

First Quarter Results 2011

21 April 2011

Safe harbor

Non-GAAP measures and management estimates

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

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

The term service revenues refers to wireless service revenues.

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

Forward-looking statements

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

These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the Annual Report 2010.

Agenda

Chairman's review	Eelco Blok
Group financial review	Carla Smits-Nusteling
Group operational review	Eelco Blok
Concluding remarks	Eelco Blok



EBITDA outlook adjustment, free cash flow confirmed

Revenues in the Netherlands lower than expected, new strategy accelerated

- Lower than expected revenues in the Netherlands
- New strategy and related investment plans accelerated to strengthen the Dutch businesses
- Germany firmly on track with profitable growth, despite MTA reductions
- 2011 EBITDA outlook adjusted downwards, free cash flow outlook is confirmed partly due to cash contribution tax facility
- KPN confirms dividend proposal of $\geq \text{€ } 0.85$ and $\text{€ } 1\text{bn}$ share repurchase program for 2011

Q1 trends affecting the Netherlands

Revenues in the Netherlands lower than expected

	Trends	Impact
Consumer market	<ul style="list-style-type: none"> • High penetration of smartphones leading to increasing usage of new 'apps' in wireless • New 'apps' resulting in accelerated substitution of SMS and voice by data • Current bundles not positioned to fully monetize data usage growth 	<ul style="list-style-type: none"> • SMS and voice revenues down <ul style="list-style-type: none"> – Significantly less SMS usage – Decreased outside bundle calling
Business market	<ul style="list-style-type: none"> • Increasing pricing pressure in competitive market • Continued rationalization • Accelerated migration to new services with lower margin 	<ul style="list-style-type: none"> • Lower service revenues • High margin traditional fixed line services impacted
Cost reductions	<ul style="list-style-type: none"> • Cost reductions insufficient to offset decline in revenues on top of severe MTA impact 	<ul style="list-style-type: none"> • Lower cost reductions
Key actions	<ul style="list-style-type: none"> • Short term commercial actions implemented, introduction of new bundles planned • Portfolio adjustments in Dutch Telco wireless • Move to data-centric portfolio in the long run 	

Accelerate implementation new strategy

Acting on key trends through short term actions and accelerated investments

	Key areas	Key actions
Strengthen business	<ul style="list-style-type: none"> • Accelerate investments to strengthen Dutch Telco business • New strategy on 10 May Investor Day 	<ul style="list-style-type: none"> • Enhance market position Consumer wireless and Business wireline • Improve broadband and TV market share • Expand distribution capability and upgrade VDSL network
Lower cost base	<ul style="list-style-type: none"> • Further reduction in FTE • Simplification of processes 	<ul style="list-style-type: none"> • FTE reduction program in 2011 - 2015 period, larger part via outsourcing and off-shoring • 4,000 - 5,000 FTE, around 20 - 25% of the workforce in the Netherlands • Multi-year reorganization costs totaling around € 250 - 300m
Tax facilities	<ul style="list-style-type: none"> • 2011 free cash flow supported by cash contribution resulting from tax facilities • Allows KPN to accelerate investments to strengthen its businesses 	

Outlook

EBITDA outlook adjusted, free cash flow confirmed

	Previous outlook 2011		Revised outlook 2011
EBITDA	Growth ¹		> € 5.3bn ²
Capex	< € 2 bn		< € 2 bn
Free cash flow³	Growth ⁴		Growth ⁴
Dividend per share	At least € 0.85		At least € 0.85

- EBITDA outlook lowered to more than € 5.3bn
- 2011 free cash flow supported by cash contribution resulting from tax facilities
- Confirm dividend proposal of at least € 0.85 and € 1bn share repurchase program for 2011

1 "Growth" defined as growth compared to 2010 EBITDA, set on 26 January 2010 (EBITDA in 2010 was EUR 5,476m)

2 Excluding 2011 part of reorganisation costs

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

4 "Growth" defined as growth compared to 2010 free cash flow, set on 26 January 2010 (free cash flow in 2010 was EUR 2,428m)

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Group results Q1 '11

€ m	Q1 '11	Q1 '10	%
Revenues and other income	3,235	3,277	-1.3%
Operating expenses	2,523	2,484	1.6%
– of which Depreciation ¹	347	348	-0.3%
– of which Amortization ¹	210	182	15%
Operating profit	712	793	-10%
Financial income/expense	-155	-192	-19%
Share of profit of associates	1	-10	n.m.
Profit before taxes	558	591	-5.6%
Taxes	33	-142	n.m.
Profit after taxes	591	449	32%
Earnings per share³	0.39	0.28	39%
EBITDA⁴	1,269	1,323	-4.1%

- Lower revenues and other income
 - Regulatory impact of € 122m (3.7%)
 - Net positive incidentals of € 2m
- EBITDA down € 54m; operating profit down 10%
 - Regulatory impact of € 51m (3.9% impact on EBITDA)
 - Net positive incidentals of € 15m²
 - Higher amortization of licenses and software (€ 28m)
- Profit after taxes € 591m, up 32% y-on-y
 - Lower interest charges
 - Positive impact in Dutch tax position from fiscal facilities stimulating innovation (€ 150m)⁵

¹ Including impairments, if any

² Net incidentals include the impact of one-offs and the impact of disposed / acquired businesses netted by the Q1 '10 impact of these items

³ Defined as profit after taxes per ordinary share / ADS on a non-diluted basis (in €)

⁴ Defined as operating profit plus depreciation, amortization & impairments

⁵ Related to the period 2007 - 2010

Group cash flow Q1 '11

Free cash flow follows regular seasonal pattern

€ m	Q1 '11	Q1 '10	%
Operating profit	712	793	-10%
Depreciation and amortization ¹	557	530	5.1%
Interest paid/received	-256	-259	-1.2%
Tax paid/received	-115	-554	-79%
Change in provisions	-120	-84	43%
Change in working capital ²	-279	-198	41%
Other movements	-34	1	n.m.
Net cash flow from operating activities	465	229	>100%
Capex³	382	335	14%
Proceeds from real estate	47	7	>100%
Tax recapture E-Plus	61	327	-81%
Free cash flow⁴	191	228	-16%
Dividend paid	-	-	n.m.
Share repurchases	178	101	76%
Cash return to shareholders	178	101	76%

¹ Including impairments, if any

² Excluding changes in deferred taxes

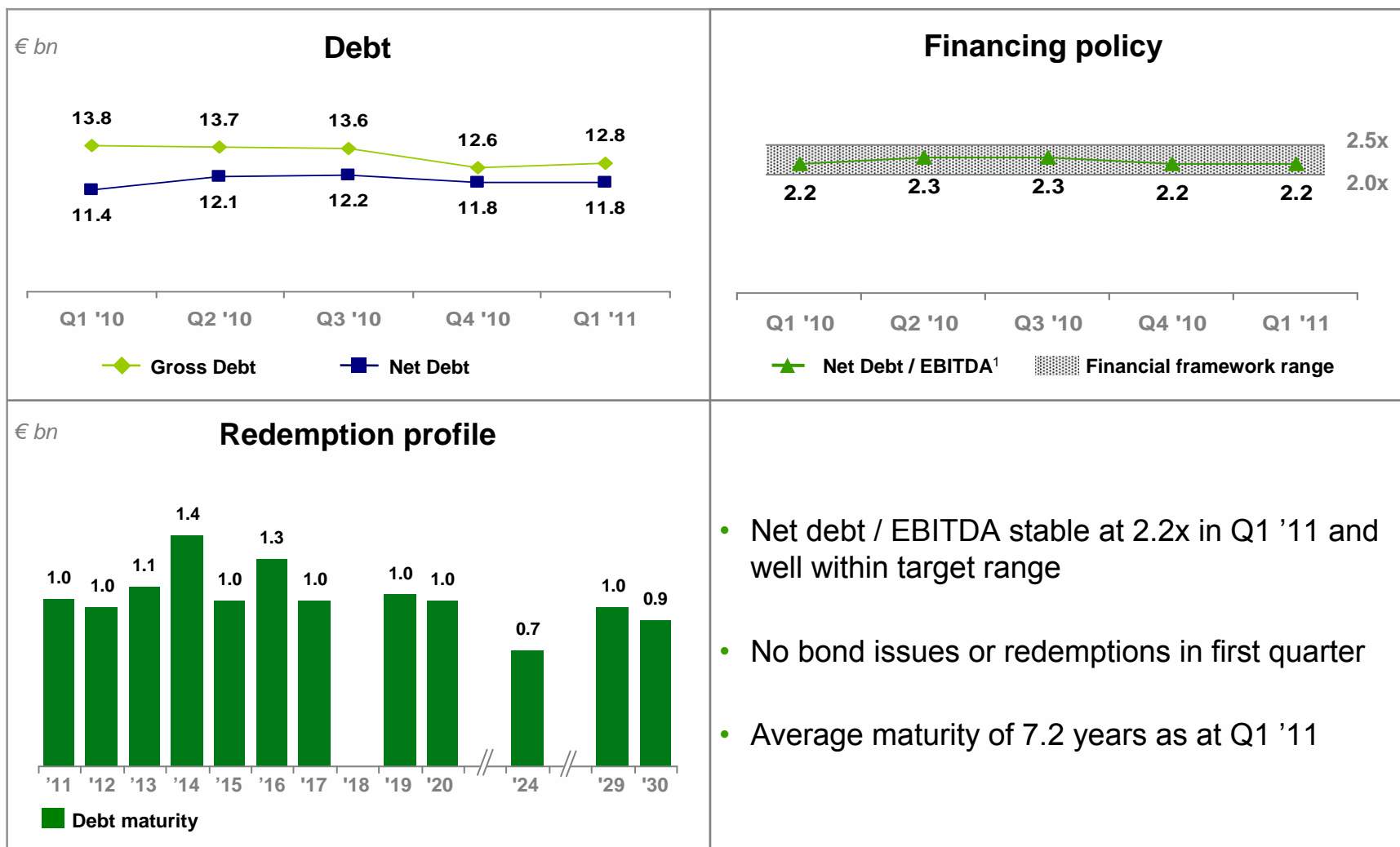
³ Including Property, Plant & Equipment and software

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

- Free cash flow of € 191m in Q1 '11, down 16% y-on-y
 - € 54m lower EBITDA
 - € 81m lower working capital improvements due to strong Q1 '10
 - € 36m higher change in provisions
 - € 47m higher Capex
- partly offset by:
 - € 173m lower tax payments due to monthly tax payments in 2011 while full year tax prepayment in Q1' 10
- € 178m shareholder returns
 - 24% of share repurchase program completed to date
- Average coverage ratio of KPN pension funds at 109% end Q1 '11
 - Q1 '11 recovery payment of € 11m
 - Q2 '11 recovery payment of € 19m
 - No additional recovery payments as long as coverage ratio above 105%

Group financial profile

Solid financial profile with Net debt / EBITDA well within target range



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

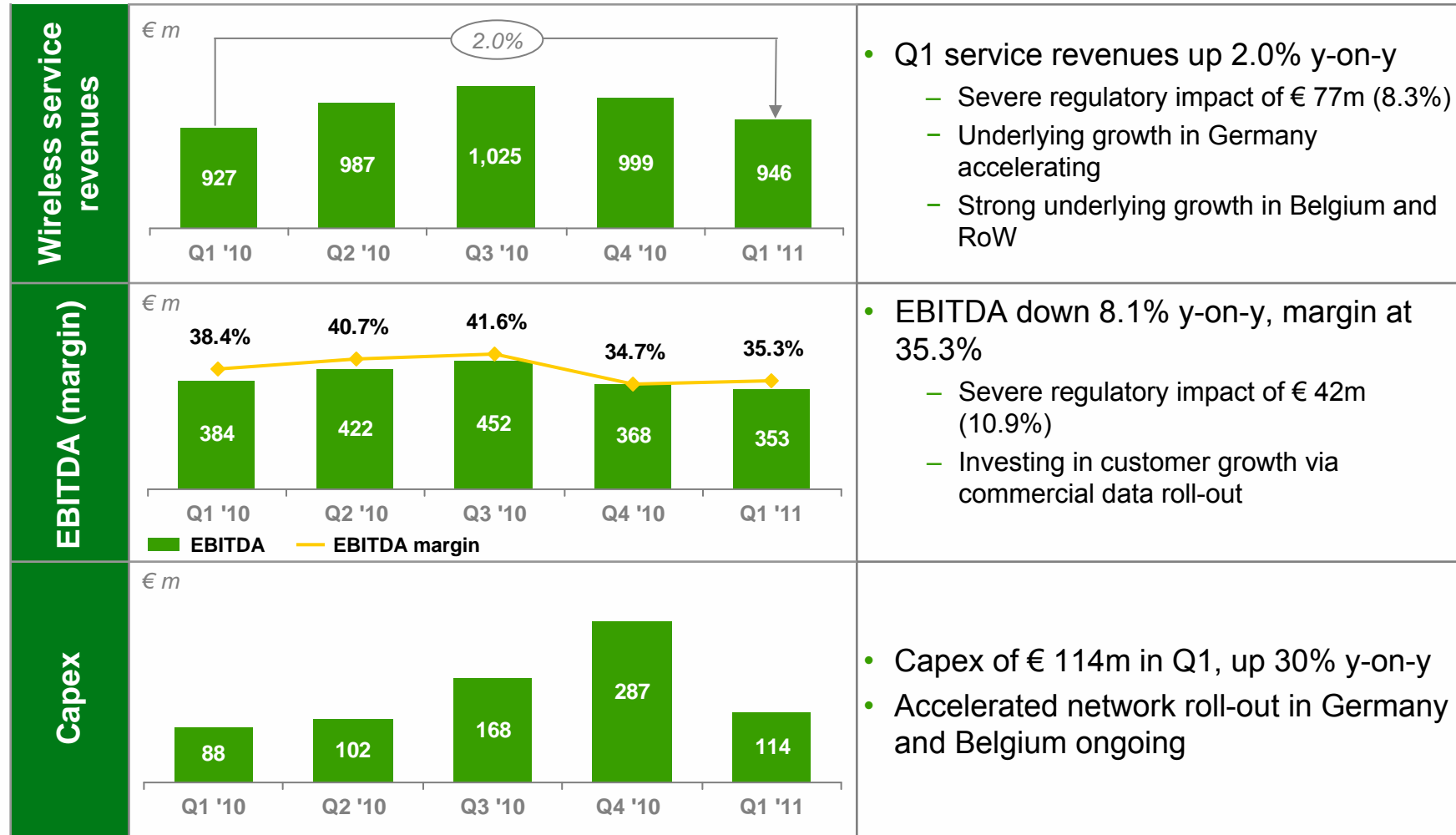
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	International
	The Netherlands
Concluding remarks	Eelco Blok



