Half year results 2013

23 July 2013

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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 net debt as the nominal value of interest bearing financial liabilities excluding derivatives, representing the repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments, less net cash and cash equivalents (including cash classified as held for sale, net of bank overdrafts). In the net debt / EBITDA ratio, KPN defines EBITDA as a 12 month rolling total excluding book gains, release of pension provisions and restructuring costs, when over € 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", "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 Annual Report 2012.

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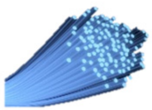
Executive summary

Delivering German mobile synergies

- E-Plus to be sold to Telefónica Deutschland

Half year results 2013

- Continued good operational performance, on track to realize outlook
- Strengthened financial position, platform to continue to execute strategy
- Revenues down due to challenging market circumstances, encouraging operational progress
- EBITDA reflecting higher commercial investments, mainly in Germany
- Free cash flow reflects lower revenues and higher investments
  - Majority of free cash flow to be generated in H2 2013 due to intrayear phasing



Improved networks

- 4G roll-out in The Netherlands accelerated, currently ~50% coverage
- Best-in-class fixed networks; ahead of curve in Europe
- High quality broadband data networks in Germany and Belgium

Executive summary (cont'd)

Investments in customers yielding operational results

- Bundling services increasingly reducing churn
- Triple play penetration at 42%, +12%-points y-on-y
- TV market share at 24%, #2 position in The Netherlands
- Continued good postpaid net adds in Germany (H1 '13: 475k vs. H1 '12: 284k)
- Data revenue growth in Germany (H1 '13: ~60%)
- Strong postpaid net adds (Q2 '13: 53k) in Belgium following new propositions launched in Q2 '13

Underlying cost structure improvements to continue

- ~2,000 FTE reductions in H1 2013, ~3,900 FTE reductions since start of program
- FTE reduction program to result in 4,500-5,000 reductions at the end of 2013
- Structural decline domestic personnel costs ~10% y-on-y
- Simplification steps to harmonize product portfolio, processes, networks and IT
- Further efficiencies in 2014 and onwards

Outlook[1]

Continued good operational performance, on track to realize outlook

- The Netherlands expected to stabilize towards 2014
- Next phase German strategy expected to lead to service revenue growth combined with lower EBITDA margin, especially in 2013
- Capex in 2013 below € 2.3bn and total planned Capex for three-year period 2013-2015 of < € 7bn, including Reggefiber[2]
- No dividend for 2013 and 2014. Thereafter resume dividend payments, subject to operational performance and financial position

1 Excluding sale of E-Plus
2 Reggefiber not expected to be consolidated before H2 2014

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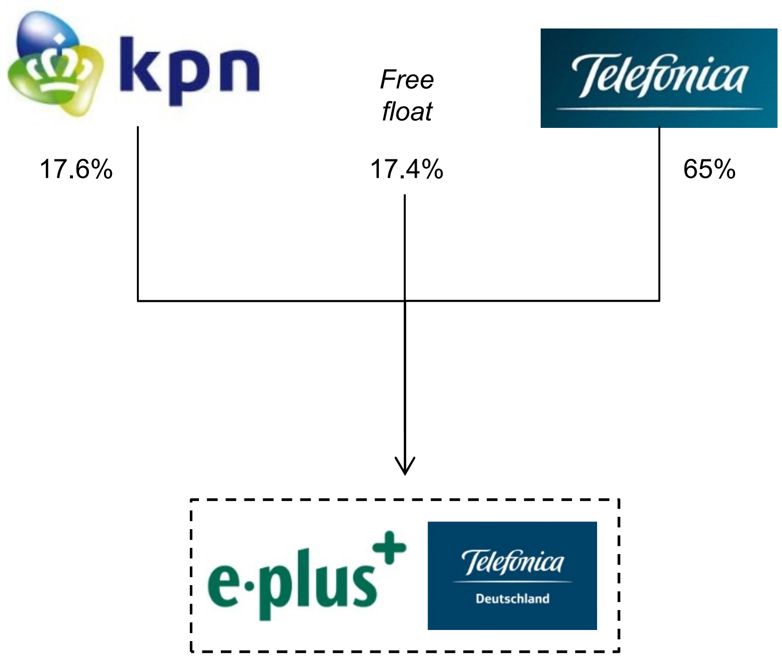
E-Plus to be sold to Telefónica Deutschland

