

Half Year Results 2011

26 July 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.

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

The term service revenues refers to wireless service revenues.

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

Forward-looking statements

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

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

Agenda

Chairman's review	Eelco Blok
Group financial review	Carla Smits-Nusteling
Operational review The Netherlands	Eelco Blok
Operational review Mobile International	Thorsten Dirks
Concluding remarks	Eelco Blok

Highlights Q2 '11

- Q2 financial results down y-on-y; on track to realize outlook
- Progress made with strategic initiatives to strengthen the business in The Netherlands
- High underlying growth in Germany at strong margin
- First phase of restructuring plan is being implemented to optimize cost structure
- Confirming outlook

Financial highlights Q2 '11

- Financial performance Q2 '11
 - Revenues and other income € 3,290m, down 1.9% y-on-y
 - ◆ Regulatory impact of € 136m (4.1%)
 - ◆ Net positive incidentals and effect of acquisitions of € 23m
 - EBITDA of € 1,308m, down 5.6% y-on-y
 - ◆ Regulatory impact of € 56m (4.0%)
 - ◆ Restructuring costs of € 13m
 - ◆ Net positive incidentals and effect of acquisitions of € 12m
 - Capex of € 515m, € 897m YTD
 - Free cash flow of € 792m, € 983m YTD
- Continued focus on industry-leading shareholder returns
 - € 1.0bn share repurchases for 2011 started in February, ~71% completed to date following acceleration in May
 - Final dividend 2010 of € 0.53 per share paid in April 2011, up 15% y-on-y
 - Total cash returned to shareholders in H1 € 1,462m, up 16% y-on-y
 - 2011 interim dividend declared of € 0.28 per share, up 3.7% compared to 2010

Outlook

Confirming outlook

	Outlook 2011
EBITDA	>€ 5.3bn ¹
Capex	<€ 2bn
Free cash flow²	Growth ³
Dividend per share	At least € 0.85

- EBITDA trend y-on-y improving in H2
 - Solid profitable growth in Germany and Belgium
 - Lower MTA impact
 - Implementation of cost optimization initiatives

Outlook 2012: Free cash flow²: ~€ 2.4bn DPS: € 0.90

Outlook 2013: DPS: € 0.95

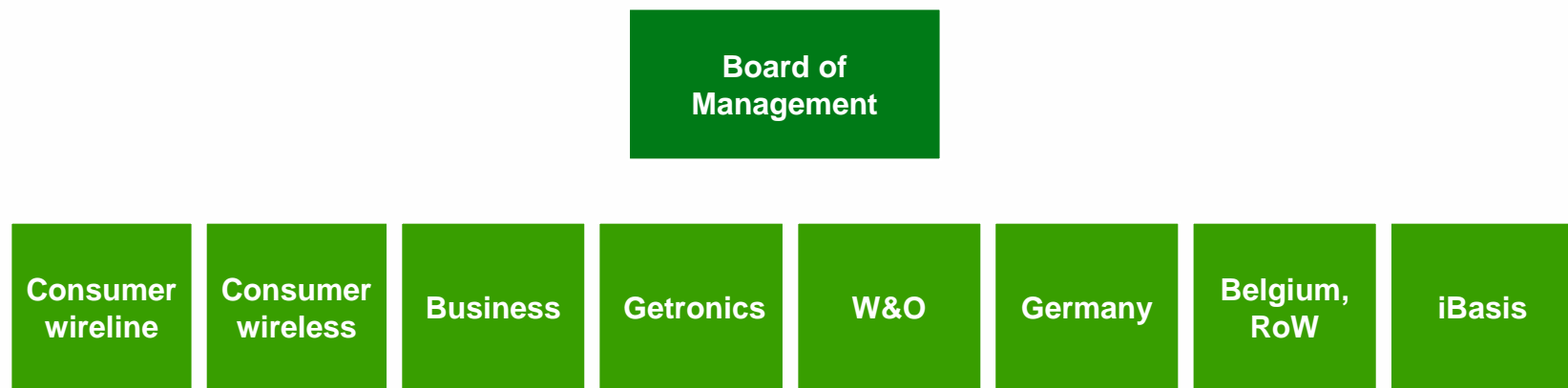
¹ Excluding 2011 restructuring costs

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

³ "Growth" defined as growth compared to 2010 free cash flow, set on 26 January 2010 (free cash flow in 2010 was € 2,428m)

Operational structure

Closer alignment with market dynamics



De-layering operational structure
To be implemented on 1 January 2012

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Group results Q2 '11

€ m	Q2 '11	Q2 '10	%	YTD '11	YTD '10	%
Revenues and other income	3,290	3,354	-1.9%	6,525	6,631	-1.6%
Operating expenses	2,546	2,515	1.2%	5,069	4,999	1.4%
— of which Depreciation ¹	352	351	0.3%	699	699	flat
— of which Amortization ¹	212	196	8.2%	422	378	12%
Operating profit	744	839	-11%	1,456	1,632	-11%
Financial income/expense	-180	-194	-7.2%	-335	-386	-13%
Share of profit of associates	-12	-11	9.1%	-11	-21	-48%
Profit before taxes	552	634	-13%	1,110	1,225	-9.4%
Taxes	-138	-169	-18%	-105	-311	-66%
Profit after taxes	414	465	-11%	1,005	914	10%
Earnings per share²	0.28	0.29	-3.4%	0.67	0.57	18%
EBITDA³ (reported)	1,308	1,386	-5.6%	2,577	2,709	-4.9%
— Restructuring costs	13	-8	-	23	-1	-
EBITDA³ (excl. restructuring costs)	1,321	1,378	-4.1%	2,600	2,708	-4.0%

- Operating expenses up 1.4% y-on-y YTD '11 due to investments in growth in Mobile International and Dutch Telco, and higher amortization of licenses and software
- YTD '11 taxes down 66% y-on-y due to positive one-off impact innovation tax facilities (~€ 120m)

¹ Including impairments, if any

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

³ Defined as operating profit plus depreciation, amortization & impairments

Group cash flow Q2 '11

€ m	Q2 '11	Q2 '10	%
Operating profit	744	839	-11%
Depreciation and amortization ¹	564	547	3.1%
Interest paid/received	-95	-107	-11%
Tax paid/received	93	-4	<i>n.m.</i>
Change in provisions	-88	-82	7.3%
Change in working capital ²	13	-95	<i>n.m.</i>
Other movements	-31	-26	19%
Net cash flow from operating activities	1,200	1,072	12%
Capex³	515	380	36%
Proceeds from real estate	15	15	<i>flat</i>
Tax recapture E-Plus	92	-	<i>n.m.</i>
Free cash flow⁴	792	707	12%
Dividend paid	795	733	8.5%
Share repurchases	489	431	13%
Cash return to shareholders	1,284	1,164	10%

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 € 792m in Q2 '11, up 12% y-on-y
 - € 189m positive tax comparison y-on-y due to € 237m positive impact innovation tax facilities partly offset by higher tax payments as no prepayment in Q1 '11
 - € 108m change in working capital improvement y-on-y
 partly offset by:
 - € 78m lower EBITDA y-on-y
 - € 135m higher Capex y-on-y
- Average coverage ratio of KPN pension funds at 108% end Q2 '11
 - Q2 '11 recovery payment of € 19m
 - No additional recovery payments while coverage ratio above 105%

Group cash flow YTD '11

On track to meet full-year free cash flow guidance

€ m	YTD '11	YTD '10	%
Operating profit	1,456	1,632	-11%
Depreciation and amortization ¹	1,121	1,077	4.1%
Interest paid/received	-351	-366	-4.1%
Tax paid/received	-22	-558	-96%
Change in provisions	-208	-166	25%
Change in working capital ²	-266	-293	-9.2%
Other movements	-65	-25	>100%
Net cash flow from operating activities	1,665	1,301	28%
Capex³	897	715	25%
Proceeds from real estate	62	22	>100%
Tax recapture E-Plus	153	327	-53%
Free cash flow⁴	983	935	5.1%
Dividend paid	795	733	8.5%
Share repurchases	667	532	25%
Cash return to shareholders	1,462	1,265	16%

- Free cash flow of € 983m YTD '11, up 5.1% y-on-y
- Positive tax comparison of € 362m YTD '11 y-on-y
 - € 237m positive impact innovation tax facilities
 - Lower tax payments YTD '11 due to monthly tax payments in 2011 while full year tax prepayment in Q1 '10
- Capex € 182m higher YTD '11 y-on-y due to investments in network capacity and timing differences
- € 1,462m shareholder returns, up 16% YTD '11 y-on-y
 - 8.5% higher dividends paid y-on-y
 - 25% more share repurchases y-on-y following acceleration in May

¹ Including impairments, if any

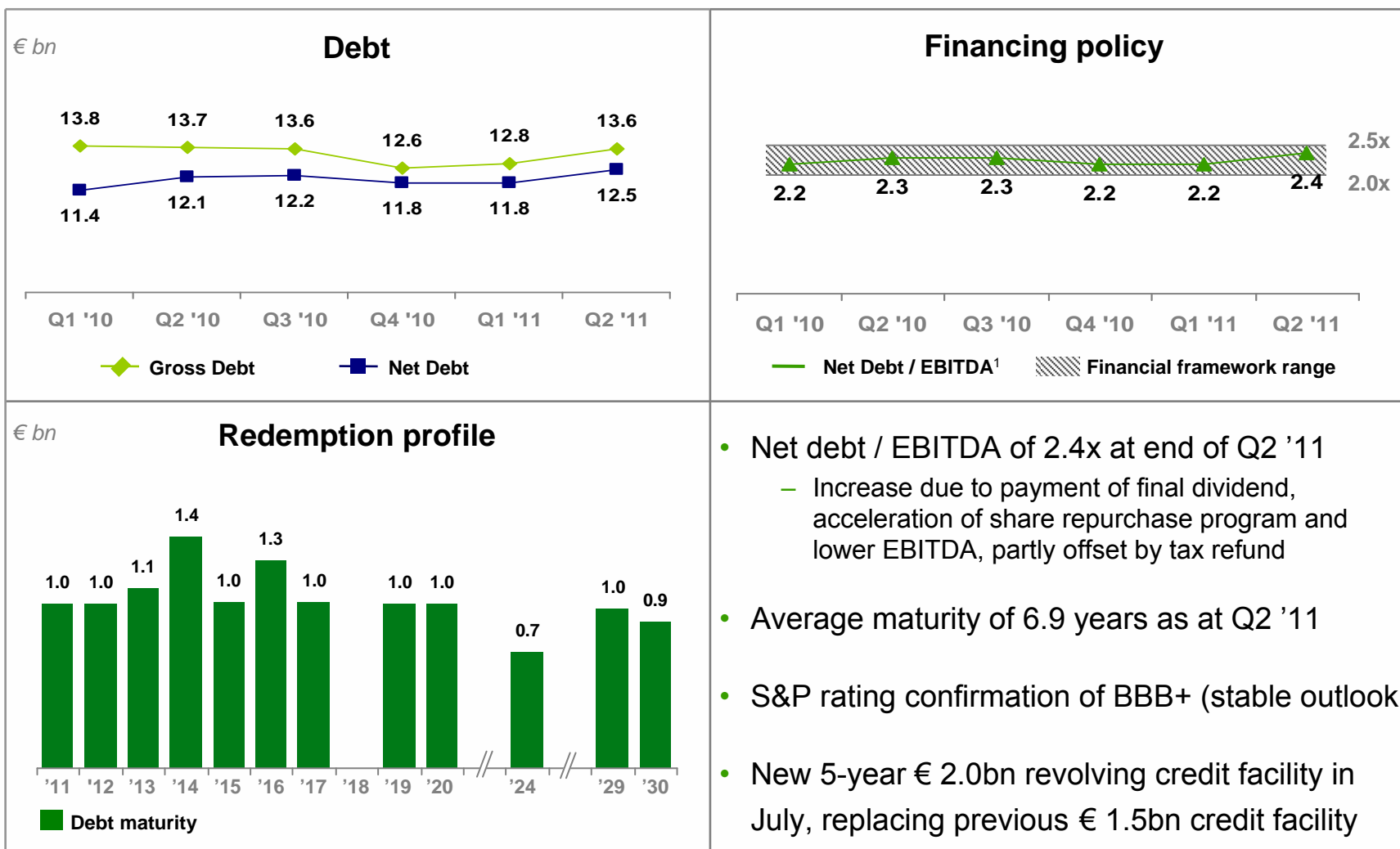
² Excluding changes in deferred taxes

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

Group financial profile

Maintaining solid financial profile



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

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Progress in strengthening Dutch Telco

Q1 trends Dutch Telco

- Consumer wireless
 - Substitution voice, SMS by data
 - Competition in 'value for money' segment
- Business
 - Pricing pressure
 - Continued rationalization

Additional investments announced

- Commercial investments
 - Acquisition/retention Consumer wireline
 - Increase distribution capacity
- Operational investments
 - Improve customer service
 - Strengthen IT platforms, upgrade datacenters
- Accelerated Capex
 - VDSL upgrade including pair bonding
 - IPTV improvements
 - Customer equipment (e.g. modems)
 - IT upgrade

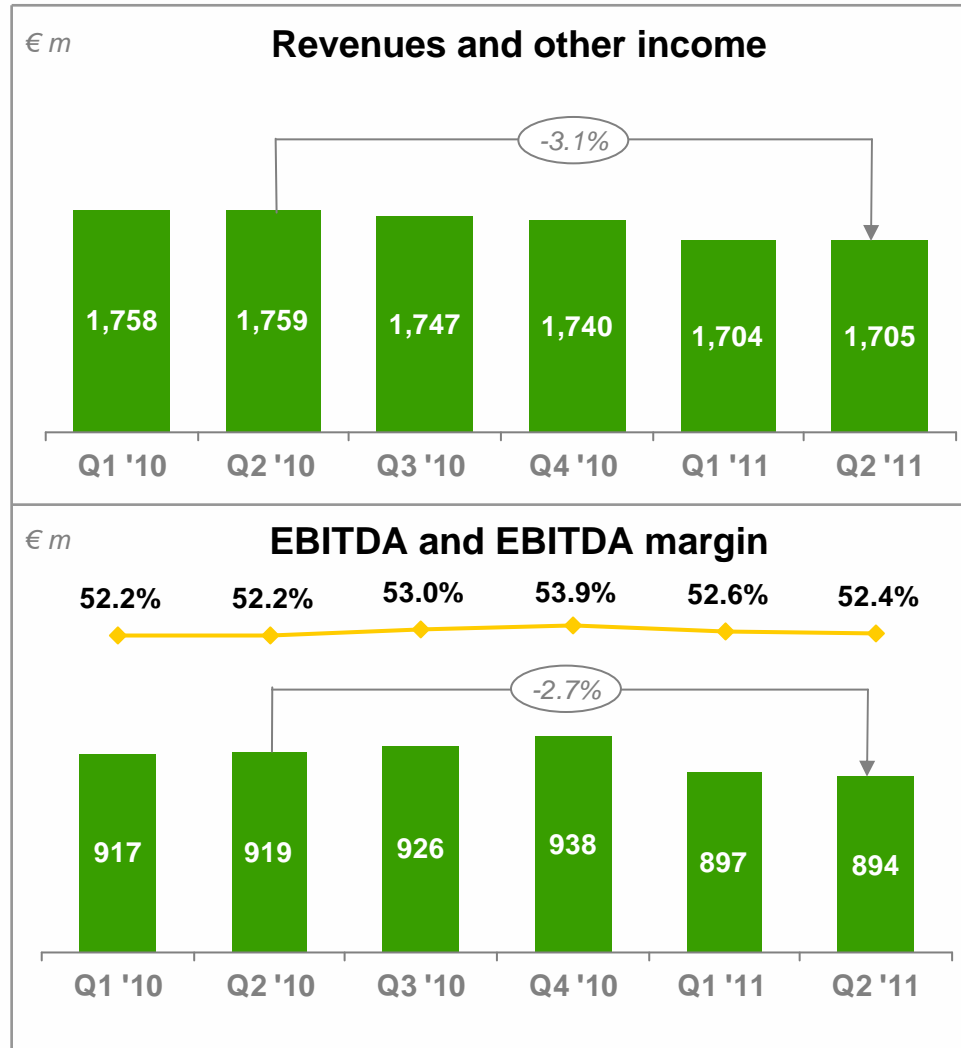
Progress

- Consumer wireless
 - Short-term measures successful; new mobile propositions in September
 - Customer retention and focus on brand improvement at Telfort
- Business
 - Good customer retention program implemented

