

Investor presentation

June 2015



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 ('FCF'). These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures.

KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including 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 as adopted by the European Union. In the Net Debt / EBITDA ratio, KPN defines Net Debt as the nominal value of interest bearing financial liabilities excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments, less net cash and short-term investments, and defines EBITDA as a 12 month rolling total excluding restructuring costs, incidentals and major changes in the composition of the Group (acquisitions and disposals). Free Cash Flow is defined as cash flow from continuing operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software. Revenues are defined as the total of revenues and other income unless indicated otherwise. Adjusted revenues and adjusted EBITDA are derived from revenues (including other income) and EBITDA, respectively, and are adjusted for the impact of 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

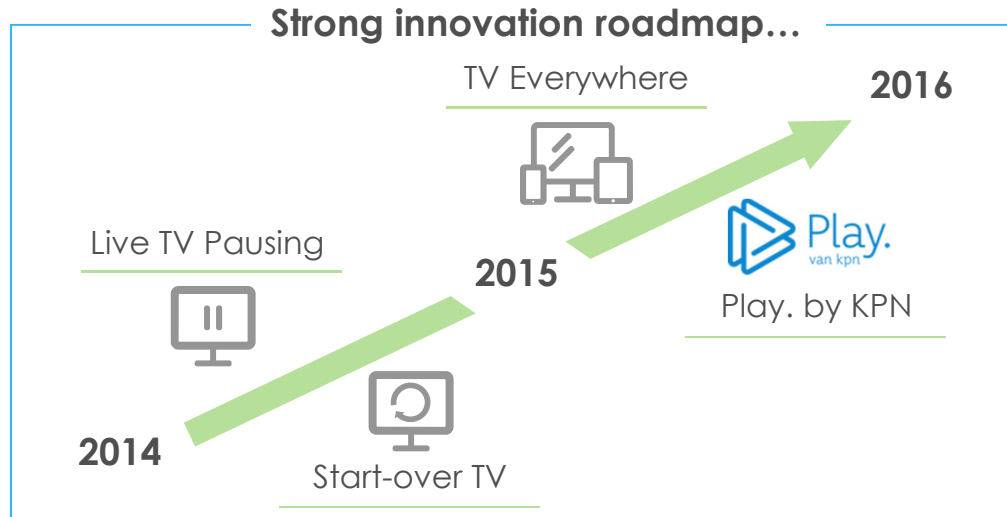
Forward-looking statements

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", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions.

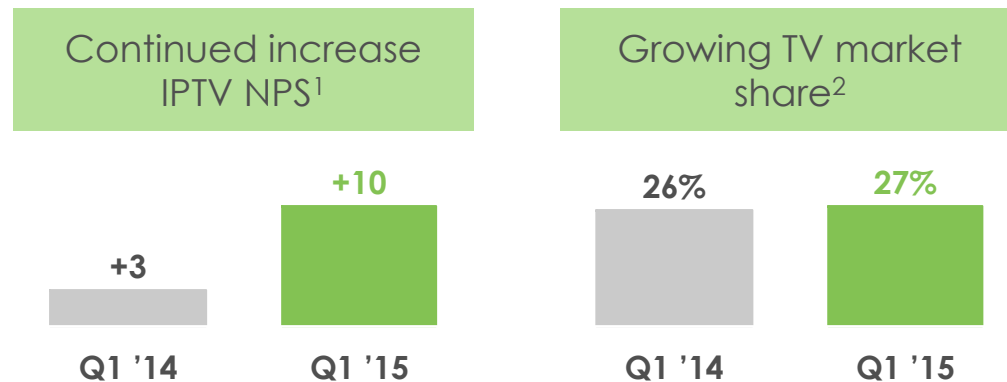
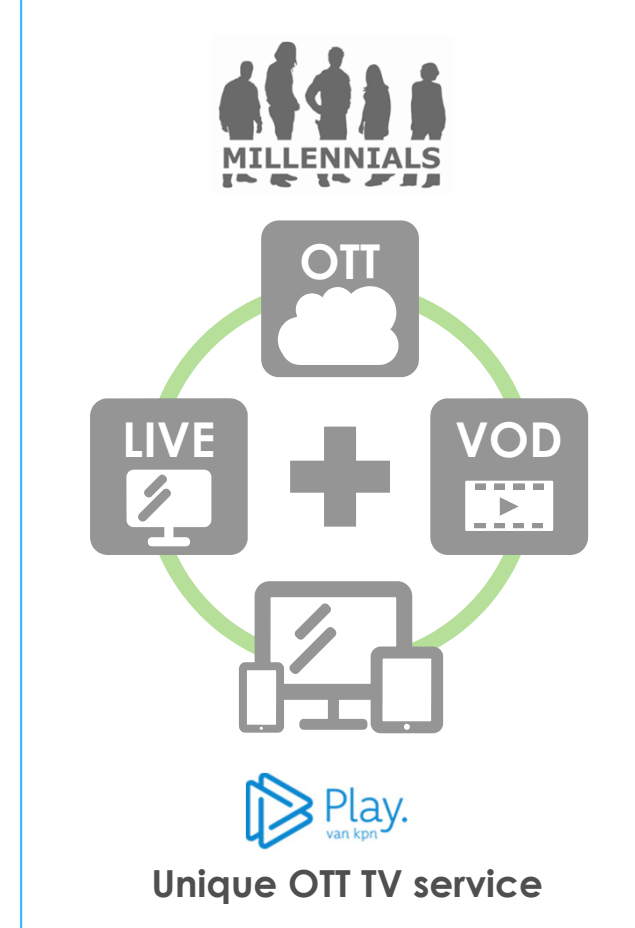
These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements and speak only as of the date they are made. A number of these factors are described (not exhaustively) in the Integrated Annual Report 2014.