Delivering German mobile synergies of ~€ 5.0-5.5bn

Transaction structure

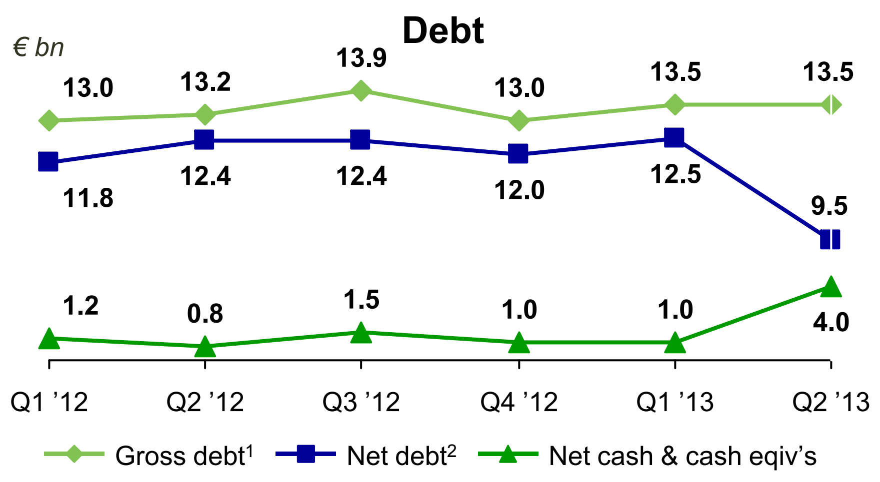


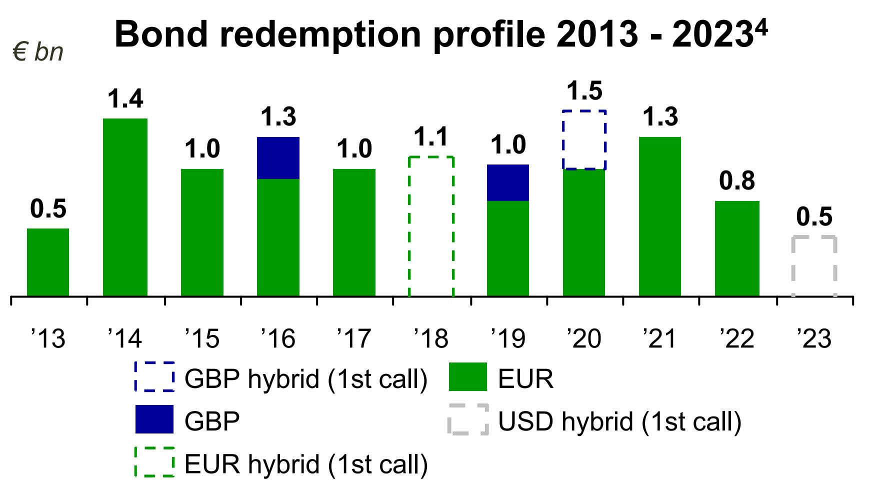
- E-Plus to be sold to Telefónica Deutschland
  - Delivering German mobile synergies of estimated € 5.0-5.5bn
- Implied valuation of € 8.1bn[1], representing 9.0x multiple on E-Plus consensus EBITDA FY 2013[2]
  - € 5.0bn in cash proceeds
  - 17.6% stake in combination E-Plus and Telefónica Deutschland
- Completion is subject to KPN EGM and regulatory approval
- Majority of € 5.0bn cash proceeds used to increase financial flexibility KPN post transaction
  - Reflecting new KPN Group profile
  - Intention to recommence dividend payment to shareholders for 2014, subject to closing
  - Strong credit profile; pro forma net debt[3] / EBITDA[4] below 1.5x[5]

1 Based on € 5.0bn cash proceeds and € 1.3bn value of sale of 7.3% stake in the combined entity to Telefónica
2 E-Plus consensus EBITDA for FY 2013 of € 899m
3 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments, less net cash and cash equivalents
4 Based on 12 months rolling total EBITDA excluding book gains, release of pension provisions and restructuring costs, when over € 20m
5 Pro forma adjustment per Q2 2013, including € 5.0bn cash proceeds and loss of last twelve months E-Plus EBITDA

Group financial profile

Successfully completed € 3bn rights issue, net debt down to € 9.5bn





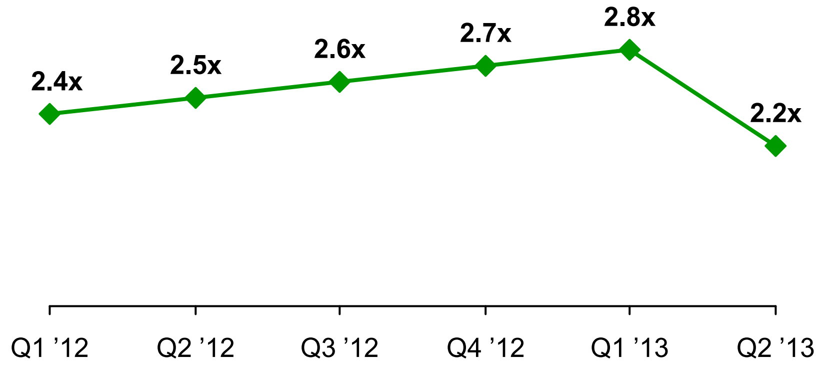
- Successfully completed € 3bn rights issue
  - Total cash position of € 4.0bn at the end of Q2 ’13
  - Net debt position decreased to € 9.5bn
- € 1.9bn redemptions in coming 12 months
  - 16 September 2013 - € 545m (6.25% coupon)
  - 4 February 2014 - € 750m (6.25% coupon)
  - 29 May 2014 - € 650m (4.75% coupon)
- € 2bn hybrid bonds added to redemption profile
  - Recognized as 50% equity by rating agencies
- € 2bn revolving credit facility extended by one year to 1 July 2018
- Average coupon senior bonds 5.1% (including hybrid bonds 5.3%)
- Average maturity senior bonds 6.8 years

1 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments; restated to exclude bank overdrafts
2 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments, less net cash and cash equivalents
3 Including bank overdrafts
4 Foreign currency amounts hedged into EUR

Group financial profile (cont'd)

Positive impact capital raise on key credit metric

Net debt[1] / EBITDA[2]



- Net debt / EBITDA at 2.2x
  - Positive impact rights issue proceeds ~0.7x
  - Partly offset by lower 12 months rolling EBITDA
- € 2bn hybrid bonds issued in Q1 '13 recognized as 50% equity by rating agencies
- Targeting year-end 2013 net debt / EBITDA between 2.0-2.5x

Current credit ratings

Moody's	Standard & Poor's Ratings Services	Fitch Ratings
Baa2 / Negative	*BBB- / Stable*	*BBB- / Stable*

1 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments, less net cash and cash equivalents
2 Based on 12 months rolling total EBITDA excluding book gains, release of pension provisions and restructuring costs, when over € 20m

Group results Q2 ’13

€ m	Q2 ’13	Q2 ’12	%
Revenues and other income	**2,935**	**3,192**	***-8.1%***
Operating expenses (excl. D&A)	**1,901**	**2,025**	***-6.1%***
– Depreciation[1]	506	338	*50%*
– Amortization[1]	275	211	*30%*
Operating expenses	**2,682**	**2,574**	***4.2%***
Operating profit	**253**	**618**	***-59%***
Financial income/expense	-166	-186	*-11%*
Share of profit of associates	-9	-7	*29%*
Profit before taxes	**78**	**425**	***-82%***
Taxes	30	-91	*n.m.*
Profit after taxes	**108**	**334**	***-68%***
Earnings per share[2,3]	**0.02**	**0.14**	***-86%***
EBITDA[4] (reported)	**1,034**	**1,167**	***-11%***
– Restructuring costs	48	51	*-5.9%*
EBITDA (excl. restructuring costs)	**1,082**	**1,218**	***-11%***

- Revenues down 8.1% y-on-y
  - Lower revenues Consumer Mobile, NetCo, Business and Germany
  - Regulation impact of € 61m (1.9%)
- Opex (excl. D&A) down 6.1%
  - Lower personnel costs in The Netherlands
  - € 42m lower due to sale Getronics Int’l

  Partly offset by
  - Higher commercial investments in Germany
- EBITDA (excl. restr. costs) down 11% y-on-y
  - Regulation impact € 32m (2.6%)
  - Net positive impact from incidentals € 52m (4.7%)
- € 232m higher D&A
  - Increased customer driven investments
  - € 75m impairments (depreciation) and € 44m impairment (amortization) in Germany
- Taxes supported by one-off innovation tax facilities and tax deductible liquidation loss

