

Citi European Telecoms Conference

Ad Scheepbouwer, Chairman and CEO

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Safe harbor

Certain statements contained in this presentation constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, its and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto, and statements preceded by, followed by or including the words "believes", "expects", "anticipates" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside our control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the 2007 Annual Report and Form 20-F.

All figures in this presentation are unaudited and based on IFRS. This presentation contains a number of non-GAAP figures, such as EBITDA and free cash flow. These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures.

All market share information in this presentation is based on management estimates based on externally available information, unless indicated otherwise.

Disclaimer

We define EBITDA as operating result before depreciation and impairments of PP&E and amortization and impairments of intangible assets. Note that our definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS. In all cases, a reconciliation of EBITDA and the nearest GAAP measure (operating result) is provided. In the net debt/EBITDA ratio, we define EBITDA as a 12 month rolling average excluding book gains and restructuring costs, both over EUR 20m. For 2007, we define free cash flow as cash flow from operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software. For 2008 and subsequent years, free cash flow is defined as cash flow from operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software, and excluding tax recapture at E-Plus.

The unaudited pro-forma financial information for KPN Mobile The Netherlands and the Fixed division (including Other) for 2007 has been prepared based on the former organizational structure in place as at December 31, 2006 and on the transfer pricing, roaming and intercompany charges associated with that former structure. Although we believe that the pro-forma financial information has been prepared based on reasonable assumptions, this information is provided for illustrative purposes only and we cannot assure you that the pro-forma financial information based on the former organizational structure would be identical to the actual results which might have been reported had our organization structure not changed.

Agenda

Financial review 2007
Strategy update: 'Back to Growth'
Concluding remarks

Highlights 2007

- Solid performance in the Netherlands
 - Consumer net line loss declining, TV customer base nearly doubled
 - Strong EBITDA growth in wireless services as a result of Telfort integration
 - Continued growth in Business market, migration to new services accelerating
 - FttC / FttH roll-out taken to implementation stage
- Continued profitable growth at Mobile International
 - E-Plus outperforming competition, exceeding growth and margin objectives
 - Strategic initiatives creating growth platform in Belgium
- Strategic M&A with a focus on value creation
 - Market leader in workspace management through Getronics acquisition
 - Creating leading position in international wholesale through iBasis
- Full-year guidance met, shareholder returns of €2.5 bn in 2007

Group results and cash flow

Revenue and EBITDA fuelled by acquisitions, continued strong cash flow

€ mn	FY '07	FY '06	%
Revenues and other income	12,632	12,057	4.8%
- of which Revenues	12,461	11,941	4.4%
Operating expenses	10,132	9,834	3.0%
- of which D&A ¹	2,400	2,614	-8.2%
EBITDA²	4,900	4,837	1.3%
EBITDA margin	38.8%	40.1%	-1.3%
Operating result	2,500	2,223	12.5%
Financial expenses	-560	-520	7.7%
Taxes	708	-127	n.m.
Profit after taxes	2,649	1,583	67.3%
Earnings per share³	1.42	0.79	79.7%
Net cash flow from operating activities	3,890	4,071	-4.4%
Capex⁴	1,688	1,650	2.3%
Free cash flow⁵	2,345	2,477	-5.3%

- Revenues up 4.4%, EBITDA up 1.3%
 - Acquisition effects from Getronics and iBasis
 - Flat underlying trend
- EPS up 80% following tax gain at E-Plus
- Cash flow from operations down 4.4% due to cash tax payments
- Continued strong free cash flow of € 2.3 bn
- € 2.5 bn shareholder returns in 2007
 - € 1.0 bn dividend
 - € 1.5 bn share repurchases

