

First Quarter Results 2009

28 April 2009

Safe harbor

Non-GAAP measures and management estimates

This presentation contains a number of non-GAAP figures, such as 'existing' and 'disposed' revenues and other income, 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 at E-Plus.

The term 'existing' indicates that only the Getronics business that was part of KPN Group as at the end of the reporting period of the interim financial statements are included. The term 'disposed' refers to the Getronics business which is no longer part of KPN Group at the end of the reporting period of the interim financial statements. The term 'existing and disposed' refers to, and only to, businesses that were part of Getronics at the initial consolidation of Getronics within the KPN Group on 23 October 2007.

The term 'Dutch Telco business' is defined as the Netherlands excluding Getronics, iBasis and book gains on real estate. All market share information in this presentation 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.

Forward looking statements

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

These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside 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 2008 Annual Report.

Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Marcel Smits, CFO
Operating review	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



Highlights Q1

- Solid first quarter results
- Revenue and EBITDA growth for Dutch Telco business¹
- Continued profitable growth at Mobile International
- Lower EBITDA at near stable revenues at Getronics, pre-emptive measures taken to maintain profitability
- Implemented measures to mitigate impact of economic downturn, following preparations in previous quarters
- Confirming EBITDA, free cash flow and dividend projections – adjusting revenue guidance

¹ The Netherlands excluding Getronics, iBasis and book gains on real estate

Financial highlights

- Financial performance Q1 '09
 - Revenues and other income from existing operations flat at € 3.4 bn
 - EBITDA from existing operations of € 1.2 bn, up 1.1%
 - Capex of € 0.5 bn, up 28%
 - FCF¹ of -/- € 56 mn, due tax prepayment and reversal of working capital in Q1 '09
- Agreement with pension funds for reaching 105% coverage ratio before 2013
 - Maximum additional cash contribution of € 390 mn in years 2009-2012
- Financial profile strengthened further with € 1.5 bn bond issues in February
- Shareholder returns
 - € 1.0 bn share repurchase program for 2009 started in November 2008, 48% completed to date
 - Final dividend over 2008 of € 0.40 per share paid in April, in total € 0.6 bn

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

Impact of economic downturn

Ability to adapt quickly to economic conditions with relatively flexible cost base

- Limited impact from economic downturn in consumer markets, impact in business market now apparent
 - No material change in churn, bad debtors and trading down in consumer markets
 - Order intake in business market slowing down, customers requesting renegotiation of existing contracts and rationalization of installed base
 - Real estate disposals markedly more difficult in current economic climate
- Pre-emptive and corrective measures taken to implementation stage
 - Agreement with pension funds to reach minimum coverage ratio by 2013
 - Restructuring at Getronics to lower cost base by € 60 mn on annual basis
 - Aiming for cash savings of ~€ 100 mn on purchasing and services from third parties
 - More efficient use of temporary staff
 - Managing down SAC/SRC and re-introduction of activation fees in the Netherlands
 - Acceleration of planned restructurings
- Relatively flexible cost base compared to competition and track record of cost focus since 2001

Outlook

Focus on EBITDA, free cash flow and shareholder returns

Outlook

- Macro-economic conditions deteriorated since start of 'Back-to-Growth' strategy
- Focus on EBITDA and cash flow across all segments, rather than focus on revenues
- Adjusting revenue outlook accordingly
 - Revenues over 2009 from existing operations in line with 2008 (on organic basis)
 - Slight increase in 2010 compared to 2009
- Confirming targets for EBITDA, Capex, free cash flow and dividend
- Confident to continue outperforming the market in Germany and Belgium on annual basis, based on profitable growth

Shareholder returns

- Committed to continue delivering industry-leading shareholder returns
 - Attractive dividend policy of 40-50% of free cash flow paid out as dividend
 - Continued share repurchases
 - Maintaining flexibility to grow and invest in the business
- Confirming target of € 0.80 dividend per share in 2010
 - Increase of 33% from FY '08
- € 1 bn share repurchase program for 2009 ongoing

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Group results Q1 '09

€ mn	Q1 '09	Q1 '08	%
Revenues and other income (reported)	3,396	3,570	-4.9%
– Getronics revenues (disposed)	14	192	<i>n.m.</i>
Revenues and other income (existing)	3,382	3,378	0.1%
Operating expenses	2,764	2,922	-5.4%
– of which Depreciation ¹	392	409	-4.2%
– of which Amortization ¹	210	174	21%
Operating result	632	648	-2.5%
Financial income/expense	-175	-165	6.1%
Share of profit of associates	1	-6	-
Profit before taxes	458	477	-4.0%
Taxes	-141	-143	-1.4%
Profit after taxes	317	334	-5.1%
Earnings per share²	0.19	0.19	0%
EBITDA³ (existing)	1,234	1,221	1.1%
– Getronics EBITDA (disposed)	0	10	<i>n.m.</i>
EBITDA³ (reported)	1,234	1,231	0.2%

- Flat revenues and other income from existing operations
 - Down 4.9% including disposed operations Getronics (€ 192 mn in Q1 '08)
 - Getronics acquisition now fully annualized
- EBITDA from existing operations up 1.1%
- Profit after taxes down 5.1%
 - € 13 mn impairment Getronics (sale of Business Solutions)
 - € 11 mn impairment iBasis (share price performance)
- Earnings per share flat
 - Supported by continued share repurchases

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 result plus depreciation, amortization & impairments

Group cash flow Q1 '09

Free cash flow impacted by working capital reversal and tax prepayment

€ mn	Q1 '09	Q1 '08	%
Operating result	632	648	-2.5%
Depreciation and amortization ¹	602	583	3.3%
Interest paid/received	-158	-129	23%
Tax paid/received	-612	-106	>200%
Change in provisions	-42	-61	-31%
Change in working capital ²	-364	-274	33%
Other movements	1	-13	-
Net cash flow from operating activities	59	648	-91%
Capex³	456	356	28%
Proceeds from real estate	14	13	7.7%
Tax recapture E-Plus	327	46	>200%
Free cash flow⁴	-56	351	-
Dividend paid	-	-	-
Share repurchases	315	199	58%
Cash return to shareholders	315	199	58%

- Free cash flow of -/- € 56 mn in Q1 '09, due to one-off items
 - Reversal of non-structural working capital of € 150 mn, as announced with Q4 '08 results
 - Tax prepayment of € 598 mn covering most tax payments for 2009
 - Normal seasonality effects
- Capex up 28% to € 456 mn
 - Mainly 2G network investments in Germany
- € 315 mn shareholder returns
 - 48% of share repurchase program completed to date

¹ Including impairments, if any

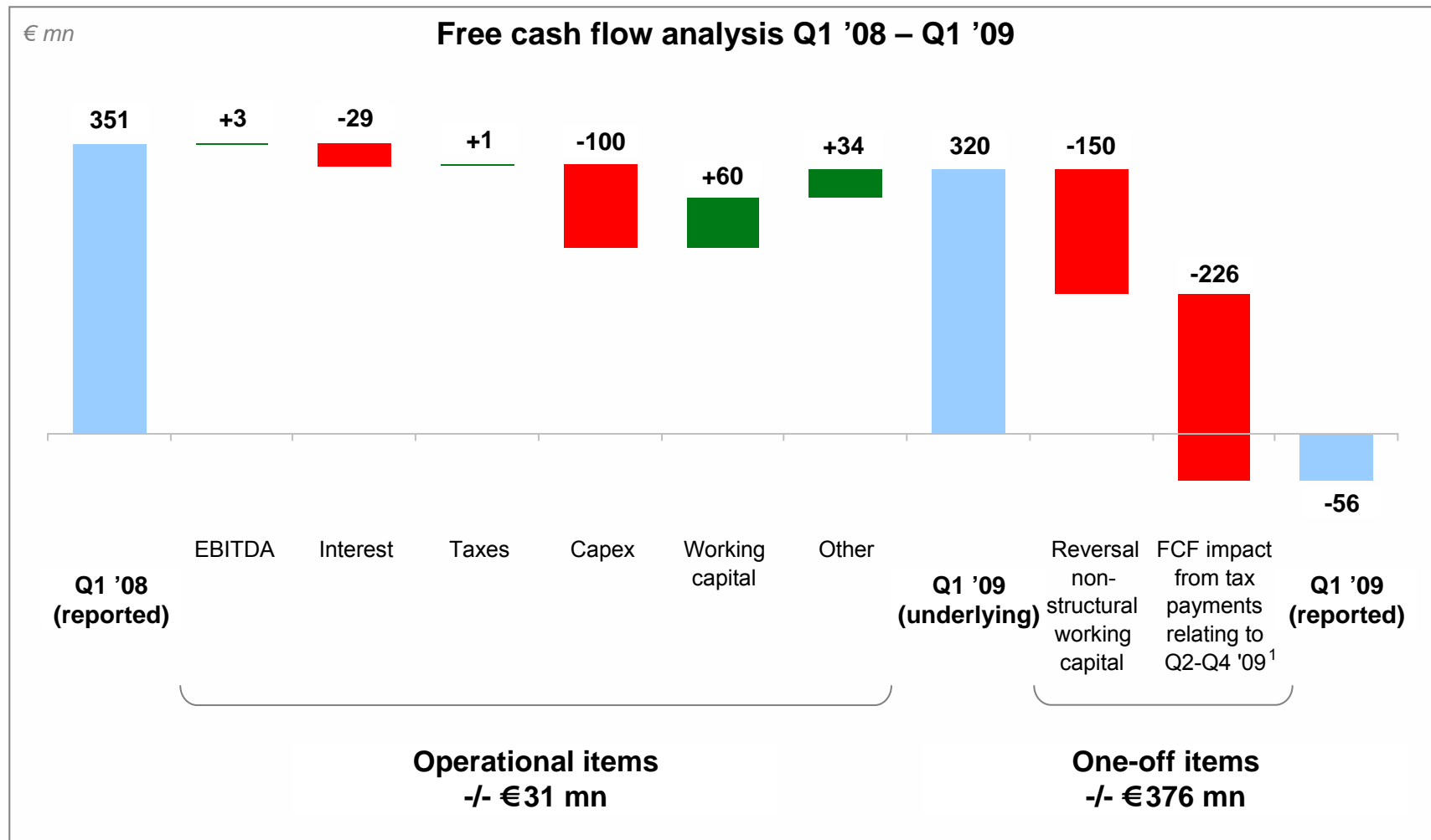
² Excluding changes in deferred taxes

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 at E-Plus

Free cash flow analysis

Underlying free cash flow of € 320 mn in Q1 '09 excluding one-off items



¹ Free cash flow effect containing both tax prepayment and E-Plus tax recapture. Please refer to Annex for details on taxes.

Analysis of results The Netherlands

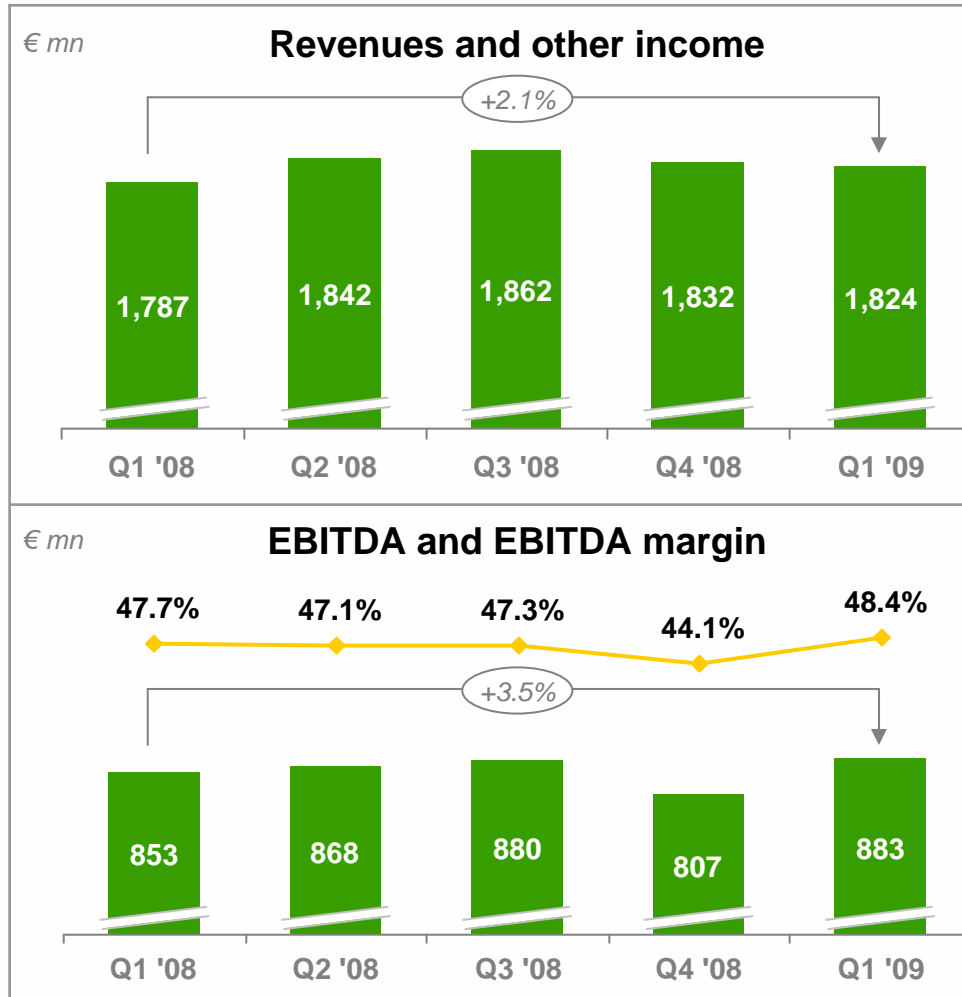
Dutch Telco business performing well, Getronics revenues and EBITDA down

	Revenues and other income			EBITDA		
€ mn	Q1 '09	Q1 '08	%	Q1 '09	Q1 '08	%
Consumer	1,031	1,002	2.9%	244	227	7.5%
Business	634	623	1.8%	196	178	10%
W&O (national, excl. book gains)	735	759	-3.2%	445	446	-0.2%
Other (including intercompany)	-576	-597	-3.5%	-2	2	n.m.
Dutch Telco business	1,824	1,787	2.1%	883	853	3.5%
iBasis	199	219	-9.1%	7	6	17%
Getronics (existing)	528	534	-1.1%	-15	20	>-100%
Other gains & losses, eliminations	-152	-130	17%	3	18	-83%
The Netherlands (existing)	2,399	2,410	-0.5%	878	897	-2.1%
Getronics (disposed)	14	192	n.m.	-	10	n.m.
The Netherlands (reported)	2,413	2,602	-7.3%	878	907	-3.2%