Progress

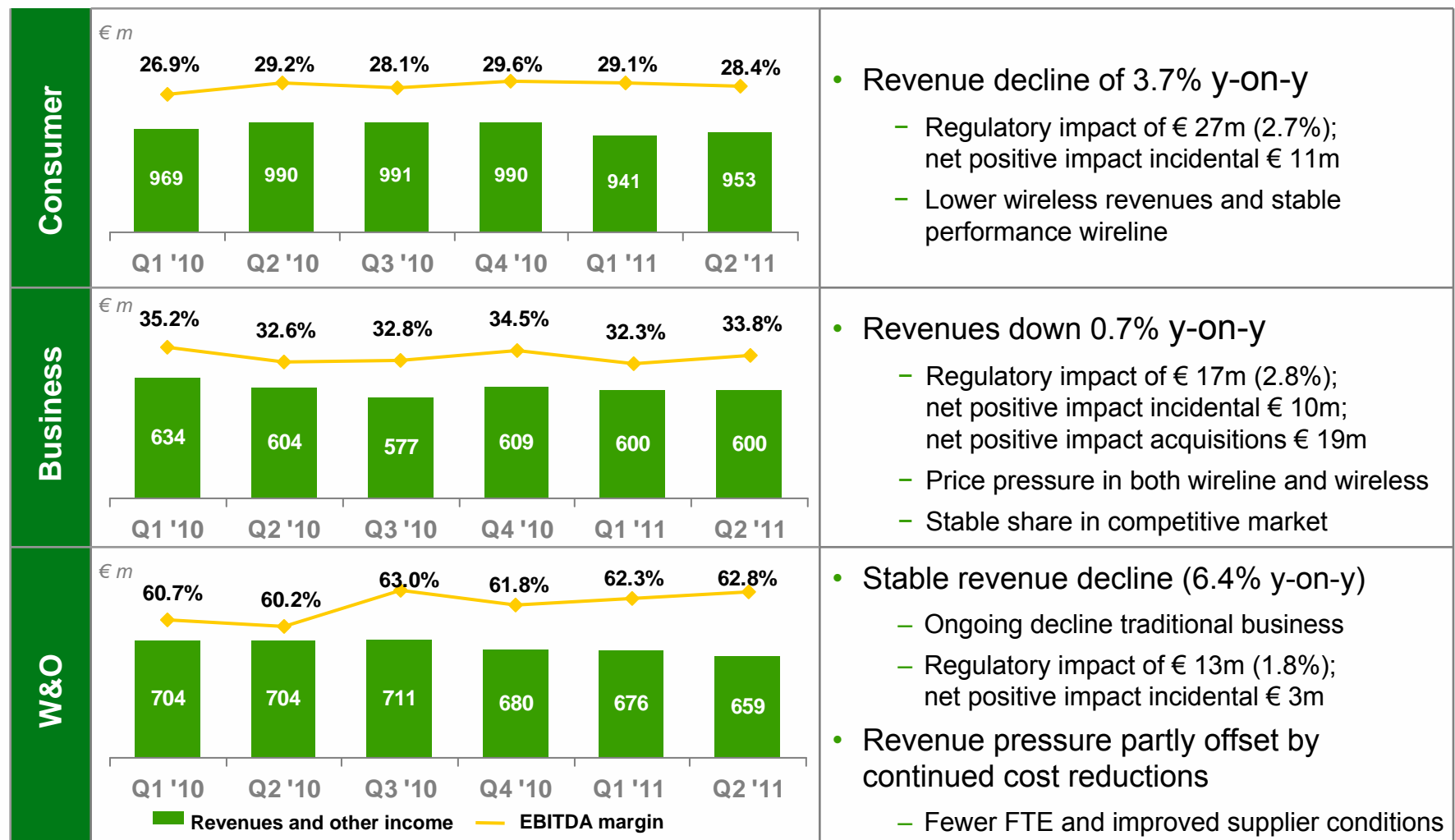
- Commercial investments
 - Multiple brands on IPTV
 - Multi-room IPTV
 - FttH demand aggregation successful
- Operational investments
 - Shortened delivery times
- Accelerated Capex
 - Successfully completed pair bonding pilot
 - VDSL upgrades including pair bonding on track
 - Multi-room IPTV customer equipment

Financial review - Dutch Telco



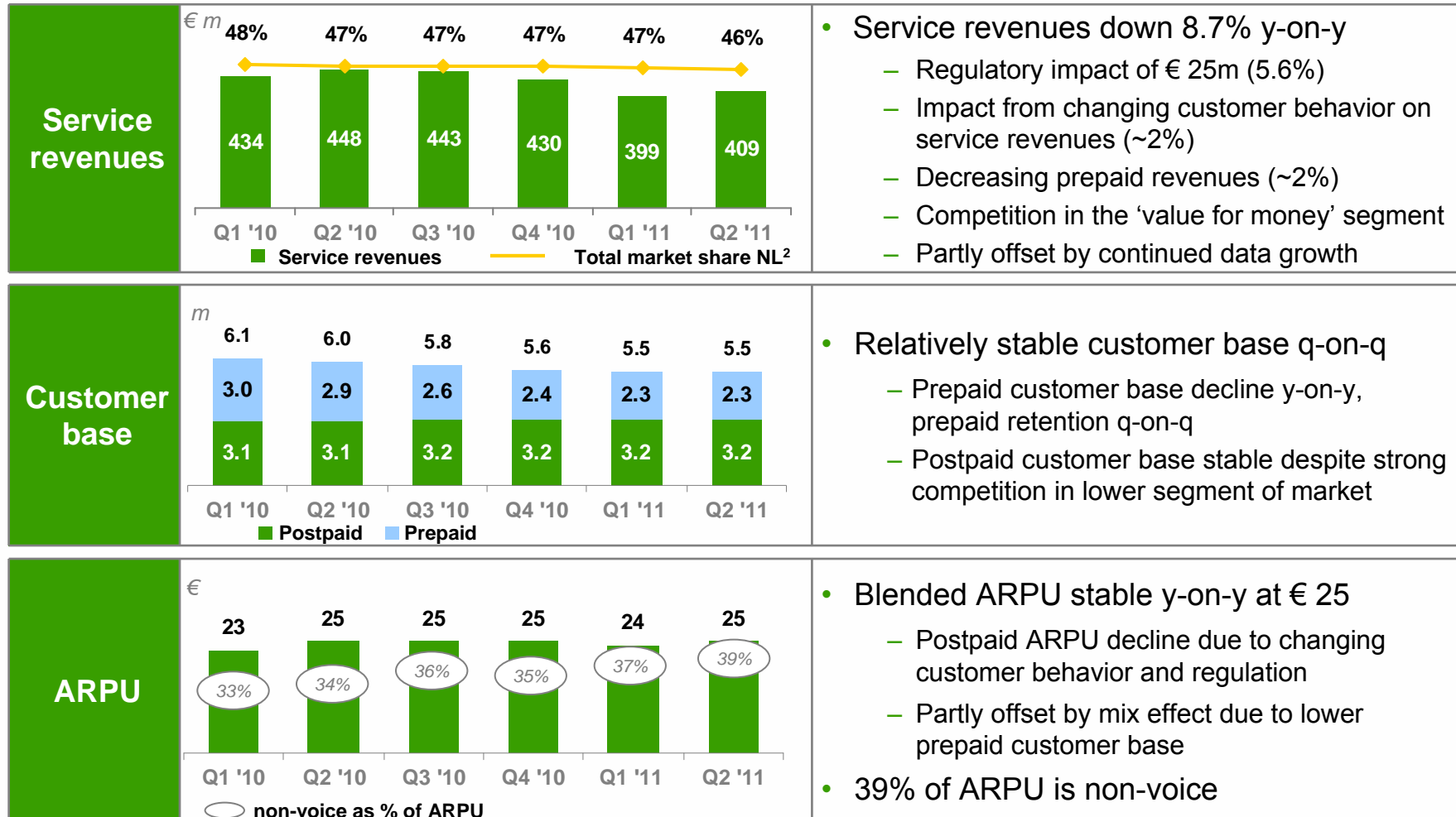
- Revenues and other income down 3.1% y-on-y
 - Regulatory impact of € 54m (3.1%)
 - € 24m net positive impact from incidentals
 - € 17m net positive impact from acquisitions
 - Lower service revenues from changing customer behavior and competition in 'value for money' segment
- EBITDA down 2.7% y-on-y
 - Regulatory impact of € 12m (1.3%)
 - € 18m net positive impact from incidentals
 - € 2m net positive impact from acquisitions
 - Reduction in fixed costs offset by increased costs to strengthen Dutch Telco business

Financial review - Dutch Telco by segment



Operating review - Consumer wireless¹

Service revenues impacted by regulation and changing customer behavior

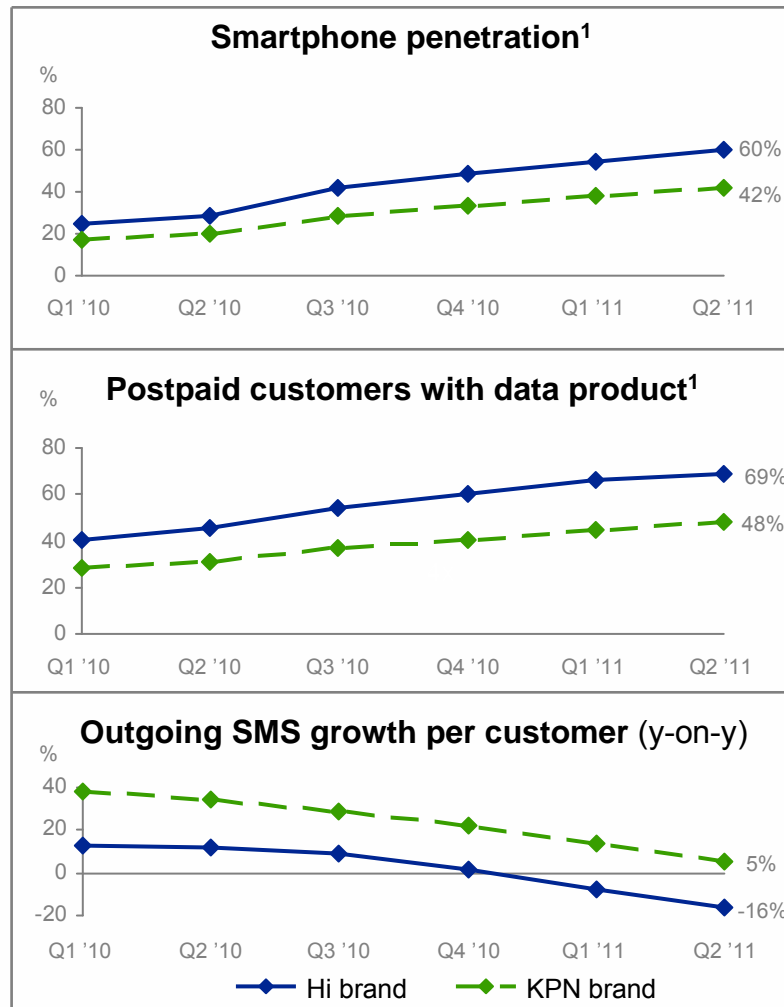


¹ Excluding Mobile Wholesale NL

² Total KPN (Consumer, Business and other Dutch activities) service revenue market share

Consumer wireless - update of trends

Smartphones and new apps change customer behavior

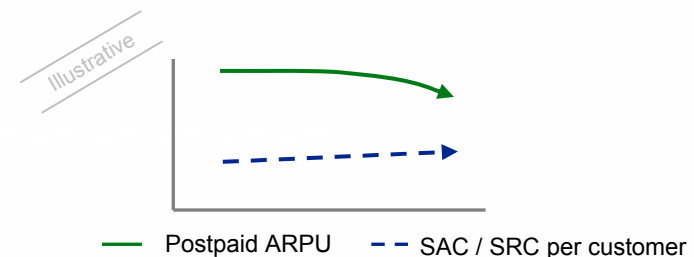


Trends

- Number of data customers increasing
- Smartphones and new communication apps drive SMS - and in second instance voice - to data substitution
- Expansion of (free) WiFi hotspots
- 'Hi' brand has many early adopters; other KPN brands following but at significantly lower speed

Exposure to trends

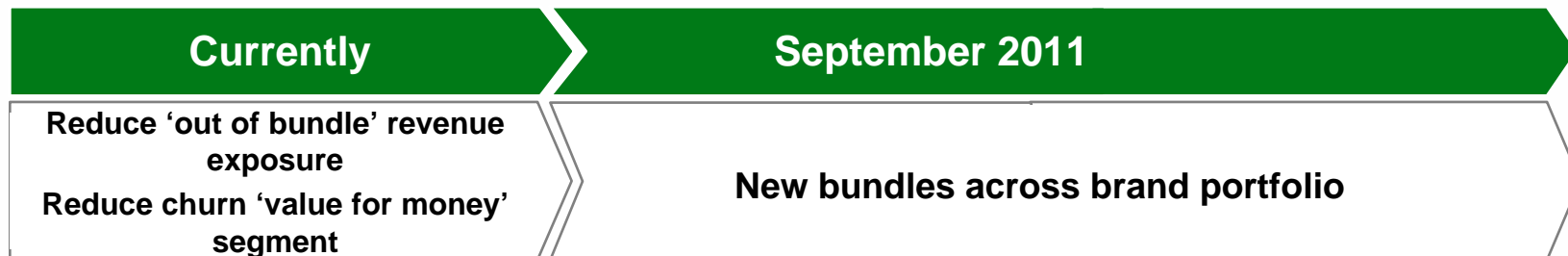
- Postpaid ARPU under pressure
- 'Unlimited' data packages promote substitution
- 'Out of bundle' service revenues exposed to trends: currently 22% of service revenues is 'out of bundle'
- SAC / SRC in market still increasing