1 Including impairments
2 Defined as profit after taxes per ordinary share / ADS on a non-diluted basis (in €)
3 Historic EPS restated following rights issue based on the adjustment of the historical share price (adjustment factor of 0.60628)
4 Defined as operating profit plus depreciation, amortization & impairments

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Group results YTD ’13

€ m	YTD ’13	YTD ’12	%
Revenues and other income	**5,846**	**6,383**	***-8.4%***
Operating expenses (excl. D&A)	**3,818**	**4,085**	***-6.5%***
– Depreciation[1]	915	668	*37%*
– Amortization[1]	495	420	*18%*
Operating expenses	**5,228**	**5,173**	***1.1%***
Operating profit	**618**	**1,210**	***-49%***
Financial income/expense	-353	-382	*-7.6%*
Share of profit of associates	-12	-13	*-7.7%*
Profit before taxes	**253**	**815**	***-69%***
Taxes	-5	-175	*-97%*
Profit after taxes	**248**	**640**	***-61%***
Earnings per share[2,3]	**0.08**	**0.27**	***-70%***
EBITDA[4] (reported)	**2,028**	**2,298**	***-12%***
– Restructuring costs	65	70	*-7.1%*
EBITDA (excl. restructuring costs)	**2,093**	**2,368**	***-12%***

- Revenues down 8.4% y-on-y
  - Lower revenues NetCo, Business, Consumer Mobile and Germany
  - Regulation impact of € 115m (1.8%)
  - Net negative impact from M&A and incidentals € 109m (1.4%)
- Opex (excl. D&A) down 6.5%
  - € 172m lower due to sale Getronics Int’l
  - Lower cost of materials due to handset lease

  Partly offset by
  - Higher commercial investments in Germany
- EBITDA excl. restructuring costs down 12%
- € 322m higher D&A due to increased customer driven investments and one-off D&A in Germany

1 Including impairments
2 Defined as profit after taxes per ordinary share / ADS on a non-diluted basis (in €)
3 Historic EPS restated following rights issue based on the adjustment of the historical share price (adjustment factor of 0.60628)
4 Defined as operating profit plus depreciation, amortization & impairments

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Group cash flow Q2 '13

€ m	Q2 '13	Q2 '12	%
Operating profit	**253**	**618**	***-59%***
Depreciation and amortization[1]	781	549	*42%*
Interest paid/received	-119	-121	*-1.7%*
Tax paid/received	-77	-119	*-35%*
Change in provisions[2]	-111	-23	*>100%*
Change in working capital[2]	-77	71	*n.m.*
Other movements	-19	-27	*-30%*
Net cash flow from operating activities	**631**	**948**	***-33%***
Capex[3]	**548**	**507**	***8.1%***
Proceeds from real estate	-	1	*-100%*
Tax recapture E-Plus	56	92	*-39%*
Free cash flow[4]	**139**	**534**	***-74%***
Dividend paid	-	809	-
Coupon on EUR hybrid	-	-	-

- Free cash flow lower y-on-y at € 139m
  - € 133m lower EBITDA
  - € 148m less cash from change in working capital
  - € 88m lower change in provisions
  - € 41m higher Capex
- Capex 8.1% higher
  - Increased customer driven and 4G mobile network investments in The Netherlands
- Coverage ratio of KPN pension funds at 102% end of Q2 '13
  - Recovery payment of € 19m in Q2 '13 related to coverage ratio in Q4 '12
  - Recovery payments of € 19m in Q3 and Q4 '13 related to coverage ratio in Q2 '13

1 Including impairments
2 Excluding changes in deferred taxes
3 Including property, plant & equipment and software
4 Defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture E-Plus

Group cash flow YTD ’13

FCF impacted by intrayear phasing

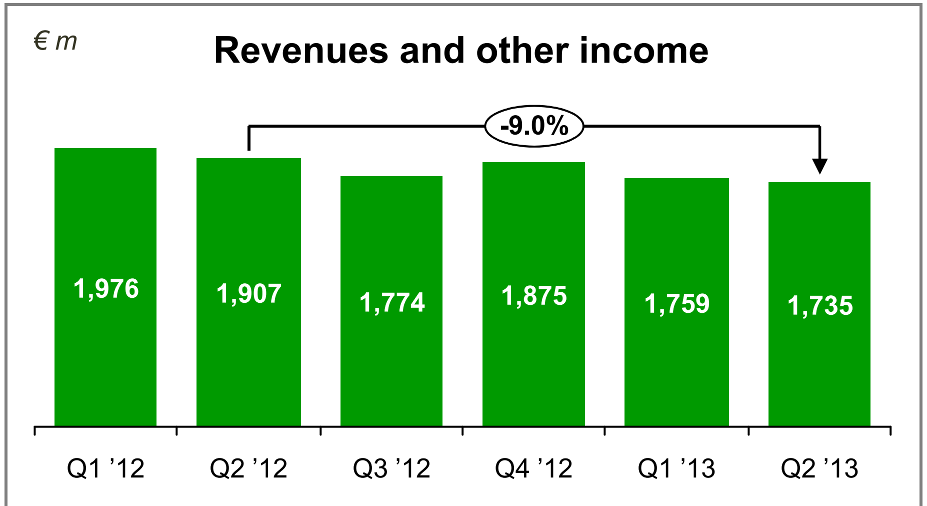
€ m	YTD ’13	YTD ’12	*%*
Operating profit	**618**	**1,210**	***-49%***
Depreciation and amortization[1]	1,410	1,088	*30%*
Interest paid/received	-424	-379	*12%*
Tax paid/received	-137	-210	*-35%*
Change in provisions[2]	-180	-108	*67%*
Change in working capital[2]	-50	-199	*-75%*
Other movements	-25	-56	*55%*
Net cash flow from operating activities	**1,212**	**1,346**	***-10%***
Capex[3]	**1,083**	**967**	***12%***
Proceeds from real estate	2	38	*-95%*
Tax recapture E-Plus	93	154	*-40%*
Free cash flow[4]	**224**	**571**	***-61%***
Dividend paid	-	809	-
Coupon on EUR hybrid	-	-	-