- Dutch Telco business performing well
- Reported revenues and EBITDA down mainly as a result of Getronics disposals in 2008

Analysis Dutch Telco business

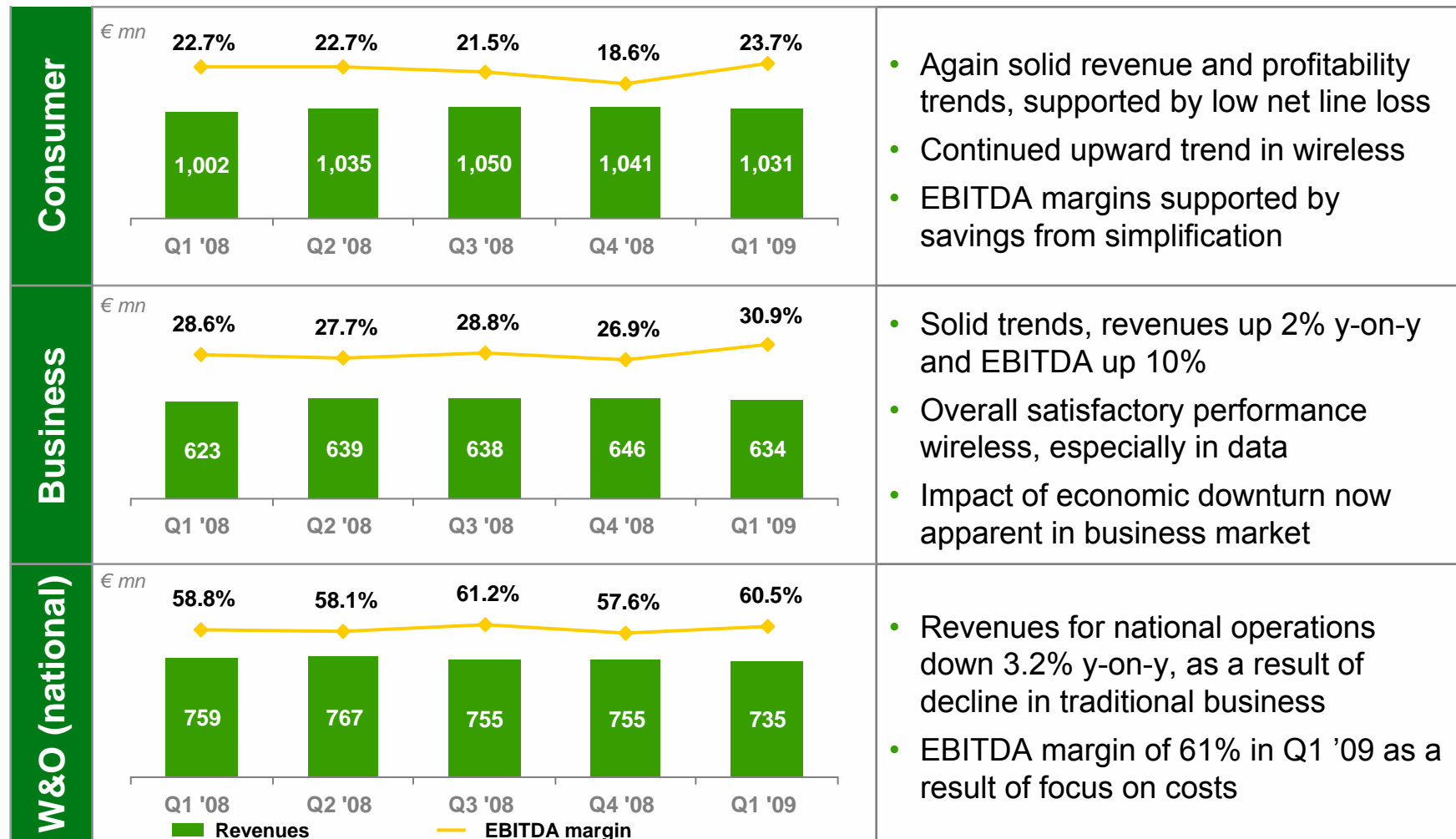
Growth in revenues and EBITDA in Q1 '09



- Revenues and other income up 2.1% y-on-y in Q1
 - Revenues and other income up 1.7% excluding Debitel acquisition
 - Slowdown in line loss
 - ARPU increases, especially in Consumer segment
 - Partly offset by impact from regulation
- Expecting revenue impact from MTA and roaming in H2 '09
- EBITDA up 3.5% y-on-y in Q1
 - Cost reductions from simplification
 - Gradual decrease in SAC/SRC
- EBITDA margin of 48.4% in Q1 '09

Financial review Dutch Telco business by segment

Solid revenue and profitability trends in Q1 '09



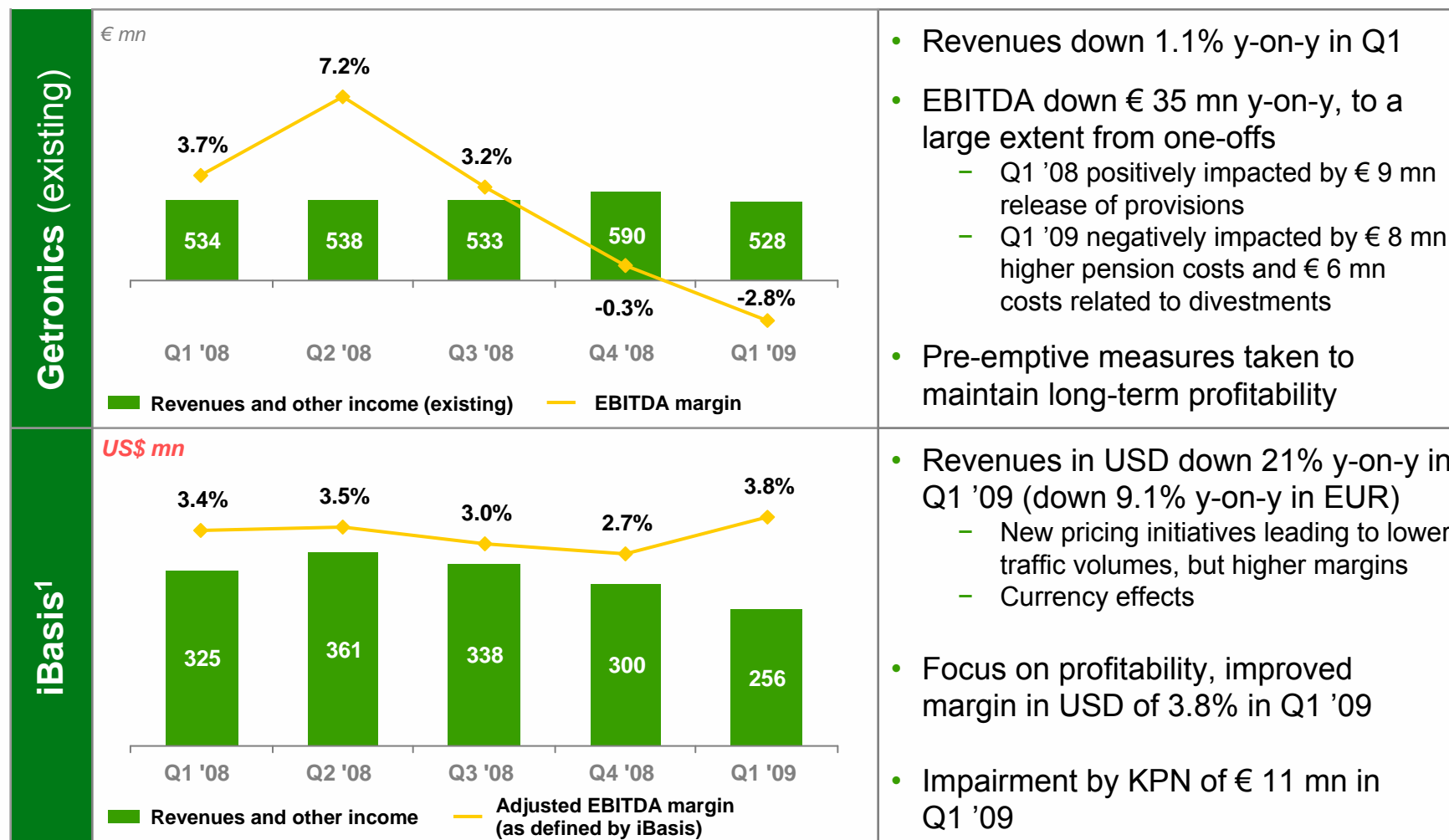
- Again solid revenue and profitability trends, supported by low net line loss
- Continued upward trend in wireless
- EBITDA margins supported by savings from simplification

- Solid trends, revenues up 2% y-on-y and EBITDA up 10%
- Overall satisfactory performance wireless, especially in data
- Impact of economic downturn now apparent in business market

- Revenues for national operations down 3.2% y-on-y, as a result of decline in traditional business
- EBITDA margin of 61% in Q1 '09 as a result of focus on costs

Financial review the Netherlands by segment

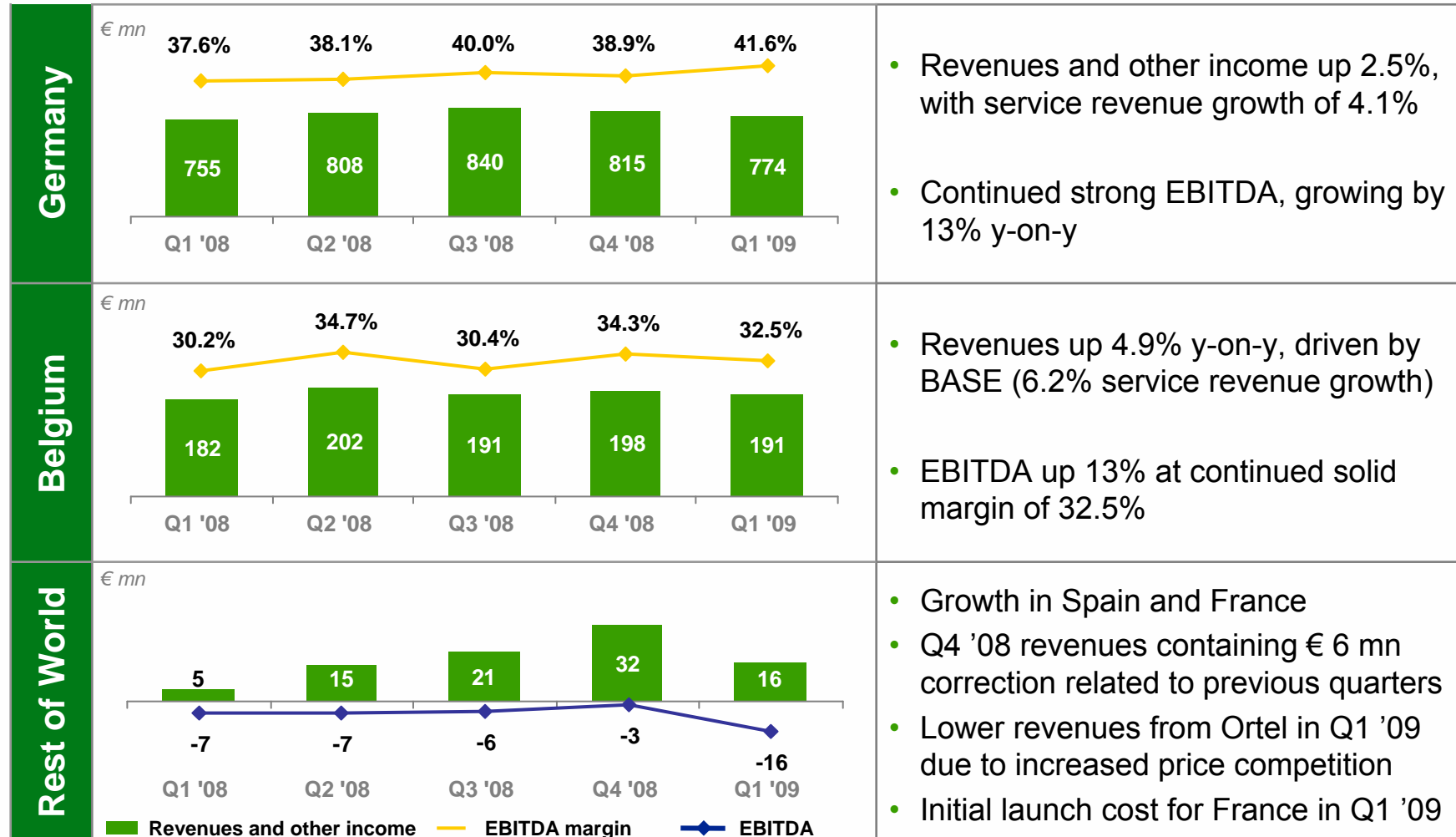
Actions taken at Getronics to maintain profitability, focus on EBITDA at iBasis



¹ Results as published by iBasis on 27 April 2009. Please refer to www.ibasis.com for further details.

