: none"> • Retail brands, proprietary MVNO brands and MVNO partners • Access: voice and data • Minutes, bundles, value-added services • Inbound revenues from MTA • Handset revenues 	<ul style="list-style-type: none"> • Service revenue share • Subscribers • ARPU, MoU • SAC/SRC
 <p>Revenues €0.6 bn EBITDA €0.3 bn</p>	<ul style="list-style-type: none"> • Retail brands, proprietary MVNO brands and MVNO partners • Access: voice and data • Minutes, bundles, value-added services • Inbound revenues from MTA • Handset revenues 	<ul style="list-style-type: none"> • Revenue share • Subscribers • ARPU, MoU • SAC/SRC
<p>Mobile Wholesale NL</p> <p>Revenues €0.3 bn EBITDA €0.1 bn</p>	<ul style="list-style-type: none"> • Proprietary MVNO brands   • Dutch MVNO partners   • Dutch Service Providers   	<ul style="list-style-type: none"> • Subscribers • Total minutes • Total SMS

Mobile International Wholesale

Expand proven profitable business model

Achievements

- Market leading position
 - No frills, online
 - Discounters, retailers
- Simyo and Ay Yildiz launched in all our markets
- Various wholesale partnerships launched
 - Aldi / Medion in Germany and Belgium
 - Ortel in all our markets
- Integrated commercial activities



Objectives

- Retain and strengthen market leadership
- Tap into new MVNO segments
 - Fixed-net MVNOs
 - Value MVNOs
- Expansion wholesale partnerships with focus on:
 - Distribution, Communities
 - Added value
- Selectively explore international opportunities in Western Europe

Agenda

Rationale	Marcel Smits, CFO
Governance	Marcel Smits, CFO
Reporting impact	Marcel Smits, CFO
Fixed-Mobile opportunities	Baptiest Coopmans, MD Consumer Eelco Blok, MD Business Marcel Smits, CFO
Concluding remarks	Marcel Smits, CFO

Strategy the Netherlands

Further evolution with Fixed-Mobile Integration

	March 2005 objectives	Fixed-Mobile Integration
Attack	<ul style="list-style-type: none"> • Drive new revenue streams 	<ul style="list-style-type: none"> • Cross- and upselling opportunities • Fixed-Mobile propositions <ul style="list-style-type: none"> – Multiplay and Fixed-Mobile offers in Consumer market – Integrated services in Business market
Defend	<ul style="list-style-type: none"> • Defend market share in traditional markets • Leverage scale advantage through wholesale markets 	<ul style="list-style-type: none"> • Loyalty programs • Simplification and optimization of service portfolio • Wholesale as low cost distribution channel
Exploit	<ul style="list-style-type: none"> • Achieve structurally lower cost base, by moving towards All-IP • Fixed-Mobile Integration 	<ul style="list-style-type: none"> • Fixed and Mobile organizational integration • Centralization of all network and IT assets to increase efficiency

Operating principles

Executing our strategy along clear principles

Proactive

All IP services and infrastructure

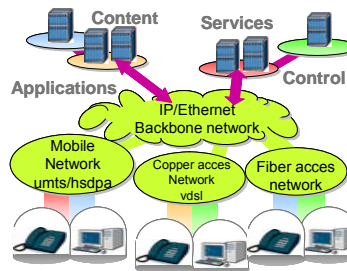
2007

2010



- Turning early exposure to market trends into key strength

Open access model



- Infrastructure sharing
- Committed wholesale partner

Lowest cost



- Focus on operational excellence
- Competitive cost base

Country-specific strategies



- Strategy tailored to local markets
- Integrated market leader in NL
- Challenger in Germany and Belgium

Multi-branding / distribution



- Segmented market approach
- Many own and third party channels

Customer focused innovation



- New services based on customer needs
- No technology push

Concluding remarks

- Fixed-Mobile Integration as evolution to increase customer focus
 - Building on past experience of Fixed segmentation
 - Strong demand in Business and successful pilots in Consumer
- Improving business performance
 - More effective market approach and customer focus
 - Increased efficiency and transparency
 - Improved governance with right incentives
- Delivering financial benefits
 - Higher revenues, mainly from cross- and upselling
 - Lower operating costs from efficient use of infrastructure and IT
 - Lower Capex by moving to All-IP and Fixed-Mobile infrastructure sharing