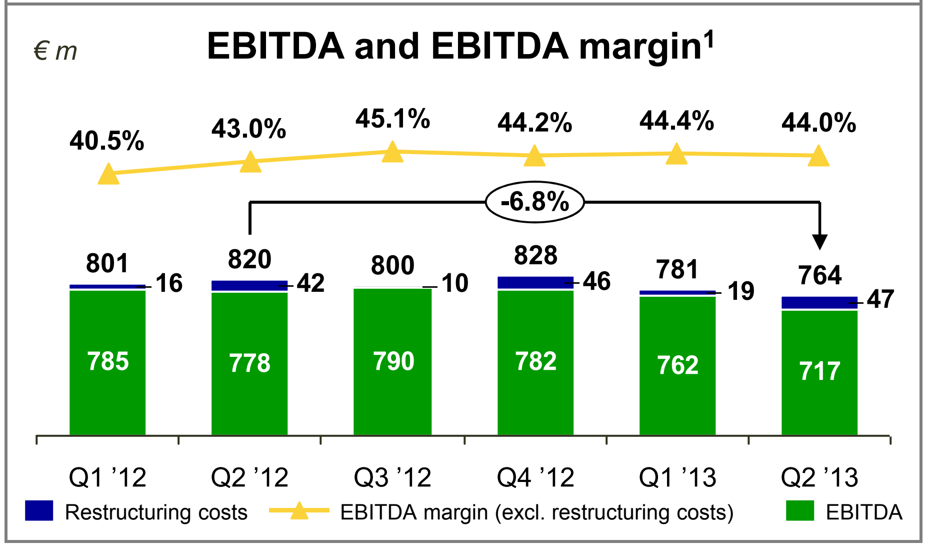
- Free cash flow of € 224m YTD ’13, € 347m lower y-on-y
  - € 270m lower EBITDA
  - € 116m higher Capex
  - € 72m lower change in provisions
  - € 45m higher interest paid

  Partly offset by
  - € 149m more cash from change in working capital
- Capex 12% higher
  - Increased customer driven and 4G mobile network investments in The Netherlands

1 Including impairments
2 Excluding changes in deferred taxes
3 Including property, plant & equipment and software
4 Defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture E-Plus

Financial review – The Netherlands



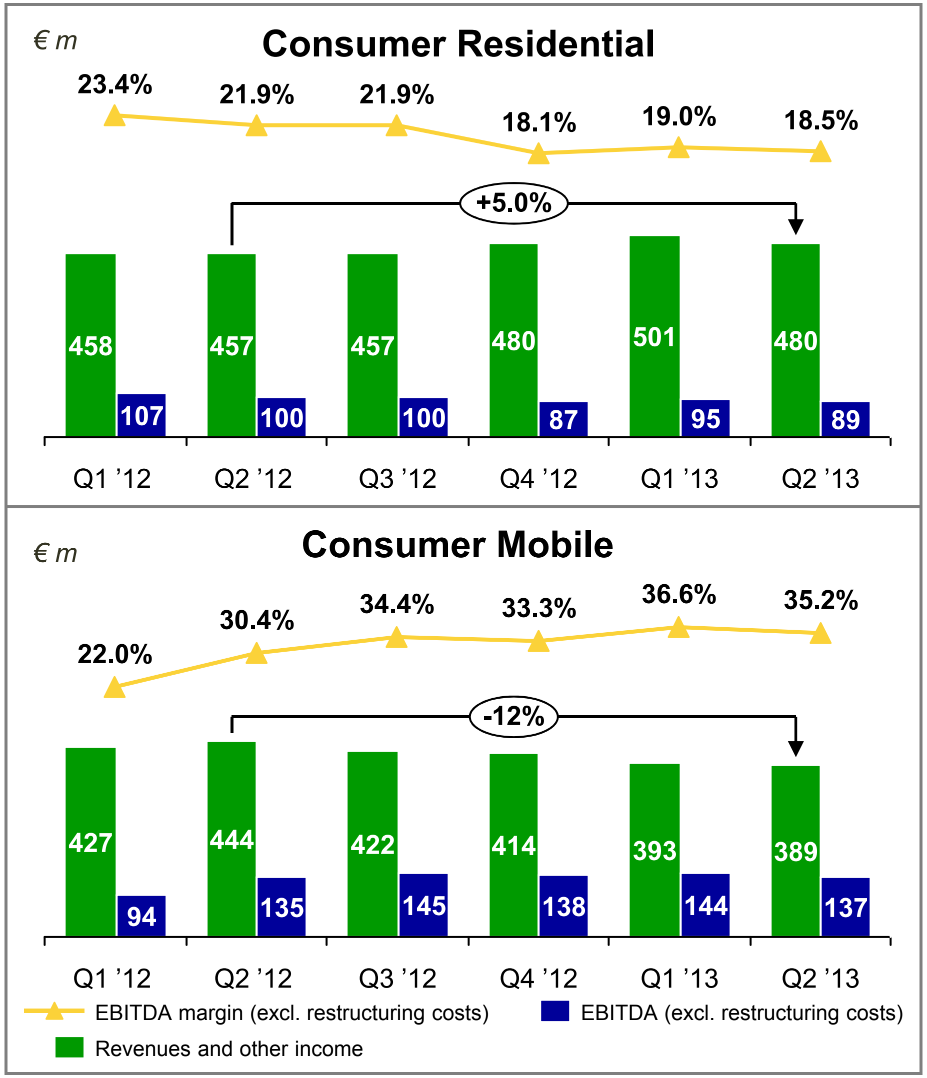


1 EBITDA margin excluding restructuring costs, if any

- Revenues and other income down 9.0% y-on-y
  - Lower revenues Consumer Mobile, NetCo and Business
  - Net negative impact from M&A and incidentals € 23m (0.9%)
- EBITDA excl. restructuring costs down 6.8%
  - Lower revenues

  Partly offset by
  - Cost savings related to FTE reduction program
  - Lower hardware sales
  - Lower cost of materials due to handset lease
- EBITDA margin[1] at 44.0%
- Restructuring costs of € 47m