¹ Consumer postpaid excluding SIM-only; Q2 figures include April and May only

Consumer wireless - update on initiatives

Short-term measures successful, new mobile propositions announced



- Actively upsell 'out of bundle' customers to higher bundles
- Short term measures are successful:



- ~35% of addressed customers adjusted their contract
- Changed customers have significantly lower 'out of bundle' exposure

- Reduce churn in 'value for money' segment



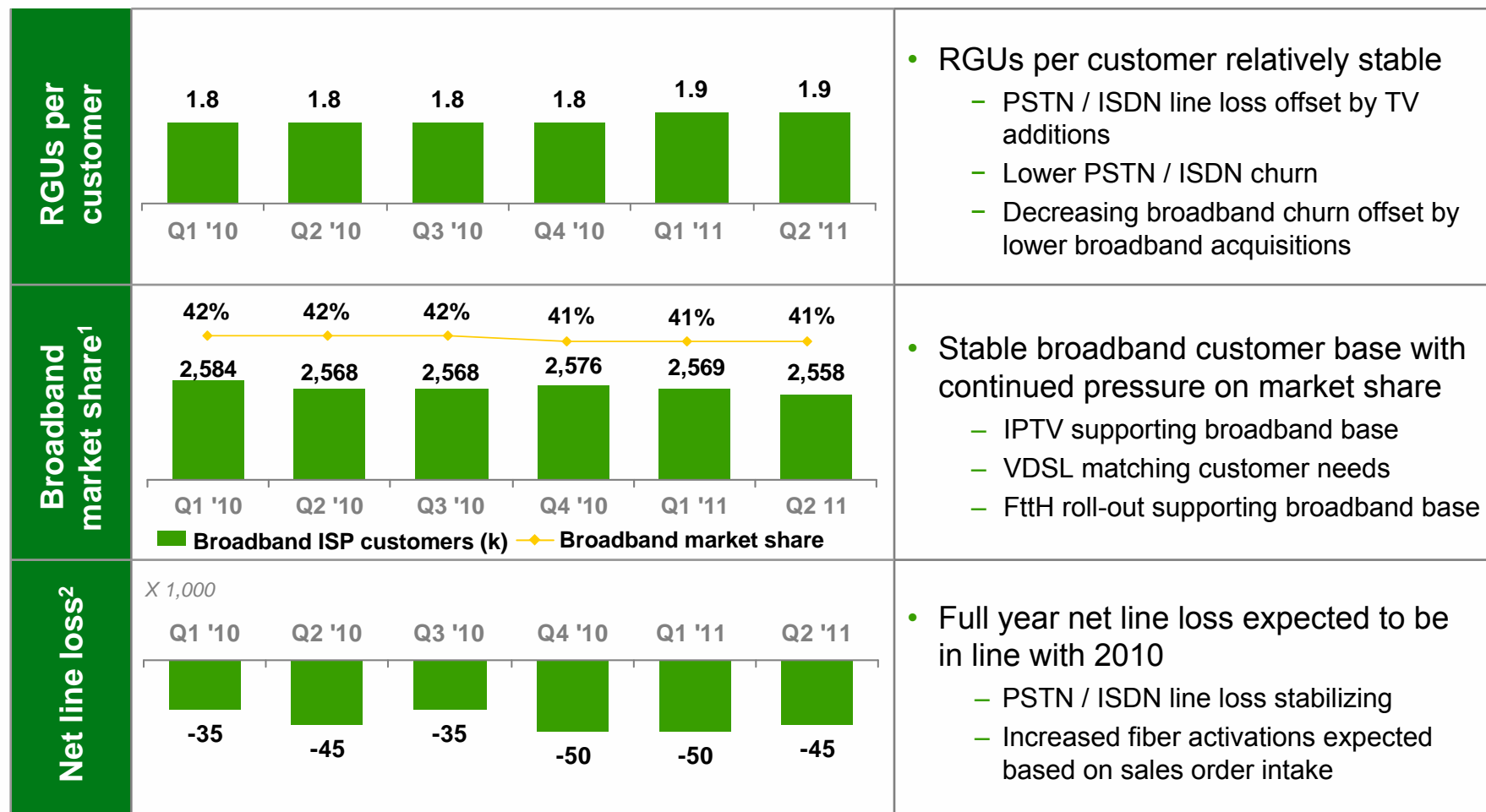
- Improved retention management
- Actively address SIM-only market
- Improved brand positioning of Telfort

- Integrated data / voice / SMS propositions
- Differentiation on quantity, speed and service
- Transparent propositions to prevent 'bill surprise' for customers
- Data volume pricing will increase
- Managing down SAC / SRC, step down of hardware subsidization
- Net neutrality adhered, no blocking

Detail new bundles

- Three brands: KPN and Hi launch in September '11, Telfort in Q1 '12
- Three types of line-up for each brand
 1. voice / SMS; max. speed 2.0 Mbps down / 0.1 Mbps up
 2. data / voice / SMS; max. speed 2.0 Mbps down / 0.1 Mbps up
 3. data XL / voice / SMS; max. speed 7.2 Mbps down / 2.0 Mbps up

Operating review - Consumer wireline



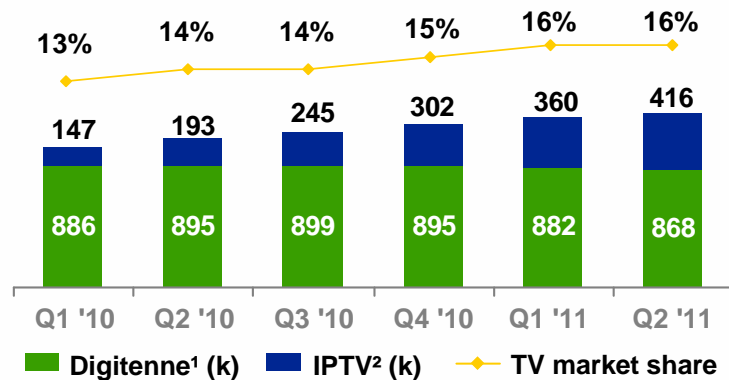
1 Source: Telecompaper, management estimates for Q2 '11

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

Operating review - Consumer wireline (cont'd)

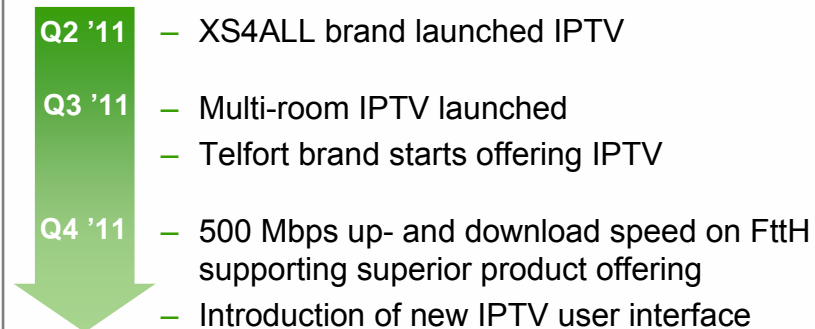
Continued growth in TV market share, strategic innovation roadmap on track

Growing TV market share



- Continued growth in IPTV; 56k net adds

- Wireline innovation roadmap on track



1 Digitenne used as primary TV connection
 2 Including FttH IPTV
 3 HP = Homes Passed; HA = Homes Activated

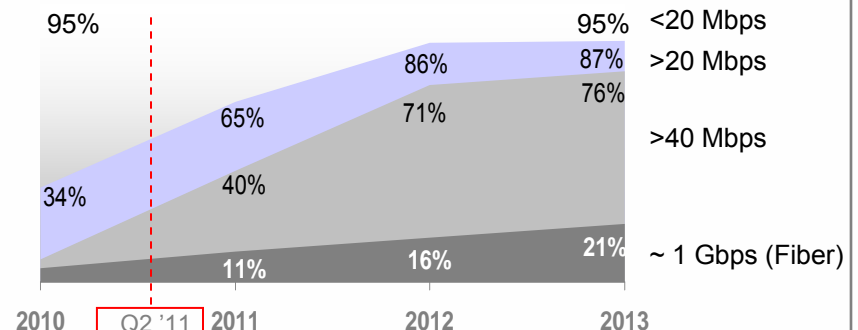
Expanding addressable market

- Hybrid VDSL and FttH strategy
 - VDSL upgrades ongoing
 - FttH roll-out continues; demand aggregation in fiber areas successful; 17 out of 19 areas start roll-out



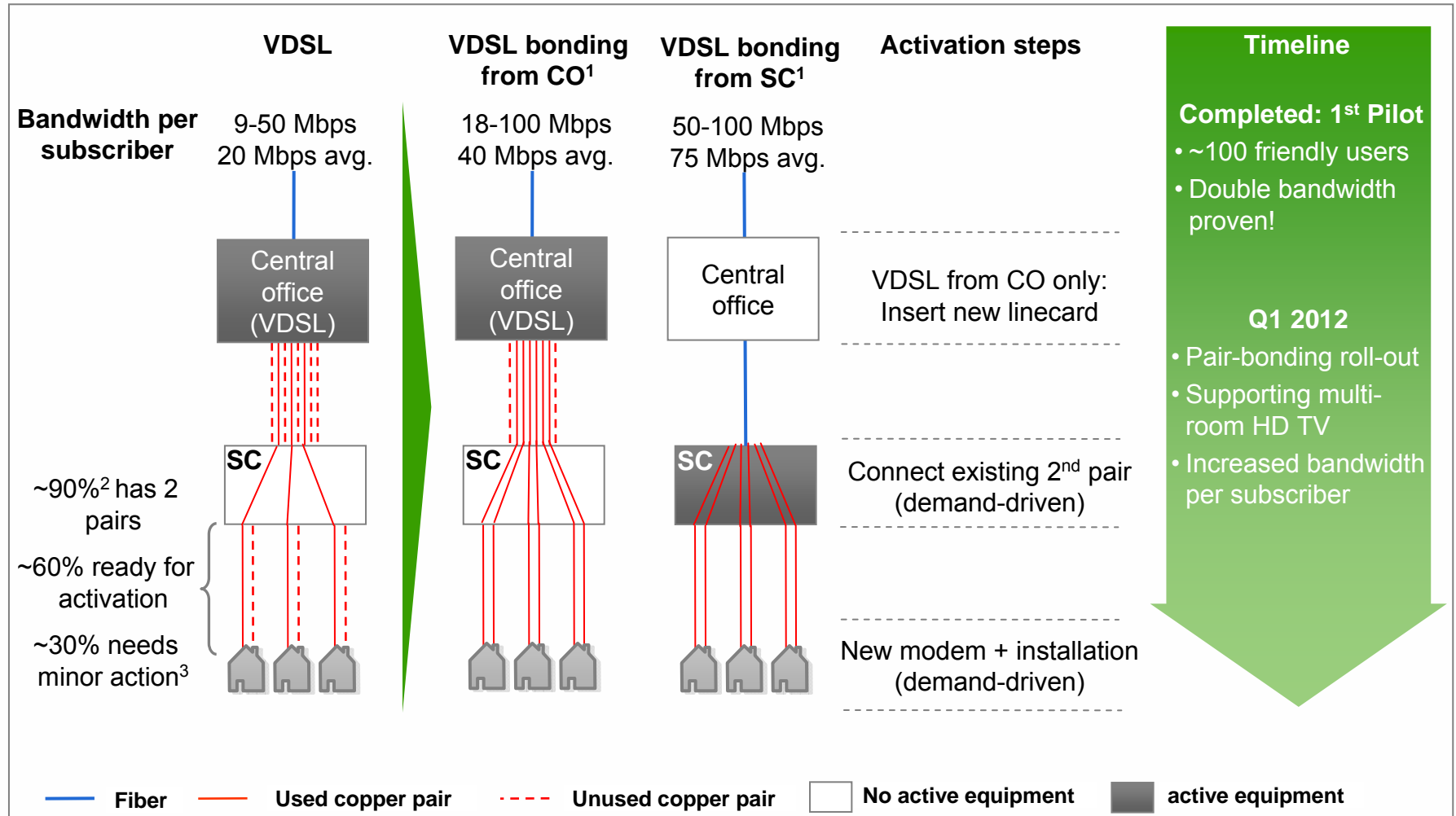
- Year end 2011 coverage target on track: ~40% of Dutch households covered with >40 Mbps