Q & A

Annex

For further information please contact

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Revenues and other income

Old		
€ mn	FY '06	FY '05
E-Plus	2,894	2,822
BASE	622	548
KPN Mobile NL	2,980	2,483
Other	-46	4
Mobile	6,450	5,857
Consumer	2,262	2,384
Business	2,535	2,653
Wholesale & Operations	4,762	4,985
Other	-2,912	-3,139
Fixed	6,647	6,883
Other	149	255
Intercompany	-1,189	-1,059
KPN Group	12,057	11,936

New		
€ mn	FY '06	FY '05
E-Plus	2,894	2,822
BASE	622	548
Mobile wholesale NL	303	202
Other	0	-4
Mobile International	3,819	3,568
Consumer	4,236	4,036
Business	3,316	3,424
Wholesale & Operations	3,938	4,048
Other ¹	-2,973	-3,083
The Netherlands	8,517	8,425
Other	97	266
Intercompany	-376	-323
KPN Group	12,057	11,936

¹ Including IT NL and intercompany

EBITDA¹

Old		
€ mn	FY '06	FY '05
E-Plus	905	673
BASE	264	204
KPN Mobile NL	1,092	928
Other	-26	30
Mobile	2,235	1,835
Consumer	269	380
Business	349	358
Wholesale & Operations	1,928	2,038
Other	28	16
Fixed	2,574	2,792
Other	28	97
KPN Group	4,837	4,724

New		
€ mn	FY '06	FY '05
E-Plus	905	673
BASE	264	204
Mobile wholesale NL	112	73
Other	-5	-4
Mobile International	1,276	946
Consumer	729	806
Business	711	646
Wholesale & Operations	2,087	2,211
Other ²	-3	-11
The Netherlands	3,524	3,652
Other	37	126
KPN Group	4,837	4,724

¹ Defined as Operating result plus depreciation, amortization & impairments

² Including IT NL

EBITDA margin¹

Old		
%	FY '06	FY '05
E-Plus	31.3%	23.8%
BASE	42.4%	37.2%
KPN Mobile NL	36.6%	37.4%
Mobile	34.7%	31.3%
Consumer	11.9%	15.9%
Business	13.8%	13.5%
Wholesale & Operations	40.5%	40.9%
Fixed	38.7%	40.6%
Other	18.8%	38.0%
KPN Group	40.1%	39.6%

New		
%	FY '06	FY '05
E-Plus	31.3%	23.8%
BASE	42.4%	37.2%
Mobile wholesale NL	37.0%	36.1%
Mobile International	33.4%	26.5%
Consumer	17.2%	20.0%
Business	21.4%	18.9%
Wholesale & Operations	53.0%	54.6%
The Netherlands	41.4%	43.3%
Other	38.1%	47.4%
KPN Group	40.1%	39.6%

¹ Defined as Operating result plus depreciation, amortization & impairments divided by revenues and other income

EBIT

Old		
€ mn	FY '06	FY '05
E-Plus	227	-5
BASE	147	85
KPN Mobile NL	456	648
Other	-25	29
Mobile	805	757
Consumer	189	338
Business	264	281
Wholesale & Operations	924	881
Other	25	16
Fixed	1,402	1,516
Other	16	75
KPN Group	2,223	2,348

New		
€ mn	FY '06	FY '05
E-Plus	227	-5
BASE	147	85
Mobile wholesale NL	49	72
Other	-5	-4
Mobile International	418	148
Consumer	491	676
Business	613	564
Wholesale & Operations	680	874
Other ¹	-13	-27
The Netherlands	1,771	2,087
Other	34	113
KPN Group	2,223	2,348