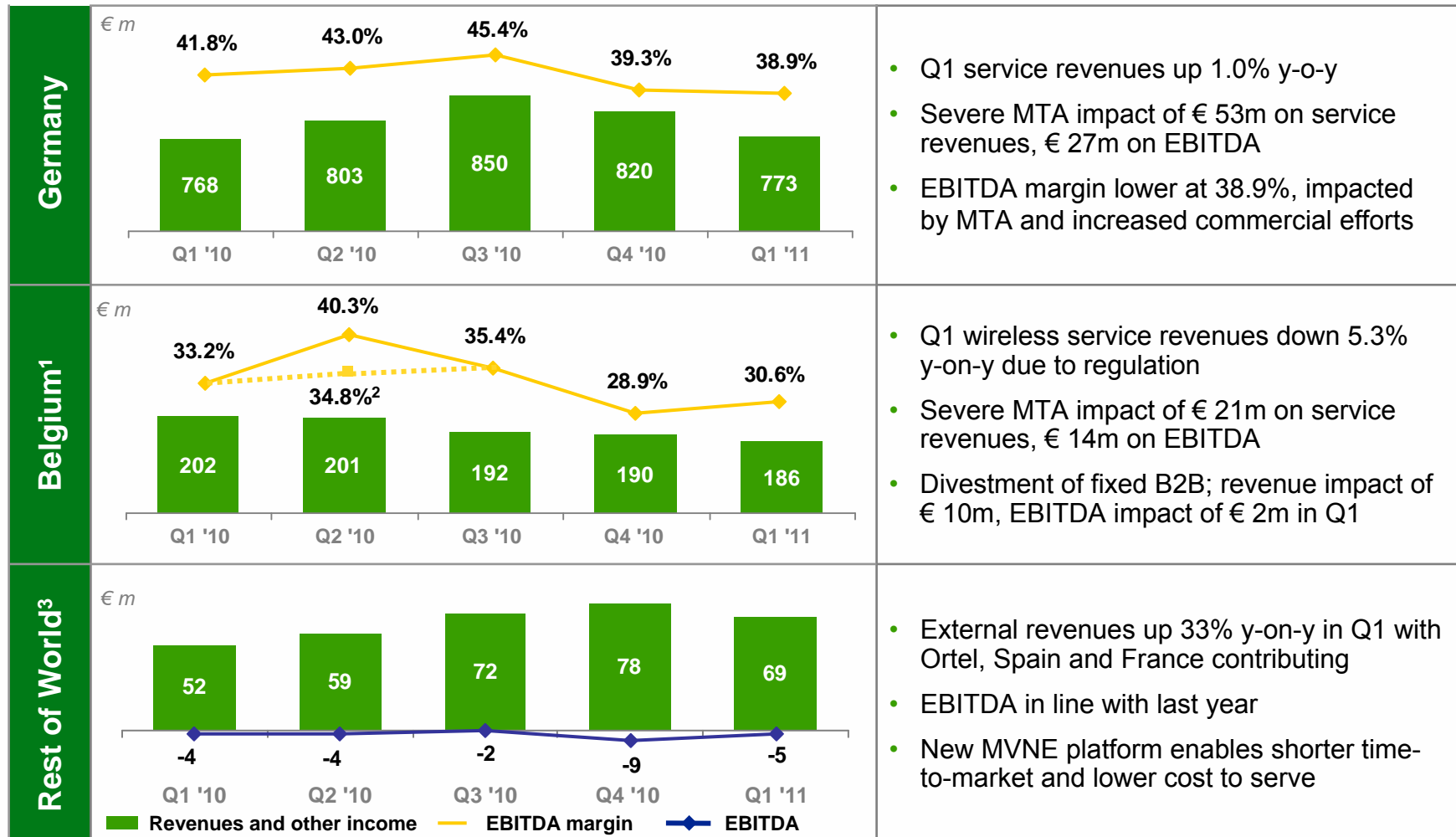
Financial review - Mobile International

Service revenue growth and good profitability despite severe MTA impact



Financial review - Mobile International by segment

Continued underlying growth in all segments, severe regulatory impact



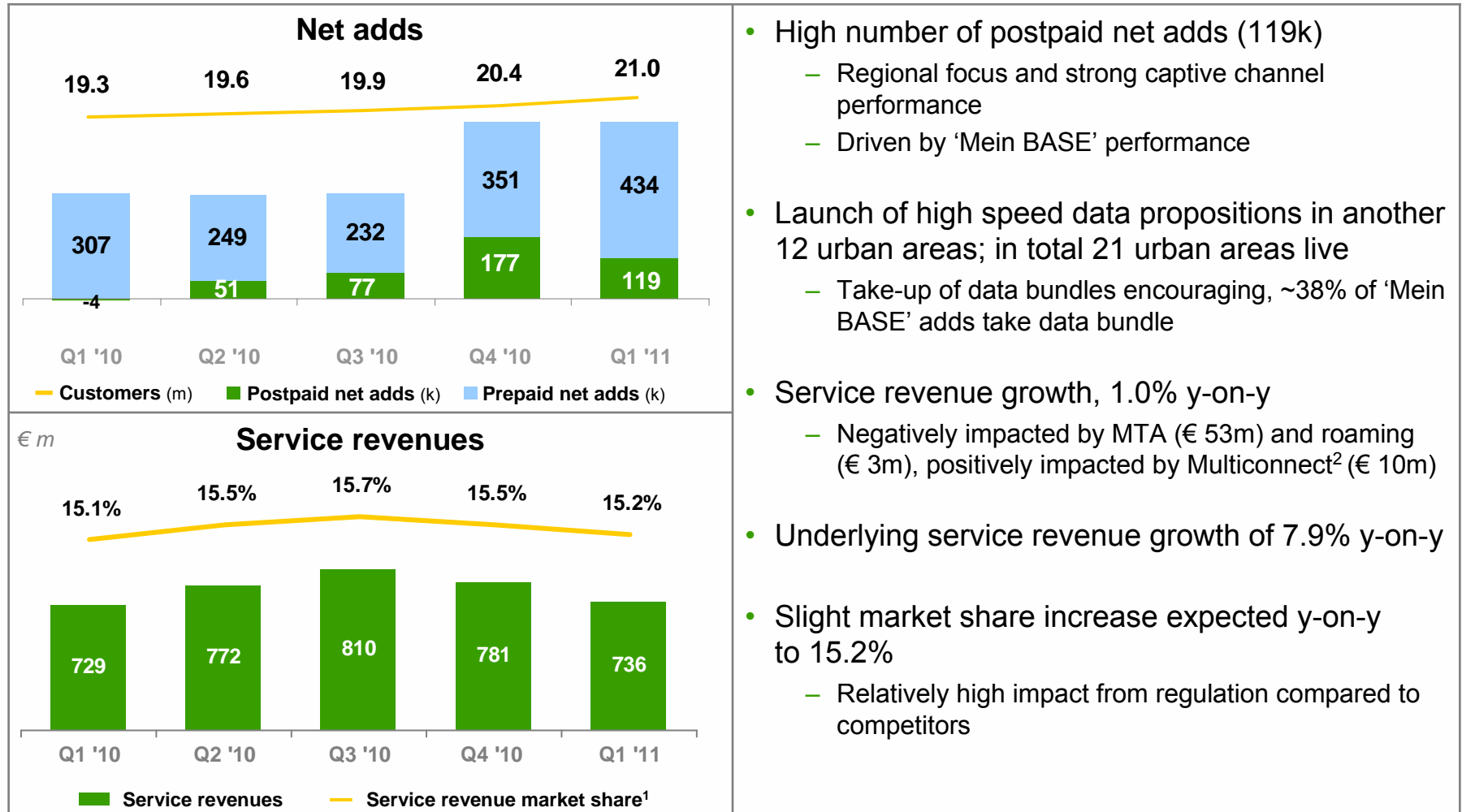
¹ Including fixed Belgian B2B and Carrier business, including the fiber network; divested per 31 March 2010