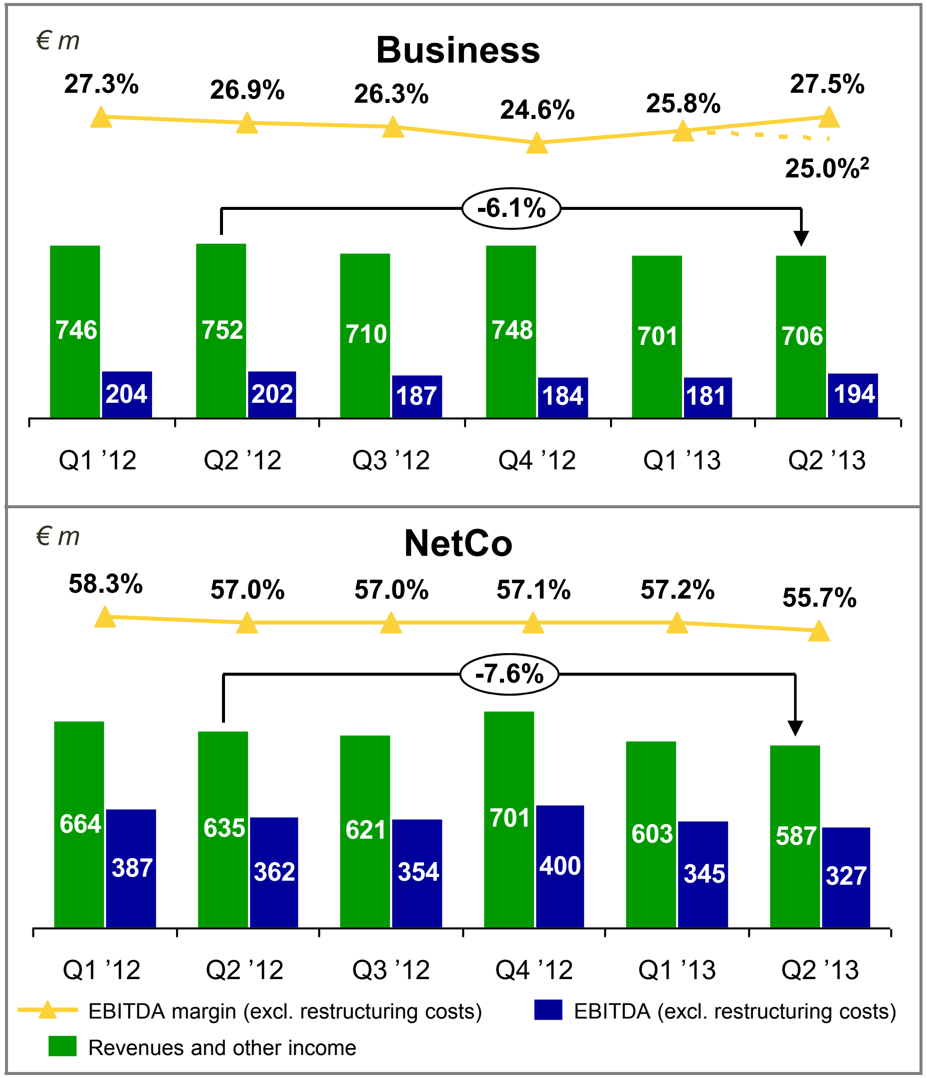
Financial review – The Netherlands by segment



1 EBITDA margin excluding restructuring costs, if any

- Revenues Consumer Residential increased by 5.0% y-on-y
  - Continued growth triple play revenues
  - Supported by net positive effect from M&A € 20m (4.4%)
- Actions taken to improve profitability
  - Price increases as of 1 July 2013
  - Cost focus through churn reduction and increasing efficiencies
- Revenues Consumer Mobile down by 12% y-on-y
  - Underlying service revenue decline 7.2%
  - € 6m regulation impact (1.4%)
  - Lower traffic revenues partly offset by higher committed revenues
  - Other revenues impacted by lower hardware sales
- EBITDA margin[1] at 35.2% supported by handset lease

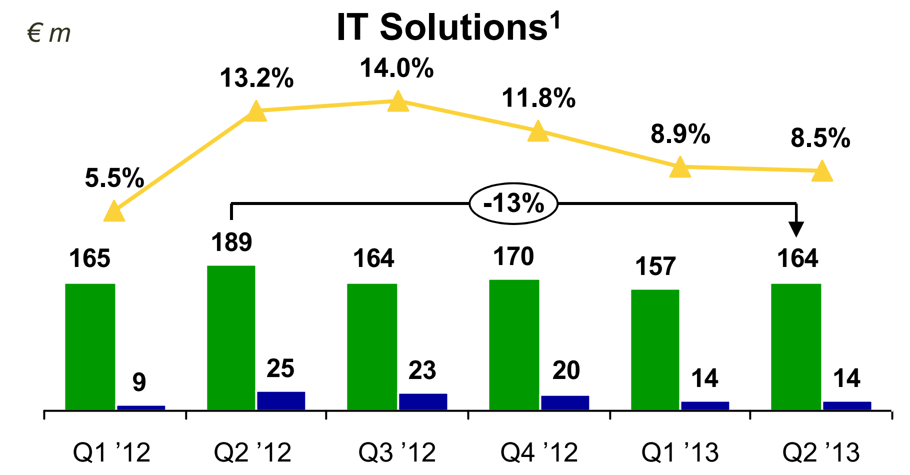
Financial review – The Netherlands by segment

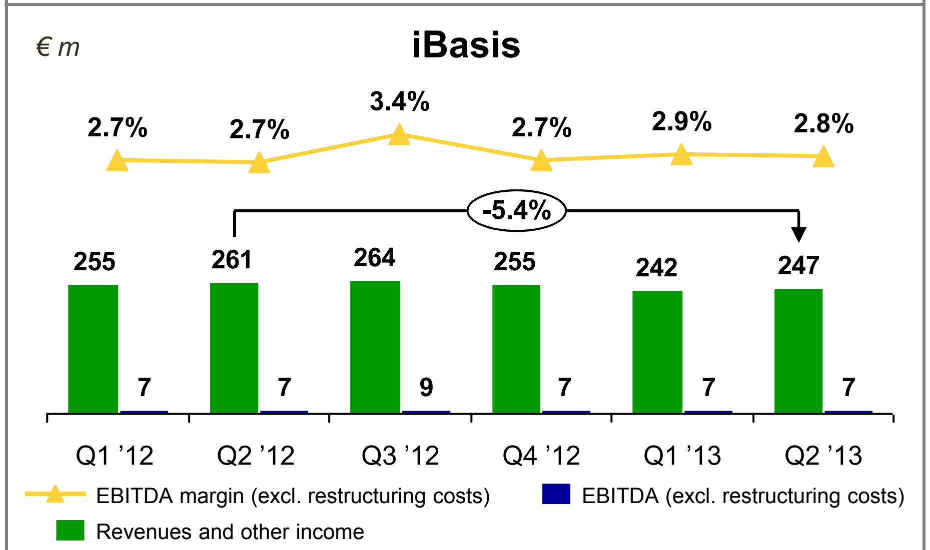


1 EBITDA margin excluding restructuring costs, if any
2 Excluding sale of Infrastructure Services & projects (€ 23m)

- Revenues Business down by 6.1% y-on-y
  - Lower hardware sales, decline in traditional services and continued price pressure
  - Partly offset by € 23m (3.1%) book gain related to sale Infrastructure Services & Projects
- EBITDA margin[1] at 27.5%
  - Supported by € 23m (2.5%) book gain
  - Lower personnel costs due to FTE reductions offset by pressure on high margin revenues
- Revenues NetCo down by 7.6% y-on-y
  - Lower wholesale traffic revenues, impacted by FTA regulation
  - Net negative impact from incidentals € 6m (0.9%)
- EBITDA margin[1] at 55.7%
  - Decline high margin traditional services
  - Higher FttH access costs
  - Partly offset by lower personnel costs due to FTE reductions