% coverage of Dutch market, minimum speeds



Copper upgrades - pair bonding

Supporting multi-room HD TV proposition and increasing bandwidth

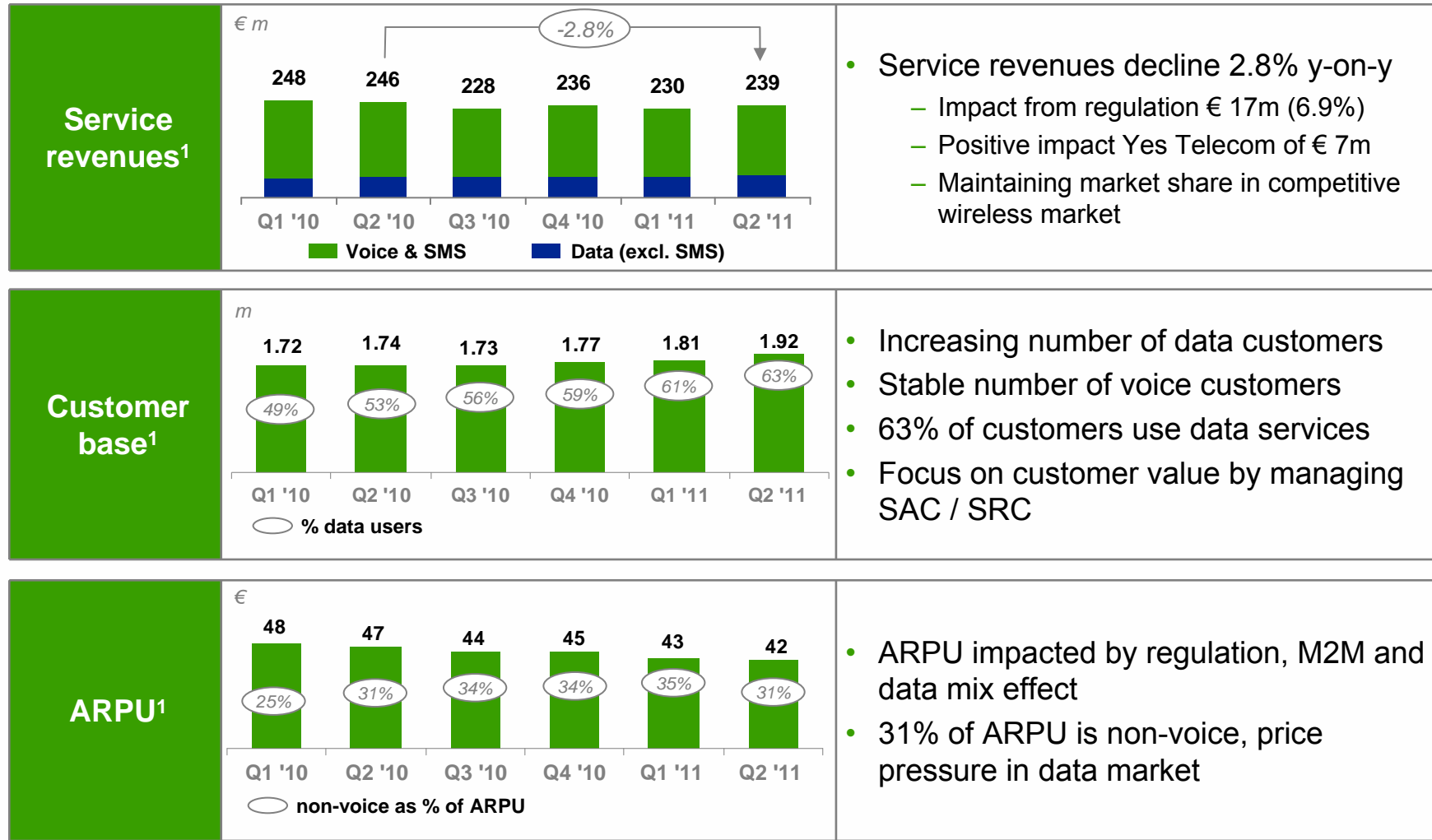


1 CO = Central office; SC = Street cabinet

2 Amongst the highest rankings in Europe

3 Minor copper correction, typically welding

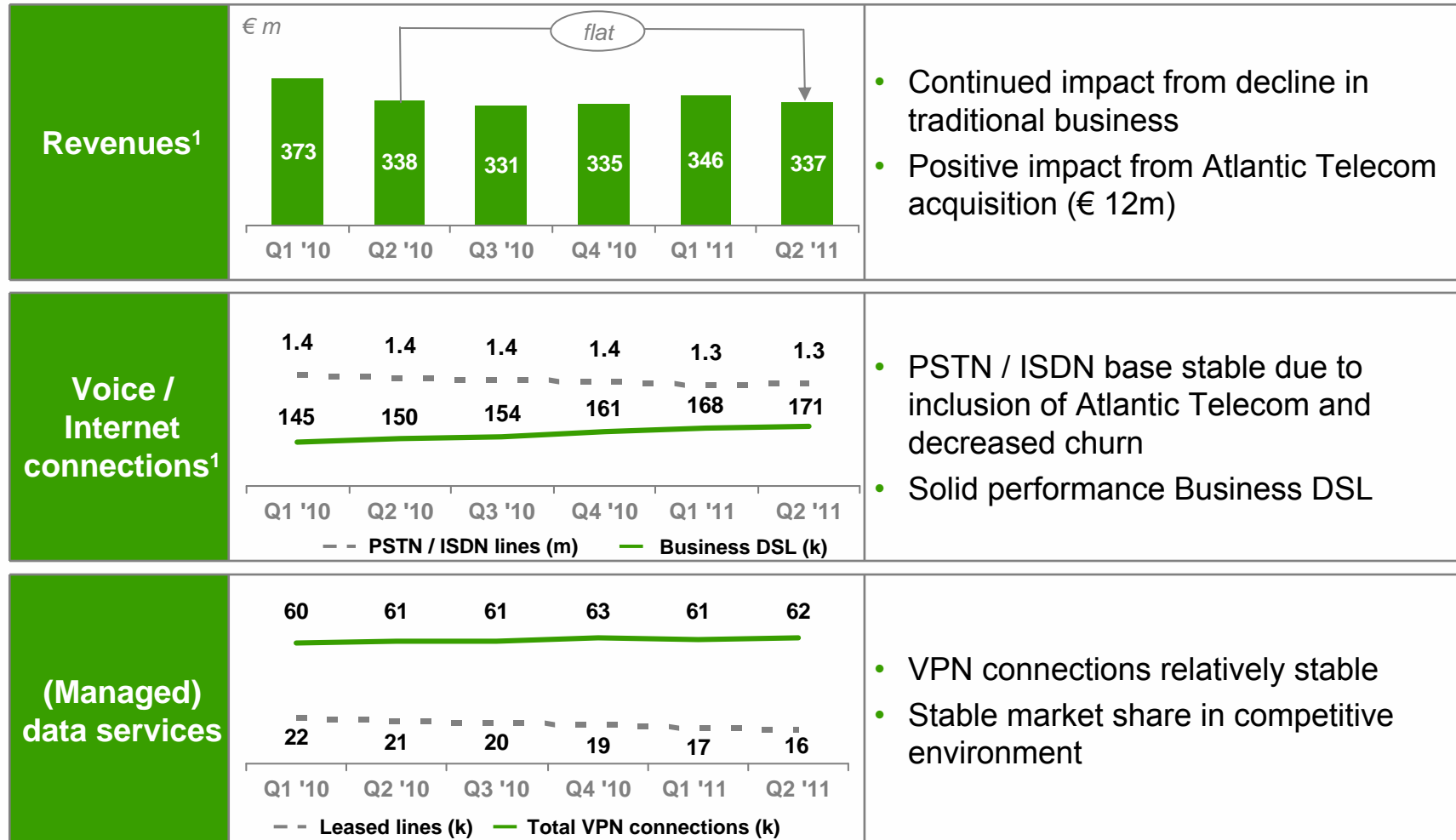
Operating review - Business wireless



¹ Business wireless figures include 'Yes Telecom' as of Q2 2011

Operating review - Business wireline

Continued pressure on traditional services



- Continued impact from decline in traditional business
- Positive impact from Atlantic Telecom acquisition (€ 12m)

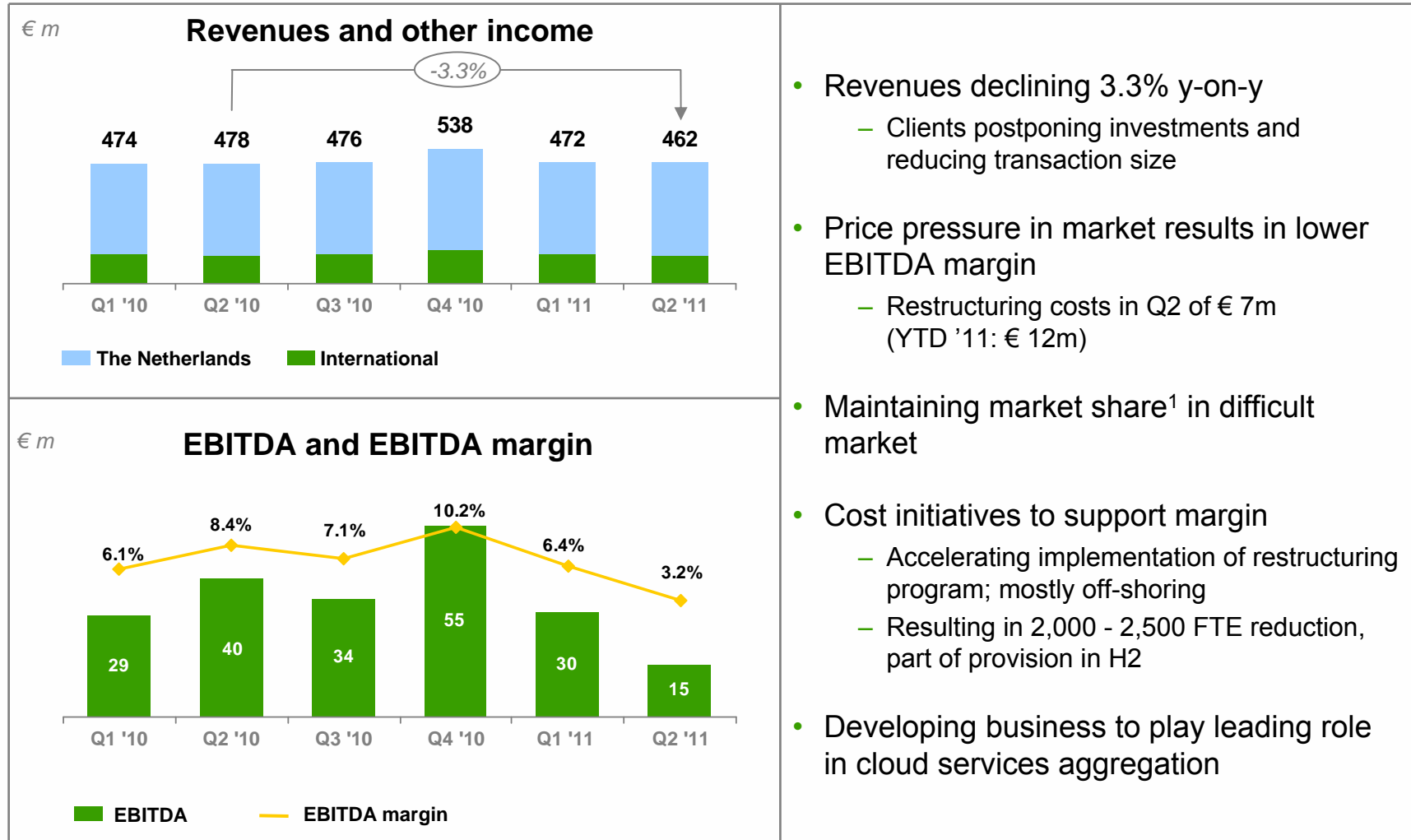
- PSTN / ISDN base stable due to inclusion of Atlantic Telecom and decreased churn
- Solid performance Business DSL

- VPN connections relatively stable
- Stable market share in competitive environment

¹ Revenues include Atlantic Telecom as of Q1 2011; Voice / Internet connections include Atlantic Telecom lines as of Q2 2011

Operating review - Getronics

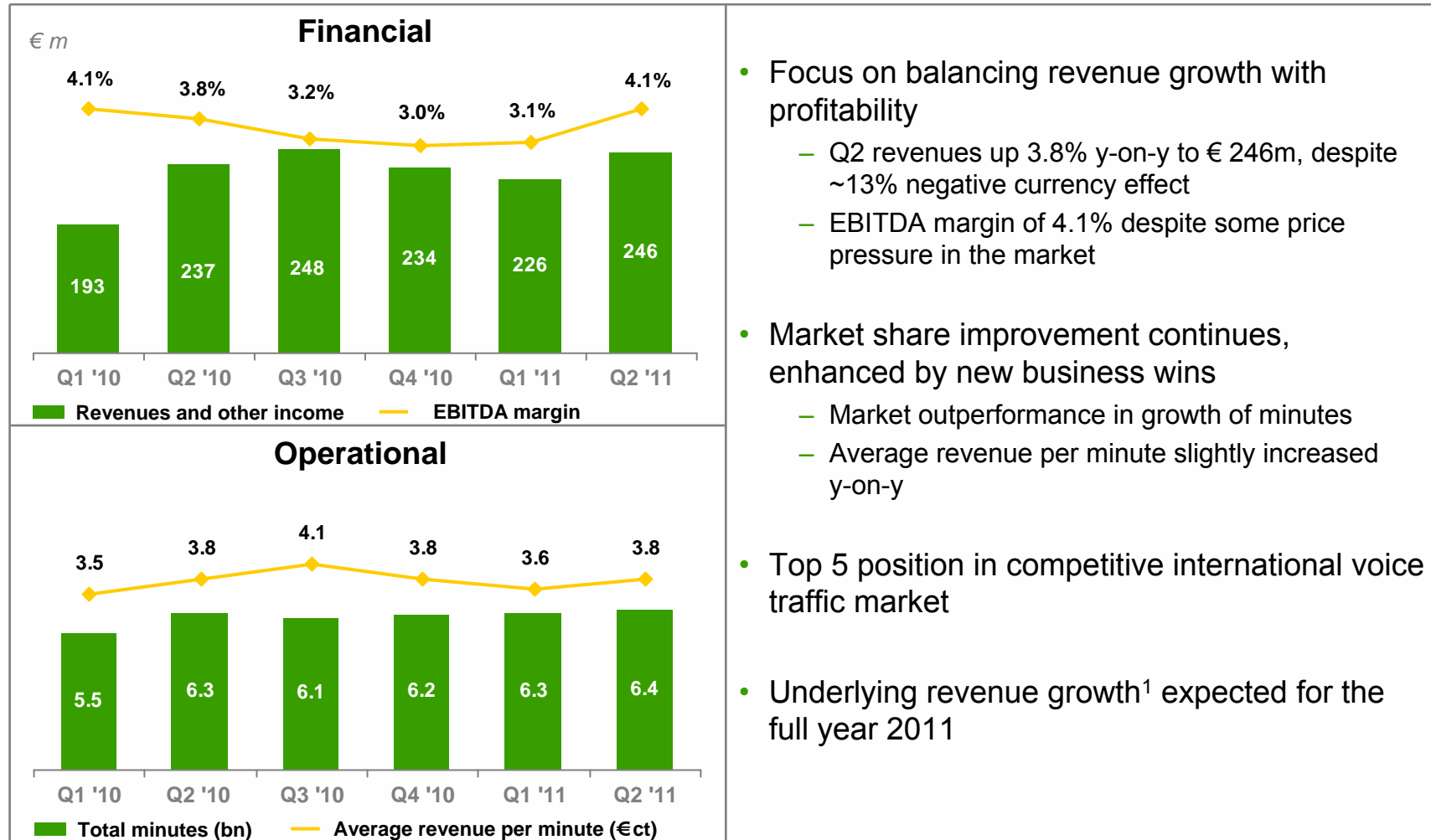
Relatively stable market position in difficult market