² Normalized EBITDA margin, excluding one-off release of € 11m

³ External revenues

Operating review - Germany

Underlying service revenue growth accelerating, 7.9% y-on-y in Q1

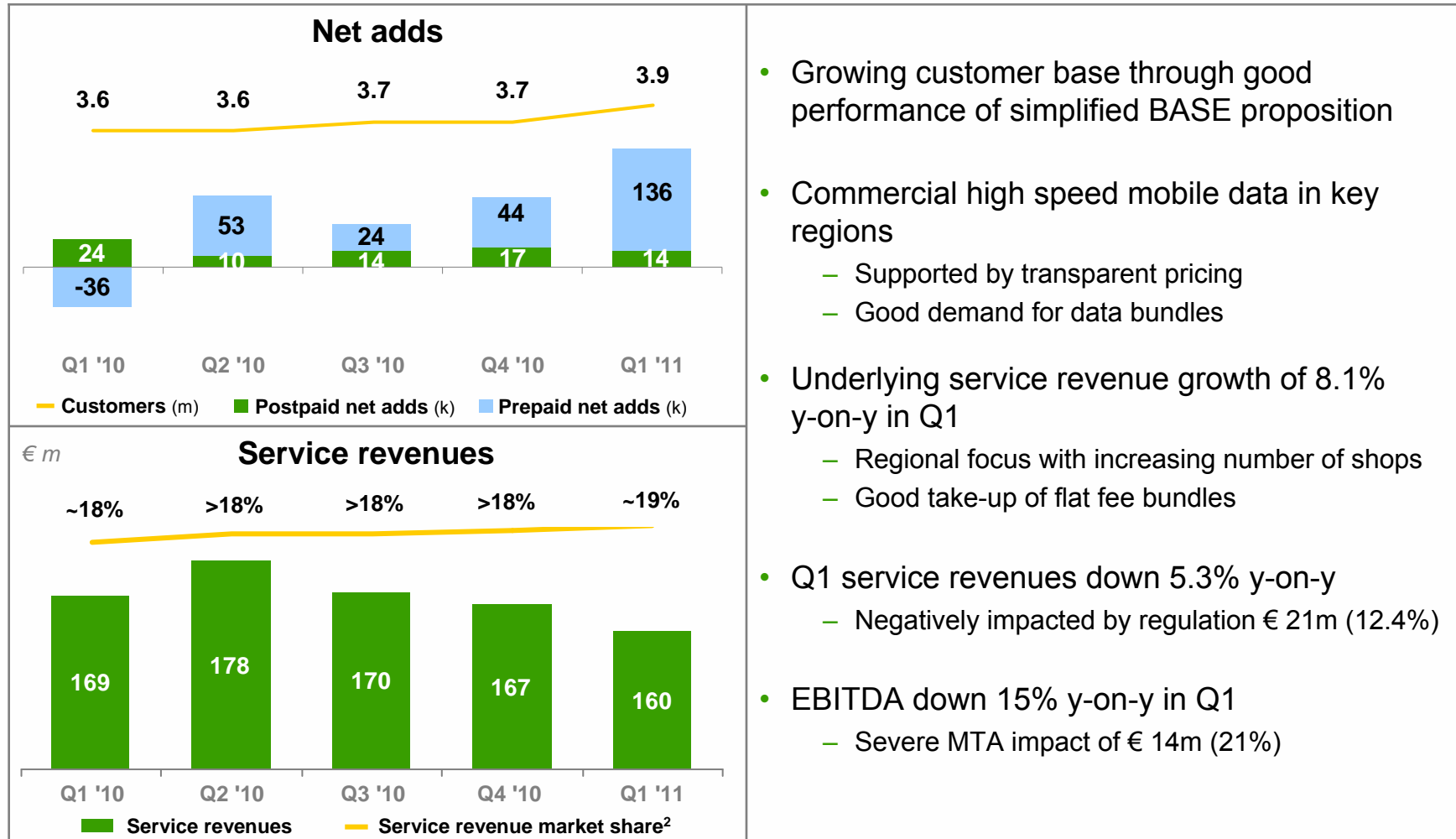


¹ Management estimates, based on service revenues

² Former part of SNT Germany

Operating review - Belgium¹

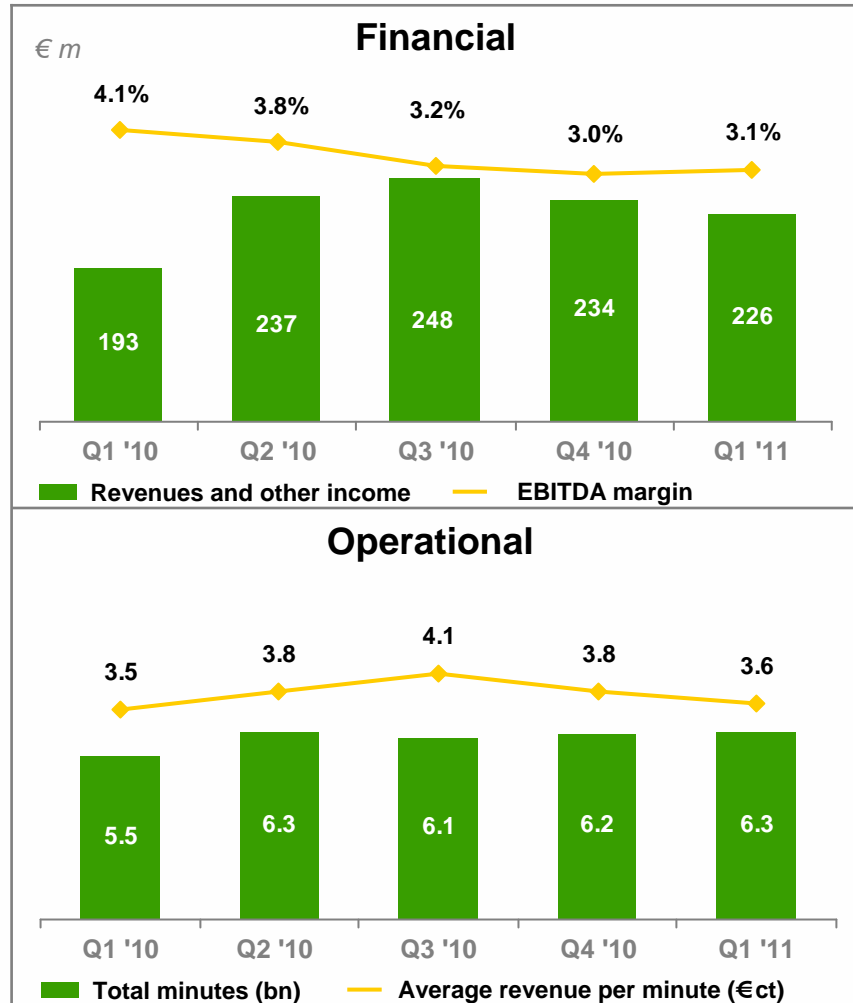
Strong underlying growth of 8.1%, service revenues impacted by regulation



¹ Wireless services only
² Management estimates

Operating review - iBasis

Focus on balancing revenue growth with profitability



- Focus on balancing revenue growth with profitability
 - Q1 revenues up 17% y-on-y to € 226m, of which ~2% positive currency effect
 - EBITDA margin of 3.1%, stable q-on-q
- Market share improvement continues
 - Market outperformance in growth of minutes
 - Average revenue per minute slightly increased y-on-y
- Top 5 position in competitive international voice traffic market
- Slight underlying revenue growth¹ expected for the full year 2011

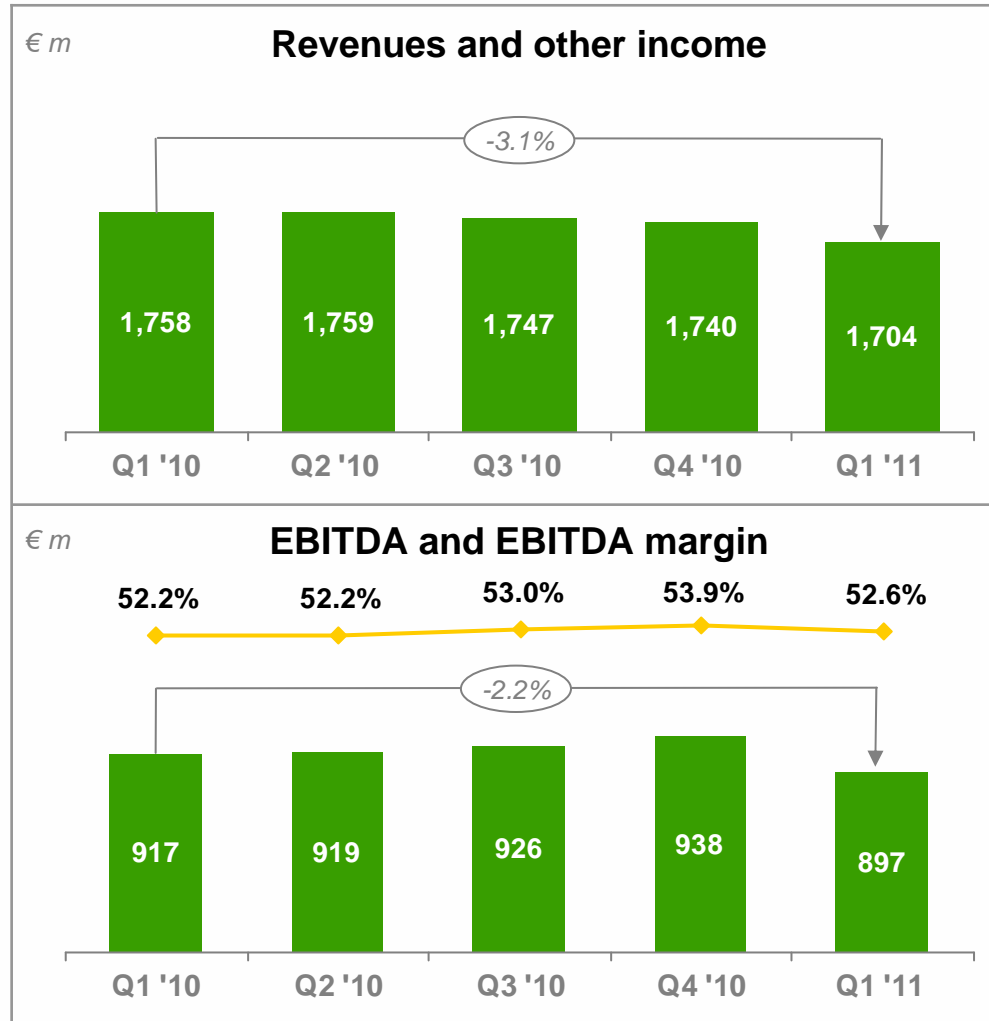
¹ Excluding currency effect

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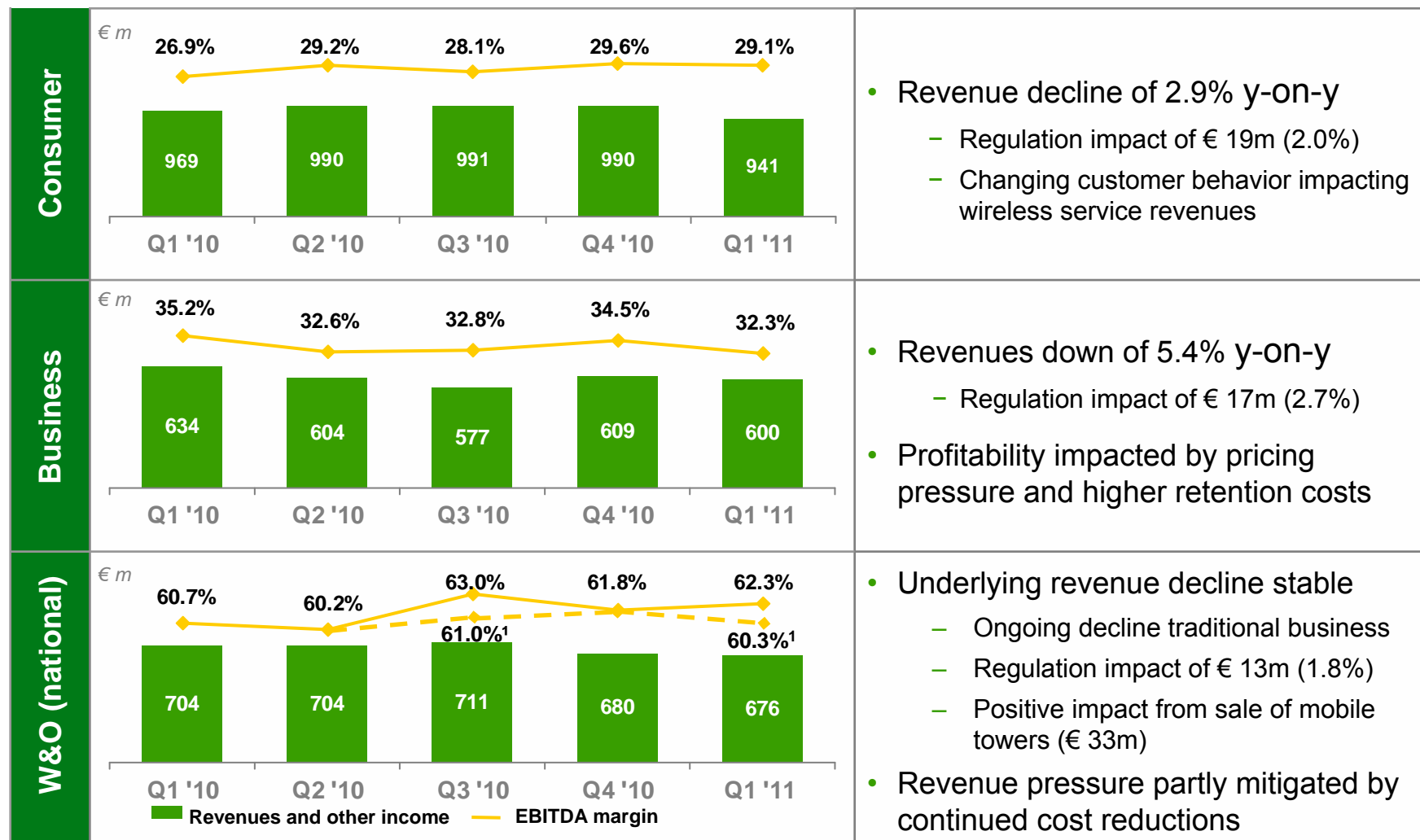


Financial review - Dutch Telco



- Revenues and other income down 3.1% y-on-y
 - Regulatory impact of € 44m (2.5%)
 - € 22m net positive impact from incidentals
 - Lower wireless service revenues from changing customer behavior
 - Continued decline in traditional businesses
 - Partly offset by higher hardware sales
- EBITDA down 2.2% y-on-y
 - Regulatory impact of € 9m (1.0%)
 - € 13m net positive impact from incidentals
 - Cost reductions not sufficient to fully offset impact from changing customer behavior