Financial review – IT Solutions & iBasis

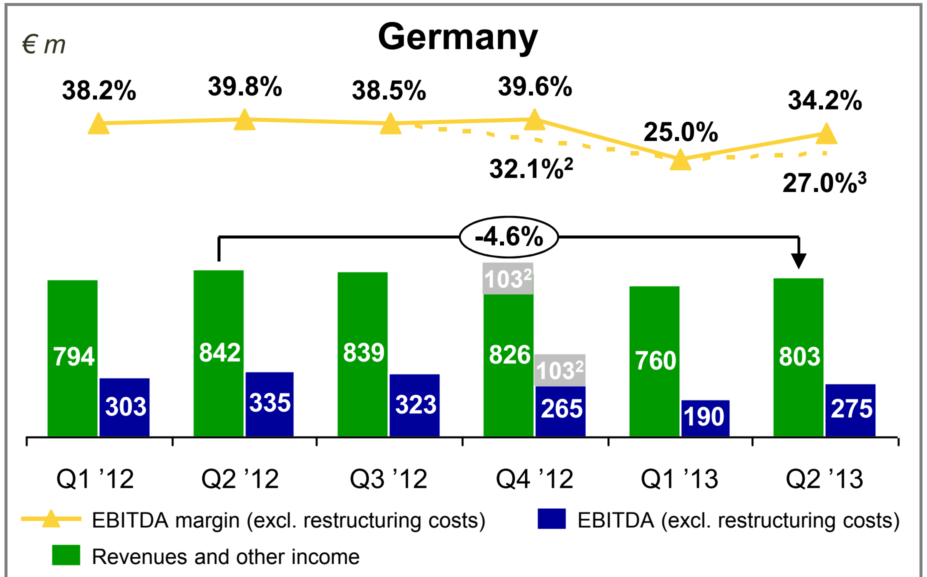


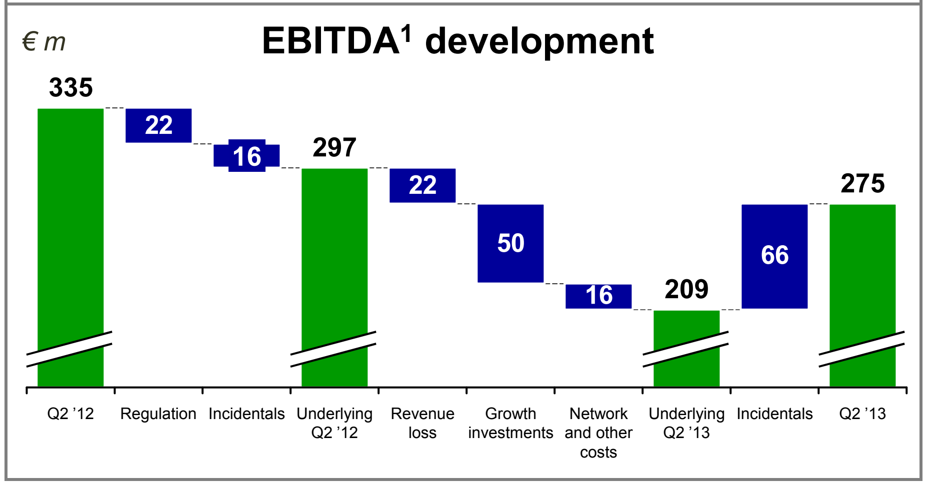


1 Figures related to IT Solutions The Netherlands
2 EBITDA margin excluding restructuring costs, if any

- Revenues IT Solutions down by 13% y-on-y
  - Continued price pressure driven by overcapacity in market and postponement larger ICT investments
  - Stable market position
  - Net negative impact from incidentals € 8m (3.8%)
- EBITDA margin[2] lower y-on-y at 8.5%
  - Net negative impact from incidentals € 8m
  - Lower margin contract renewals partly offset by lower personnel costs due to FTE reductions
- Revenues iBasis down by 5.4% y-on-y
  - Price pressure
  - 0.7% negative currency effect
- EBITDA margin[2] stable at 2.8%
  - Margin pressure offset by focus on costs

Financial review – Germany

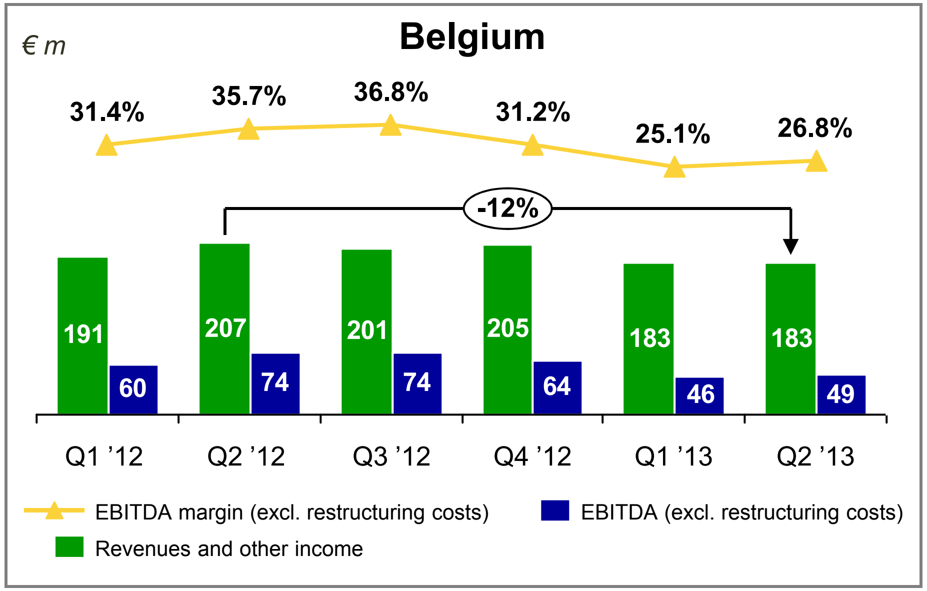




1 Excluding restructuring costs, if any
2 Excluding sale of German mobile towers (€ 103m)
3 Excluding € 29m incidentals on revenues and € 66m incidentals on EBITDA in Q2 ’13