¹ Management estimate

Operating review - iBasis

Focus on balancing revenue growth with profitability



¹ Excluding currency effects

The Netherlands - concluding remarks

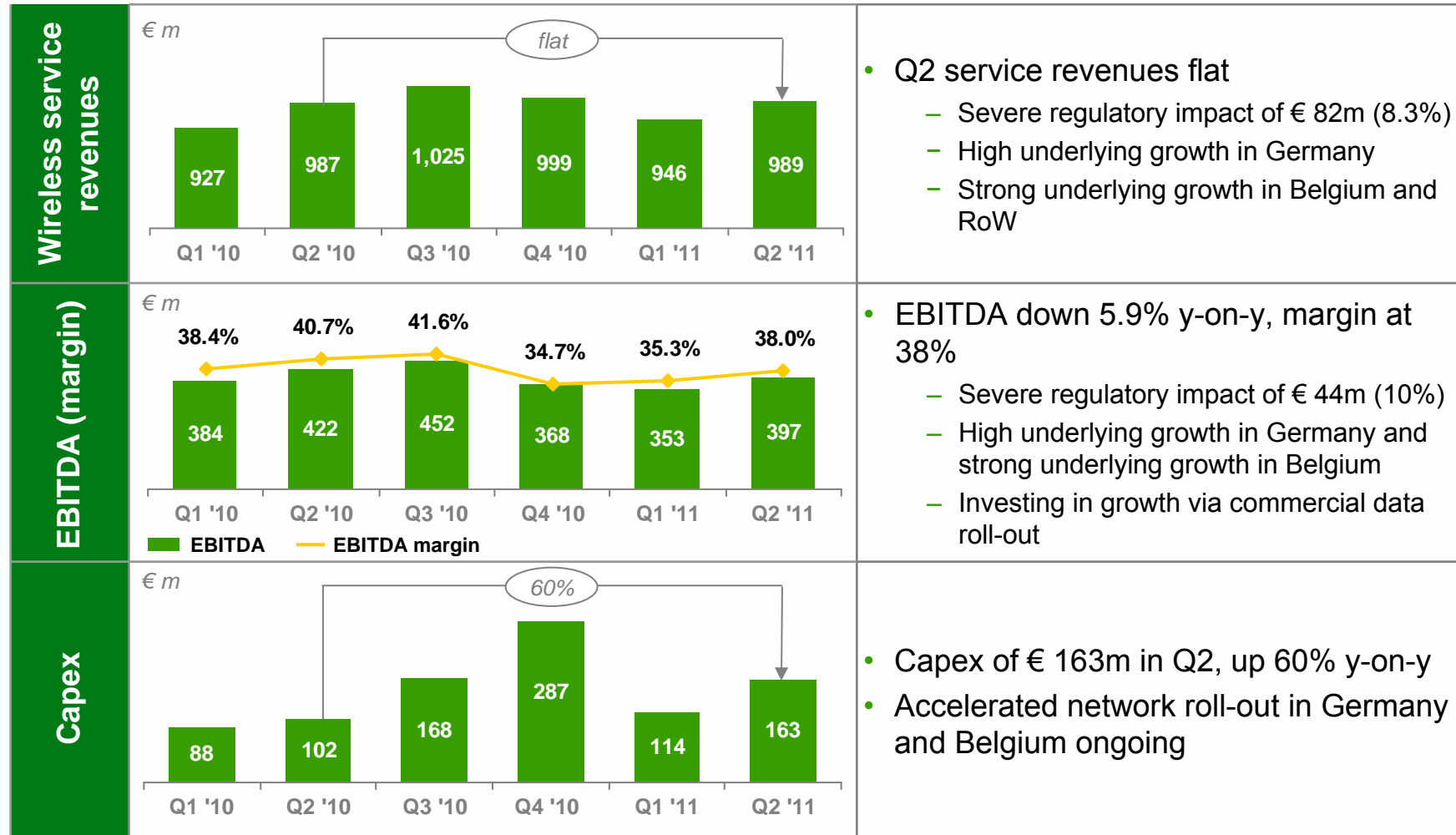
- Consumer wireless trends in line with Q1; short term measures successful
- Structural step in moving to data centric wireless portfolio with new mobile propositions
- Consumer wireline innovation roadmap on track
- Good customer retention management at Business
- Accelerating restructuring plan at Getronics to support margin
- First results of quality program
- Implementation of cost optimization initiatives started

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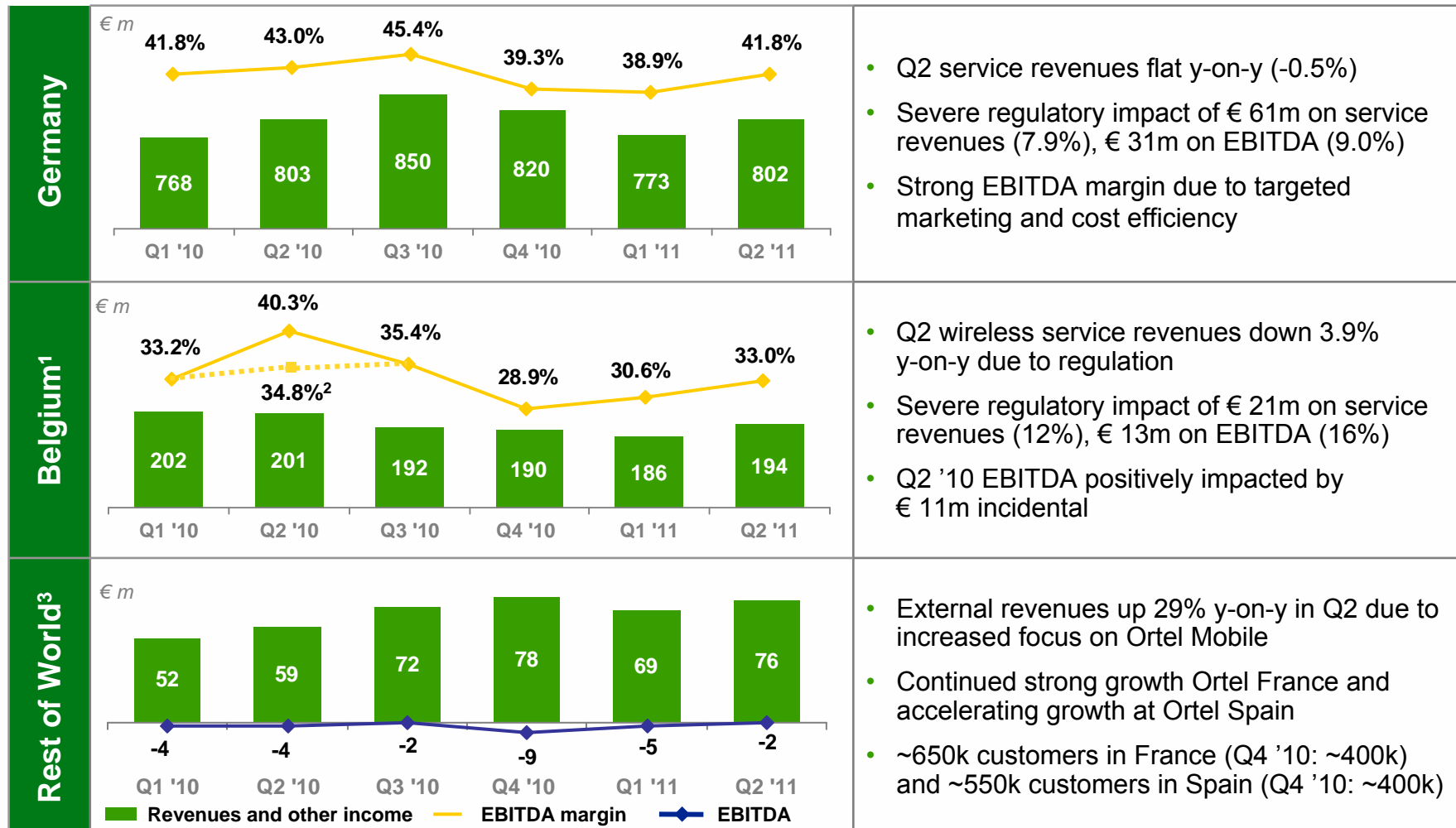
Financial review - Mobile International

Service revenue flat and good profitability despite severe MTA impact



Financial review - Mobile International by segment

Continued underlying growth in all segments, severe regulatory impact



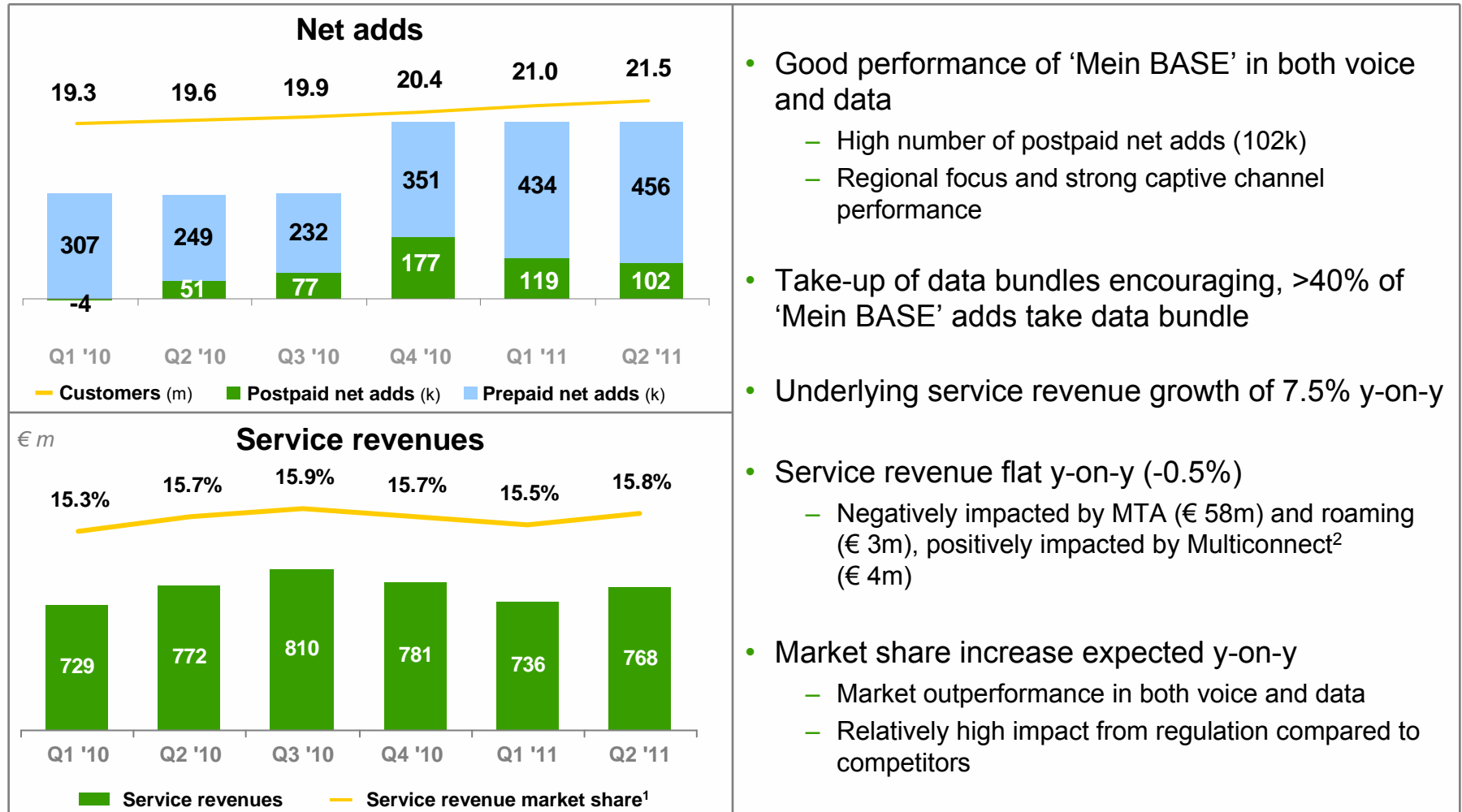
1 Including fixed Belgian B2B and Carrier business, including the fiber network; divested per 31 March 2010

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

3 External revenues

Operating review - Germany

High underlying service revenue growth of 7.5% at strong margin

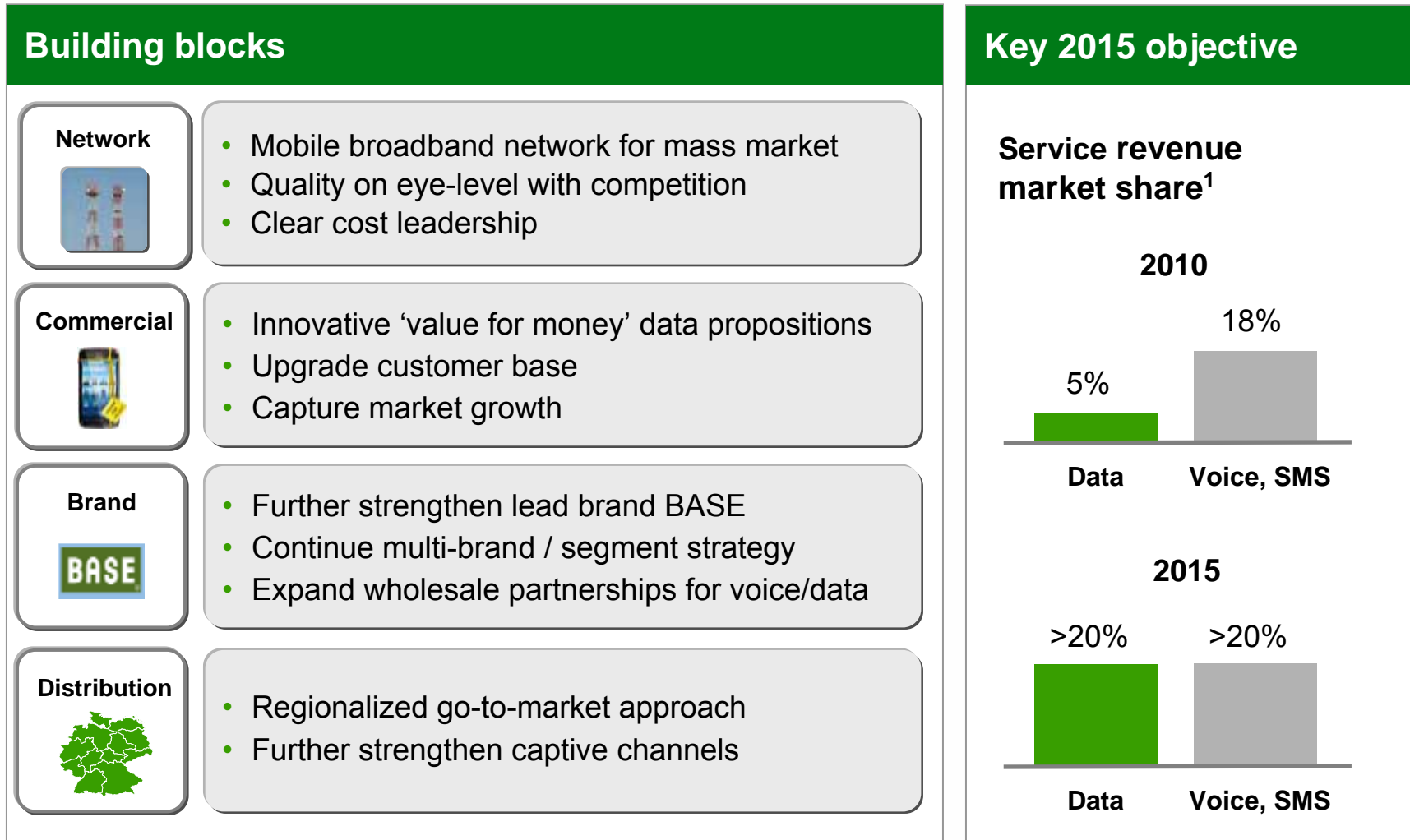


¹ Management estimates, based on service revenues; market shares restated due to change in reporting of Deutsche Telekom in Q1 '11

² Former part of SNT Germany; transferred from segment Other to Germany on 1 June 2010

Strategic building blocks

Grow mobile Challenger strategy with data




¹ 2010 market shares and 2015 objectives for Germany

Strong growth in data supported by accelerated network roll-out

Strong data growth



BASE Lutea
€ 12 per month
24 month contract
Internet flat inclusive



BASE Tablet
€ 19 per month
24 month contract
Internet flat inclusive

- BASE branded smartphones and tablets with data packages for mass market
- Data via 'Mein BASE' and partners shows good take-up





Diagram showing various BASE mobile internet packages arranged around a central hub. The central hub is a dark blue circle with a white border, containing the text '0€' in large white font, '30 Min. + 30 SMS' in smaller white font, and 'MIT ALI BASE/5-Plan' in even smaller white font. Surrounding this central hub are seven light blue circles, each containing a package name and its price. The packages are: 'BASE Flat' (top), 'Festnetz Flat' (top-right), 'Allnet Flat 50' (right), 'Allnet Flat 500' (bottom-right), 'Allnet Flat' (bottom), 'Internet Handy Flat' (bottom-left), and 'SMS Allnet Flat' (left).