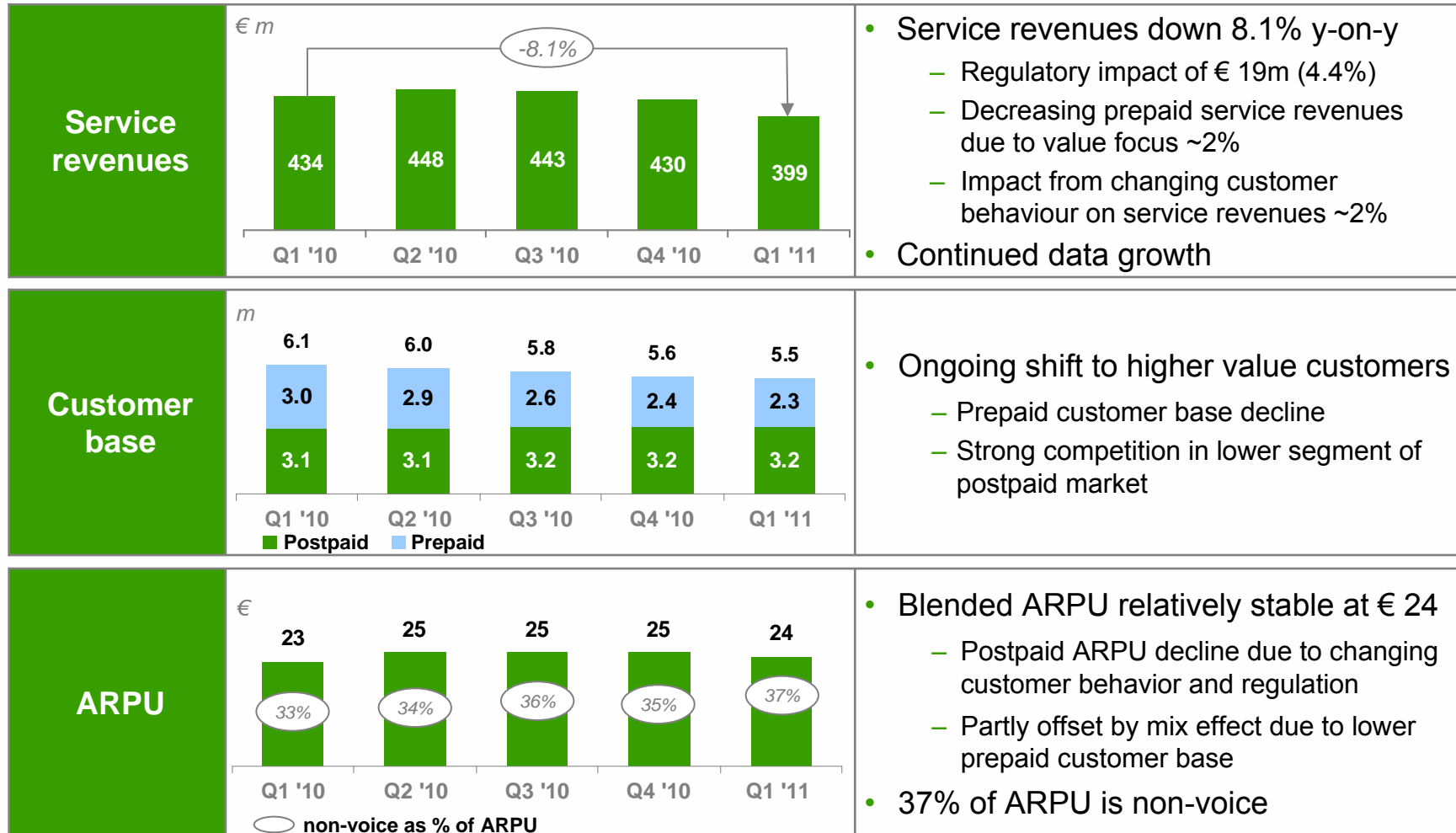
Financial review - Dutch Telco by segment



1 EBITDA margin excluding mobile towers sale; € 37m in Q3 '10 and € 33m in Q1 '11

Operating review - Consumer wireless¹

Service revenues impacted by regulation and changing customer behavior



¹ Excluding Mobile Wholesale NL

Operating review - Consumer wireless¹ (cont'd)

Smartphones and new 'apps' leading to changing customer behavior

Changing industry trends

- High smartphone and data penetration
 - 42% of postpaid customers² have smartphone³
 - 51% of postpaid customers² have a data product
- Smartphones and new 'apps' change customer behavior
 - New 'apps' on smartphones driving SMS and voice to data substitution
 - Early adopters show high smartphone penetration, strong data usage growth and substantially less SMS usage



- Changing customer behavior negatively impacting SMS and voice revenues

Mitigating measures

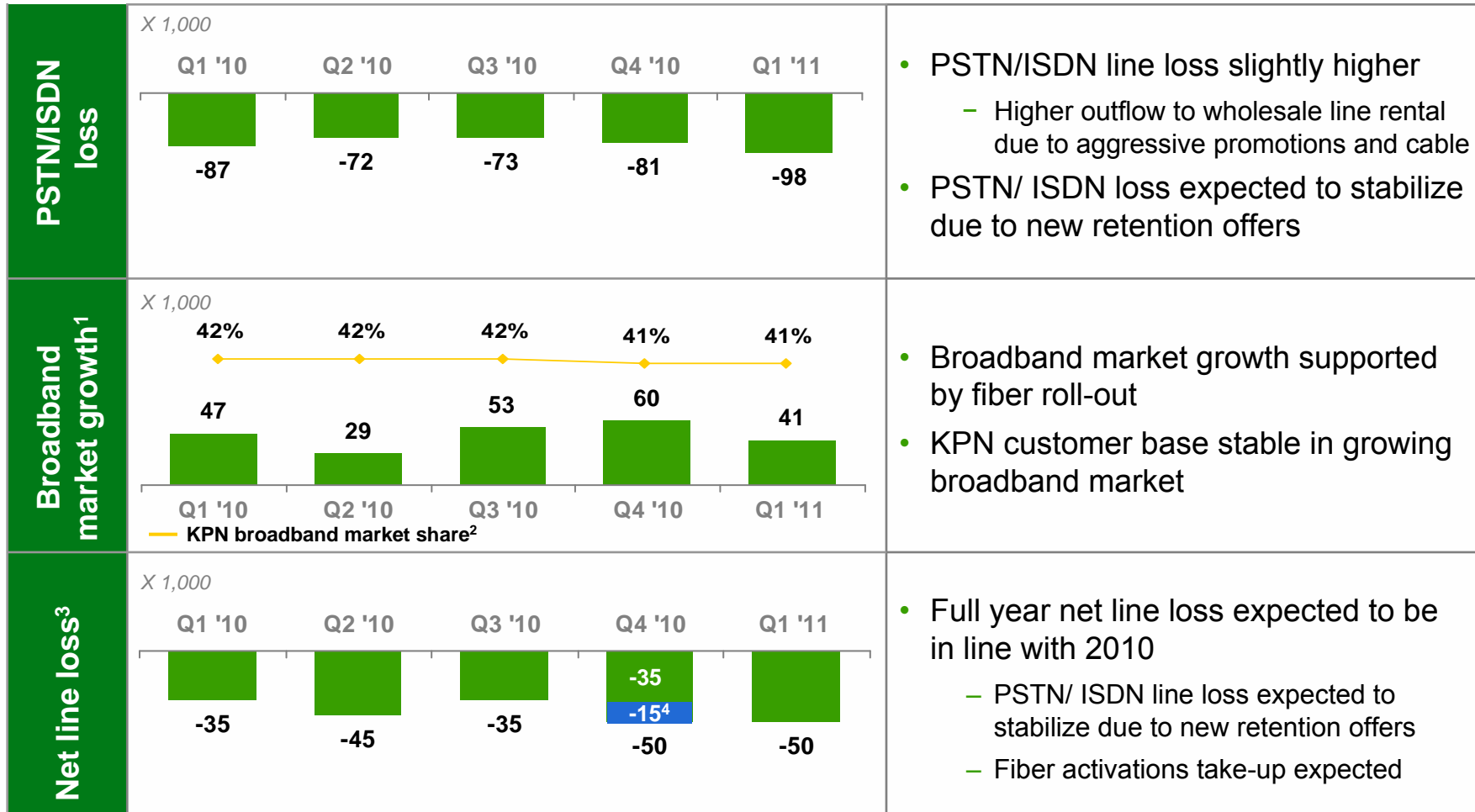
- Commercial actions put in place to mitigate service revenue impact
 - Personalized ARPU optimization programs
 - Adjusted SAC steering
 - Reduced discounts on data
- Significant portfolio adjustments planned to monetize on data usage growth
 - Optimize value per customer
 - Introduce new forms of data pricing
 - Integrated voice / SMS / data bundles
 - Leading the market by expanding volume based data pricing
- Move from a voice to a data centric portfolio
 - Quality of service and speed as differentiator

1 Excluding Mobile Wholesale NL

2 Consumer postpaid customers exclude SIM only. Q1 '11 based on January and February data only

3 Smartphone definition based on GfK

Operating review - Consumer wireline



1 Source: Telecompaper, total broadband market including fiber adjusted upwards in Q4 due to better insights

2 Source: Telecompaper, management estimates for Q1 '11

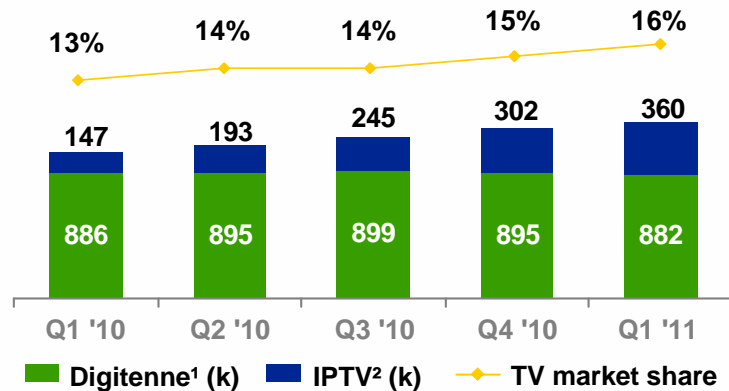
3 Quarterly delta in PSTN/ISDN access lines + delta Consumer VoIP, ADSL Only and delta Consumer Fiber

4 Q4 '10 line loss of 50k includes 15k clean up

Operating review - Consumer wireline (cont'd)

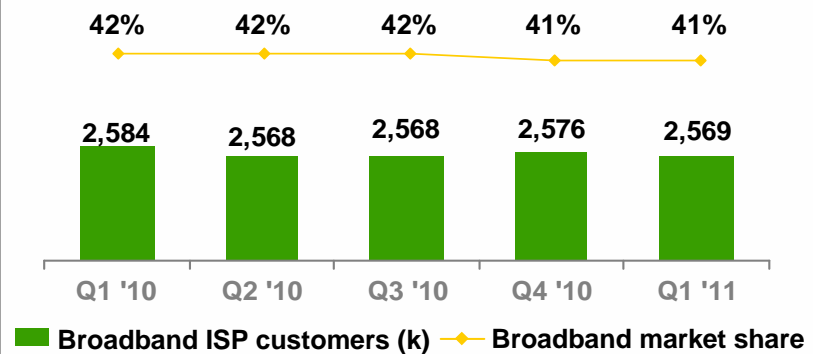
Continued growth in TV market share, broadband customer base stable

Growing TV market share

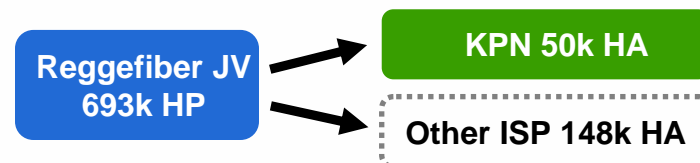


- Continued growth in IPTV
 - IPTV adds of ~5k per week in Q1
 - ~50% new subs are new broadband customers, ~75% take a triple play package
- Relatively stable Digitenne base and ~58k IPTV net adds lead to increasing TV market share