- Revenues Germany down 4.6% y-on-y
  - Regulation impact € 38m (4.5%)
  - Partly offset by net positive impact from incidentals € 13m (1.7%)
  - Underlying service revenue decline stabilizing at 2.4%
    - Declined prepaid SMS and voice usage
    - Partly offset by strong postpaid performance
- Underlying EBITDA margin[1] at 27.0%
- EBITDA lower y-on-y due to commercial investments
  - Higher customer acquisition and marketing costs (€ 50m) supporting growth in data and postpaid
  - Regulation impact € 22m
  - Increased network costs related to larger scale network
  - Partly offset by net positive impact from incidentals of € 50m

Financial review – Belgium



- Revenues Belgium down 12% y-on-y
  - Regulation impact € 13m (6.3%)
  - Underlying service revenue decline 3.6%
  - Mobile market remains very competitive
- EBITDA down € 25m y-on-y
  - Regulation impact € 8m
  - Lower revenues
  - Commercial costs introduction new mobile and fixed portfolio
- EBITDA margin[1] at 26.8%

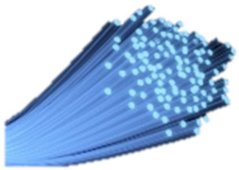
1 EBITDA margin excluding restructuring costs, if any

Contents

The Netherlands

Focus on creating loyal customers by high quality services

Best-in-class networks



Bundled services

Simplification to support profitability

Simplified products

Simplified client processes

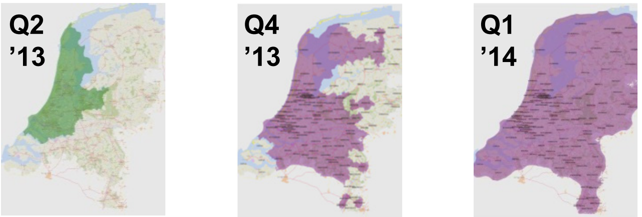
Simplified network & IT

The Netherlands – 4G

Creating 4G market leadership, currently ~50% coverage

1 Roll-out

- 4G roll-out accelerated

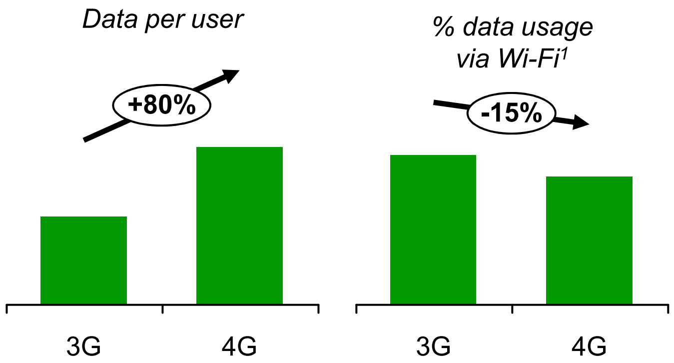


- Roll-out ahead of market
  - Superior coverage and performance
  - Combination of 800MHz, 1800MHz and 2600MHz spectrum

2 First mover advantage

3 Data opportunity

- 4G rapidly increasing data usage over mobile network



4 KPN All-in-One 4G propositions

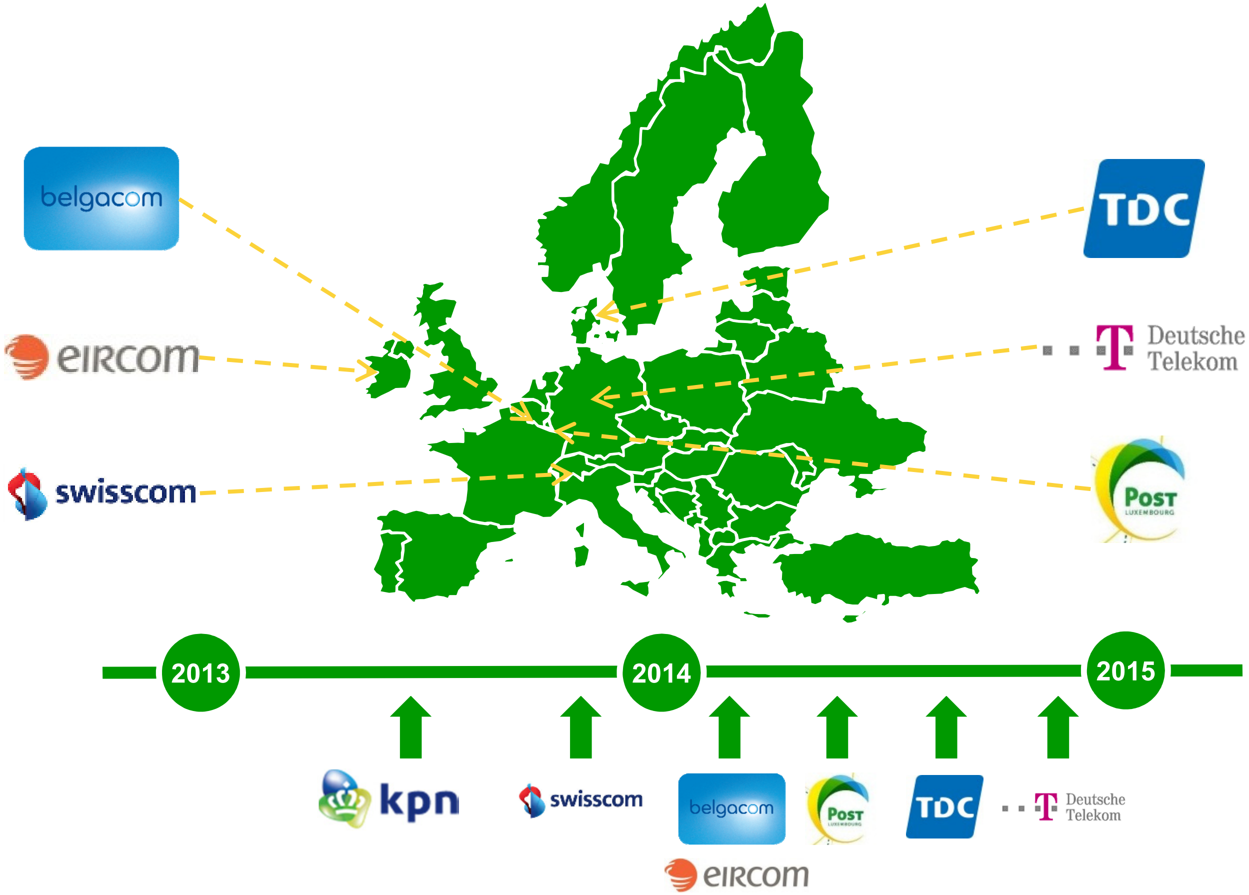
- Flat voice & SMS
- Derisk ARPU profile
- Reduce churn