¹ Including IT NL

EBIT margin

Old		
%	FY '06	FY '05
E-Plus	7.8%	-0.2%
BASE	23.6%	15.5%
KPN Mobile NL	15.3%	26.1%
Mobile	12.5%	12.9%
Consumer	8.4%	14.2%
Business	10.4%	10.6%
Wholesale & Operations	19.4%	17.7%
Fixed	21.1%	22.0%
Other	10.7%	29.4%
KPN Group	18.4%	19.7%

New		
%	FY '06	FY '05
E-Plus	7.8%	-0.2%
BASE	23.6%	15.5%
Mobile wholesale NL	16.2%	35.6%
Mobile International	10.9%	4.1%
Consumer	11.6%	16.7%
Business	18.5%	16.5%
Wholesale & Operations	17.3%	21.6%
The Netherlands	20.8%	24.8%
Other	35.1%	42.5%
KPN Group	18.4%	19.7%

Capex¹

Old		
€ mn	FY '06	FY '05
Mobile	830	678
% Revenues Mobile	12.9%	11.7%
E-Plus	486	401
% Revenues E-Plus	16.8%	14.3%
BASE	123	117
% Revenues BASE	19.8%	21.4%
KPN Mobile NL	218	159
% Revenues KPN Mob NL	7.3%	6.4%
Fixed	791	706
% Revenues Fixed	12.0%	10.3%
Consumer	200	59
% Revenues Consumer	8.8%	2.5%
Business	104	64
% Revenues Business	4.1%	2.4%
Wholesale & Operations	483	578
% Revenues W&O	10.2%	11.6%
Other	29	10
Total	1,650	1,394
% Revenues	13.8%	11.8%

New		
€ mn	FY '06	FY '05
Mobile International	615	526
% Revenues Mobile Int.	16.1%	14.7%
E-Plus	486	401
% Revenues E-Plus	16.8%	14.2%
BASE	123	117
% Revenues BASE	19.8%	21.4%
Mobile wholesale NL	4	8
% Revenues Mob wholesale	1.3%	4.0%
The Netherlands	1,013	854
% Revenues the Netherlands	11.6%	10.1%
Consumer	210	97
% Revenues Consumer	4.9%	2.4%
Business	128	71
% Revenues Business	3.7%	2.1%
Wholesale & Operations	626	585
% Revenues W&O	15.9%	14.5%
Other	22	14
Total	1,650	1,394
% Revenues	13.8%	11.8%

¹ Including Property, Plant & Equipment and software

Assets

Old	
€ bn	FY '06
E-Plus	10.1
BASE	1.3
KPN Mobile NL	3.5
Other (incl. eliminations)	1.0
Mobile	15.9
Consumer	1.1
Business	1.7
Wholesale & Operations	5.6
Other (incl. eliminations)	-0.3
Fixed	8.1
Other	19.7
Eliminations	-22.4
KPN Group	21.3

New	
€ mn	FY '06
E-Plus	10.1
BASE	1.3
Mobile wholesale NL	0.2
Other (incl. eliminations)	-0.8
Mobile International	10.8
Consumer	3.3
Business	2.2
Wholesale & Operations	8.1
Other (incl. eliminations)	-1.9
The Netherlands	11.7
Other	18.6
Eliminations	-19.8
KPN Group	21.3

FTEs

Old	
('000)	FY '06
E-Plus	2,993
BASE	483
KPN Mobile NL	1,879
Other	45
Mobile	5,400
Consumer	931
Business	3,879
Wholesale & Operations	12,602
Other	376
Fixed	17,788
Other	2,788
KPN Group	25,976



New	
('000)	FY '06
E-Plus	2,993
BASE	483
Mobile wholesale NL	33
Other	5
Mobile International	3,514
Consumer	8,625
Business	5,448
Wholesale & Operations	6,905
Other	828
The Netherlands	21,806
Other	656
KPN Group	25,976

Impact MTA reduction¹

Old		
FY '06 (€ mn)	Revenues	EBITDA ²
E-Plus	-99	-42
BASE	-5	-3
KPN Mobile NL	-87	-39
Mobile	-191	-84
Consumer	-21	-
Business	-23	-
Wholesale & Operations	-114	-
Fixed	-158	-
Intercompany	106	-
KPN Group	-243	-84