Broadband customer base stable



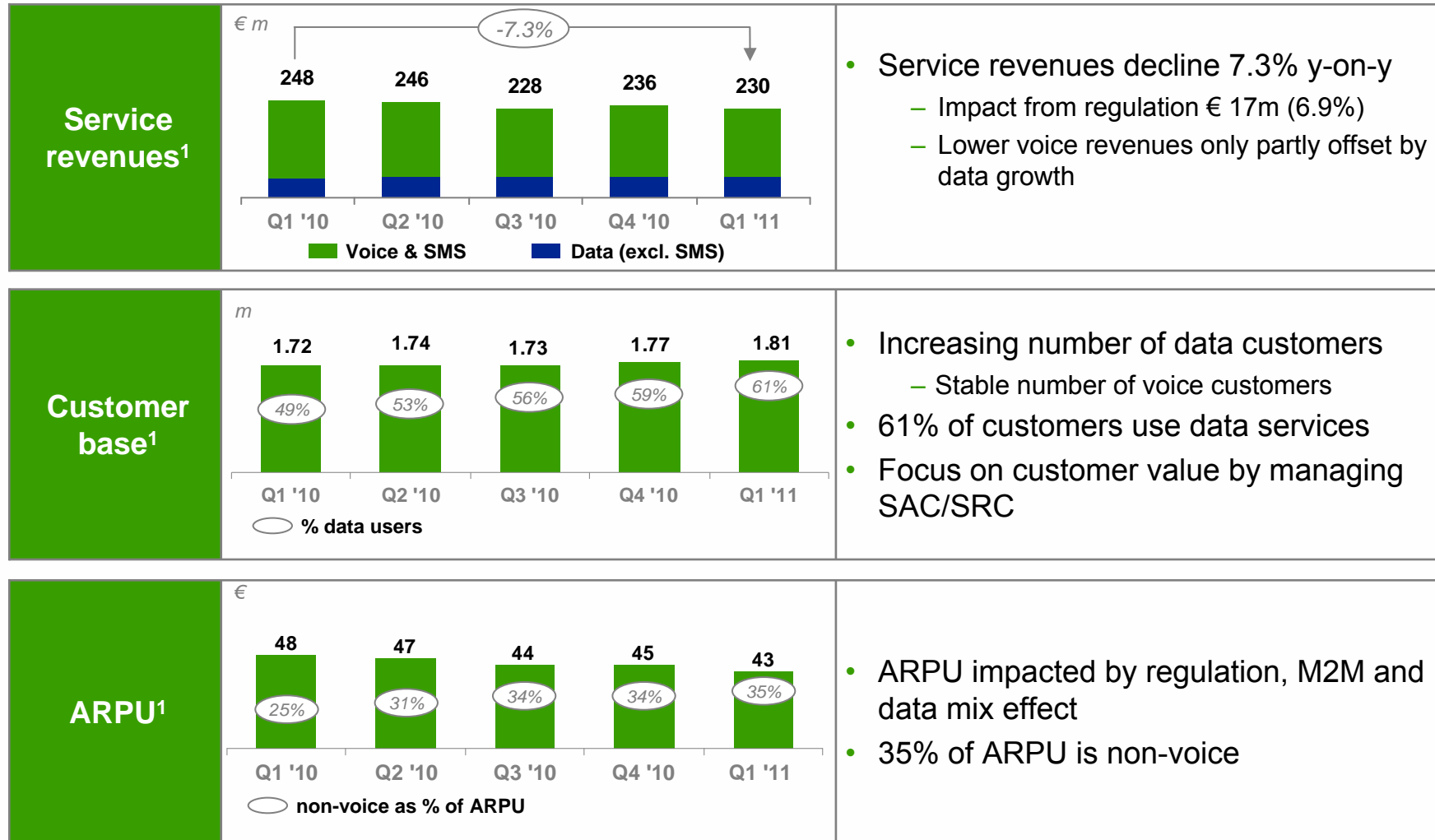
- Continued pressure on broadband market share, customer base stable
 - IPTV supporting broadband base
 - VDSL matching customer needs
- Fiber roll-out continues, securing regional strength and long-term position



1 Digitenne used as primary TV connection
 2 Including FttH IPTV

Operating review - Business wireless

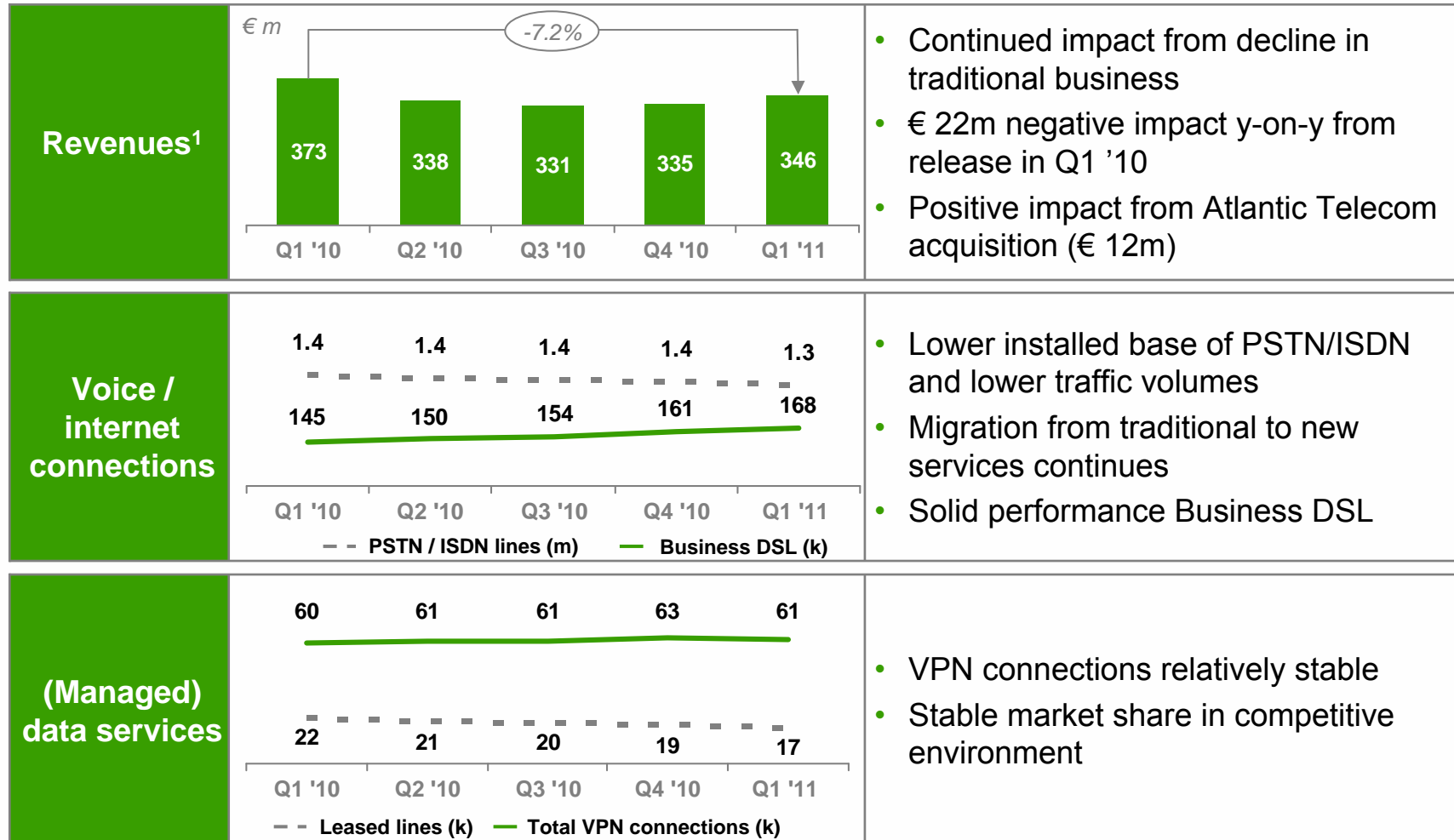
Lower voice revenues partly offset by data growth



¹ Restated numbers due to inclusion of managed M2M subscribers; Business wireless figures do not include 'Yes Telecom'

Operating review - Business wireline

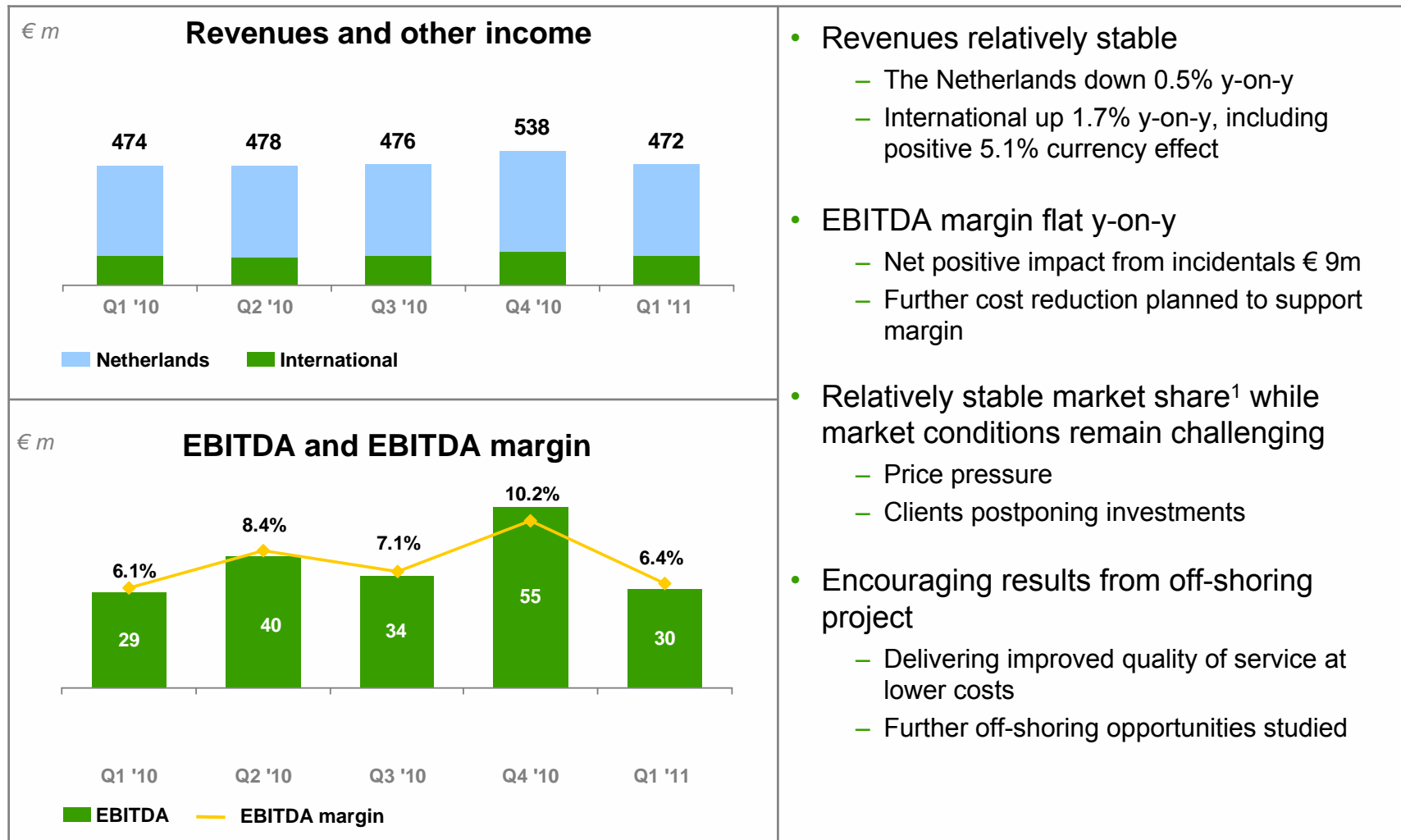
Continued pressure on traditional services



¹ Revenues for Voice & Internet wireline and Data network services; restated due to transfer of 'Station to Station' and 'Narrowcasting' to 'Other revenues'

Operating review - Getronics

Relatively stable market position in challenging market



¹ Management estimate

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Concluding remarks

- Lower than expected revenues in the Netherlands
- New strategy and related investment plans accelerated to strengthen the Dutch businesses
- Germany firmly on track with profitable growth, despite MTA reductions
- 2011 EBITDA outlook adjusted downwards, free cash flow outlook is confirmed partly due to cash contribution tax facility
- KPN confirms dividend proposal of $\geq \text{€ } 0.85$ and $\text{€ } 1\text{bn}$ share repurchase program for 2011

Q&A



Annex

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Analysis of results

Key items worth mentioning in results interpretation

€ m		Q1 '11	Q1 '10
Revenue effect			
MTA tariff reduction	Group	-118	-55
Roaming tariff reduction	Group	-4	-15
EBITDA effect			
MTA tariff reduction	Group	-50	-20
Roaming tariff reduction	Group	-1	-13
Restructuring charges	Group	-9	-7
Release of provisions	Group	10	-
Revenue & EBITDA effect			
Book gain on sale of real estate	W&O	33	2
Wholesale price cap	W&O	-	4
Release of deferred connection fees	Business	-3	19
Book gain on sale of business	Getronics	5	-

Restructuring charges

€ m	Q1 '11	Q1 '10
Germany	-	-
Belgium	-	-
Rest of World	-	-
Mobile International	-	-
Consumer	-	-1
Business	-	-
Wholesale & Operations	-	-3
IT NL	-	-
Dutch Telco	-	-4
Getronics	-5	-
The Netherlands	-5	-4
Other	-4	-3
KPN Group	-9	-7

Regulation

MTA reductions and upcoming spectrum auctions

MTA reductions implemented across the Group							
NL	• KPN's suspension request has been rejected, annulment procedure is ongoing						
	€ ct / min	Until 7 July	7 July '10	Sep '10	Jan '11	Sep '11	Sep '12
	MTA rate	7.00	5.60	5.60	4.20	2.70	1.20
GER	• Final rates published, KPN initiating annulment procedures						
	€ ct / min	Until 1 Dec '10		1 Dec '10 – 30 Nov '12			
	MTA rate	7.14		3.36			
BE	• KPN's suspension request has been rejected, annulment procedure is ongoing						
	€ ct / min	Until Aug '10	Aug '10	Jan '11	Jan '12	Jan '13	
	MTA rate	11.43	5.68	4.76	2.92	1.08	