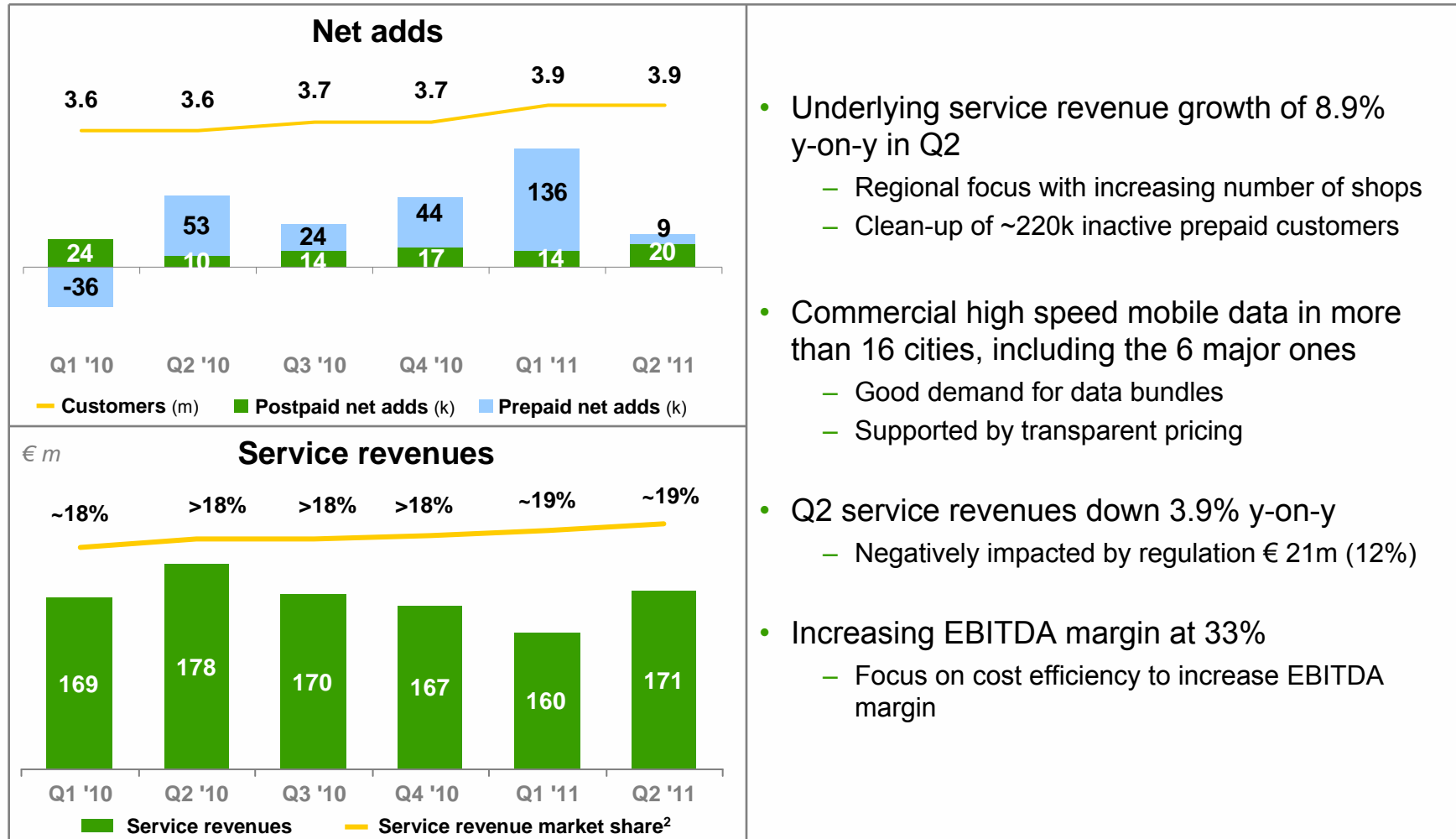
ALDI TALK
MOBILE INTERNET
MIT ALDI.

- High speed data network roll-out through multiple partnerships running ahead of schedule
- >75% of own customer base covered with high speed data (up to 21 Mbps)
- End of year 2012: >80% of total population covered (up to 42 Mbps)
- More than 15 site upgrades per day



Operating review - Belgium¹

Strong underlying growth of 8.9%, service revenues impacted by regulation



1 Wireless services only
2 Management estimates

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Concluding remarks

- Q2 financial results down y-on-y; on track to realize outlook
- Progress made with strategic initiatives to strengthen the business in The Netherlands
- High underlying growth in Germany at strong margin
- First phase of restructuring plan is being implemented to optimize cost structure
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Q&A

Annex

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Analysis of results

Key items worth mentioning in results interpretation

€ m		Q2 '11	Q2 '10	YTD '11	YTD '10
Revenue effect					
MTA reduction	Group	-132	-23	-259	-78
Roaming tariff reduction	Group	-4	-15	-10	-30
EBITDA effect					
MTA reduction	Group	-55	1	-108	-19
Roaming tariff reduction	Group	-1	-11	-4	-24
Restructuring costs	Group	-13	8	-23	1
Release of provisions	Getronics	-	5	10	5
Release of provisions	Belgium	-	11	-	11
Revenue & EBITDA effect					
Book gain on sale of real estate	W&O	11	-	44	-
Book gain on sale of real estate	Other	-	4	-	6
Release of deferred connection fees	Consumer	11	-	11	-
Release of deferred connection fees	Business	7	-3	4	16
Release of deferred connection fees	W&O	-	9	-	9
Wholesale price cap	W&O	-	-	-	4
Book gain on sale of business	Getronics	-	-	5	-

Restructuring costs

€ m	Q2 '11	Q2 '10	YTD '11	YTD '10
Germany	-	-2	-	-2
Belgium	-	-	-	-
Rest of World	-2	-	-2	-
Mobile International	-2	-2	-2	-2
Consumer	-	-1	-1	-2
Business	-	-	-	-
Wholesale & Operations	-	6	-	3
IT NL	-	-	-	-
Other	-1	-	-1	-
Dutch Telco	-1	5	-2	1
Getronics	-7	1	-12	1
The Netherlands	-8	6	-14	2
Other	-3	4	-7	1
KPN Group	-13	8	-23	1

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 MTA decisions published, E-Plus has started legal proceedings against these decisions						
	€ 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"> Auction document published Preliminary timing of 2.6GHz auction is end of November 2011 Combination Telenet & Voo recently acquired 29.6MHz 2.1 GHz for € 71.5m

MTA impact on Group revenues & EBITDA

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

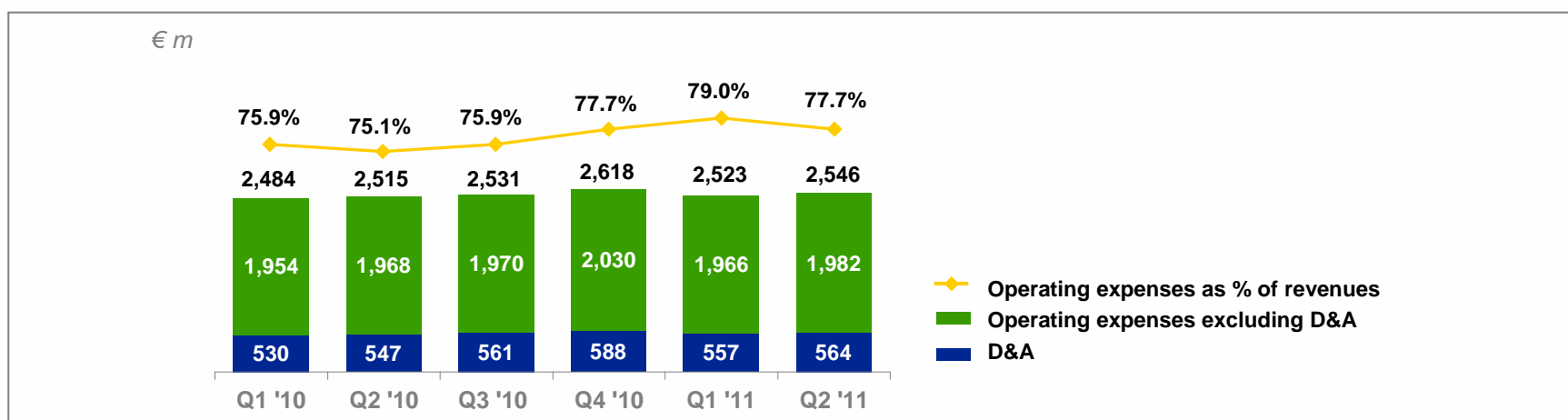
Impact MTA reduction

€ m	Q2 '11		YTD '11	
	Revenues	EBITDA ¹	Revenues	EBITDA ¹
Germany	-58	-30	-111	-57
Belgium	-21	-13	-42	-27
Mobile International	-79	-43	-153	-84
Consumer	-27	-10	-55	-19
<i>Of which: Mobile Wholesale</i>	-2	-1	-4	-2
Business	-16	-2	-33	-4
Wholesale & Operations	-13	-	-25	-1
Intercompany	3	-	7	-
The Netherlands	-53	-12	-106	-24
KPN Group	-132	-55	-259	-108

¹ Defined as operating profit plus depreciation, amortization and impairments

Operating expenses

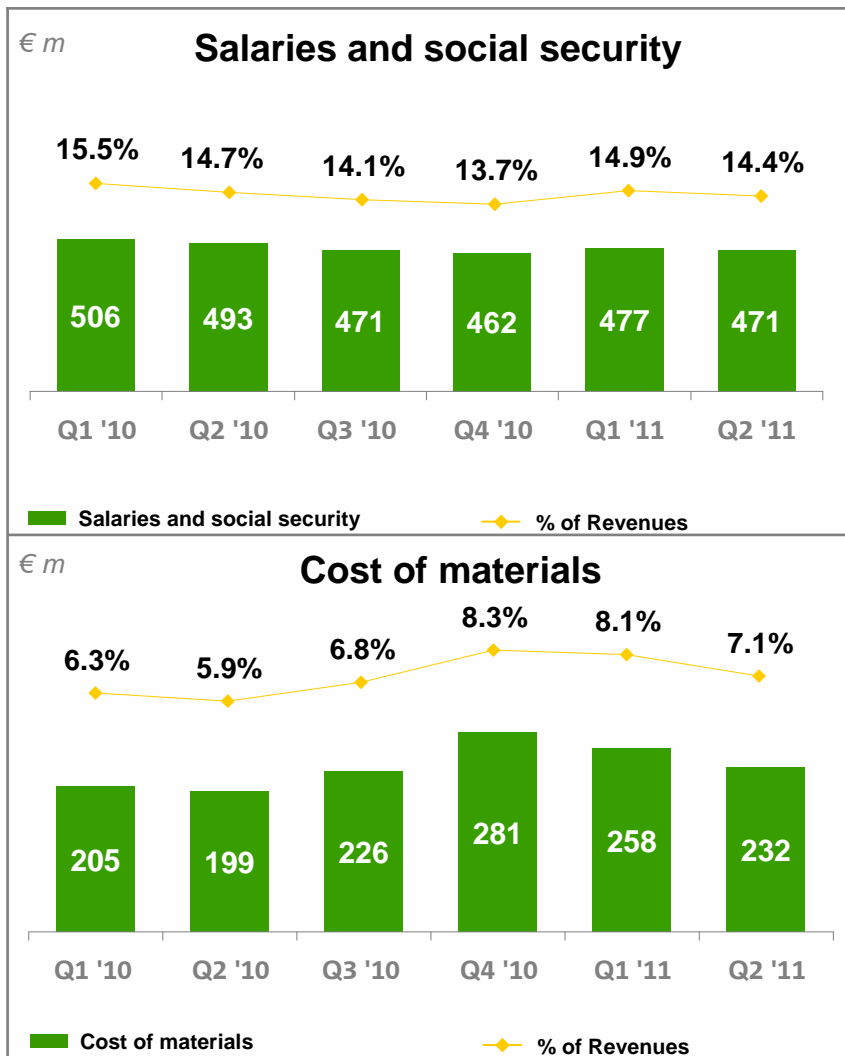
€ m	Q2 '11	Q2 '10	%
Salaries and social security contributions	471	493	-4.5%
Cost of materials	232	199	17%
Work contracted out and other expenses	1,136	1,144	-0.7%
Own work capitalized	-30	-25	-20%
Other operating expenses	173	157	10%
Depreciation ¹	352	351	flat
Amortization ¹	212	196	8.2%
Total	2,546	2,515	1.2%



¹ Including impairments, if any

Operating expenses - analysis

Salaries and social security contributions & Cost of materials



Y-on-Y decrease

- Reduction of own personnel in The Netherlands and Getronics, partly offset by increase at Mobile International

Q-on-Q decrease

- Reduction of own personnel in The Netherlands and Getronics, partly offset by increase at Mobile International