Differentiating through innovative products

Leading IPTV product supported by continuous innovation



Play. by KPN: addressing shift to on demand consumption



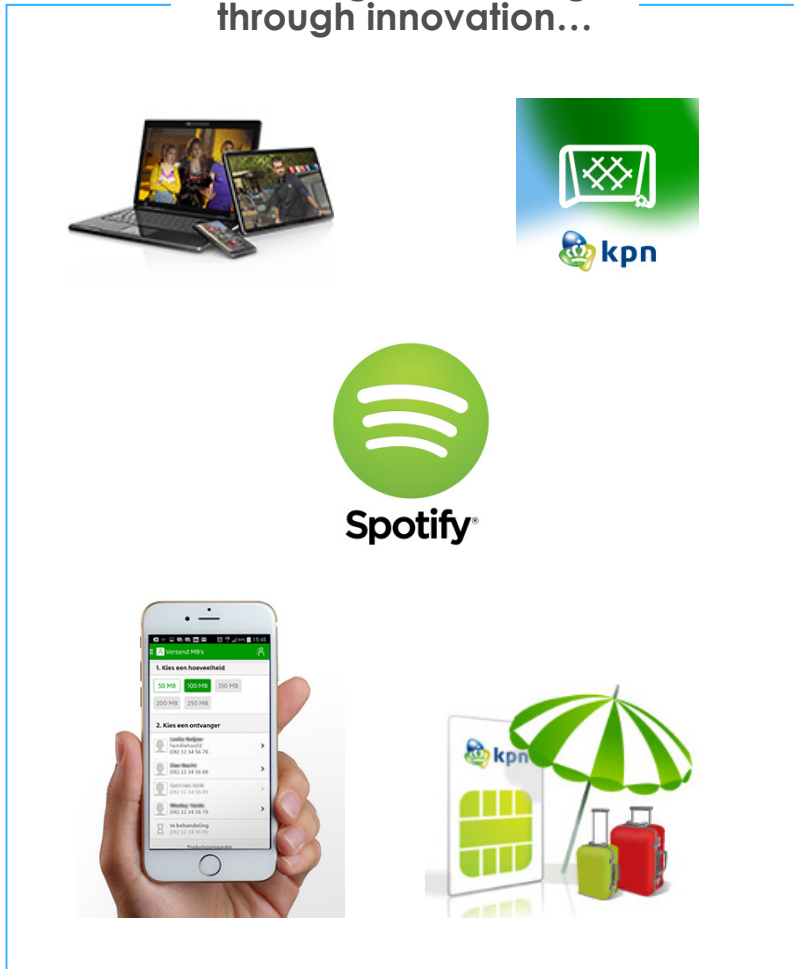
1 Source: TNS NIPO
2 Based on number of subscribers