Upcoming spectrum auctions	
NL	<ul style="list-style-type: none"> Concept auction document published Preliminary timing indicates Q1 2012 Auction of 800 - 900 - 1.8GHz and left overs 2.1GHz - 2.6GHz
BE	<ul style="list-style-type: none"> Concept auction document published Preliminary timing of 2.1GHz auction is June 2011; initially for new entrants Preliminary timing of 2.6GHz auction is October 2011

MTA impact on Group revenues & EBITDA

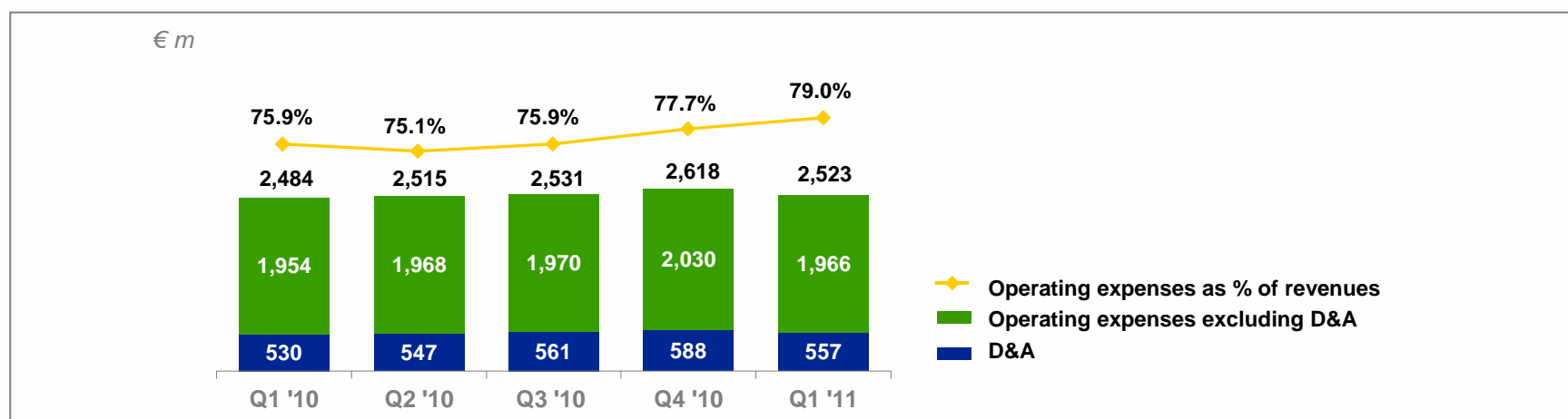
€ m	2010	2011E	2012E
Revenues	180	~ 500	~ 125
EBITDA	62	~ 200	~ 50

Impact MTA reduction

€ m	Q1 '11	
	Revenues	EBITDA
Germany	-53	-27
Belgium	-21	-14
Mobile International	-74	-41
Consumer	-19	-6
<i>Of which: Mobile Wholesale</i>	-	-
Business	-17	-2
Wholesale & Operations	-12	-1
Intercompany	4	-
The Netherlands	-44	-9
KPN Group	-118	-50

Operating expenses

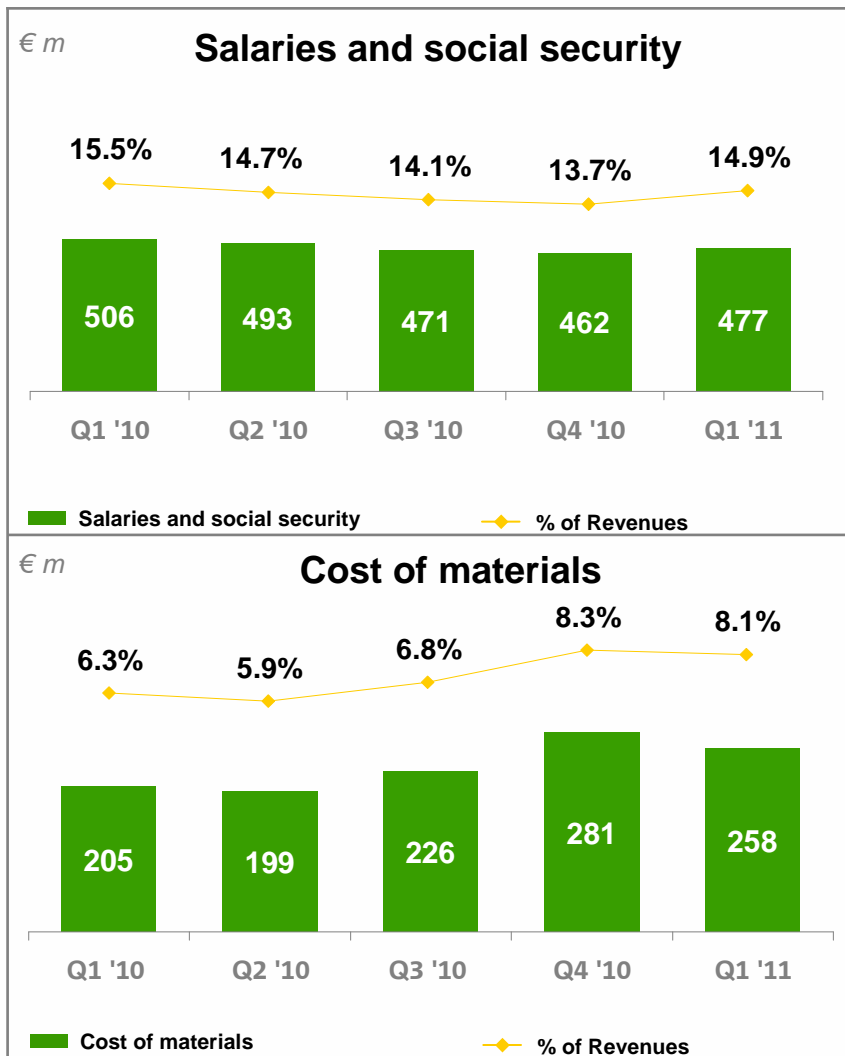
€ m	Q1 '11	Q1 '10	%
Salaries and social security contributions	477	506	-5.7%
Cost of materials	258	205	26%
Work contracted out and other expenses	1,106	1,116	-0.9%
Own work capitalized	-29	-24	-21%
Other operating expenses	154	151	2.0%
Depreciation ¹	347	348	-0.3%
Amortization ¹	210	182	15%
Total	2,523	2,484	1.6%



¹ Including impairments, if any

Operating expenses - analysis

Salaries and social security contributions & Cost of materials



Y-on-Y decrease

- Reduction of own personnel at all segments
- Release of pension provision at Getronics in Q1 '11

Q-on-Q increase

- Q4 '10 positively influenced by release of provisions

Y-on-Y increase

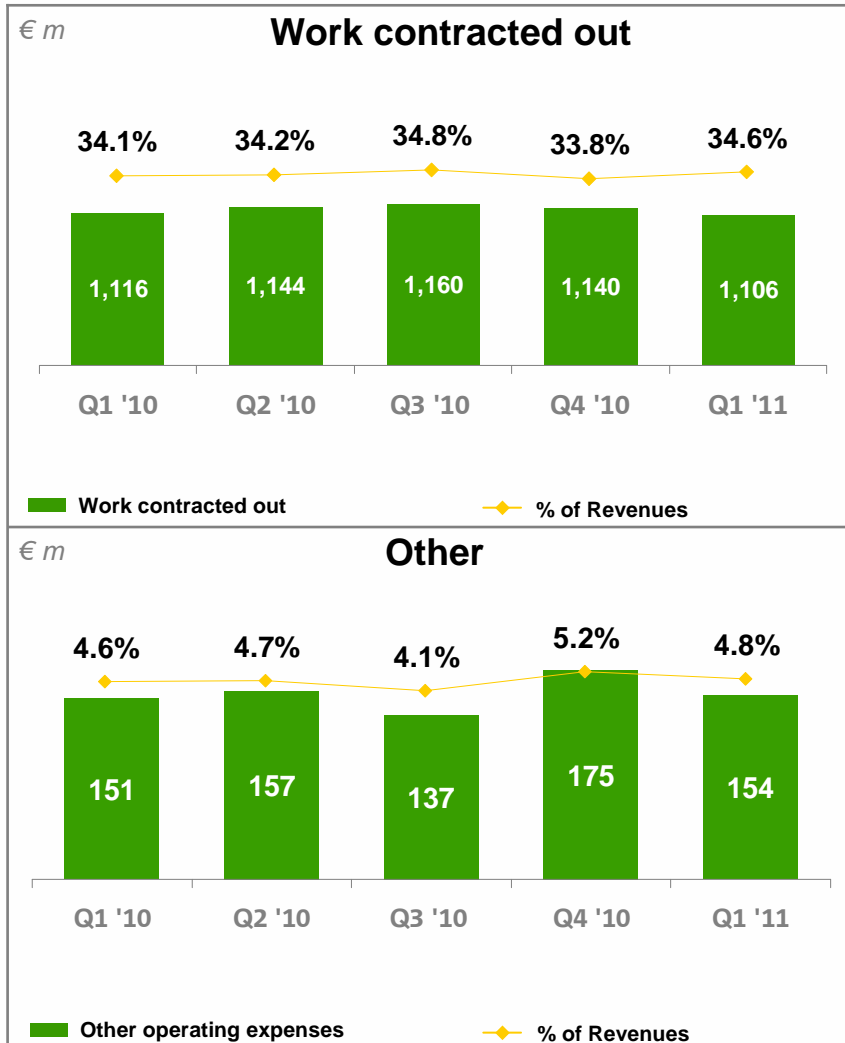
- Higher cost of goods sold due to increased smartphone sales

Q-on-Q decrease

- In Q4 '10 more sales related product costs at Getronics

Analysis operating expenses

Work contracted out & Other



Y-on-Y decrease

- Higher traffic costs relating to higher external revenues at iBasis
- Offset by
 - Lower SAC related distribution costs in the Netherlands
 - Lower traffic costs due to regulatory tariff cuts

Q-on-Q decrease

- Lower traffic costs due to regulatory tariff cuts
- Lower SAC related distribution costs in the Netherlands

Y-on-Y increase

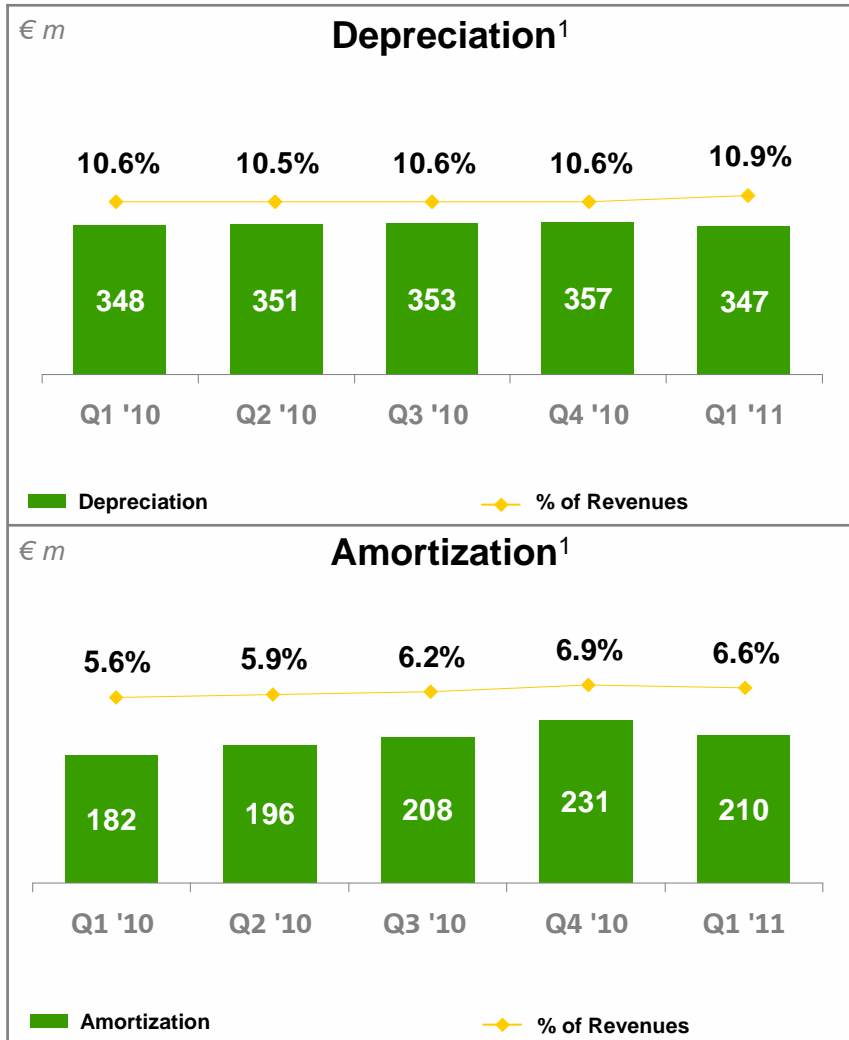
- Higher restructuring costs
- Partially offset by lower marketing spend Mobile International