Y-on-Y increase

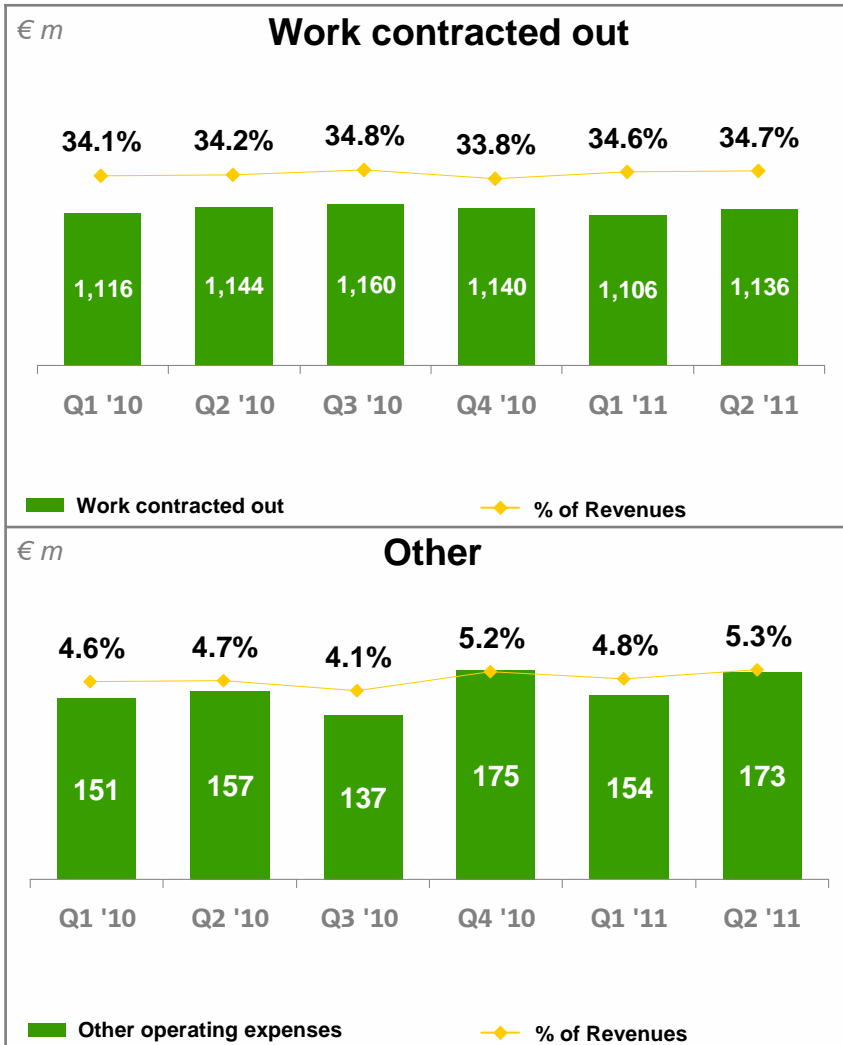
- Higher cost of materials due to increased smartphone sales

Q-on-Q decrease

- Lower costs in Germany due to full implementation of handset lease model as of 1 April

Operating expenses - analysis

Work contracted out & Other



Y-on-Y decrease

- Lower traffic costs due to regulatory tariff cuts across all segments
- Partly offset by increase at Mobile International and iBasis due to higher traffic

Q-on-Q increase

- Higher costs related to higher traffic at Mobile International and iBasis

Y-on-Y increase

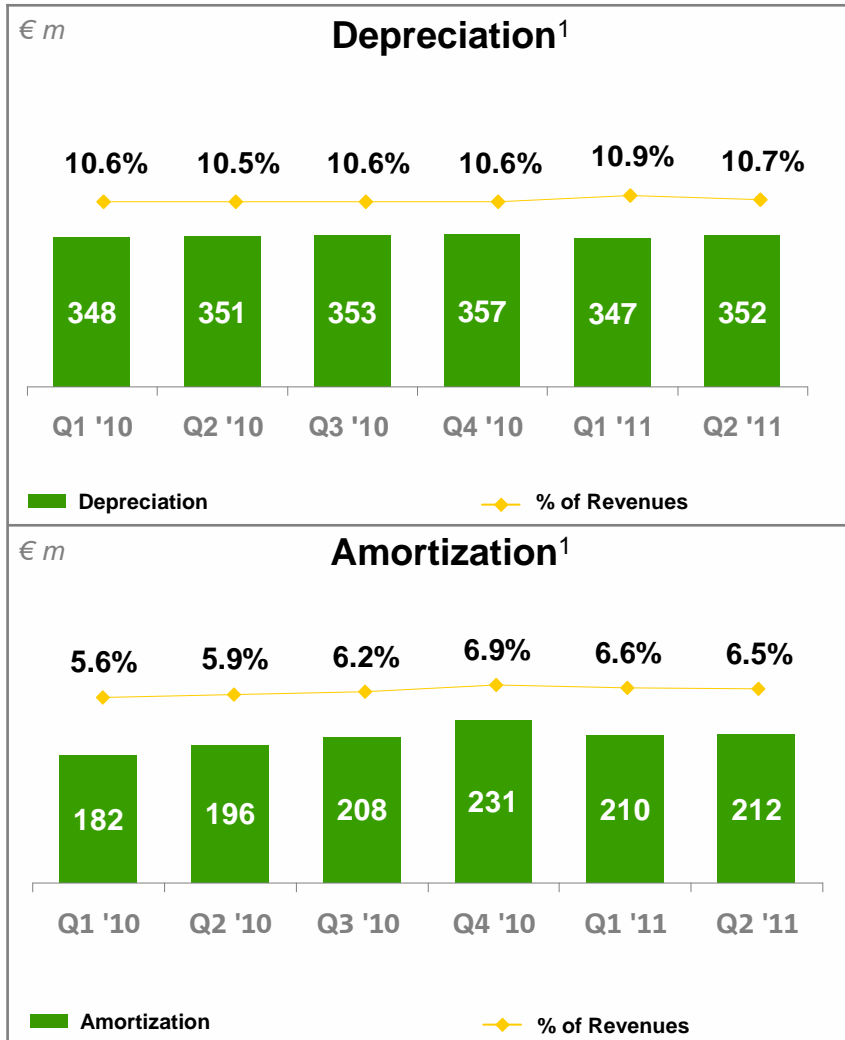
- New restructuring provisions in The Netherlands
- Release of provisions Q2 2010

Q-on-Q increase

- Increase in marketing expenditure Germany
- Higher addition to restructuring provision in Q2

Operating expenses - analysis

Depreciation & Amortization



Y-on-Y increase

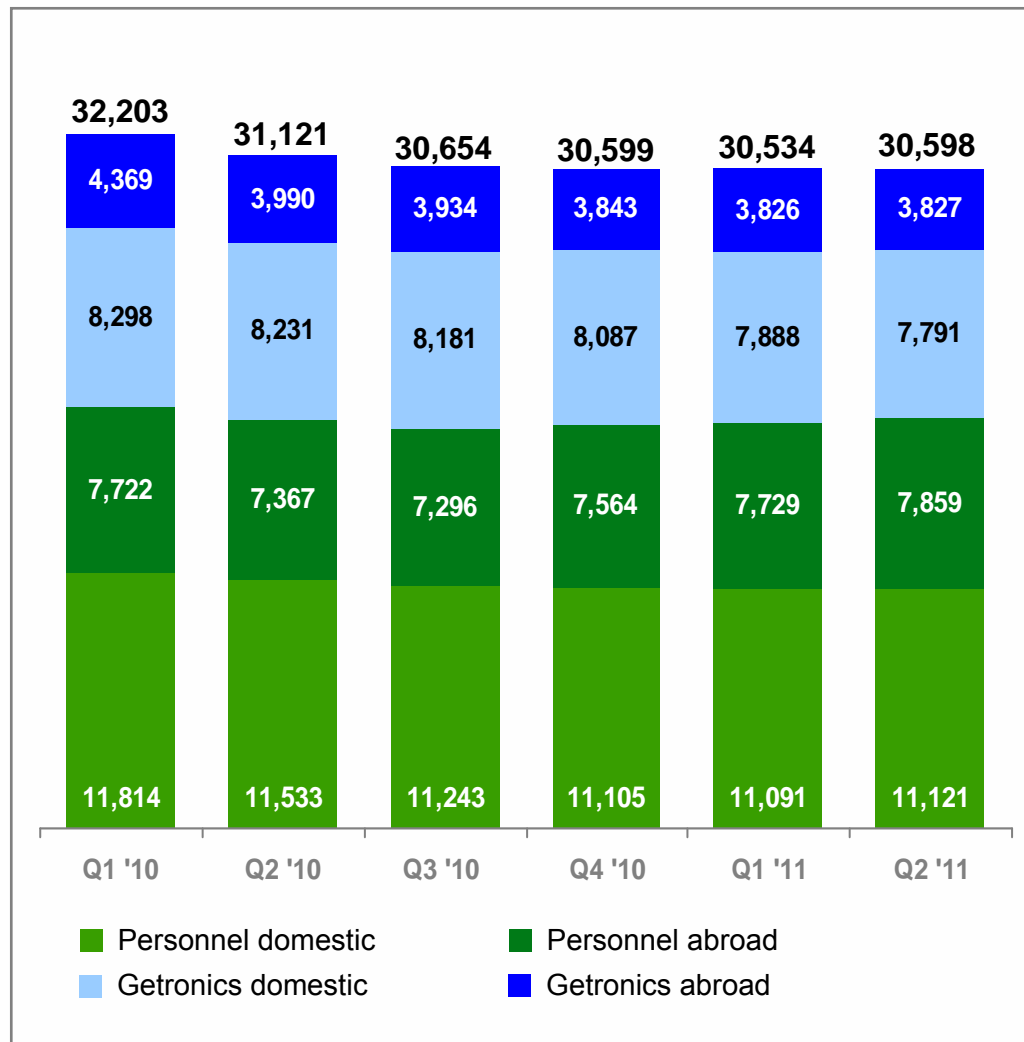
- Higher amortization costs due to new spectrum licenses in Germany
- Amortization of software licenses

Q-on-Q increase

- Amortization of software licenses

¹ Including impairments, if any

Personnel



- Decrease of 523 FTE y-on-y
 - Reduction of 412 FTE in The Netherlands (excl. Getronics) from all segments
 - Increase of 492 FTE at Mobile International (including SNT Germany)
 - Getronics domestic: reduction of 440 FTE
 - Getronics abroad: reduction of 163 FTE
- Increase of 64 FTE q-on-q
 - Decrease of 96 FTE at Getronics, offset by:
 - Increase of 30 FTE in The Netherlands (mainly at call centers, migrating external to internal personnel as part of quality program)
 - Increase of 130 FTE at Mobile International (including SNT Germany), caused by growing business (shops and call centers)

Tax

Fiscal units (€ m)	P&L		Cash flow	
	Q2 '11	Q2 '10	Q2 '11	Q2 '10
Dutch activities ¹	-107	-111	95	-2
Getronics	9	-2	-	1
German Mobile activities	-28	-33	-1	-1
Belgian Mobile activities	-10	-16	-	-
Other	-2	-7	-1	-2
Total reported tax	-138	-169	93	-4
<i>Effective tax rate</i>	24.5%	26.2%		

- KPN has reached an agreement in principle with the Dutch tax authorities with regard to the application of the innovation tax facilities
- The innovation tax facilities lead to a positive one-off impact YTD '11 of € 118m for the P&L and € 237m for the cash flow
- The normalized effective tax rate for the Group will be reduced to approximately 20% from 2011 onwards

1 Includes tax recapture E-Plus, one-off gains in relation to the innovation tax facilities. Preliminary tax assessment 2010 fully prepaid in Q1 '10

Share repurchase progress

Date ¹	Value (€ m)	Shares (m)	Avg. share price (€)
Q1 '11	178.4	15.2	11.71
April	107.1	9.5	11.29
May	252.3	24.3	10.40
June	136.0	13.6	10.03
Q2 '11	495.4	47.3	10.47
July ²	32.4	3.4	9.57
Total	706.2	65.9	10.72

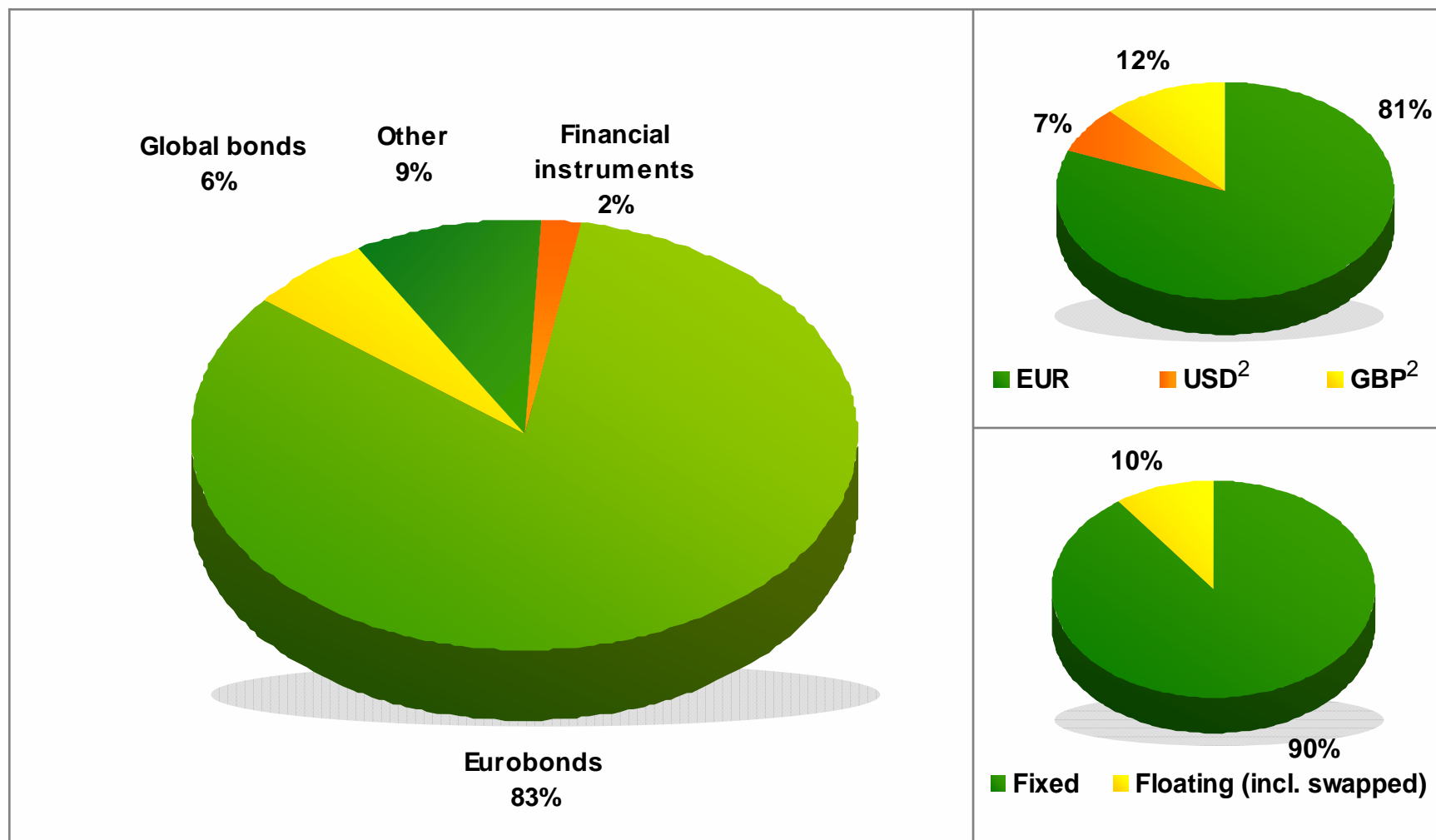
- € 1bn share repurchase program for 2011 started on 21 February 2011
 - ~71% completed to date, following acceleration in May
 - Program expected to be finalized around 1 October 2011
- € 9.5bn in shares repurchased since start in 2004, at an average price of € 9.24
 - ~39% of outstanding shares cancelled since 2004
- Number of outstanding shares amounting to 1,528,251,409 per 30 June 2011
 - No shares cancelled in Q2 '11
 - Large part of the shares that were repurchased as part of 2011 program to be cancelled in Q3 '11