Consistent value creation in Consumer Mobile

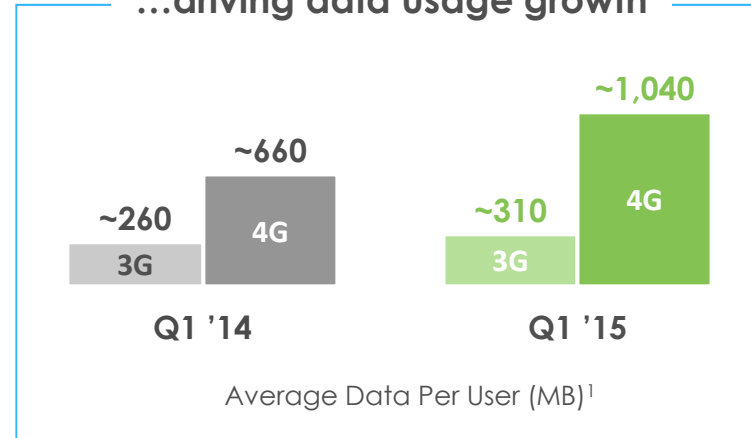
New data bundles allow carefree usage and upsell opportunity



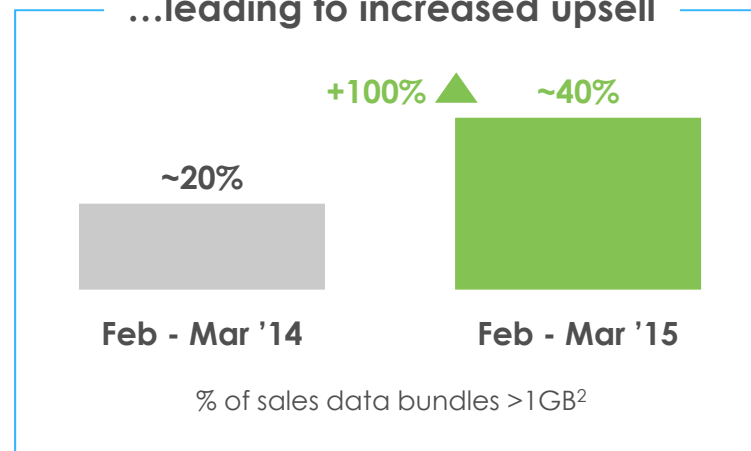
Encourage data usage through innovation...