Q-on-Q decrease

- Lower marketing spend Mobile International

Analysis operating expenses

Depreciation & Amortization



Q-on-Q decrease

- Smaller asset base across all segments, lowering depreciation costs

Y-on-Y increase

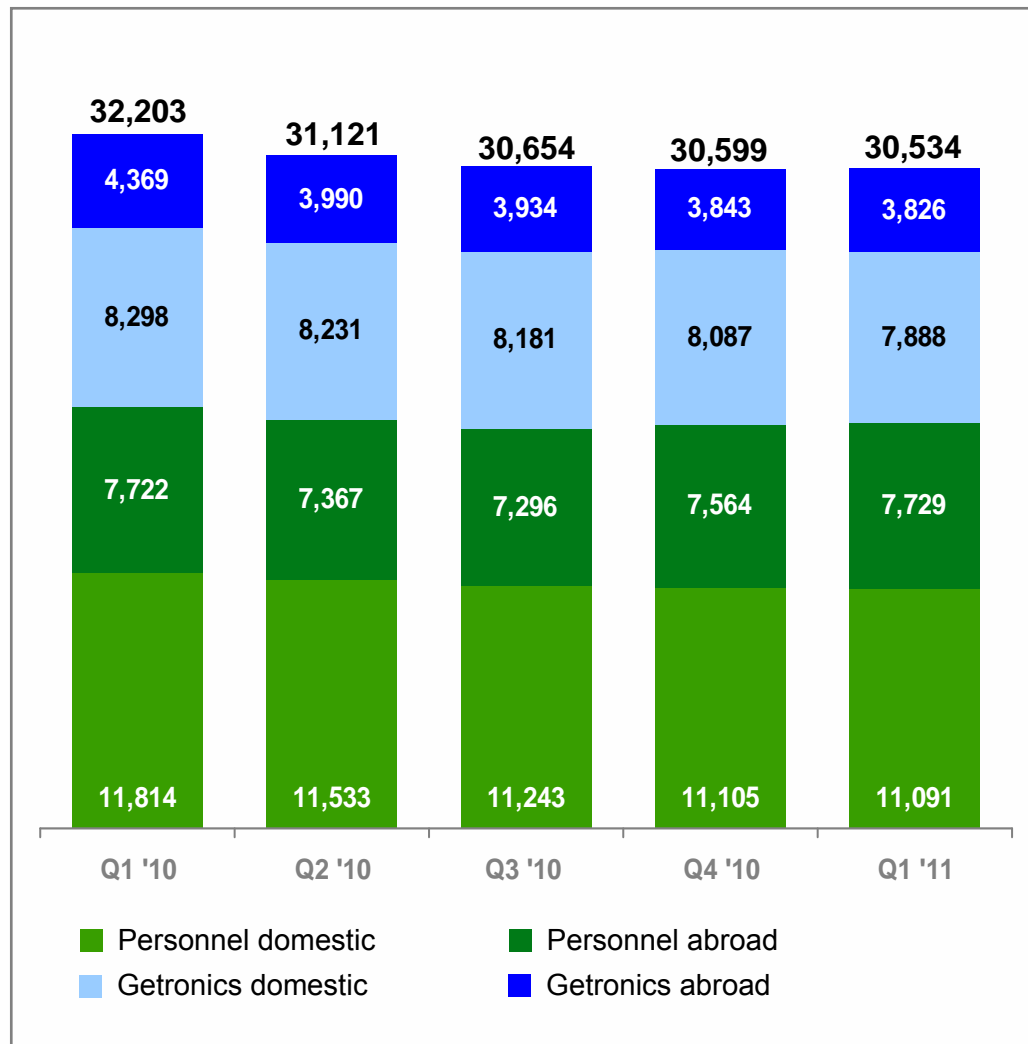
- Higher amortization due to new spectrum licenses in Germany and in the Netherlands
- Amortization of software licenses

Q-on-Q decrease

- Impairment IT platforms in Q4 '10
- Lower amortization of software due to smaller asset base

¹ Including impairments, if any

Personnel



- Decrease of 1,669 FTE y-on-y
 - Reduction of 723 FTE in the Netherlands (excl. Getronics) from all segments
 - Reduction of 953 FTE at Getronics, mainly from restructuring
 - FTE at KPN abroad flat
- Decrease of 65 FTE q-on-q
 - Decrease of 14 FTE in the Netherlands
 - Reduction of 199 FTE at Getronics domestic
 - Reduction offset by
 - ♦ Increase in FTE at Mobile International due to more shops
 - ♦ Increase at customer services for E-Plus

Tax

Fiscal units (€ m)	P&L		Cash flow	
	Q1 '11	Q1 '10	Q1 '11	Q1 '10
Dutch activities	63	-109	-108	-549
Getronics	6	1	-2	-2
German Mobile activities	-29	-23	-4	-1
Belgian Mobile activities	-7	-9	-	-
Other	-	-2	-1	-2
Total	33	-142	-115	-554

- Preliminary tax assessment 2010 fully prepaid in Q1 2010
- Q1 2011 includes a one-off P&L gain due to 'Innovation-box' of € 150m
 - Amounts are estimates, no final agreement with tax authorities yet
- Effective tax rate, excluding one-off gain 'Innovation-box' is 20.9% in Q1 '11 (Q1 '10: 23.8%)
 - Full year effective tax rate, including 'Innovation-box', expected to be around 21%

Share repurchase program progress

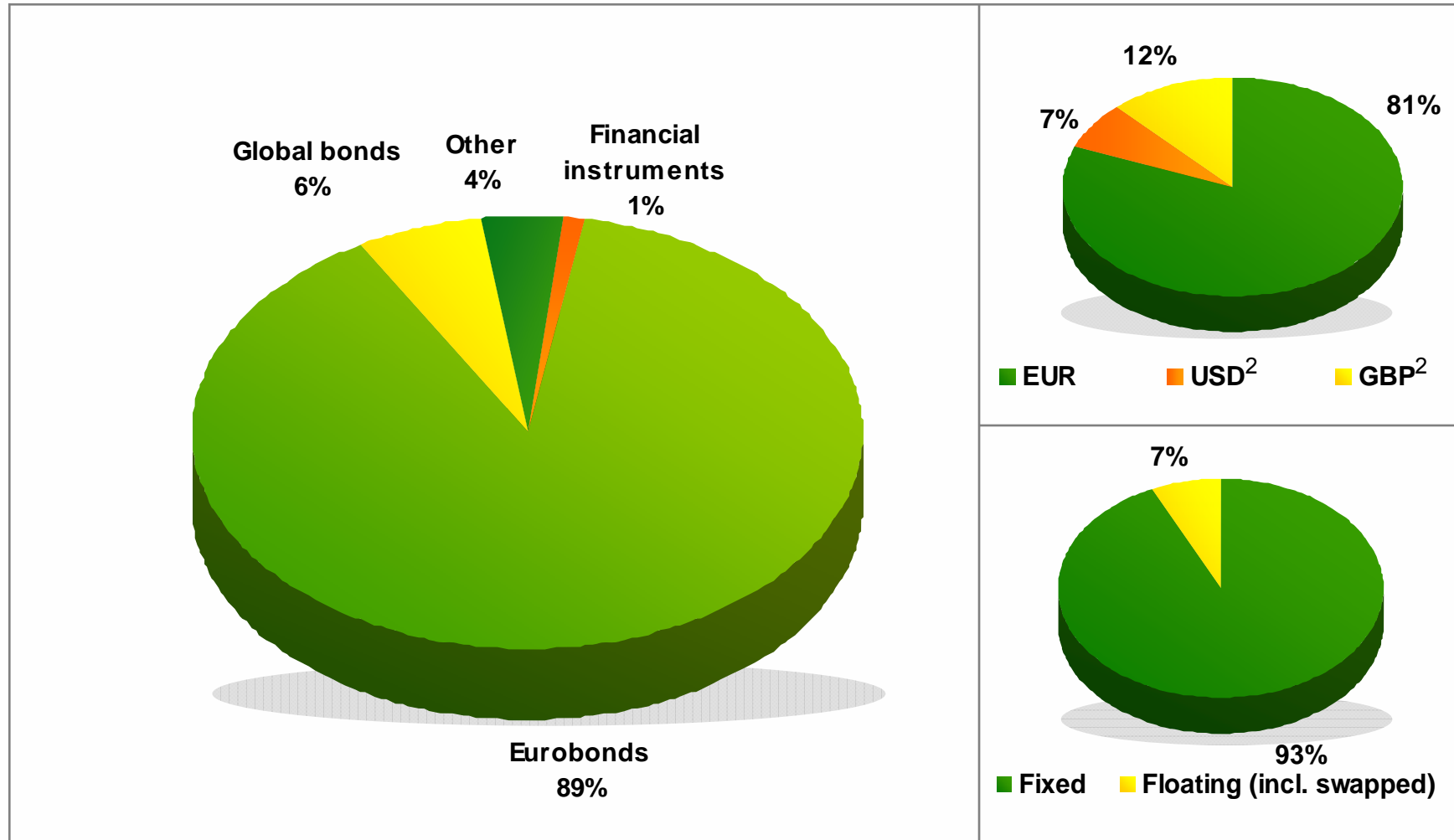
Date ¹	Value (€ m)	Shares (m)	Avg. share price (€)
January	-	-	-
February	30.4	2.6	11.71
March	148.0	12.6	11.71
Q1 '11	178.4	15.2	11.71
April	58.9	5.0	11.82
Total	237.3	20.2	11.74

- € 1bn share repurchase program for 2011 started on 21 February 2011
 - ~24% completed to date
- € 9.0bn in shares repurchased since start in 2004, average price of € 9.18
 - ~39% of outstanding shares cancelled since 2004
- Number of outstanding shares amounting to 1,528,251,409 per 31 March 2011
 - 44,358,475 shares cancelled in Q1 '11

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

Debt portfolio

Breakdown of € 12.8bn gross debt¹



¹ Book value of interest bearing financial liabilities plus the fair value of financial instruments (excluding Reggefiber) related to these financial liabilities
² Foreign currency amounts hedged into Euro

Dutch wireless services disclosure

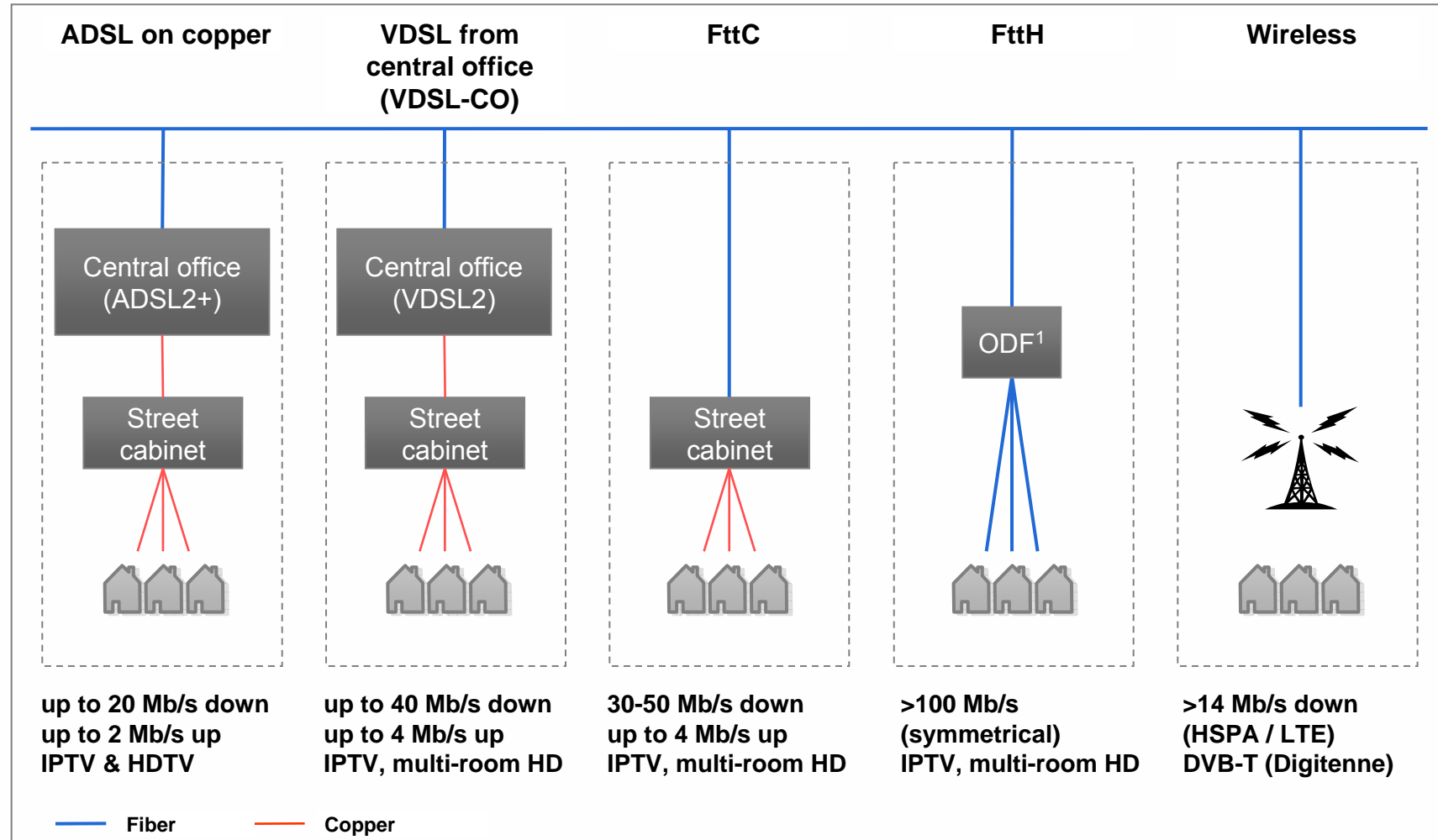
	Q1 '11	Q4 '10	Q1 '10
Service revenues (€ m)	698	735	740
- Consumer	399	430	434
- Business	230	236	248
- Other Dutch activities ¹	69	69	58
SAC / SRC (€)			
- Consumer	146	168	183
- Business ²	225	234	255