¹ Including impairments, if any

² Defined as Operating result plus depreciation, amortization & impairments

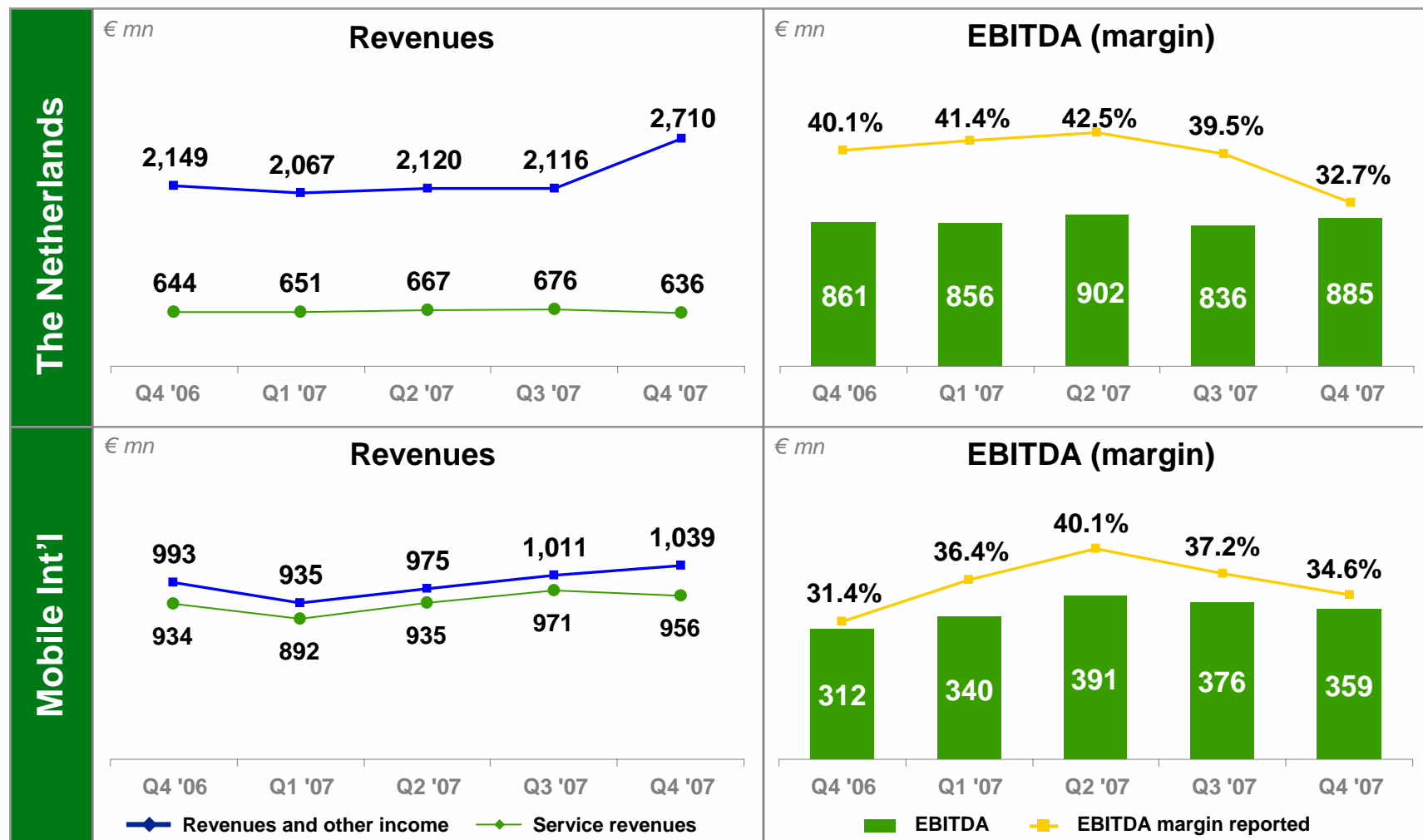
³ Defined as Profit after taxes per ordinary share / ADS on a non-diluted basis (in €)

⁴ Including Property, Plant & Equipment and software

⁵ Defined as Net cash flow from operating activities plus proceeds from real estate minus Capex

Financial highlights

Slowdown in underlying trend in the Netherlands, profitable growth at Mobile Int'l