...driving data usage growth



...leading to increased upsell



1 KPN and Hi brand
2 KPN brand

KPN clear leader in convergence

Fixed-mobile bundles based on value added rather than discounts



Additional value for customers



Double mobile data



Free calling in family



Free TV channels

Value creation for KPN



Increased revenue per household



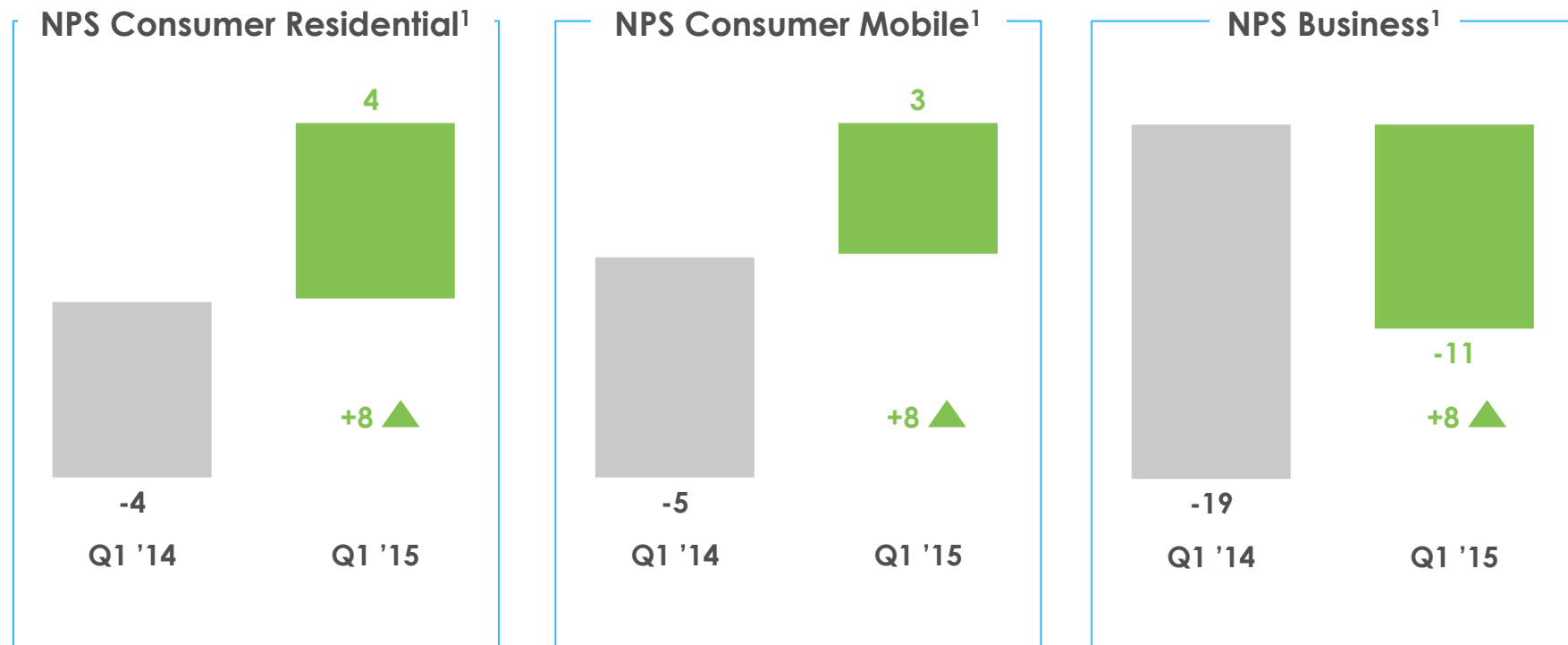
Limited incremental cost



Reduced churn

Developing as best-in-class service provider

NPS continues to improve across all segments



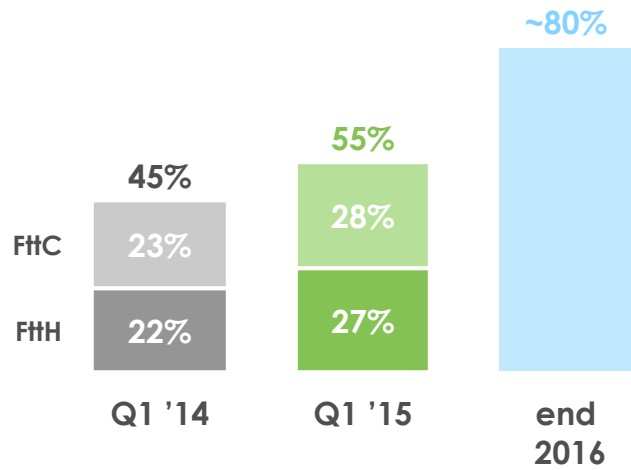
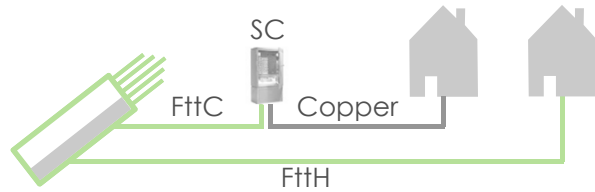
¹ Source: TNS NIPO. Consumer Residential (all brands), Consumer Mobile (all brands), Business (KPN brand)