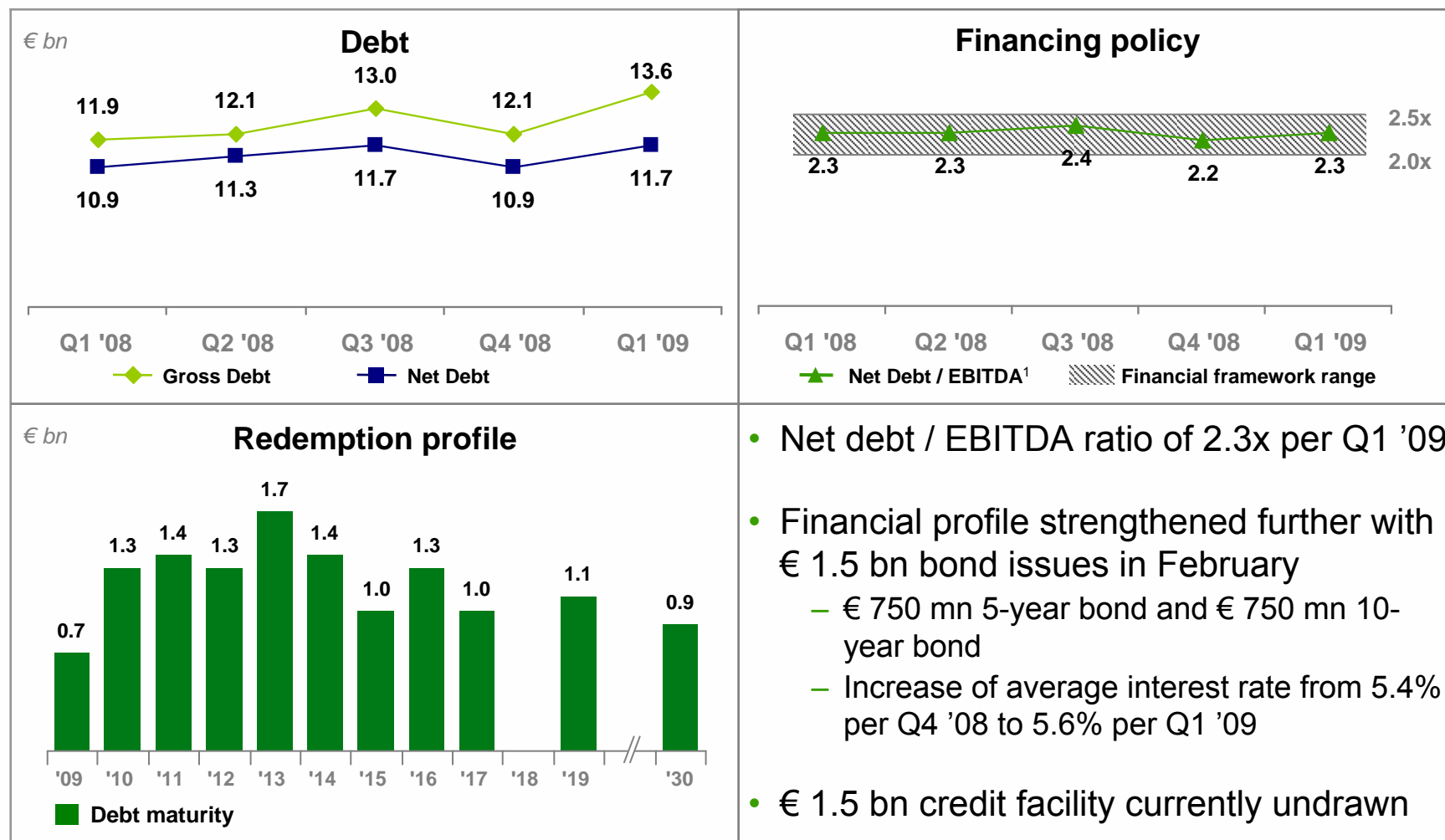
Financial review Mobile International by segment

Continued profitable growth in Germany and Belgium



Group financial profile

Financial profile further strengthened with € 1.5 bn bond issues in February



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

Pension plans the Netherlands

Agreement with pension funds for reaching 105% coverage ratio before 2013

Situation per end of Q4 '08

- Pension plans impacted by declining interest rates and deterioration of financial markets
- Average coverage ratio of KPN pension funds at 94% per YE '08
- Additional cash funding in 2009 of ~€ 120 mn, expected to start per Q2 '09
- IFRS pension charge up ~€ 25 mn for 2009
 - Lower indexation estimates, higher discount rates, lower return on assets
- No indexation of benefits in 2009

Situation per end of Q1 '09

- Agreement with KPN pension funds in order to reach 105% coverage ratio before 2013
- KPN's additional payments capped at a maximum of € 390 mn over the years 2009-2012
 - € 120 mn in 2009, € 90 mn in 2010-2012
 - Additional payments to cease if 105% coverage ratio is reached before 2013
- KPN not obliged to make additional contributions if coverage ratio of 105% is not reached by 2013
- Additional security for Getronics pension fund for a maximum of € 50 mn

Regulation

Clarity on MTA in Germany, conditions for spectrum auctions still unclear

	Status	Impact
MTA the Netherlands	<ul style="list-style-type: none"> Two MTA reductions for KPN in next two quarters <ul style="list-style-type: none"> KPN: from 9.0 ct to 8.0 ct per 1 April, 7.0 ct per 1 July Vodafone: from 9.0 ct to 7.0 ct per 1 July T-Mobile: from 10.4 ct to 8.1 ct per 1 July 	<ul style="list-style-type: none"> No new regulation, impact already taken into account
MTA Germany	<ul style="list-style-type: none"> New tariffs set from 1 April '09 to 1 November '10 <ul style="list-style-type: none"> E-Plus & O2 from 8.80 ct to 7.14 ct (-19%) T-Mobile & Vodafone from 7.92 ct to 6.59 ct (-17%) 	<ul style="list-style-type: none"> Relatively low MTA tariffs compared to other countries Asymmetry decreasing
MTA Belgium	<ul style="list-style-type: none"> Project started by BIPT at end of 2008 to determine MTA tariffs as from 2010 BASE provisionally applying current MTA tariffs 	<ul style="list-style-type: none"> Impact of new regulation unclear
EU roaming	<ul style="list-style-type: none"> New roaming directive effective 1 July 2009 Setting maximum roaming tariffs for voice, SMS and data within EU 	<ul style="list-style-type: none"> Impact taken into account for outlook
Spectrum auctions	<ul style="list-style-type: none"> Belgian 2.6 GHz auction planned for 2009 Auction procedure in Germany starting end of 2009 <ul style="list-style-type: none"> Spectrum auction expected to be completed in 2010 Dutch 2.6 GHz auction postponed to Q1 '10 	<ul style="list-style-type: none"> Conditions for spectrum auctions still unclear

Risk management

Key risks addressed and taken into account for outlook

	Potential risk	Risks addressed
Economic downturn	<ul style="list-style-type: none"> Negative impact on revenues, EBITDA and free cash flow from economic downturn 	<ul style="list-style-type: none"> Pre-emptive and corrective measures taken to protect EBITDA and free cash flow
Financial profile	<ul style="list-style-type: none"> Refinancing of redemptions in 2009 and 2010 (€ 2 bn in total) 	<ul style="list-style-type: none"> Issued € 1.5 bn in bonds in February Credit facility currently undrawn
Pensions	<ul style="list-style-type: none"> KPN responsible for funding pension deficits below statutory coverage ratio of 105% 	<ul style="list-style-type: none"> Agreement with pension fund to contribute at most € 390 mn to achieve minimum coverage ratio Taken into account for outlook
Regulation	<ul style="list-style-type: none"> Reduction in MTA tariffs New roaming regulation as proposed by EU 	<ul style="list-style-type: none"> Clarity on MTA in Germany and the Netherlands MTA and roaming impact taken into account for outlook

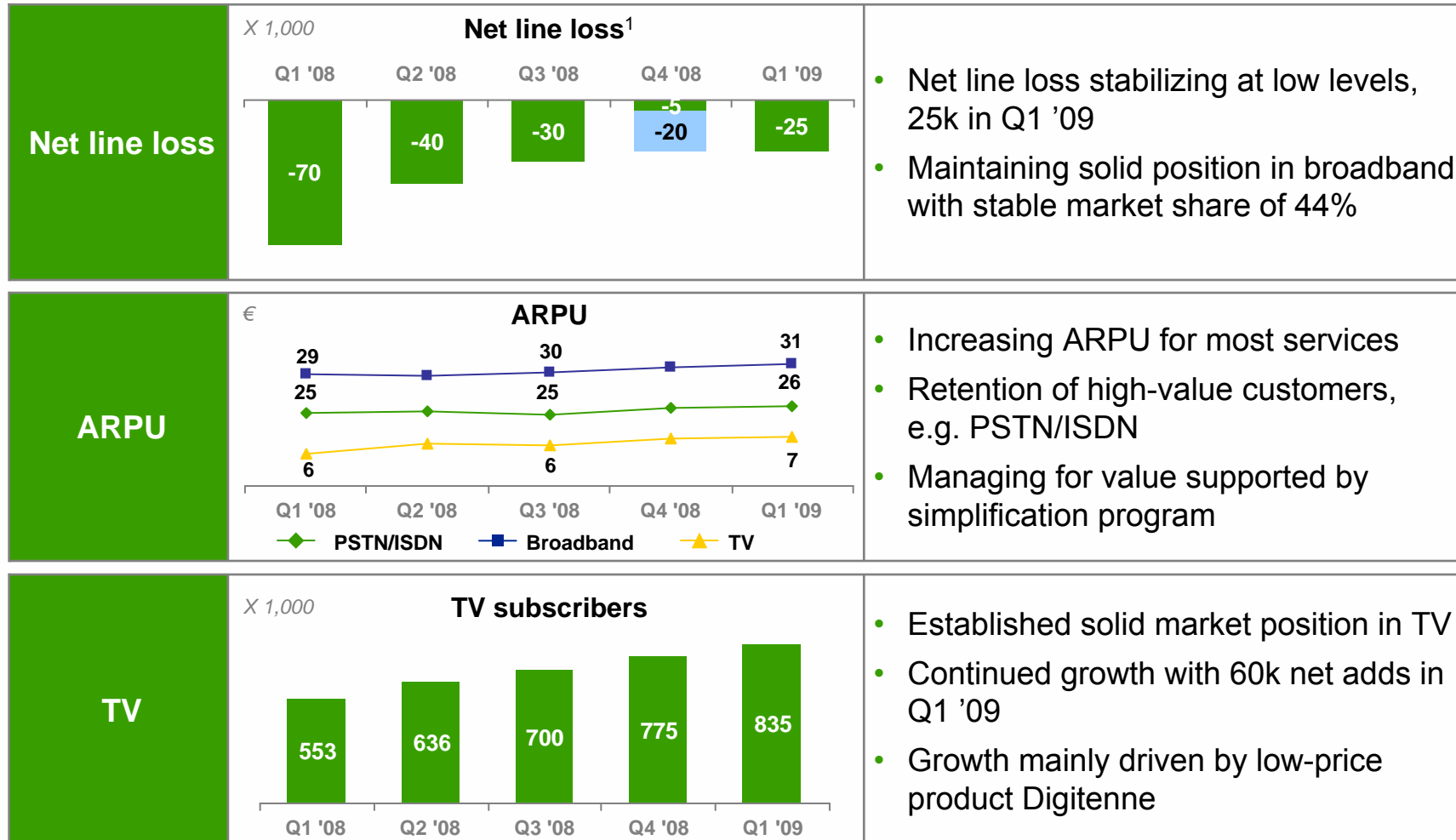
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	Mobile International
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Consumer wireline

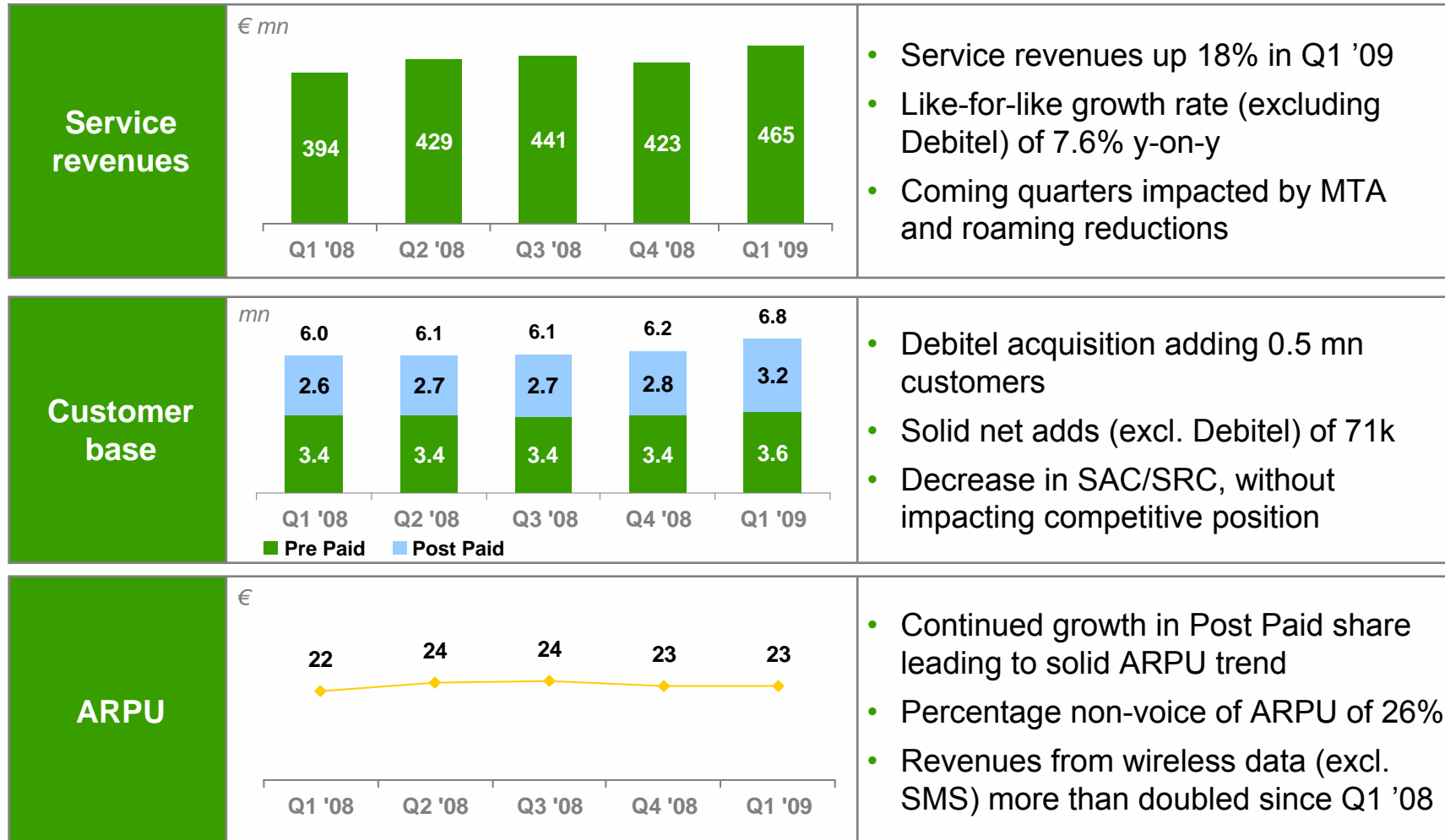
Succesfully managing customer base for value