Agenda

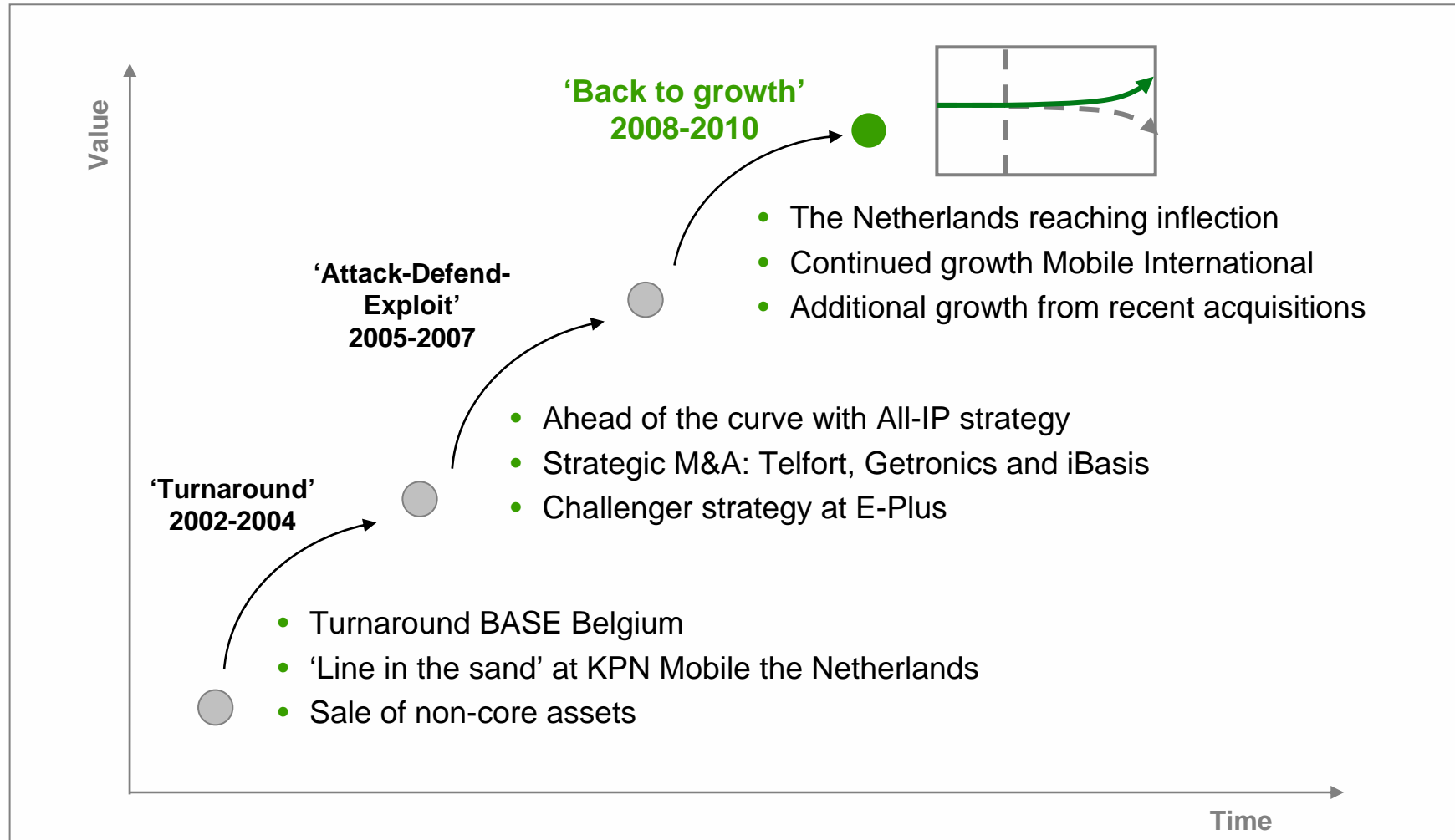
Financial review

Strategy update: 'Back to Growth'