Increasing fiber penetration within fixed network

Copper speeds enhanced through FttC, vectoring and pair bonding

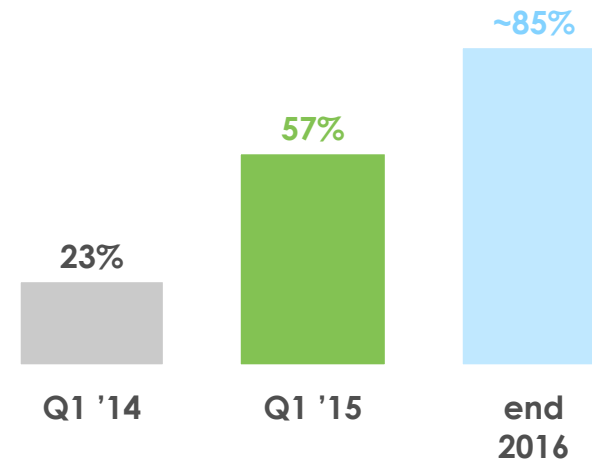


Increasing FttH / FttC penetration...



Percentage of households FttH / FttC

...driving coverage of 100Mbps



Percentage of households 100Mbps

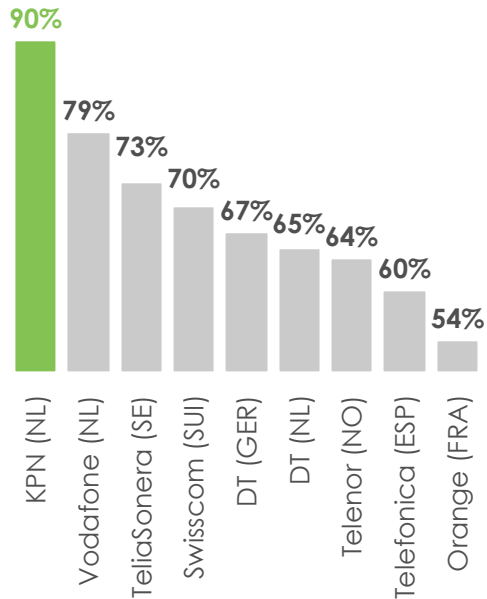
Expanding superior 4G network

Leverage full spectrum portfolio to further increase available speeds