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

Consumer wireless¹

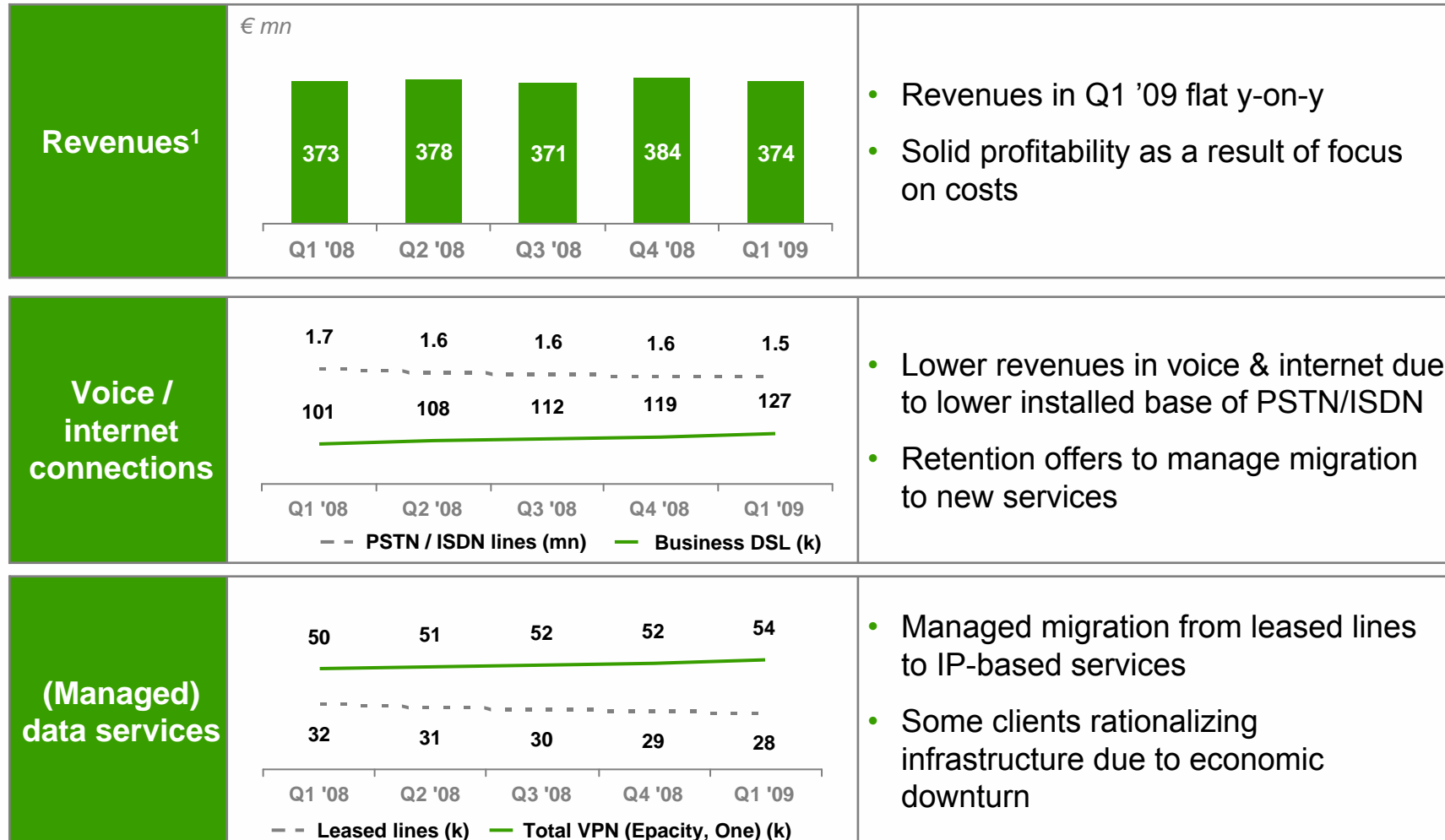
Solid performance in wireless



¹ Excluding Mobile Wholesale NL

Business wireline

Robust performance in wireline, as a result of managed migration to IP



1 Revenues for Voice & Internet wireline and Data network services

Business wireless

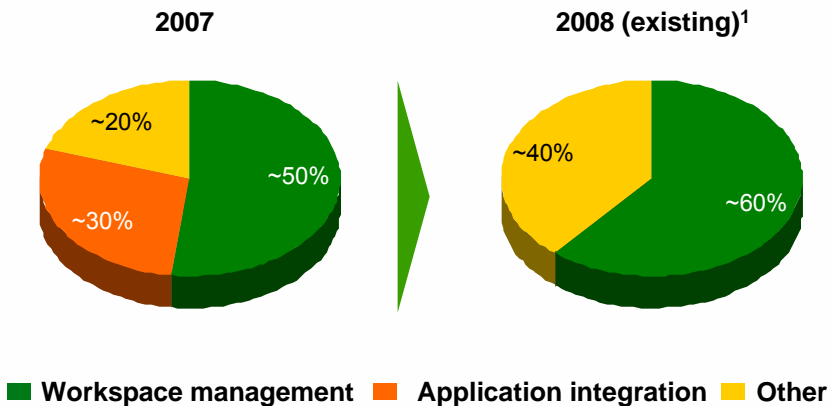
Overall satisfactory performance in wireless services



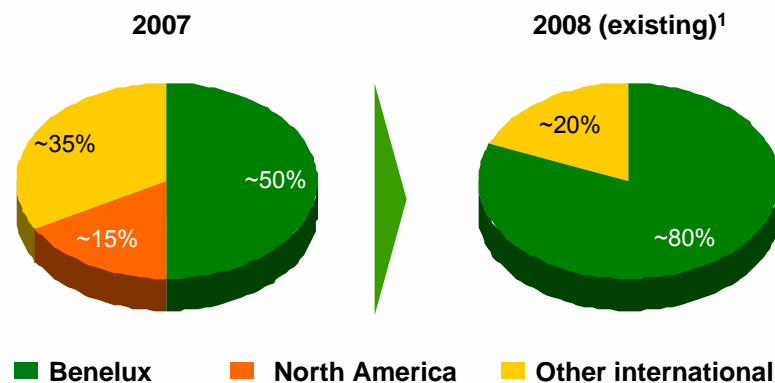
Getronics

Risk profile substantially improved and strong progress on strategic priorities

Revenues by segment



Revenues by geography



- Getronics acquired to create prime contractor for managed ICT services
 - Customers increasingly requiring all telecom and ICT services from one vendor
- Expedient transformation at Getronics
 - Disposals of non-core assets, e.g. North America and Business Application Services (in total ~€ 0.9 bn annual revenues)
 - Integration of part of KPN Business market into Getronics (~€ 0.9 bn annual revenues)
- Risk profile substantially improved and strong progress on strategic priorities
 - Part of earlier announced synergies already realized
 - Growing number of joint contract wins and upselling to existing customers

¹ Revenue data for 2008 excluding disposals and including operations transferred from KPN Business Market

Getronics

Pre-emptive measures taken to maintain profitability goals

Operational performance Q1 '09

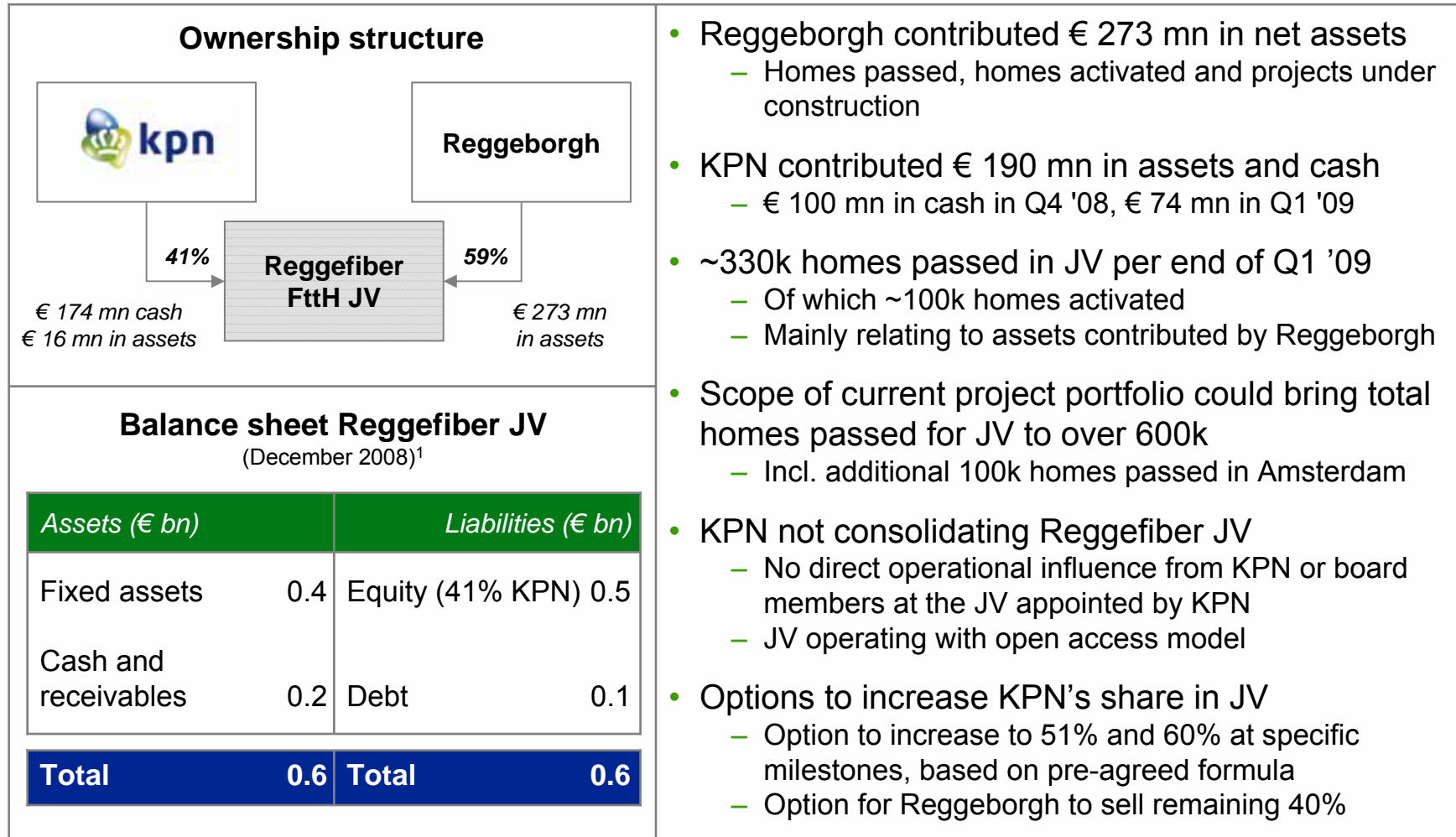
- Total revenues down 1.1% y-on-y in Q1
 - 6% growth y-on-y in Benelux operations
 - 17% decline y-on-y in international operations, partly from currency effects
- Several large contract renewals in Q1
- Impact from economic downturn in most business areas
 - Clients rationalizing infrastructure and postponing investment decisions
 - Increased price pressure and decrease in complementary projects
- Growth lower than expected, requiring additional cost reductions

Pre-emptive measures taken

- Reduction in personnel costs, as a pre-emptive measure to maintain long-term profitability goals
- Reduction of 1,400 FTE on total staff of about 14,000 FTE
 - 950 FTE own staff, of which about 700 located in the Netherlands
 - Staff reduction expected to be finalized by mid 2009
 - Annual savings of about € 60 mn
 - Expecting restructuring provision of around € 30 mn in Q2 '09
- Maintaining discipline by signing only profitable contracts
 - Protection of EBITDA and cash flow

Reggefiber

Further detail on JV structure



¹ Management estimates for IFRS figures, following Dutch GAAP conversion

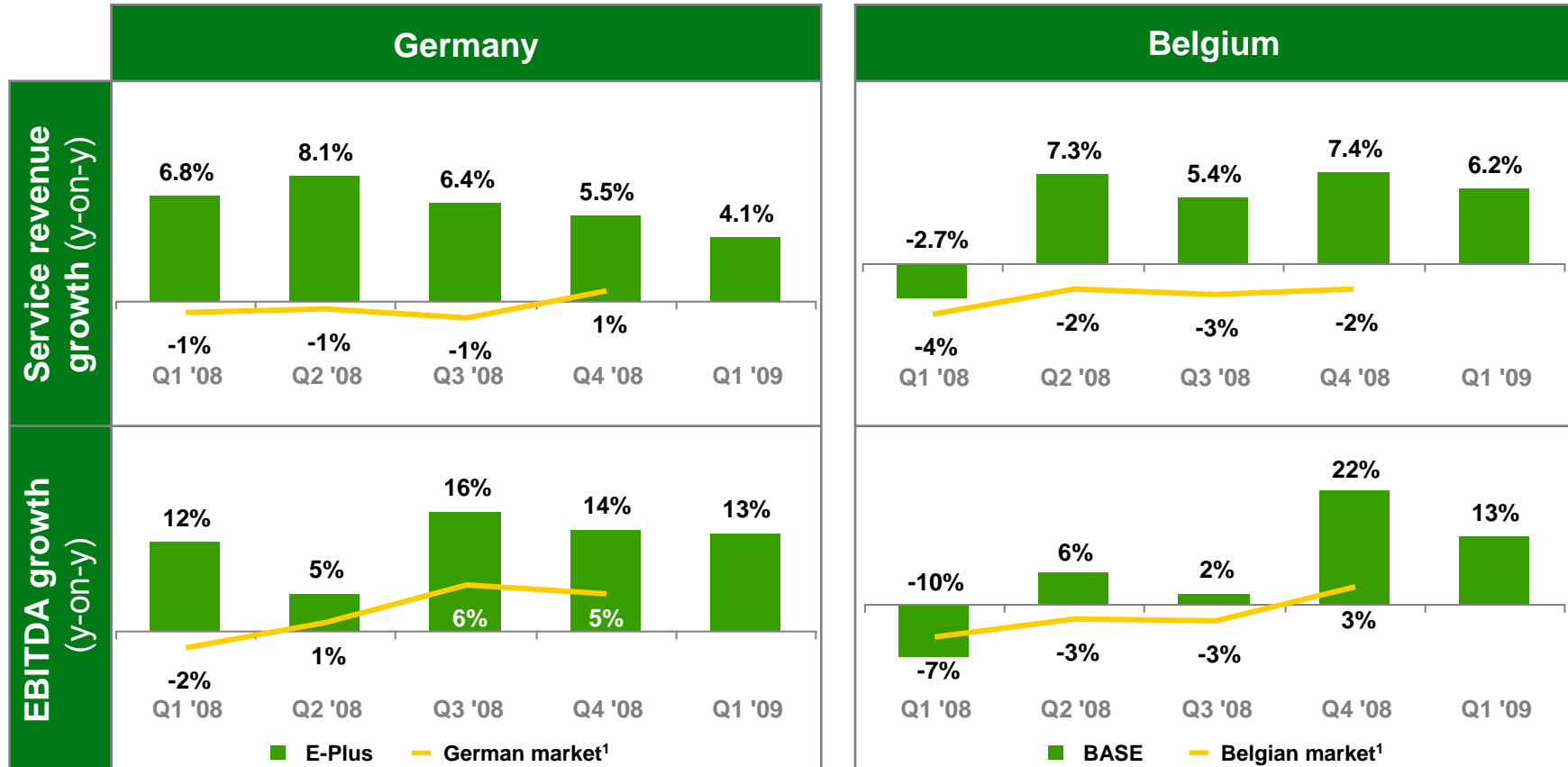
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Market outperformance