New		
FY '06 (€ mn)	Revenues	EBITDA ²
E-Plus	-99	-42
BASE	-5	-3
Mobile wholesale NL	-10	-5
Mobile International	-114	-50
Consumer	-73	-25
Business	-41	-9
Wholesale & Operations	-40	-
Intercompany	20	-
The Netherlands	-134	-34
Intercompany	5	-
KPN Group	-243	-84

MTA tariff reductions

- KPN Mobile NL (excl. Telfort): lowered from 13.0 to 11.0 cents as of 1 December 2005
- E-Plus: lowered from 12.4 to 9.9 cents as of 23 November 2006
- BASE: lowered from 19.6 to 15.8 cents as of 1 November 2006

¹ Additional decline compared to 2005

² Defined as Operating result plus depreciation, amortization & impairments

Restructuring charges

Old		
€ mn	FY '06	FY '05
E-Plus	-21	-
BASE	-	-
KPN Mobile NL	-1	-3
Mobile	-22	-3
Consumer	-2	-1
Business	-2	-2
Wholesale & Operations	-25	-52
Fixed	-29	-54
Other	-20	-35
KPN Group	-71	-92

New		
€ mn	FY '06	FY '05
E-Plus	-21	-
BASE	-	-
Mobile wholesale NL	-	-
Mobile International	-21	-
Consumer	-16	-8
Business	-3	-9
Wholesale & Operations	-13	-36
The Netherlands	-32	-53
Other	-18	-39
KPN Group	-71	-92

Tax

Old	P&L		Cash flow	
Fiscal units (€ mn)	FY '06	FY '05	FY '06	FY '05
Fixed division & Other activities	-114	-109	-65	-5
German Mobile activities	37	9		
Belgian Mobile activities	-15	122		
Dutch Mobile activities	312	40		
Total	220	62	-65	-5

New	P&L		Cash flow	
Fiscal units (€ mn)	FY '06	FY '05	FY '06	FY '05
Dutch activities	198	-69	-65	-5
German Mobile activities	37	9		
Belgian Mobile activities	-15	122		
Total	220	62	-65	-5

Consumer

Old			
Fixed			
Consumer		Business	
<ul style="list-style-type: none">• Voice• Internet• TV			
W&O			
Wholesale	Contact	IT	Network
Mobile			
Consumer		Business	
<ul style="list-style-type: none">• KPN• Hi• Telfort			
W&O			
Other			
	Retail		



New	
Consumer	
€ mn	Revenues and other income '06
Voice wireline	1,444
<ul style="list-style-type: none"> Access Originating traffic 	34%
Wireless services	1,705
<ul style="list-style-type: none"> Originating, terminating voice Data and content KPN, Hi, Telfort 	40%
Internet wireline	762
<ul style="list-style-type: none"> ADSL, dial-up VoIP Content, VAS 	18%
Other	325
<ul style="list-style-type: none"> TV (Digitenne, Mine) Retail (shops, web) Contact (call center) Intercompany 	8%
Consumer	4,236

Business

Old	
Fixed	
Consumer	Business
	<ul style="list-style-type: none"> • Voice • Connectivity • IMS • Entercom
W&O	
Mobile	
Consumer	Business
	<ul style="list-style-type: none"> • KPN
	<ul style="list-style-type: none"> • Sympac
W&O	
Other	
	Sales



New	
Business	
€ mn	Revenues and other income '06
Corporate solutions	505
<ul style="list-style-type: none"> • End-to-end ICT services • Outsourcing services 	15%
Voice wireline	1,086
<ul style="list-style-type: none"> • Access, originating traffic • Traditional, VoIP 	33%
Wireless services	868
<ul style="list-style-type: none"> • Originating, terminating voice • Data services 	26%
Network services	746
<ul style="list-style-type: none"> • Connectivity • Housing, hosting services 	22%
Application services	467
<ul style="list-style-type: none"> • Installation, servicing (IP) PBX • Managed services 	14%
Other	-356
<ul style="list-style-type: none"> • Sales force • Narrow casting, Sympac • Intercompany 	
Business	3,316