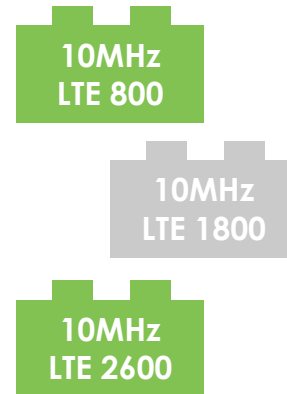
Best national 4G coverage in Europe

Most time spent on LTE in Europe¹



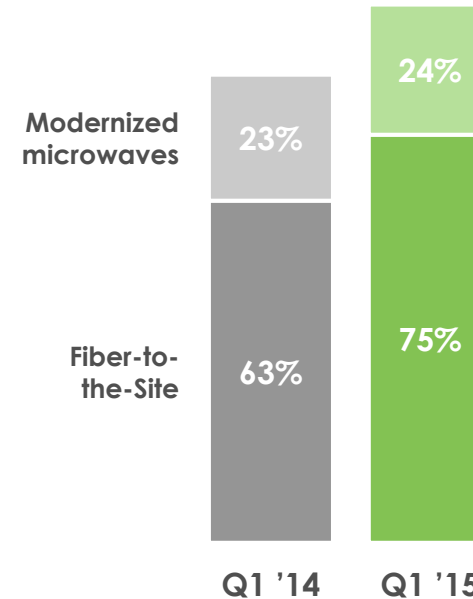
Increasing capacity and speed

Triple carrier aggregation



Up to 297Mbps download speed achieved in live network

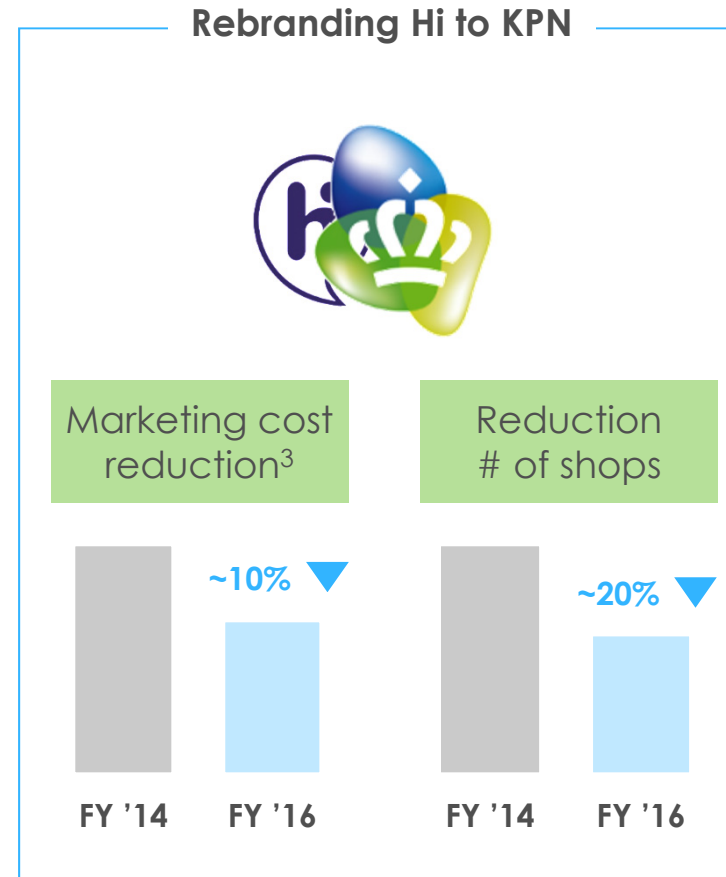
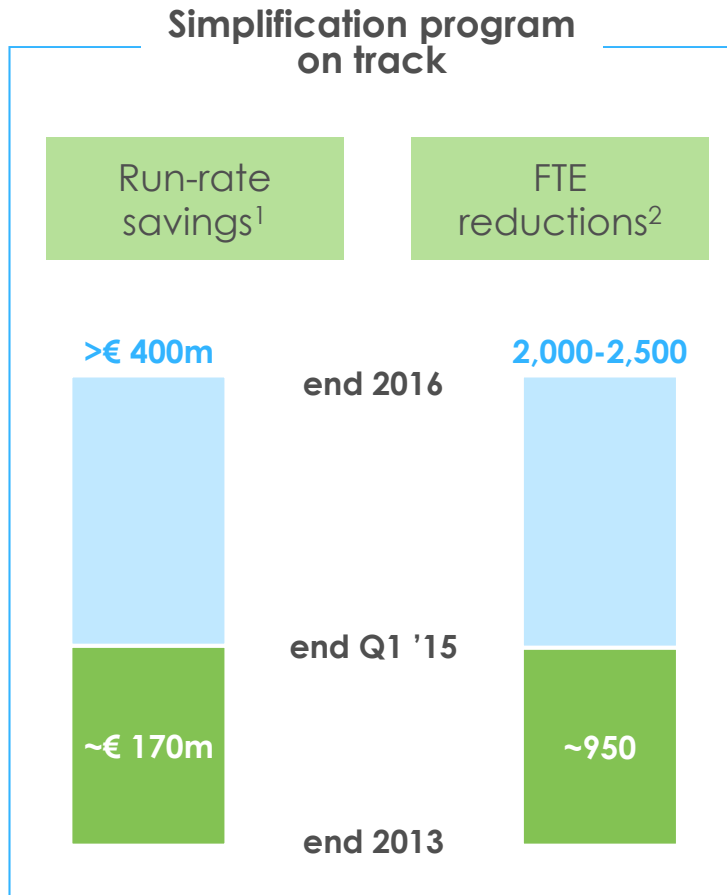
Fully modernized backhaul



¹ OpenSignal; The state of LTE (March 2015)