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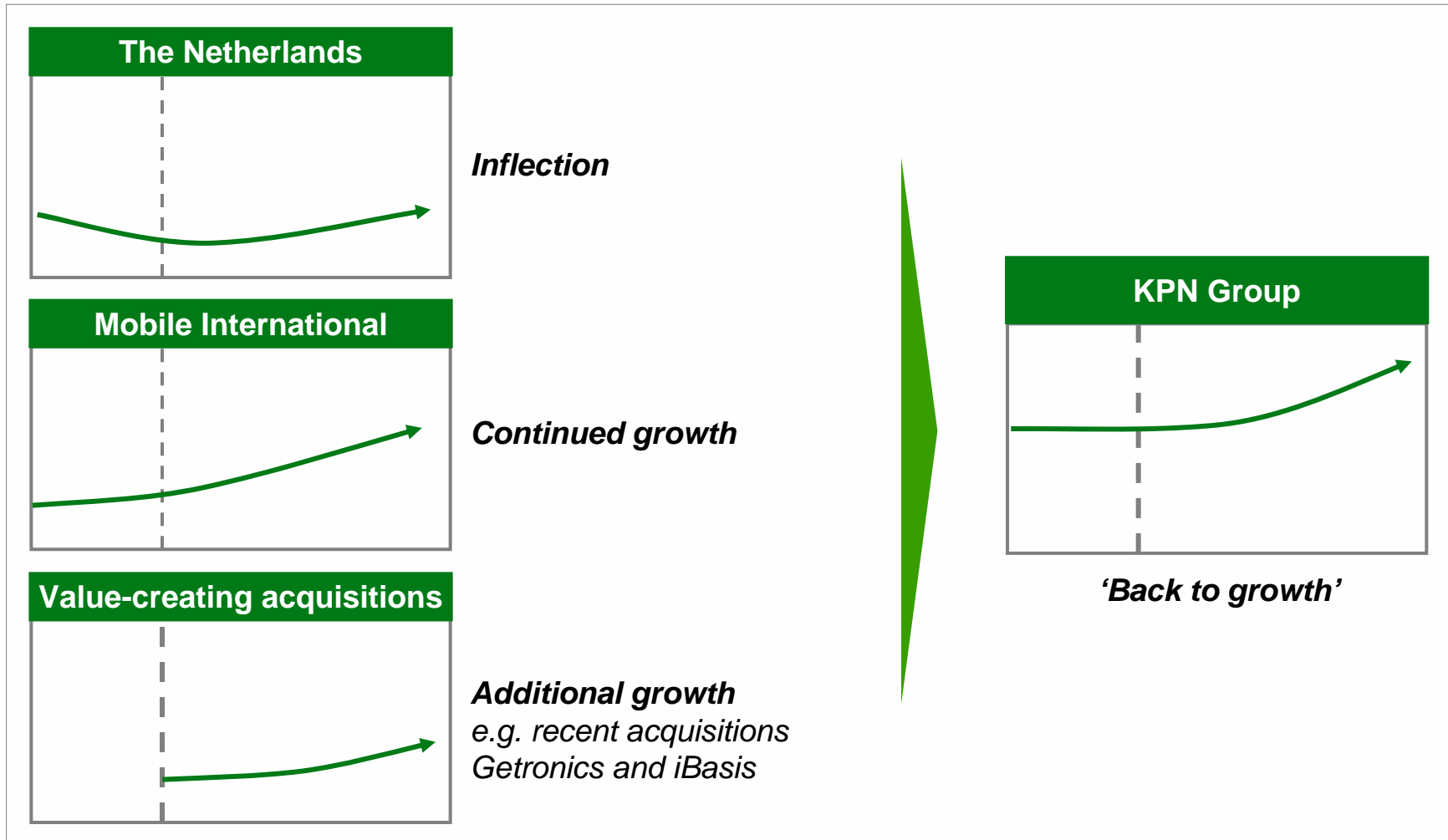
Ambition 2008-2010

KPN entering a growth phase with continued attractive shareholder remuneration



Sources of growth

All divisions contributing to profitable growth



The Netherlands back to growth

Leading service provider with EBITDA inflection

Transformation

- Ramping up new services
- Radical simplification at back and front end
- 'Best-in-class' network operator
- Reduction IT spend

Investing in market positions

- Accelerate recent growth initiatives
- Selectively add new services
- Mitigate shrinking businesses

Improving EBITDA

- Benchmark margins with 'best-in-class' operators
- Continuous cost reductions

**Number one
service provider**

**EBITDA inflection
based on
organic growth¹**

¹ Excluding contribution from Getronics and iBasis

Strategic objectives the Netherlands 2010

Becoming the 'best-in-class' service provider

Consumer	<ul style="list-style-type: none">• Leading service provider with wireless growth and without line loss
Business	<ul style="list-style-type: none">• Leading managed ICT service provider in the Netherlands
Wholesale & Operations	<ul style="list-style-type: none">• Network transformation, higher bandwidth and radical cost reduction
IT	<ul style="list-style-type: none">• IT overhaul to enable transformation and radical cost reduction
Getronics	<ul style="list-style-type: none">• Strengthen ICT capabilities and increase profitability
iBasis	<ul style="list-style-type: none">• Build global wholesale business and benefit from scale