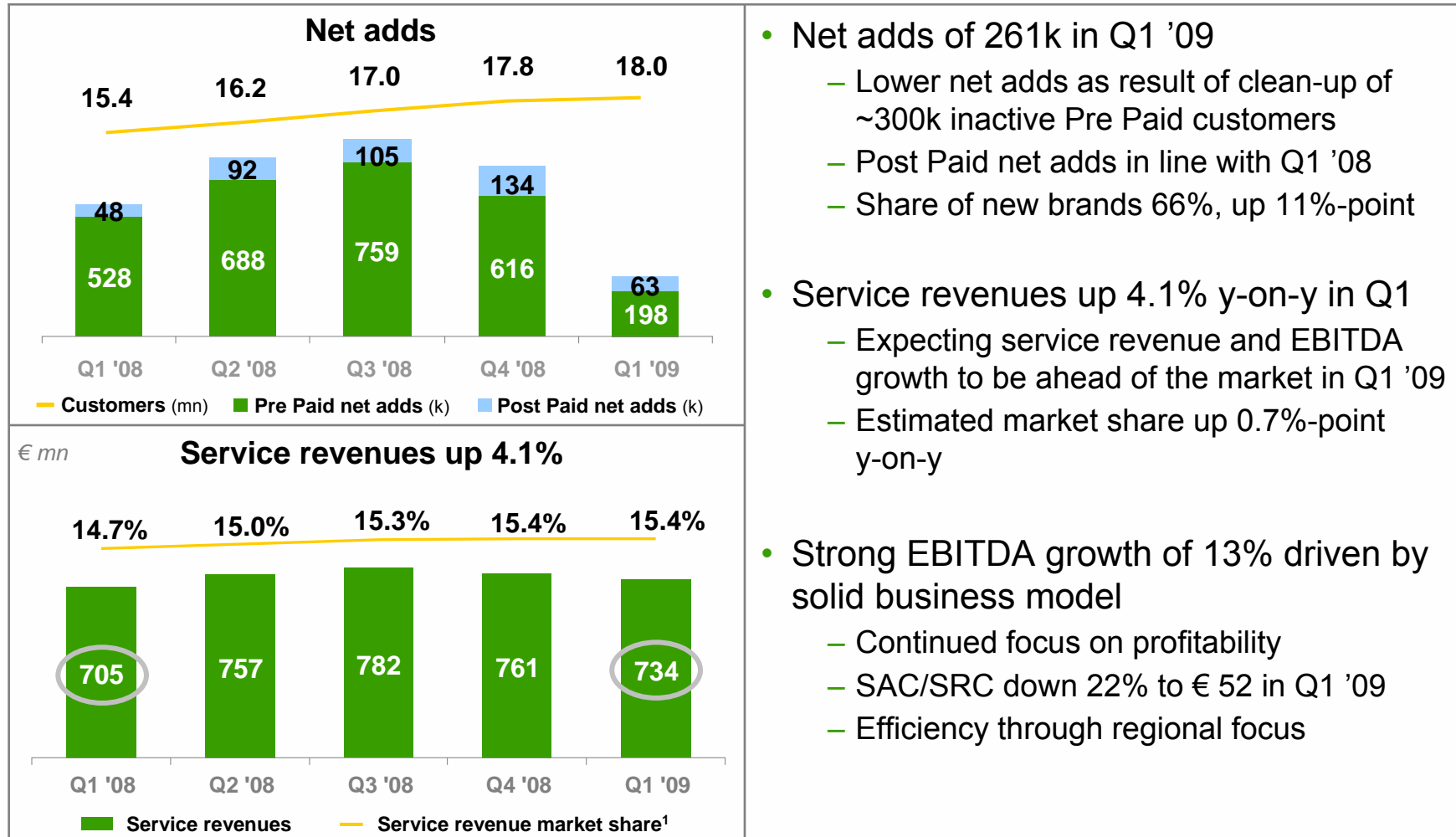
Confident to continue market outperformance in Germany and Belgium



Confident in continued market outperformance with profitable growth
Focus on EBITDA and cash flow

Operating review Germany

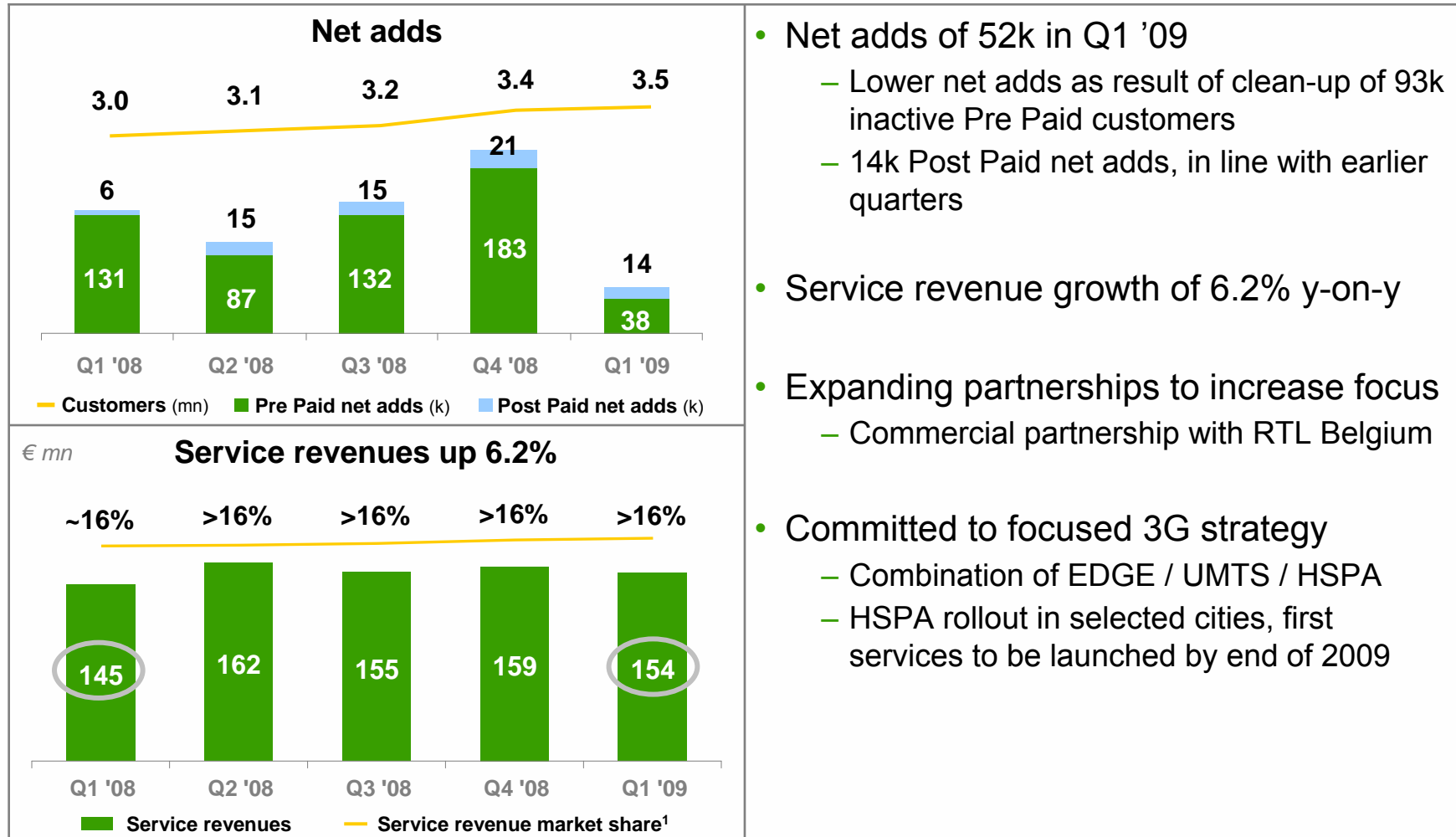
Continued profitable growth from 'Challenger' business model



¹ Management estimates, based on service revenues

Operating review BASE

Continued solid growth, in line with previous quarters



¹ Management estimates, based on service revenues

Rest of World

Growth in Spain and France, increased competition in cultural segment

Spain



- Further strengthening position as leading MVNO in Spain
- Positioned to benefit from increased price sensitivity among consumers
- New wholesale partner Banco Santander launched in March

France



- Simyo launched in January 2009 and building momentum
- Growth expected for Simyo through several enhanced offerings, e.g. member-get-member
- Launch of local and international partners planned in next quarters

Ortel



- Competitiveness in cultural segment increasing, with focus on price and promotions / free minutes
- Ortel firmly established as leading MVNO in cultural segment with strong brand, targeted offer and strong presence in local distribution

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Concluding remarks

- Solid first quarter results
- Revenue and EBITDA growth for Dutch Telco business
- Continued profitable growth at Mobile International
- Lower EBITDA at near stable revenues at Getronics, pre-emptive measures taken to maintain profitability
- Implemented measures to mitigate impact of economic downturn, following preparations in previous quarters
- Confirming EBITDA, free cash flow and dividend projections – adjusting revenue guidance

Q & A



Annex

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Analysis of results

Key items worth mentioning in results interpretation

€ mn		Q1 '09	Q1 '08
Revenue effect MTA tariff reduction	Group	-25	-43
EBITDA effect MTA tariff reduction	Group	-10	-25
Book gain on sale of subsidiaries	W&O / Other		6
Book gain on sale of real estate	W&O	8	11
Restructuring charges	Group	-6	-9
Goodwill impairment	iBasis	-11	
Goodwill impairment	Getronics	-13	

MTA regulation

The Netherlands

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

Germany

- MTA tariffs valid from 1 April 2009 until 30 November 2010
 - T-Mobile / Vodafone lowered from € 7.92 to € 6.59 cents per minute
 - E-Plus / O₂ lowered from € 8.80 to € 7.14 cents per minute

Belgium

- Project started by BIPT at end of 2008 to determine MTA tariffs as from 2010
- BASE provisionally applying current MTA tariffs

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

Impact MTA reduction

€ mn	Q1 '09	
	Revenues	EBITDA ¹
Germany	-	-
Belgium	-7	-5
Rest of World	-	-
Mobile International	-7	-5
Consumer	-11	-4
<i>Of which: Mobile Wholesale</i>	-2	-1
Business	-5	-1
Wholesale & Operations	-5	-
The Netherlands	-21	-5
Intercompany	3	-
KPN Group	-25	-10

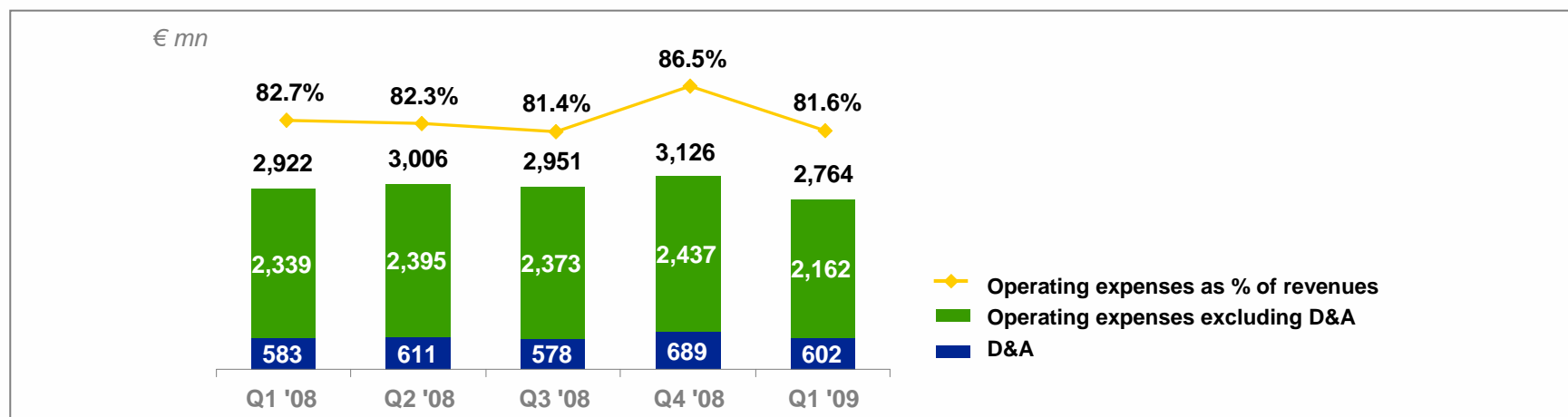
¹ Defined as Operating result plus depreciation, amortization and impairments