Building efficient and lean operating model

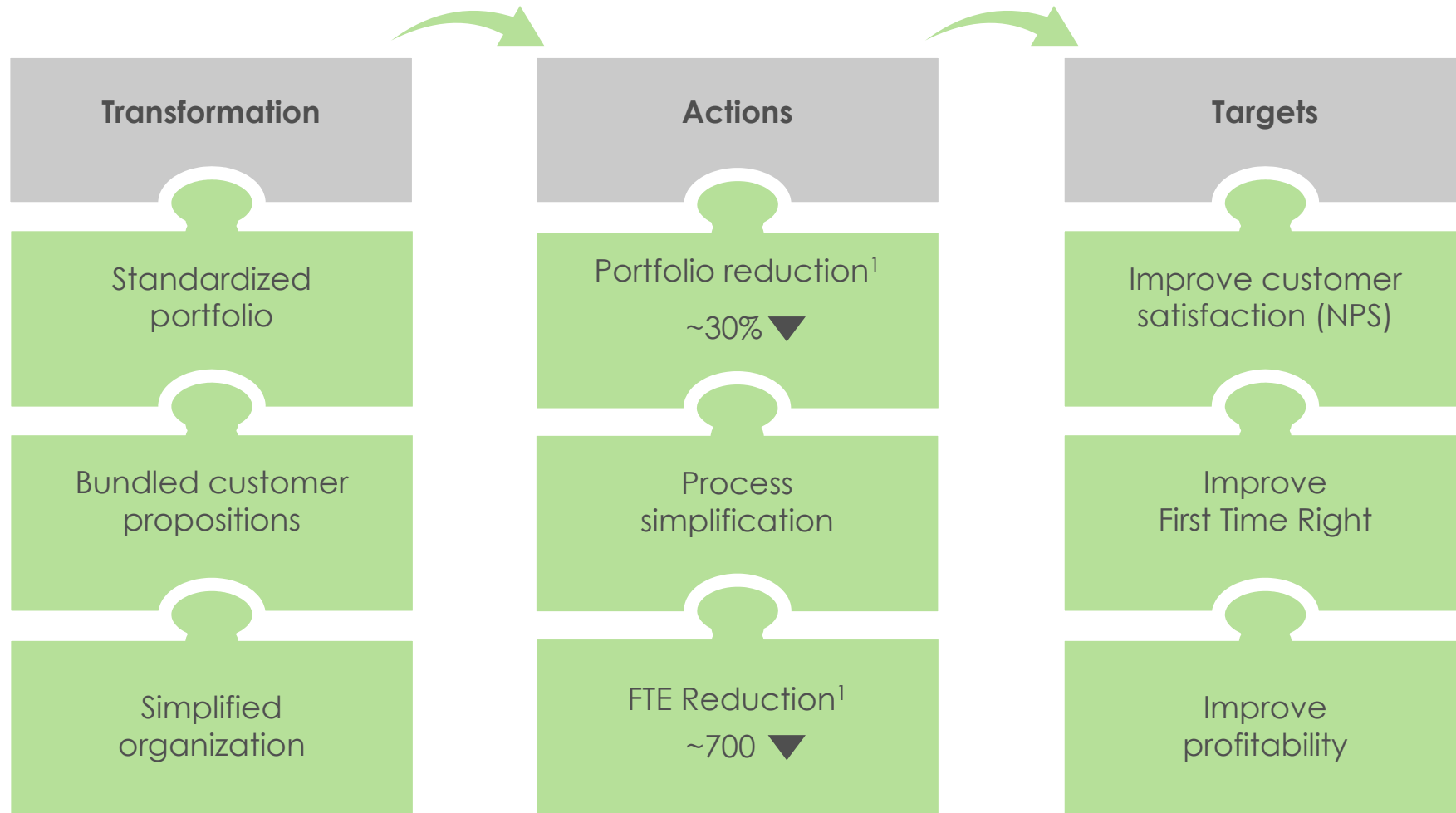
Structurally lower spend through Simplification program



1 Run-rate Capex and opex savings target vs. FY 2013 level
 2 FTE reduction target vs. end 2013 level
 3 Total Consumer Mobile marketing costs

Transformation Business segment on track

Good progress made to address changing market dynamics



¹ End Q1 '15 vs. end Q4 '13

Developing towards highly cash generative company

Strong FCF growth potential



- 1 Growing revenues per customer
- 2 Rigid focus on driving down opex
- 3 Capex levels trending down
- 4 Lower interest payments going forward
- 5 Limited cash taxes in The Netherlands



Q&A