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

2 Restated numbers following recalculation, now also including all data SAC/SRC in addition to voice SAC/SRC

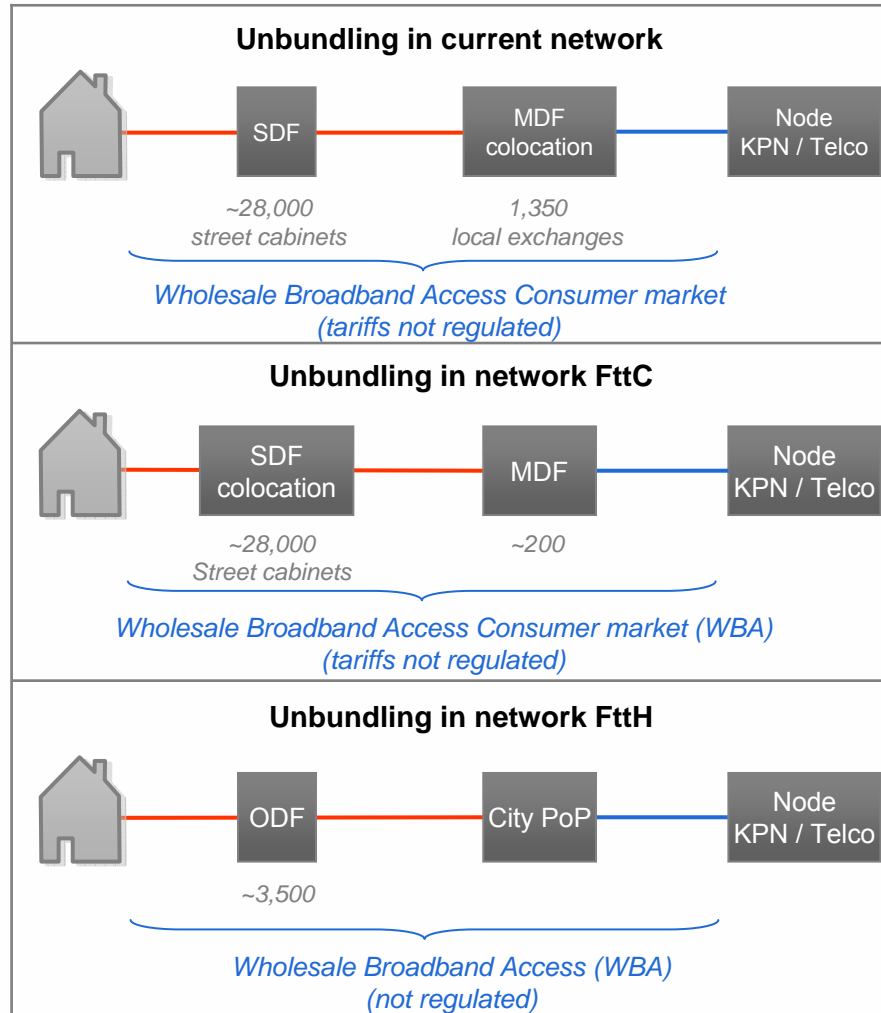
Infrastructure

Deploying mix of technologies going forward



1 Optical distribution frame

Unbundling tariffs



Category	Monthly tariff
Line sharing (LLU) ¹	€ 0.10 / line
Fully unbundled (LLU) ¹	€ 6.53 / line
MDF colocation ¹	€ 839.60 / footprint / year
MDF backhaul	Commercial pricing, not regulated
Wholesale Broadband Access (WBA)	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Line sharing (SLU) ¹	€ 7.58 / line
Fully unbundled (SLU) ¹	€ 7.44 / line
SDF colocation ¹	€ 1.20 / line or 5.36 / per unit One-off € 492.74 / per unit
SDF backhaul	To be regulated
Wholesale Broadband Access (WBA)	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Fully unbundled (ODF FttH)	€ 12.30 – € 17.94
ODF FttH colocation	≤ € 512 / month /per Area Pop One-off ≤ € 3,075 /per Area Pop
ODF FttH Backhaul	≤ 615 / month
Wholesale Broadband Access (WBA) FttH	€ 25.00 - € 45.00 non-shared
ODF FttO	To be regulated

1) Tariffs refer to WPC 2009-2011 (WPC 2A), changes in tariffs expected as from 1 July 2011

German spectrum auction

Good auction outcome, capacity and standardization are key

														Total	E-Plus	
800MHz Paired	O	O	V	V	T	T								60.0MHz	0%	
	2x5	2x5	2x5	2x5	2x5	2x5										
900MHz Paired	E	O	T	V	T	V								69.6MHz	14%	
	2x5	2x5	2x5	2x5	2x7.4	2x7.4										
1.8GHz Paired	T	T	T	T	E	O	O	O	V	E	E	E	E	140.4MHz	39%	
	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x7.4	2x5.4	2x5	2x5	2x5	2x7.4			
2.1GHz Paired	V	V	V	E	E	E	E	O	O	O	T	T		120.0MHz	33%	
	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5				
2.1GHz Unpaired	E	T	V	O	O									34.2MHz	15%	
	1x5	1x5	1x5	1x5	1x14.2											
2.6GHz Paired	V	V	V	V	T	T	T	T	E	E	O	O	O	O	140.0MHz	14%
	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5		
2.6GHz Unpaired	E	E	V	V	V	V	V	T	O	O					50.0MHz	20%
	1x5	1x5	1x5	1x5	1x5	1x5	1x5	1x5	1x5	1x5						
														614.2MHz	23%	

Standardized

1

3

Standardized

2

3

- 1 4 connecting blocks, leading to highest capacity in most standard spectrum for data
- 2 E-Plus has obtained and holds most spectrum in standardized bands
- 3 E-Plus doubled capacity, now at 23% of total spectrum in the German mobile market

Spectrum in Belgium

Currently fairly allocated, potential new entrant

Current status

900MHz	KPNgB	Proximus	Mobistar				
	2x10.8	2x12	2x12				
1.8GHz	KPNgB		Proximus	Mobistar	Prox	Mob	Free
	2x22		2x15	2x15	2x5.8	2x5.8	2x11.4
2.1GHz	KPNgB		Proximus		Mobistar		Free
	2x15	1x5	2x15	1x5	2x15	1x5	2x14.8 1x5
2.6GHz	Free						
	140MHz paired, 50MHz unpaired ¹						
Total	KPNgB		Proximus		Mobistar		Free
	100.6MHz		100.6MHz		100.6MHz		247.4MHz

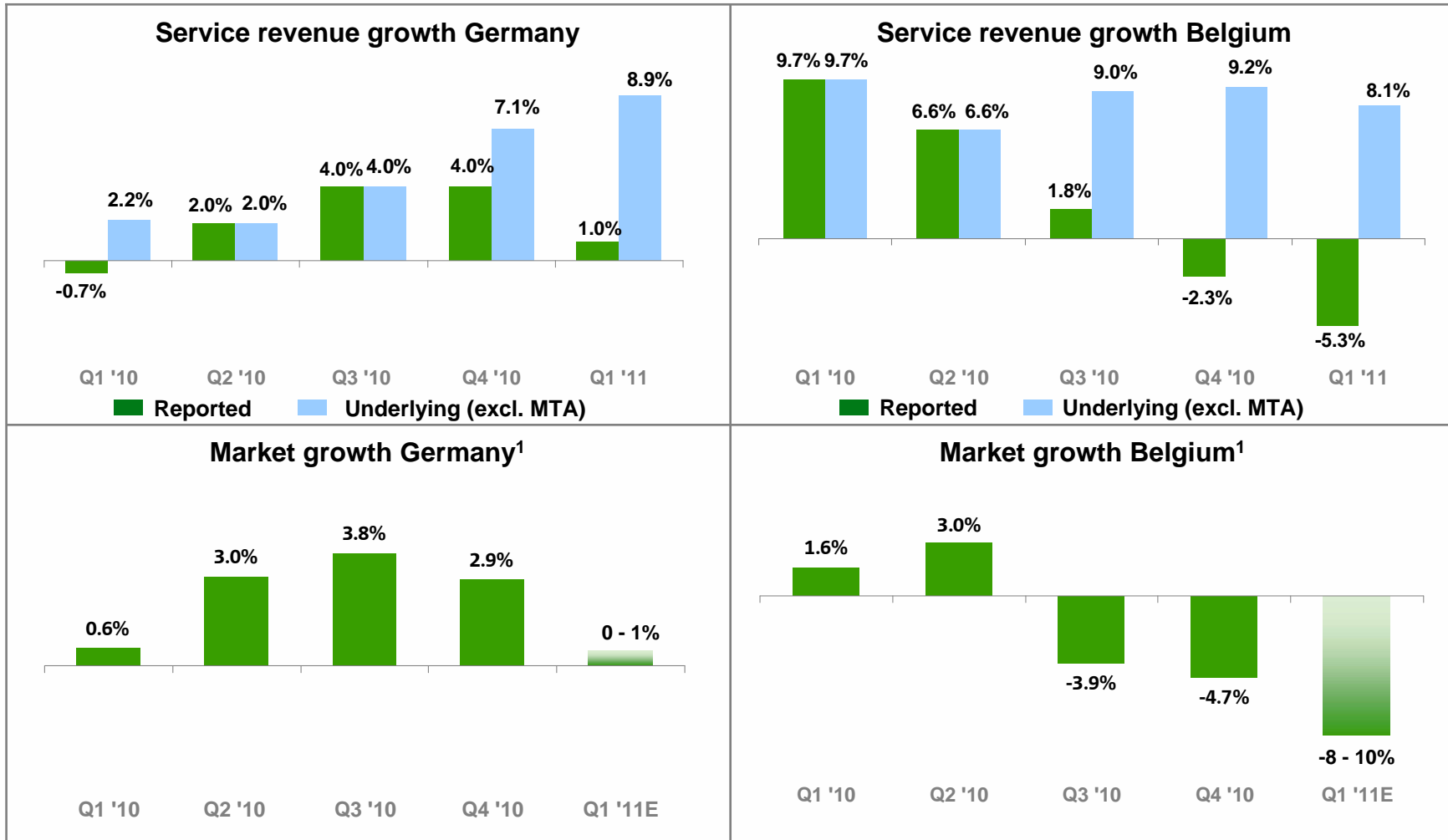
Upcoming auctions

- Auction of 29.6MHz in 2.1GHz band scheduled for June 6th, 2011²
 - All reserved for potential 4th entrant
 - Current operators can ask for auction when 4th entrant does not buy all spectrum
 - New entrant can buy 900MHz and 1.8GHz in 2015, but only under the condition that 4th entrant buys part of 2.1GHz in coming auction
- Auction of 185MHz (140 paired + 45 unpaired) in 2.6GHz band scheduled for mid October 2011²
 - Operators capped at 40MHz (2x20) in paired
- Current 2G licenses can be extended till 2021
- No clarity on 800MHz band yet

¹ 45 of 50MHz unpaired will be auctioned

² On basis of BIPT information submitted March 14th, 2011

Service revenue growth Mobile International



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