Restructuring charges

€ mn	Q1 '09
Germany	-
Belgium	-
Rest of World	-
Mobile International	-
Consumer	1
Business	-
Getronics	-3
Wholesale & Operations	-2
The Netherlands	-4
Other	-2
KPN Group	-6

Operating expenses

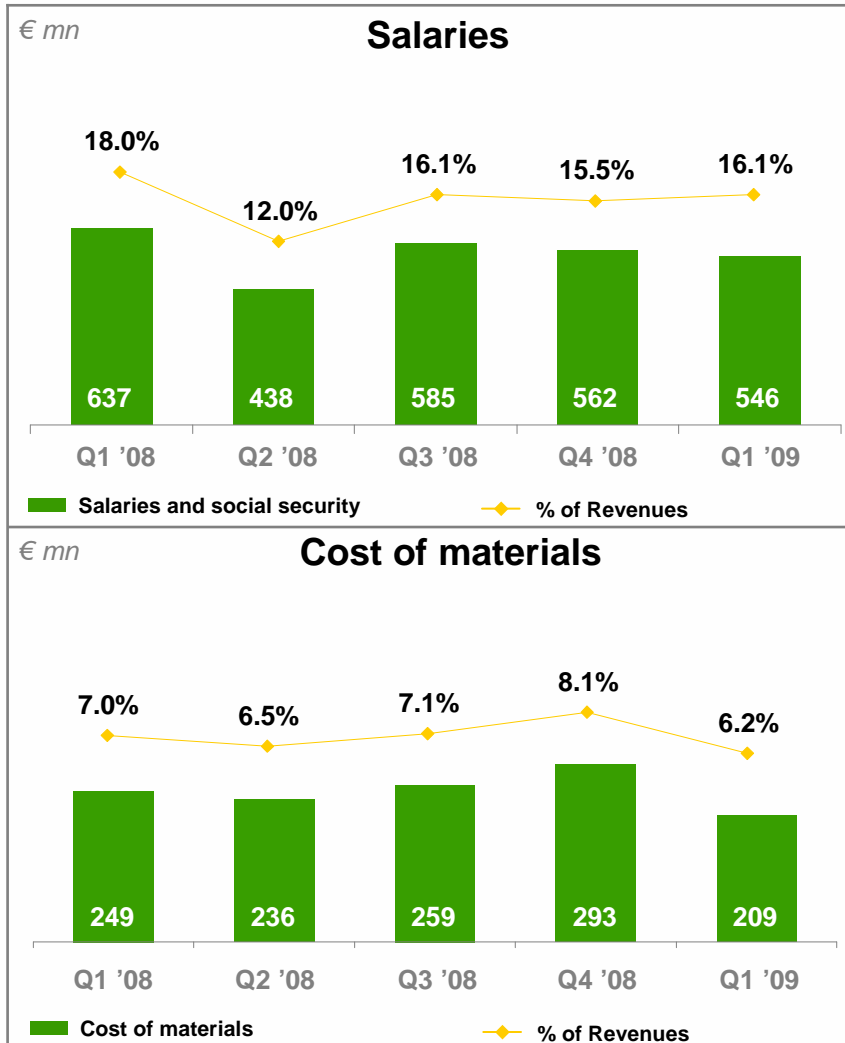
€ mn	Q1 '09	Q1 '08	%
Salaries and social security contributions	546	637	-14%
Cost of materials	209	249	-16%
Work contracted out and other expenses	1,231	1,260	-2.3%
Own work capitalized	-21	-24	-13%
Other operating expenses	197	217	-9.2%
Depreciation ¹	392	409	-4.2%
Amortization ¹	210	174	21%
Total	2,764	2,922	-5.4%



¹ Including impairments, if any

Analysis operating expenses

Salaries & Cost of materials



Y-on-Y decrease

- Continued headcount reductions, supported by Getronics divestments

Q-on-Q decrease

- Divestment of Business Application Services in Q4 '08 and Business Solutions in Q1 '09
- Release of € 199 mn pension provision in Q2 '08

Y-on-Y decrease

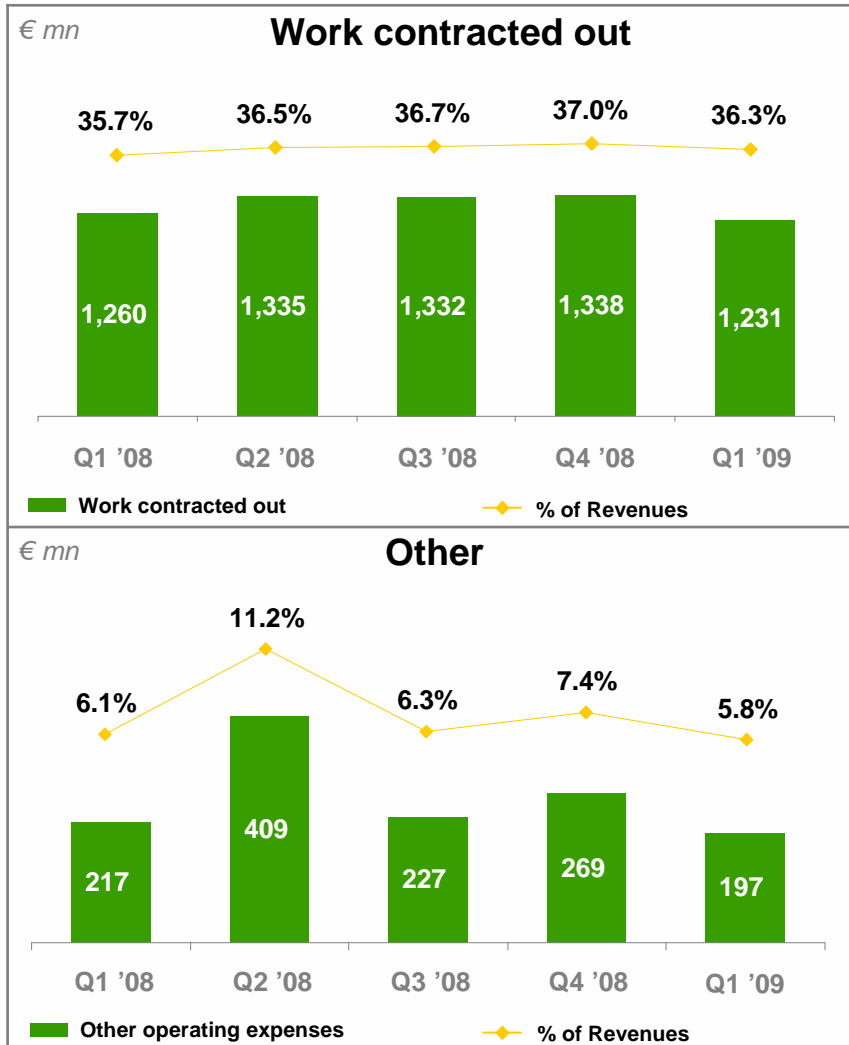
- Less handset sales due to SIM-only and wholesale offers
- Handset lease at E-Plus

Q-on-Q decrease

- Divestment of Business Application Services in Q4 '08 and Business Solutions in Q1 '09

Analysis operating expenses

Work contracted out & Other



Q-on-Q decrease

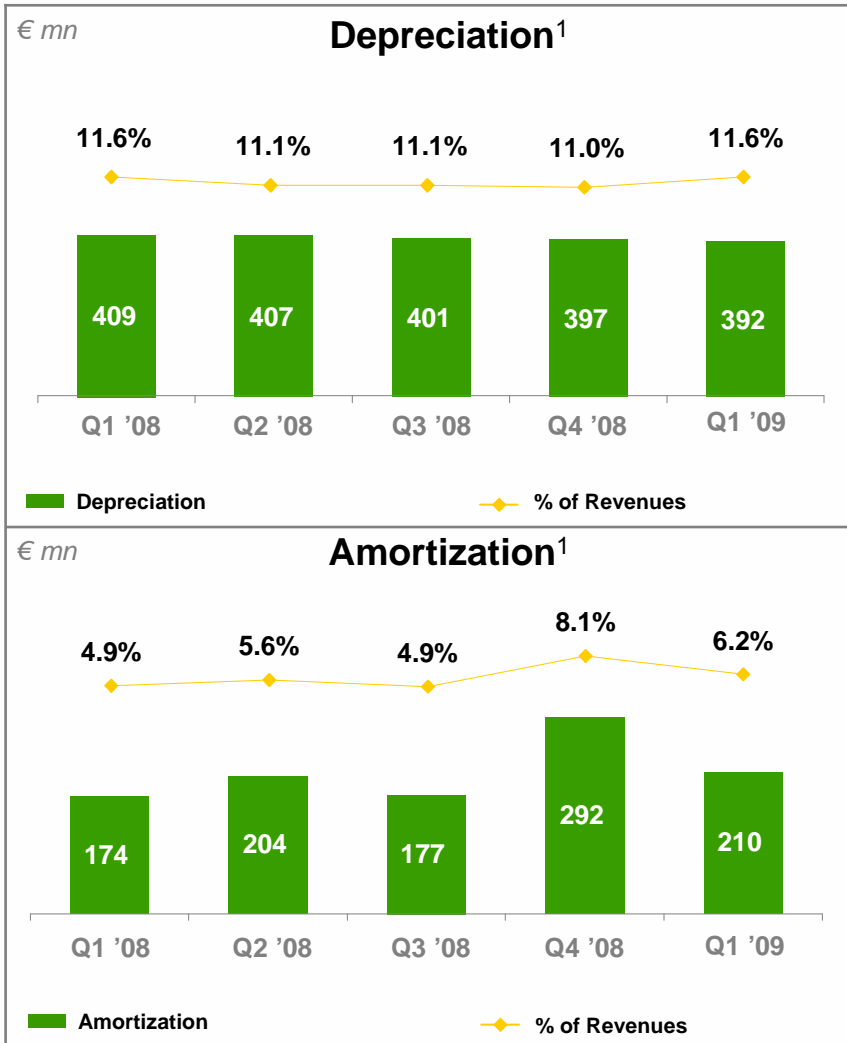
- Divestment of Business Application Services in Q4 '08 and Business Solutions in Q1 '09
- Impact of lower revenues at iBasis in Q1 '09

Q-on-Q decrease

- Restructuring charges of € 6 mn in Q1 '09 (€ 31 mn in Q4 '08)
- Provision for superfluous office rental contracts at Getronics of € 17 mn in Q4 '08
- Lower marketing costs at Mobile International in Q1 '09

Analysis operating expenses

Depreciation & Amortization



Y-on-Y decrease

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

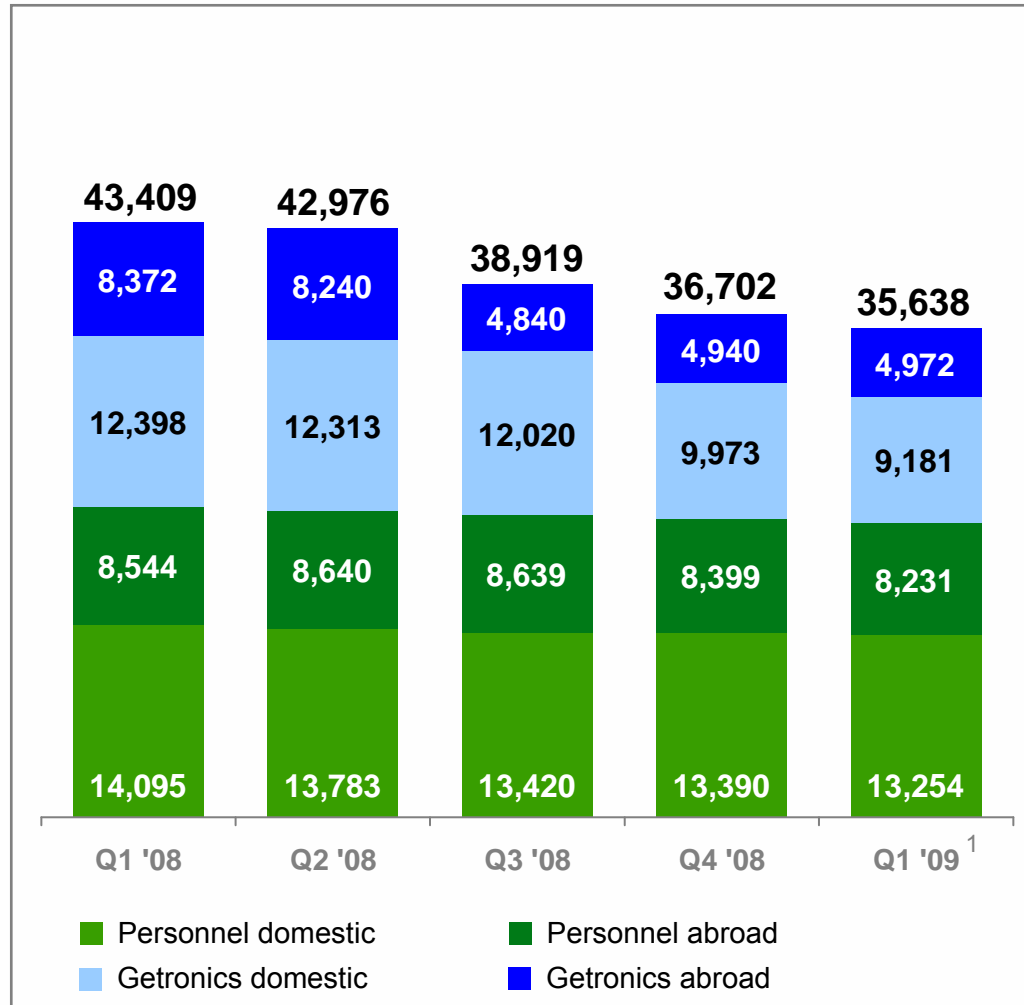
Q-on-Q decrease

- Goodwill impairment iBasis of € 11 mn in Q1 '09 (€ 67 mn in Q4 '08)
- Goodwill impairment Getronics² of € 13 mn in Q1 '09 (€ 36 mn in Q4 '08)