Wholesale & Operations

Old			
Fixed			
Consumer		Business	
W&O			
Wholesale	Contact / IT	Real estate	Network
Mobile			
Consumer		Business	
W&O			
Wholesale	IT	Network	
Other			



New	
Wholesale & Operations	
€ mn	Revenues and other income '06
National services <ul style="list-style-type: none"> Voice services Access services Broadband services Wireless services 	3,029
Operations <ul style="list-style-type: none"> Customer operations Network operations 	
International services <ul style="list-style-type: none"> KPN Global Carrier services 	537
Real estate <ul style="list-style-type: none"> Technical buildings Fixed towers 	372
Wholesale & Operations	3,938

Mobile International

Old		
E-Plus		
BASE		
Mobile NL		
Consumer	Business	
<ul style="list-style-type: none">• Ay Yildiz• Simyo		
W&O		
Wholesale <ul style="list-style-type: none">• MVNOs• Service providers	IT	Network



New		
Mobile International		
€ mn	Revenues and other income '06	
E-Plus		2,894
	<ul style="list-style-type: none"> Retail Wholesale 	76%
BASE		622
	<ul style="list-style-type: none"> Retail Wholesale 	16%
Mobile wholesale NL		303
	<ul style="list-style-type: none"> Ay Yildiz, simyo MVNO partners Service providers 	8%
Mobile International		3,819

Other

Old			
Fixed			
Consumer		Business	
W&O			
Network	Real estate	IT	Contact
Holding			
Mobile			
Consumer		Business	
W&O			
Wholesale	IT	Network	
Other			
	Corporate Center	IT	



New	
Other	
€ mn	Revenues and other income '06
Corporate Center <ul style="list-style-type: none"> • Board of Management • Strategy and innovation • Control • Legal and regulatory • Procurement • HR 	
Other	97

Example: Business

Key relationships with internal and external parties

ILLUSTRATIVE

	<i>Business P&L</i>	Basis	Intercompany recognition			Other Telco
			Consumer	Wholesale & Operations	Mobile International	
Voice	Revenue <ul style="list-style-type: none"> Subscription fee (fixed, mobile) Fixed / VoIP originating Mobile originating Mobile terminating (from) 	ct / min	Opex		Opex	Opex
	Opex <ul style="list-style-type: none"> Terminating (to) Subscription fee (fixed, mobile) Network costs Fixed traffic Network costs VoIP traffic Network costs Mobile traffic 	ct / min Monthly tariff Retail-minus Monthly tariff ct / min	Revenue	Revenue Revenue Revenue Revenue	Revenue	Revenue
Network services	Revenue <ul style="list-style-type: none"> Leased lines IP-VPN, E-VPN Business DSL 					
	Opex <ul style="list-style-type: none"> Leased lines IP-VPN, E-VPN Wholesale Broadband Access 	Retail-minus Cost based Monthly tariff		Revenue Revenue Revenue		

Example: Wholesale & Operations

Key relationships with internal and external parties

ILLUSTRATIVE

	Wholesale & Operations P&L	Basis	Intercompany recognition			Other Telco
			Consumer	Business	Mobile International	
Voice	Revenue <ul style="list-style-type: none"> Fixed terminating (from) Network costs Fixed traffic Network costs VoIP traffic Network costs Mobile traffic Transit 	ct / min Retail-minus Monthly tariff ct / min ct / min	Opex Opex Opex Opex	Opex Opex Opex Opex	Opex	Opex Opex Opex Opex Opex
	Opex <ul style="list-style-type: none"> Fixed terminating (to) Transit 	ct / min ct / min				Revenue Revenue
Access	Revenue <ul style="list-style-type: none"> Voice subscription fee Wholesale Broadband Access Leased lines 	Monthly tariff Monthly tariff Retail-minus	Opex Opex	Opex Opex Opex	Opex	Opex Opex Opex