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

² Until 25 July 2011

Debt portfolio

Breakdown of € 13.6bn 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 EUR

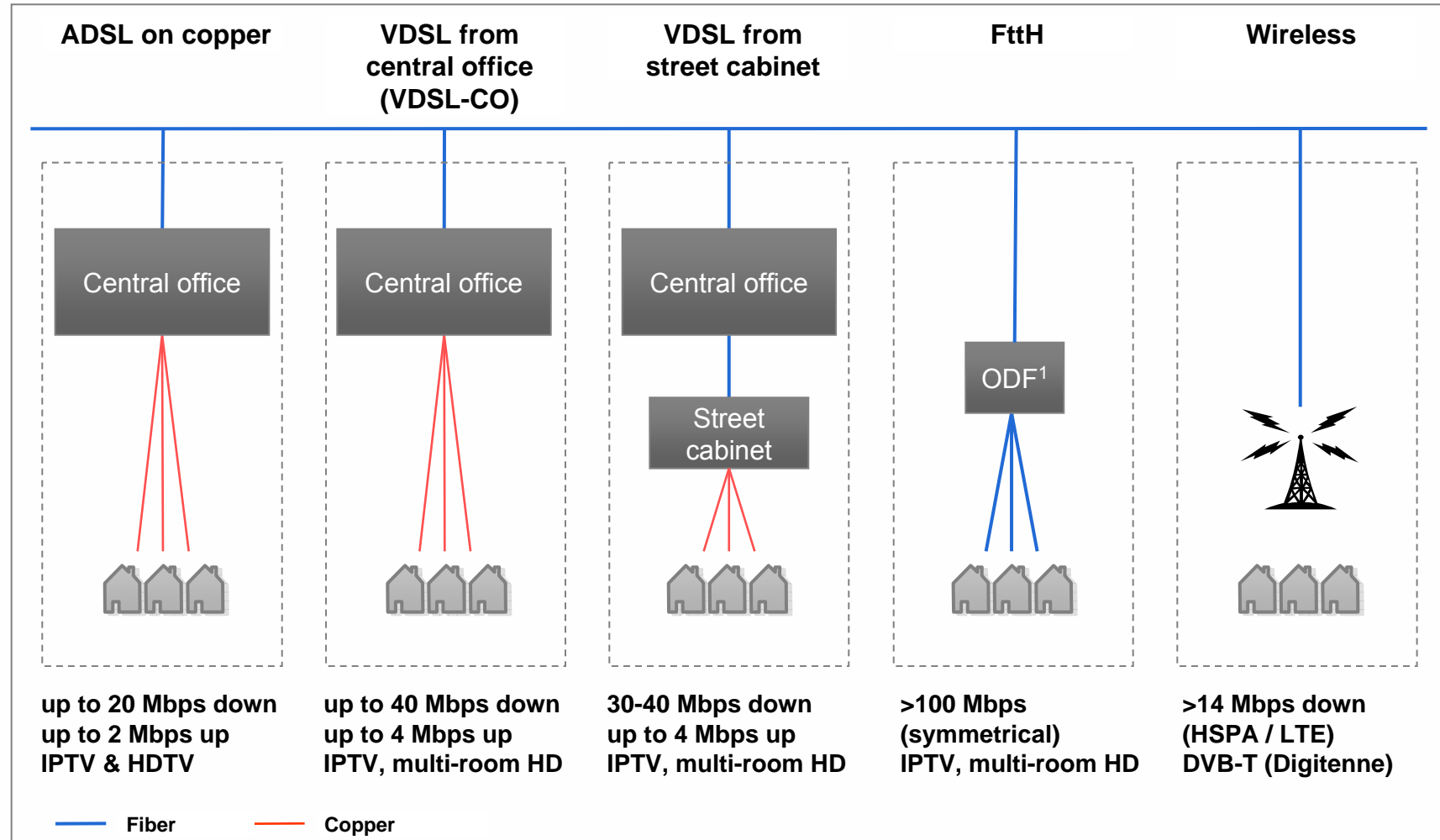
Dutch wireless services disclosure

	Q2 '11	Q1 '11	Q2 '10
Service revenues (€ m)	702	698	761
- Consumer	409	399	448
- Business	239	230	246
- Other Dutch activities ¹	54	69	67
SAC / SRC (€)			
- Consumer	164	146	157
- Business	224	225	215

¹ Indicates amongst others Mobile Wholesale NL, Simyo and visitor roaming revenues within KPN The Netherlands, Q2 '11 including Yes Telecom at Business

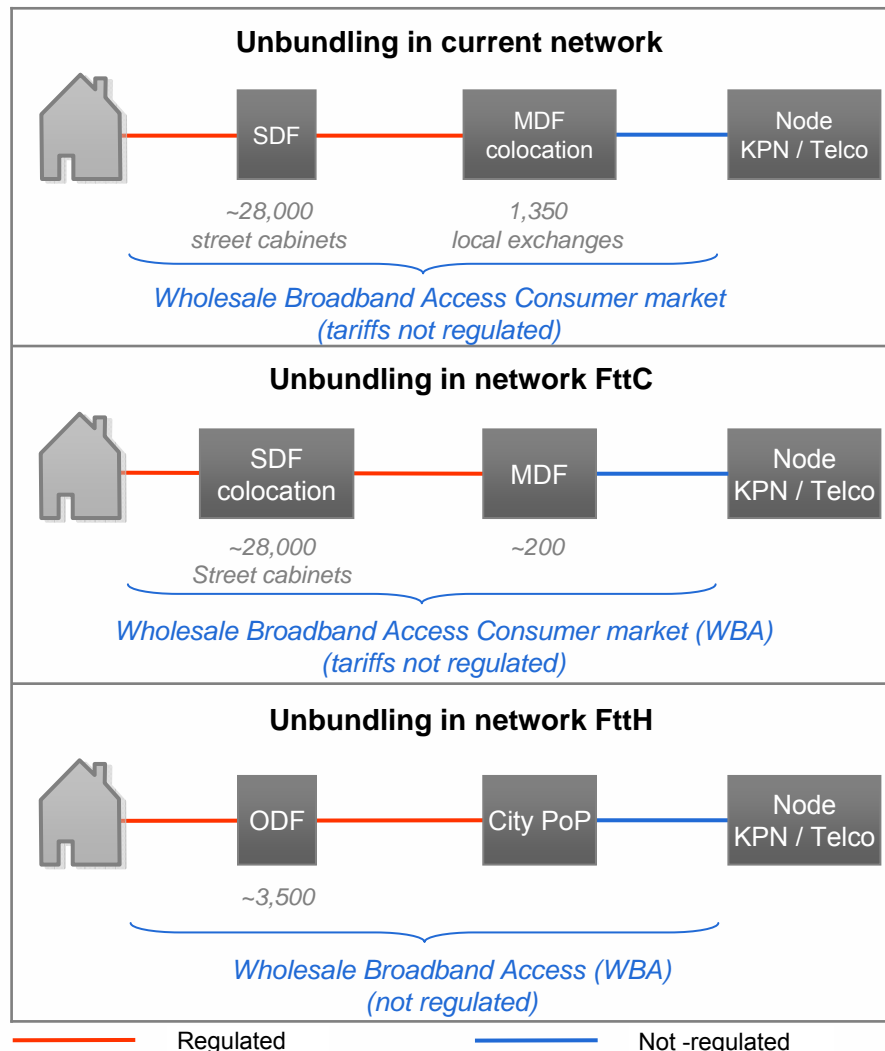
Infrastructure

Deploying mix of technologies going forward



1 Optical distribution frame

Unbundling tariffs



1) Tariffs refer to WPC 2009-2011 |(WPC 2A)

Category	Monthly tariff
Line sharing (LLU) ¹	€ 0.11 / line
Fully unbundled (LLU) ¹	€ 6.54 / line
MDF colocation ¹	€ 871.20 / 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	€ 7.59 / line
Fully unbundled (SLU) ¹	€ 7.41 / line
SDF colocation ¹	€ 1.21 / line or 5.38 / per unit One-off € 492.80 / per unit
SDF backhaul	Will not be regulated by OPTA
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	€ 19.00 non-shared
ODF FttO	Will not be regulated by OPTA

Spectrum in The Netherlands

Current status

800MHz	Free								2x30
	2x30 MHz								
900MHz	Vodafone	T-Mobile	KPN	To be auctioned				2x35	
	2x12.5	2x10	2x12.5						
1.8GHz	Vodafone	T-Mobile		KPN	Free			2x70	
	2x5	2x30		2x20	2x15				
1.9-2.0 GHz	Free								14.7
	14.7MHz unpaired								
2.1GHz	Vodafone		T-Mobile		KPN		Free		2x60 1x25
	2x15	1x5	2x20	1x10	2x15	1x5	2x10	1x5	
2.6GHz	Vodafone	T-Mobile	KPN	Ziggo4		Tele2		Free	2x65 1x55
	2x10	2x5	2x10	2x20		2x20		55 unpaired	
Total	Vodafone	T-Mobile	KPN	Ziggo4		Tele2		Free	
	90MHz	140MHz	120MHz	40MHz		40MHz		184.7MHz	

Upcoming auction

Draft auction document published, includes the following:

- 2x30MHz in 800MHz will be auctioned together with 2x35MHz in 900MHz band, available 1 January 2013
- 2x10MHz in the 800MHz band is reserved for new entrant(s)
- All spectrum has minimum prices and roll-out obligations, In addition, reserved spectrum has trading restrictions for the first five years
- No spectrum caps
- License duration for the 800MHz, 900MHz and 1.8GHz bands will be aligned with the 2.6GHz licenses and therefore expire in 2030. The 2.1GHz licenses expire on 1 January 2017
- The auction will take place in Q1 2012

Spectrum in Belgium

Current status

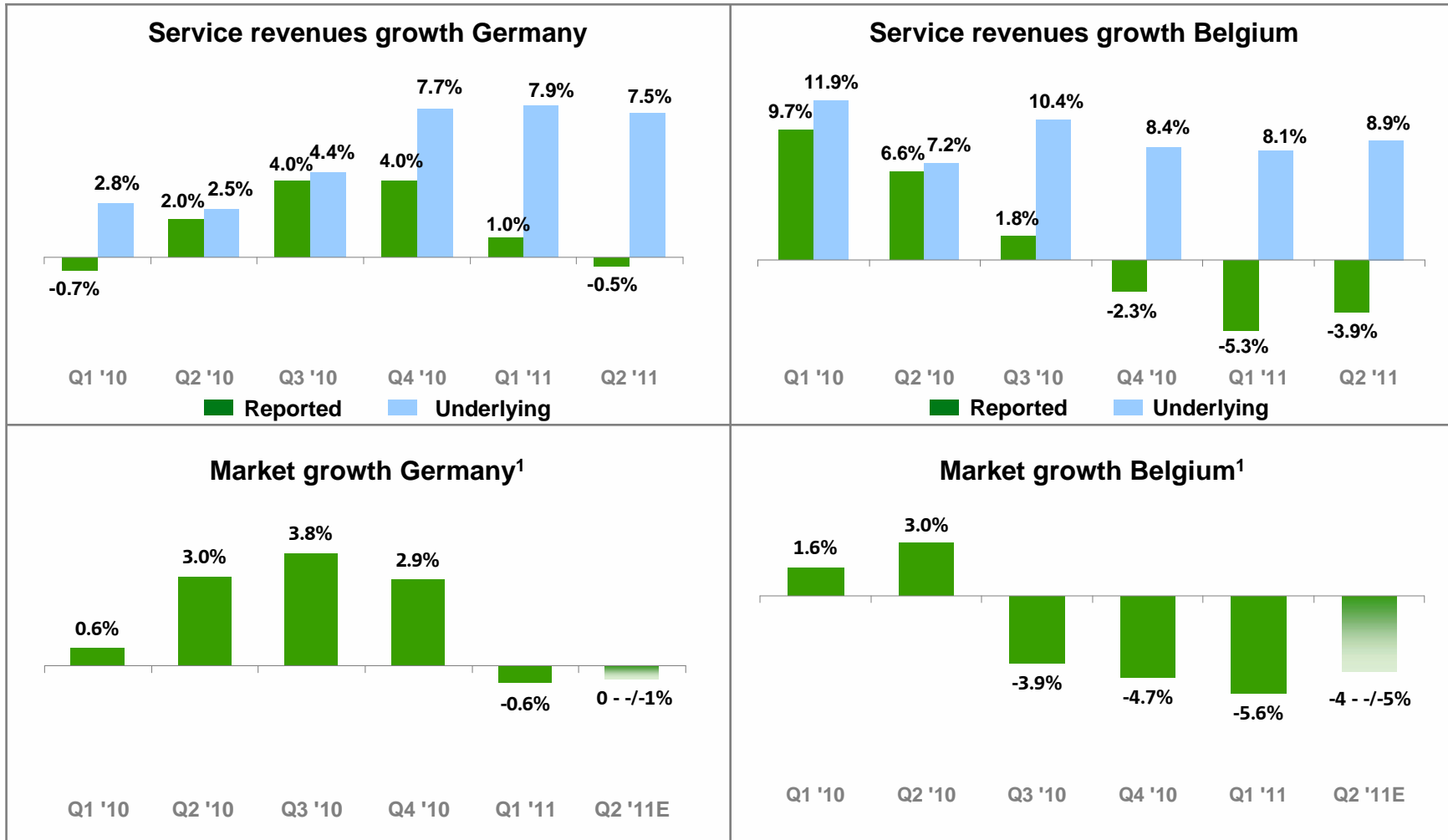
900MHz	KPNgB	Proximus	Mobistar					
	2x10.8	2x12	2x12					
1.8GHz	KPNgB		Proximus	Mobistar	Prox	Mob	Free	
	2x22		2x15	2x15	2x5.8	2x5.8	2x11.4	
2.1GHz	KPNgB		Proximus		Mobistar		Telenet & Voo	Free
	2x15	1x5	2x15	1x5	2x15	1x5	2x14.8	1x5
2.6GHz	Free							
	140MHz paired, 50MHz unpaired ¹							
Total	KPNgB	Proximus	Mobistar	Telenet & Voo	Free			
	100.6MHz	100.6MHz	100.6MHz	29.6MHz	217.8MHz			

Upcoming auction

- Auction of 185MHz (140 paired + 45 unpaired) in 2.6GHz band scheduled for end of November 2011
 - 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

Service revenues growth Mobile International



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