¹ Including impairments, if any

² Related to businesses classified as held for sale

Personnel



- New organizational structure since 01 '09
 - 3,284 FTE migrated from KPN Business market to Getronics
- Decrease of 7,771 FTE y-on-y
 - Reduction of 1,255 FTE in the Netherlands (excl. Getronics and acquisitions)
 - Reduction of 6,617 FTE at Getronics, mainly from divestments
 - Partly offset by acquisitions at Mobile International
- Decrease of 1,064 FTE compared to Q4 '08
 - Reduction of 760 FTE at Getronics, mainly from divestments
- Cumulative reduction of 7,072 FTE in the Netherlands since 2005
 - Excluding Getronics and acquisitions
 - Related to reduction target of 10,000 FTE by 2010

¹ New organizational structure as of Q1 '09, following integration of part of KPN Business Market into Getronics; restated numbers for 2008

Tax

Fiscal units (€ mn)	P&L		Cash flow	
	Q1 '09	Q1 '08	Q1 '09	Q1 '08
Dutch activities	-91	-98	-608	-104
Getronics	10	-1	-2	-
German Mobile activities	-50	-35	-1	-
Belgian Mobile activities	-8	-9	-	-
Other	-2	-	-1	-2
Total	-141	-143	-612	-106

- Tax prepayment of € 598 mn to Dutch tax authorities in Q1 '09
 - € 608 mn recorded as Dutch cash taxes, discount of € 10 mn recorded as reduction in interest paid
- Tax prepayment leading to one-off effect on FCF of € 226 mn in Q1 '09
 - According to FCF definition, Dutch cash taxes of € 608 mn are partly offset by E-Plus tax recapture (€ 332 mn before discounts), leading to a total FCF effect of € 276 mn for the full year
 - Dutch cash taxes are paid in 11 installments from February to December, of which 9 installments relate to Q2-Q4 '09, leading to the one-off effect on FCF in Q1 '09 of € 226 mn
- Effective tax rate increased from 29.6% in Q1 '08 to 30.9% in Q1 '09
 - Goodwill impairments of € 24 mn recorded in Q1 '09 not deductible for corporate income tax purposes
 - Increase in taxable income in Germany, for which higher tax rates apply

Net cash flow from operating activities

€ mn	Q1 '09	Q1 '08
Operating Result	632	648
Depreciation, amortization and impairments	602	583
Interest paid	-158	-129
Income tax paid	-612	-106
Other income	-5	-15
Share based compensation	6	2
Change in provisions	-42	-61
Net cash flow from operating activities <i>before changes in working capital</i>	423	922
Inventory	-3	14
Trade receivables	76	40
Other current assets	-187	-197
Current liabilities	-250	-131
Change in working capital	-364	-274
Net cash flow from operating activities	59	648
Capex ¹	-456	-356
Proceeds from real estate	14	13
Tax recapture E-Plus	327	46
Free cash flow²	-56	351

1 Including Property, Plant & Equipment and software

2 Defined as Net cash flow from operating activities plus proceeds from real estate minus Capex, excluding tax recapture at E-Plus

Total cash flow

€ mn	Q1 '09	Q1 '08
Net cash flow from operating activities	59	648
Capex ¹	-456	-356
Acquisitions	-80	-52
Disposals real estate	14	13
Disposals other	47	7
Other	2	-9
Net cash flow from investing activities	-473	-397
Dividends paid	-	-
Share repurchases	-315	-199
Debt financing	1,476	-20
Other	1	2
Net cash flow used in financing activities	1,162	-217
Changes in cash and cash equivalents	748	34

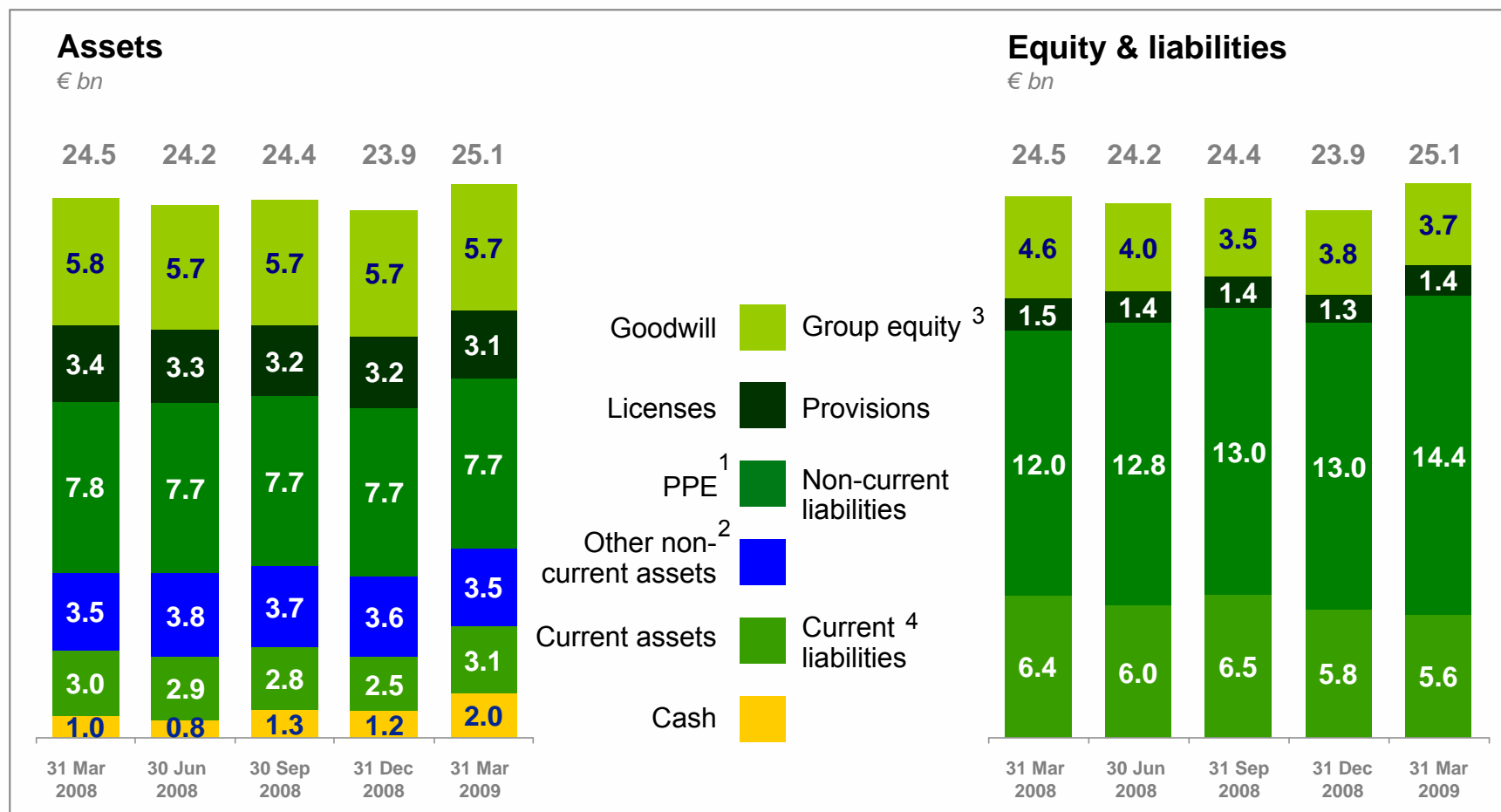
¹ Including Property, Plant & Equipment and software

Capex¹

€ mn	Q1 '09	Q1 '08	%
Germany	142	68	>100%
% Revenues Germany	18%	9.0%	
Belgium	18	18	0%
% Revenues Belgium	9.4%	9.9%	
Rest of World	1	2	-50%
% Revenues Rest of World	6.3%	33%	
Mobile International	161	88	83%
% Revenues Mobile International	16%	9.3%	
Consumer	53	45	18%
% Revenues Consumer	5.1%	4.5%	
Business	36	23	57%
% Revenues Business	5.7%	3.7%	
Getronics (reported)	15	46	-67%
% Revenues Getronics	2.8%	6.3%	
Wholesale & Operations	180	146	23%
% Revenues Wholesale & Operations	20%	16%	
The Netherlands	291	266	9.4%
% Revenues The Netherlands	12%	10%	
Other	4	2	100%
Total	456	356	28%
% Revenues	14%	10%	

¹ Including Property, Plant & Equipment and software

Balance sheet



1 Property, plant & equipment

2 Including assets held for sale, software and other intangibles

3 Including minority interest

4 Current liabilities include assets held for sale and approximately € 0.44 bn of non-netted cash balances per Q1 '09

Share repurchase progress

Date ¹	Value (€ mn)	mn shares	Avg. share price (€)
Q4 '08	101.9	9.7	10.54
January	134.3	13.0	10.36
February	77.0	7.3	10.49
March	104.2	10.6	9.87
Q1 '09	315.5	30.9	10.23
April	59.2	6.2	9.55
Total	476.6	46.8	10.20

- € 0.4 bn of share repurchases in 2009
 - € 1 bn for program 2009 started on 19 November 2008
 - Approximately 48% completed to date, of which 10% in 2008
- € 7.2 bn in shares repurchased between start in 2004 and Q1 '09
 - 820 mn shares repurchased until Q1 '09, average price of € 8.83
- Number of outstanding shares amounting to 1,714,362,792 as of 15 December 2008
 - 31% of outstanding shares cancelled since 2004
 - 43,457,887 shares to be cancelled in Q2 '09

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

Debt summary

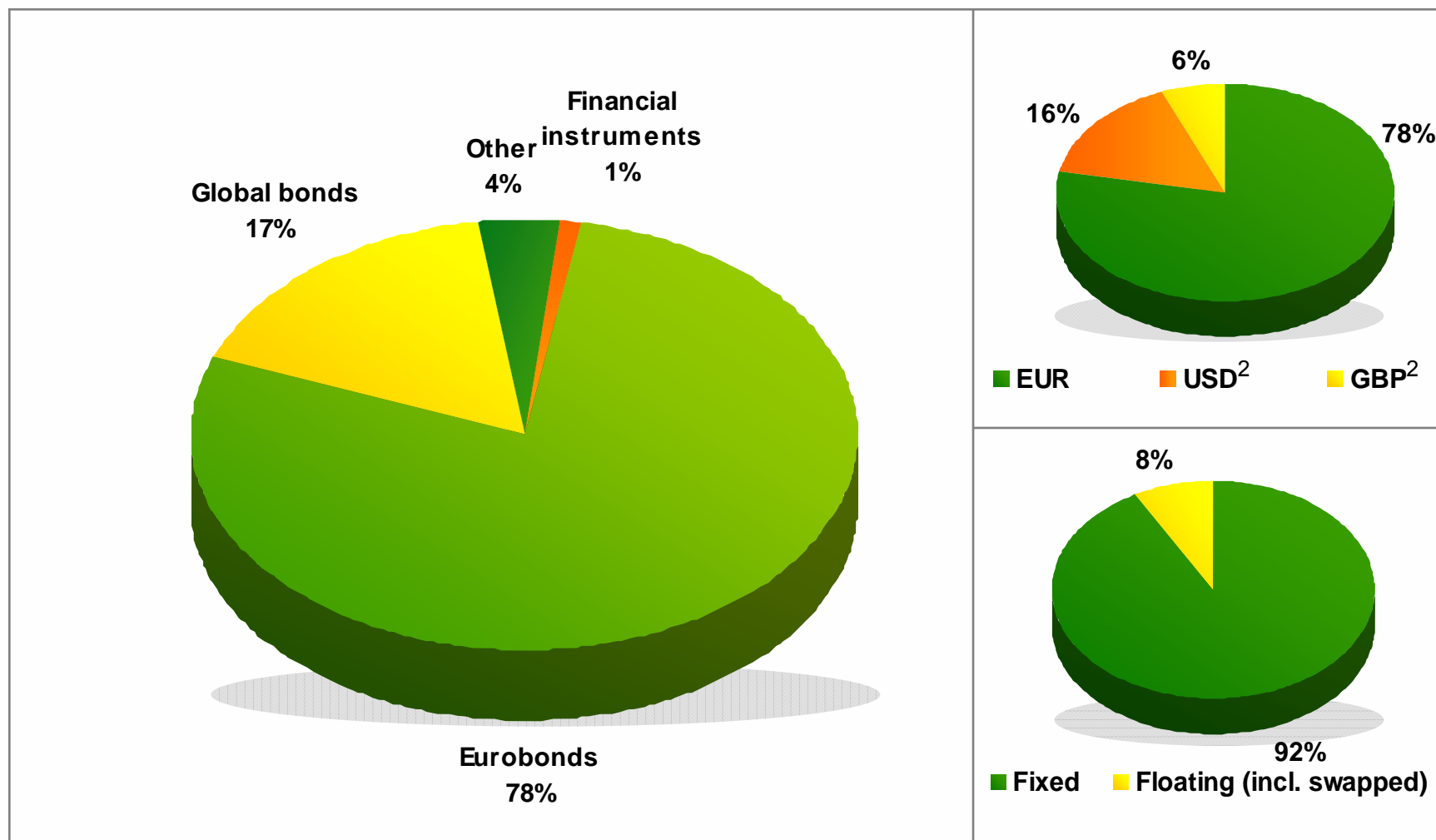
€ bn	Q1 '09	Q4 '08	Q1 '08
Bonds	12.96	11.44	10.20
Eurobonds	10.62	9.12	8.42
Global bonds	2.34	2.32	1.78
Other debt	0.59	0.60	1.18
Other loans at Royal KPN ¹	0.14	0.14	1.11
Consolidated debt	0.45	0.46	0.07
Fair value financial instruments	0.08	0.06	0.53
Total debt	13.63	12.10	11.91
— of which short-term ¹	1.17	1.15	2.11

Cash and cash equivalents	1.95	1.20	0.97
Total net debt	11.68	10.90	10.94

¹ Current liabilities include approximately € 0.44 bn of non-netted cash balances per Q1 '09

Debt portfolio

Breakdown of € 13.6 bn gross debt¹



¹ Book value of interest bearing financial liabilities plus the fair value of financial instruments related to these financial liabilities