KPIs Consumer

Voice

Wireline	FY '06	Q4	Q3	Q2	Q1	FY '05
VoIP penetration¹	28%	28%	22%	17%	13%	9%
Market share						
– Voice ²	~ 60%	~ 60%	~ 60%	> 55%	~ 60%	~ 60%
– VoIP	36%	36%	25%	19%	14%	3%
– Traditional voice ³	> 65%	> 65%	> 65%	> 65%	~ 65%	~ 65%
Voice connections (x 1,000)	4,445	4,445	4,555	4,708	4,878	5,012
– PSTN	3,554	3,554	3,872	4,121	4,342	4,518
– ISDN	374	374	413	431	463	481
– VoIP packages (Voice, Broadband)	517	517	270	156	73	13
Net line loss⁴ (x 1,000)	-562	-130	-140	-165	-127	-328
Traditional originating minutes (bn)	9.41	2.19	2.17	2.37	2.68	10.98

Wireless services	FY '06	Q4	Q3	Q2	Q1	FY '05
– Customers (x 1,000)	5,923	5,923	5,944	5,887	5,898	5,920
– Service revenues (€ mn)	1,635	412	435	404	383	1,279
– ARPU (€)	23	23	25	23	22	22
– MoU (originating, terminating min)	104	107	103	107	100	87
– SAC/SRC (€)	166	161	169	152	184	179

1 VoIP lines in % broadband connections, excluding peer-to-peer applications

2 Share in total consumer voice (including VoIP)

3 Share in traditional voice (excluding VoIP)

4 PSTN / ISDN line loss -/- growth VoIP Consumer -/- growth ADSL only; management estimates

KPIs Consumer

Internet & TV

Internet wireline	FY '06	Q4	Q3	Q2	Q1	FY '05
Broadband penetration	69%	69%	66%	64%	62%	58%
Broadband market share						
KPN (ISP) retail ¹	40.9%	40.9%	40.3%	39.6%	37.9%	36.1%
Broadband connections ¹	42.7%	42.7%	42.7%	42.4%	42.6%	42.3%
ADSL connections	2,135	2,135	2,023	1,936	1,867	1,740
Broadband ISP customers (x 1,000)	2,044	2,044	1,911	1,806	1,664	1,485
– Planet Internet	601	601	589	587	581	577
– Het Net	557	557	534	510	495	442
– XS4ALL	251	251	262	264	264	211
– Direct ADSL	469	469	401	340	276	197
– Other ²	166	166	125	105	48	58
TV	FY '06	Q4	Q3	Q2	Q1	FY '05
– Subscribers (x 1,000)	265	265	245	230	207	184

¹ Including DSL and Cable, based on company estimate

² Including acquired customers which will be migrated to one of KPN's multi-brands over time

KPIs Business

Wireline	FY '06	Q4	Q3	Q2	Q1	FY '05
Market share voice	> 55%	> 55%	> 55%	> 55%	> 55%	> 55%
Access lines (x 1,000)	1,833	1,833	1,840	1,863	1,897	1,908
– PSTN	905	905	915	931	953	965
– ISDN	923	923	925	932	944	943
– VoIP	5	5	-	-	-	-
Traditional originating minutes (bn)	8.28	1.97	1.91	2.08	2.32	10.17
Network services (x 1,000)						
– Leased lines	36.4	36.4	38.2	39.3	41.7	42.1
– E-VPN connections	4.2	4.2	3.3	2.7	2.3	1.8
– Business DSL	53.6	53.6	45.3	38.5	31.5	24.0
Managed network services (x 1,000)						
– IP-VPN connections ¹	32.7	32.7	32.5	33.9	33.9	33.5
– M-VPN routers ¹	11.4	11.4	10.8	9.0	7.4	5.3
– Housing services (# m ²)	5.6	5.6	5.6	5.5	5.4	5.0
– Hosting services (# servers)	0.92	0.92	0.90	0.86	0.83	0.79
Wireless	FY '06	Q4	Q3	Q2	Q1	FY '05
– Customers (x 1,000)	1,171	1,171	1,121	1,088	1,050	1,048
– Service revenues (€ mn)	894	233	227	222	213	845
– ARPU (€)	68	68	69	69	68	72
– MoU (originating, terminating min)	299	301	277	309	311	317
– SAC/SRC (€)	295	261	324	283	322	329