New incentive scheme for senior management aligned with ambitious targets

FTE reductions¹

Substantial reduction in own personnel and temporary staff until 2010

	Cumulative own staff reduction	
	March 2005	Update 2008
2007	~ 5,000	5,412
2008E	~ 6,600	~ 7,000
2009E	~ 8,000	~ 8,500
2010E	-	~ 10,000

Reduction own staff

- March 2005 commitment for 8,000 FTE reductions between 2005-2009
 - Ahead of plan (5,412 vs. 5,000 FTE)
 - ~2,600 FTE remaining for 2008-2009
- Target for FTE reductions increased to 4,500 between 2008-2010
 - Additional reduction of 2,000 FTE
 - Cost savings estimated at € 110 mn by 2010

Reduction temporary staff

- Temporary staff of ~4,700 FTE at YE '07
- Reduction of 1,300 FTE by 2010
 - Cost savings estimated at € 130 mn by 2010
- Used as flexible source of personnel during transition phase

¹ Excluding Getronics acquisition

Strategic objectives Mobile International 2010

Expand and continue profitable growth in European mobile business



Germany

- Outperform market growth at attractive margins



Belgium

- Expand in scope and outperform



International

- Selective expansion in Europe

Strategic objectives supported by management incentives

Outlook 2010

Three-year outlook based on 'Back-to-Growth' strategy

	Reported 2007	Outlook 2010	Key assumptions
Revenues	€ 12.6 bn	> € 15 bn	<ul style="list-style-type: none"> • High single digit growth Mobile International • Revenue inflection Netherlands latest in 2010 • EBITDA floor¹ of € 3.2 bn in NL for 2008, followed by growth in 2009 - 2010 • ~€ 1.5 bn revenues and ~€ 125 mn EBITDA from core Getronics in 2010
EBITDA	€ 4.9 bn	> € 5.5 bn	
Capex 2008-2010	€ 1.7 bn	~ € 2 bn/yr	<ul style="list-style-type: none"> • Including All-IP transformation
Free cash flow² 2008-2010	€ 2.5 bn	> € 2.4 bn/yr	<ul style="list-style-type: none"> • Excluding tax recapture at E-Plus • Including proceeds from real estate
Dividend per share	€ 0.54	€ 0.80	<ul style="list-style-type: none"> • Driven by 'Back to Growth' strategy • Supported by continued share repurchases

1 EBITDA excluding contributions in 2007/2008 from Getronics, iBasis/KGCS and sale of real estate, base figure for 2007 being € 3,274 mn
2 Free cash flow defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture at E-Plus

Shareholder remuneration

Committed to industry leading shareholder returns

2004 – 2007

- Valuable track record of delivering shareholder returns
- Proposed 2007 final dividend of €0.36
 - FY '07 dividend of €0.54, up 8%
 - Subject to AGM approval
- Attractive dividend policy
 - DPS up from €0.35 in '04 to €0.54 in '07
 - €4.0 bn dividend paid since 2004
- Industry leading share repurchases
 - €5.8 bn repurchased since 2004, ~25% of market capitalization
 - Cancellation of shares driving EPS growth

2008 – 2010

- Continued commitment to return surplus cash
- Updated dividend policy, underpinning solid business performance
 - Continue track record
 - Medium-term pay-out of ~40-50% of FCF¹
 - Targeting DPS of €0.80 in 2010
- Shareholder returns of €2 bn in 2008
 - ~€1 bn paid out as dividend
 - €1 bn in share repurchases, started on 22 February

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

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Financial review

Strategy update: 'Back to Growth

Concluding remarks

Concluding remarks

- Solid performance in 2007, full-year guidance met
- Strategy update announced with ambitious targets
- Leading service provider in the Netherlands with EBITDA inflection
- Continued profitable growth at Mobile International
- Incentive scheme for senior management aligned with ambitious targets
- Continued attractive shareholder returns of €2 bn for 2008
- Targeting dividend per share of €0.80 in 2010

Q & A

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