² Foreign currency amounts hedged into Euro

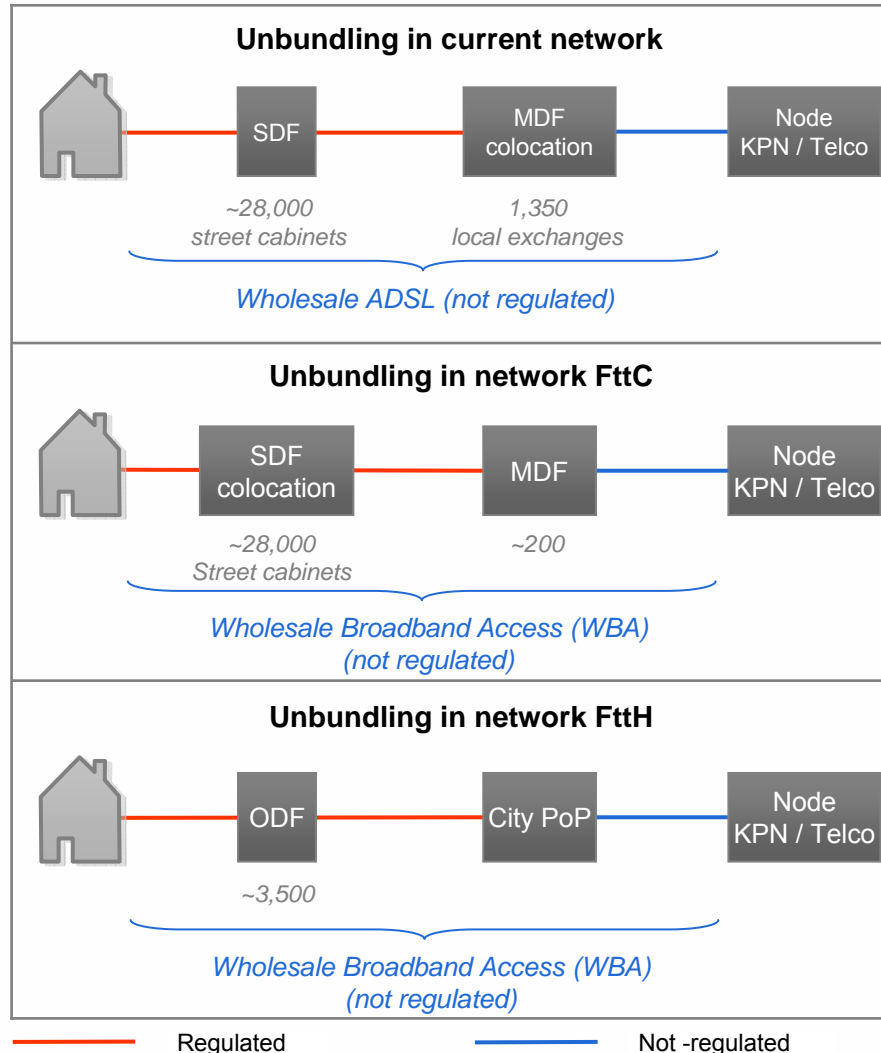
Consumer voice market¹

<i>mn</i>	Q1 '09	Q4 '08	Q1 '08
KPN PSTN / ISDN	2.27	2.36	2.68
Wholesale Line Rental (WLR)	0.41	0.39	0.34
Total traditional voice	2.68	2.75	3.02
KPN VoIP	1.13	1.09	0.92
Cable VoIP	1.32	1.26	1.14
Alternative DSL VoIP	0.35	0.35	0.30
Total VoIP	2.88	2.70	2.36
Cable voice analogue	0.04	0.04	0.08
Mobile-only	1.17	1.18	1.18
Total households	6.69	6.67	6.64

¹ Management estimates

Unbundling tariffs

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



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

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

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

Pricing

Triple-play packages FttH and FttC



Gold



Silver

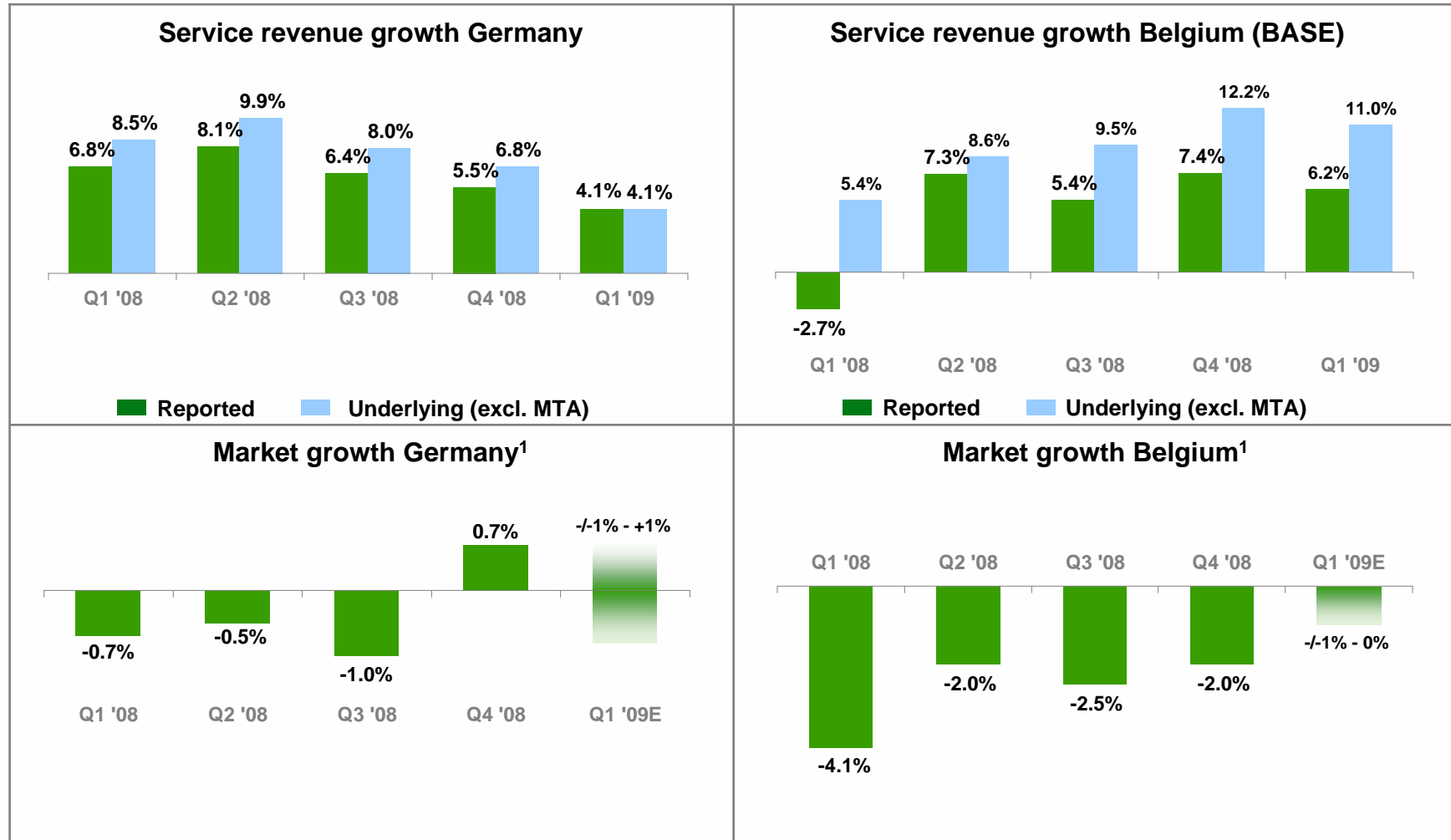


Bronze

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

Service revenue growth Mobile International

Strong underlying growth outperforming the market



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

Dutch wireless services disclosure

	Q1 '09	Q4 '08	Q1 '08
Service revenues (€ mn)	767	752	705
- Consumer	465	423	394
- Business	247	244	234
- Other Dutch activities ¹	55	85	77
SAC / SRC (€)			
- Consumer	139	150	142
- Business ²	289	284	296

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

KPIs Consumer

Voice

Voice	Q1 '09	Q4 '08	Q1 '08
Market penetration¹			
– Broadband	81%	80%	78%
– VoIP penetration	48%	46%	42%
Market share			
– Voice ²	~55%	>55%	>55%
– Traditional voice ³	>75%	>75%	~75%
– VoIP	41%	41%	39%
– Broadband ⁴	44%	44%	44%
– TV	12%	11%	8%
Access lines (x 1,000)	3,395	3,444	3,606
– PSTN	2,040	2,124	2,415
– ISDN	226	234	268
– VoIP (packages broadband and voice)	1,129	1,086	923
Net line loss⁵ (x 1,000)	-25	-5	-70
Traditional voice ARPU (€)	26	26	25
– Access	17	16	16
– Traffic	9	10	9

1 Based on management estimate

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

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

4 Including DSL and Cable; management estimates

5 Quarterly delta in PSTN/ISDN access lines + delta consumer VoIP, ADSL only and WLR; management estimates, including 20k base correction in Q4 '08 60

KPIs Consumer

Broadband, TV & Wireless

Broadband	Q1 '09	Q4 '08	Q1 '08
Broadband ISP customers (x 1,000)	2,556	2,536	2,443
– KPN	1,145	1,129	1,112
– Het Net	684	680	659
– XS4ALL	289	291	285
– Other	438	436	387
Broadband ARPU (€)	31	30	29
TV	Q1 '09	Q4 '08	Q1 '08
– Subscribers (x 1,000)	835	775	553
– ARPU (€)	7	7	6
Wireless ¹	Q1 '09	Q4 '08	Q1 '08
– Customers (x 1,000)	6,821	6,248	6,017
– Service revenues (€ mn)	465	423	394
– ARPU (€)	23	23	22
– MoU (originating, terminating)	105	111	109
– SAC/SRC (€)	139	150	142
Mobile Wholesale NL ²	Q1 '09	Q4 '08	Q1 '08
Customers (x 1,000)	1,637	2,094	1,862
– Post Paid	313	603	463
– Pre Paid	1,324	1,491	1,399
Service revenues (€ mn)	47	93	86

1 Including Debitel migrated from Mobile Wholesale NL as of Q1 '09

2 Excluding Debitel migrated to Consumer Wireless as of Q1 '09

KPIs Business

Infrastructure Services

Wireline	Q1 '09	Q4 '08	Q1 '08
Market share voice¹	~50%	~50%	>50%
Access lines (x 1,000)	1,565	1,581	1,672
– PSTN	735	745	799
– ISDN	803	812	857
– VoIP	27	24	16
Business DSL	126.9	119.0	100.8
Traditional voice ARPU (€)	52	52	51
– Access	27	27	26
– Traffic	25	25	25
Network services (x 1,000)			
– Leased lines	27.6	29.0	31.7
– E-VPN connections	21.4	22.7	25.4
Managed network services (x 1,000)			
– IP-VPN connections	31.6	31.9	32.7
– M-VPN routers	22.6	20.1	16.9
Wireless	Q1 '09	Q4 '08	Q1 '08
– Customers (x 1,000)	1,616	1,551	1,381
– of which data users	42%	43%	37%
– Service revenues (€ mn)	247	244	234
– ARPU (€)	52	53	58
– MoU (originating, terminating)	222	247	254
– SAC/SRC ² (€)	289	284	296

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

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

KPIs Getronics

	Q1 '09	Q4 '08	Q1 '08
Service revenues (€ mn)	448	523	460
Workspaces (in mn)			
– Serviced IT workspaces ¹	1.6	n.a.	2.0
– Serviced Voice workspaces	0.7	0.6	0.4
ICT Services			
Housing & Hosting (x 1,000)			
– Housing services (# m ²)	24.9	21.6	15.5
– Hosting services (# servers)	9.8	8.9	7.7

¹ Number of IT workspaces not available per quarter for 2008 due to annual measurement and including disposals effect

KPIs Wholesale & Operations

Wholesale & Operations	Q1 '09	Q4 '08	Q1 '08
Retail voice (without ADSL)	3,828	3,915	4,339
Local loop (x 1,000)			
MDF access lines ¹	3,751	3,702	3,527
– of which line sharing ²	1,548	1,612	1,804
Unbundling³ (mn)	1.1	1.1	1.0
– Shared unbundled lines	0.3	0.3	0.3
– Fully unbundled lines	0.8	0.8	0.7
Minutes (bn)	4.6	4.8	4.9
– Originating	1.2	1.1	1.3
– Terminating	2.1	2.3	2.3
– Transit	1.3	1.4	1.3
Population coverage			
– ADSL 2+	57%	57%	57%
– UMTS / HSDPA	99%	99%	97%
iBasis⁴ (international wholesale)	Q1 '09	Q4 '08	Q1 '08
Minutes (bn)	5.1	5.7	5.8
Average revenue per minute (€ cents)	3.8	4.0	3.8

1 Including Bitstream

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

3 External lines based on management estimates

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

KPIs Germany

	Q1 '09	Q4 '08	Q1 '08
Market share¹			
– Service revenue	15.4%	15.4%	14.7%
– Base	16.4%	16.4%	15.3%
Customers (x 1,000)	18,038	17,777	15,383
– Of which new brands	11,908	11,340	8,423
– Post Paid	6,739	6,676	6,345
– Pre Paid ²	11,299	11,101	9,038
Service revenues (€ mn)	734	761	705
ARPU (€)	14	15	16
– Post Paid	27	29	29
– Pre Paid	6	6	6
Non-voice as % of ARPU	26%	24%	22%
MoU (originating, terminating)	139	142	142
– Post Paid	281	284	279
– Pre Paid	60	60	48
SAC/SRC (€)	52	49	67
– Post Paid	129	114	156
– Pre Paid	13	14	13

¹ Management estimates

² Clean-up of ~300k inactive Pre Paid customers in Q1 2009

KPIs Belgium (BASE)

	Q1 '09	Q4 '08	Q1 '08
Market share¹			
— Revenue	>16%	>16%	~16%
— Base	>25%	>24%	~24%
Customers (x 1,000)	3,497	3,445	2,992
— Post Paid	583	569	518
— Pre Paid ²	2,914	2,876	2,474
Service revenues (€ mn)	154	159	145
ARPU (€)	15	16	17
— Post Paid	47	50	47
— Pre Paid	8	9	10
Non-voice as % of ARPU	17%	17%	17%
MoU (originating, terminating min)	124	122	130
— Post Paid	428	446	423
— Pre Paid	63	57	67
SAC/SRC (€)	18	17	26
— Post Paid	53	51	74
— Pre Paid	9	9	13

1 Management estimates

2 Clean-up of 93k inactive Pre Paid customers in Q1 2009