¹ Restated numbers, semi-finished products no longer included

KPIs Wholesale & Operations

	FY '06	Q4	Q3	Q2	Q1	FY '05
Minutes (bn)	40.42	10.05	9.69	10.11	10.57	41.15
– Terminating services	13.04	3.26	3.03	3.24	3.51	13.49
– Originating	9.91	2.20	2.23	2.53	2.95	12.95
– Transit services	8.44	2.34	2.07	2.11	1.92	6.78
– International wholesale services	9.03	2.25	2.36	2.23	2.19	7.93
Local loop (x 1,000)						
– MDF access lines ¹	3,140	3,140	2,973	2,844	2,731	2,551
– of which line sharing ^{1,2}	2,167	2,167	2,258	2,325	2,407	2,349
Unbundling³ (x 1,000)	1,005	1,005	950	908	864	811
– Shared unbundled lines	594	594	545	577	638	641
– Fully unbundled lines	411	411	405	331	226	170
DSL coverage						
– ADSL	99%	99%	99%	99%	99%	99%
– ADSL 2+	57%	57%	57%	57%	57%	57%

1 Including Bitstream

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

3 External lines based on management estimates

KPIs E-Plus

	FY '06	Q4	Q3	Q2	Q1	FY '05
Market share¹						
Service revenue	12.9%	13.4%	13.2%	12.8%	12.1%	11.7%
Base	14.9%	14.9%	14.8%	14.5%	14.1%	13.5%
Customers (x 1,000)	12,654	12,654	12,215	11,852	11,442	10,748
– Post Paid	6,005	6,005	5,938	5,827	5,750	5,574
– Pre Paid	6,649	6,649	6,277	6,025	5,692	5,174
Service revenues (€ mn)	2,698	692	714	683	609	2,461
ARPU (€)	19	19	20	20	18	21
– Post Paid	32	31	33	33	30	35
– Pre Paid	6	7	7	6	6	6
Non-voice as % of ARPU	17%	18%	17%	16%	17%	15%
MoU (originating, terminating min)	110	123	114	107	95	79
– Post Paid	192	220	200	186	161	135
– Pre Paid	32	36	34	30	27	21
SAC/SRC (€)	90	101	88	83	88	148
– Post Paid	174	184	159	165	186	229
– Pre Paid	14	15	14	12	13	33

KPIs BASE

	FY '06	Q4	Q3	Q2	Q1	FY '05
Market share¹						
Revenue	~15%	>15%	~15%	>14%	~14%	>13%
Base	~22%	~22%	~21%	~21%	>20%	>19%
Customers (x 1,000)	2,358	2,358	2,219	2,104	2,040	2,001
– Post Paid	461	461	444	441	442	429
– Pre Paid	1,897	1,897	1,775	1,663	1,598	1,572
Service revenues (€ mn)	609	157	159	152	141	541
ARPU (€)	24	23	25	24	23	24
– Post Paid	60	58	64	61	58	61
– Pre Paid	14	14	15	15	14	15
Non-voice as % of ARPU	14%	15%	14%	13%	13%	14%
MoU (originating, terminating min)	137	135	129	145	140	117
– Post Paid	390	392	356	408	403	271
– Pre Paid	71	71	71	73	67	78
SAC/SRC (€)	20	20	17	22	21	28
– Post Paid	37	50	45	39	20	47
– Pre Paid	16	13	13	19	22	20

KPIs Mobile wholesale NL

	FY '06	Q4	Q3	Q2	Q1	FY '05
Customers (x 1,000)	1,548	1,548	1,419	1,290	1,176	1,103
– Post Paid	365	365	347	308	263	265
– Pre Paid	1,183	1,183	1,072	982	913	838
Service revenues (€ mn)	306	86	79	74	67	201
Total traffic (mn min)	1,719	482	428	421	388	879
Total SMS (Originating in mn)	302	88	81	71	62	91