1 Example advanced 4G market (source: Informa Telecoms & Media)

The Netherlands – fixed network

Ahead of the curve in Europe

KPN leading with vectoring in Europe[1]



Best-in-class fixed networks

Download speed

Bonded vectoring
2014
(200Mbps)

Vectoring
2013
(100Mbps)

Pair bonding
2012
(80Mbps)

VDSL2
2011
(50Mbps)

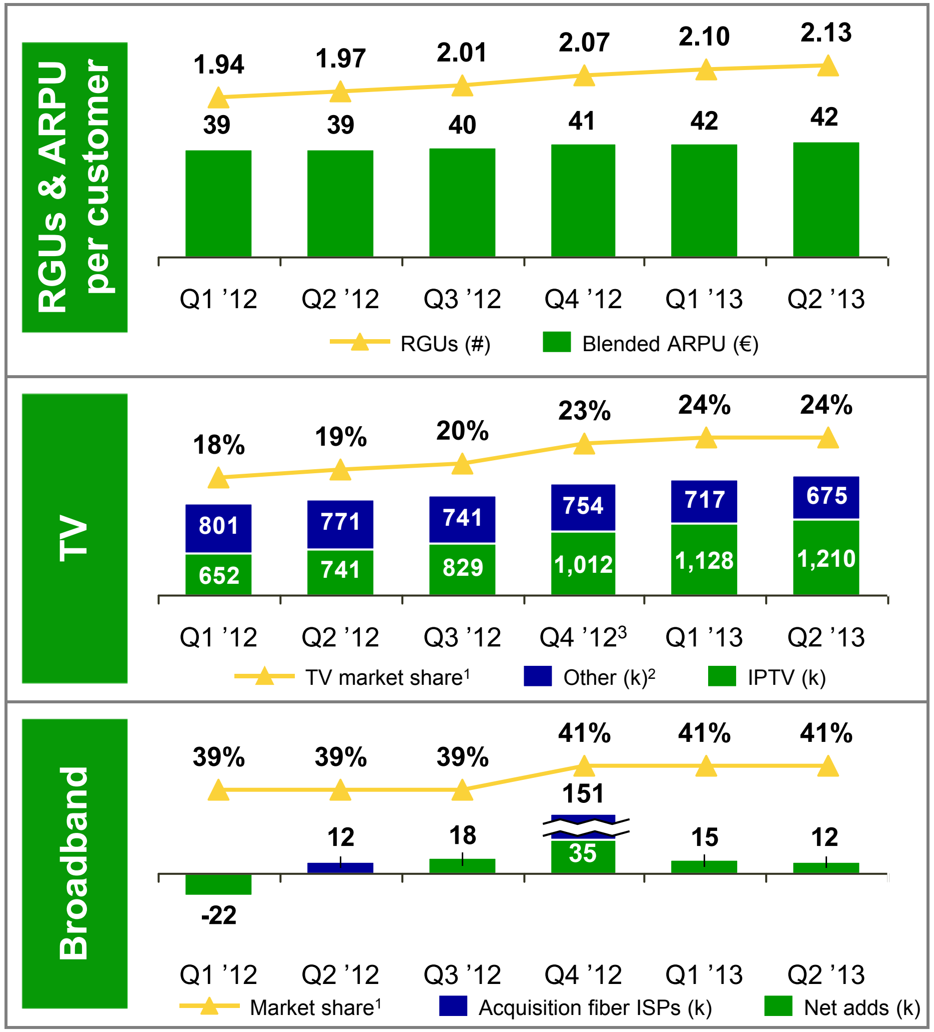
Continued roll-out FttH
2014
(500Mbps)

FttH
2008
(500Mbps)

1 Based on market data and equity research

Operating review – Consumer Residential

Continued strong operational performance



- RGUs and ARPU per customer increasing
- Growing TV market share and IPTV customer base
- Growing broadband customer base

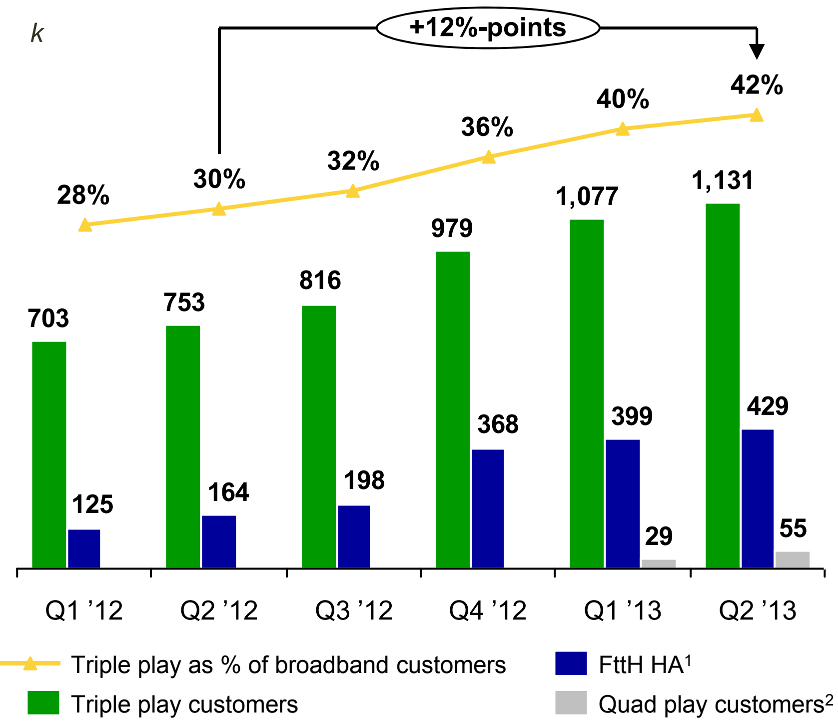
Increasing revenues

1 Source: Telecompaper, management estimates for Q2 '13
2 Other includes Digitenne used as primary TV connection and analogue TV customers
3 Includes 109k TV customers (60k IPTV and 49k analogue), 100k triple play packages, and 116k broadband customers from acquisition fiber service providers

Operating review – Consumer Residential (cont'd)

Multi play and FttH supporting reduction of churn

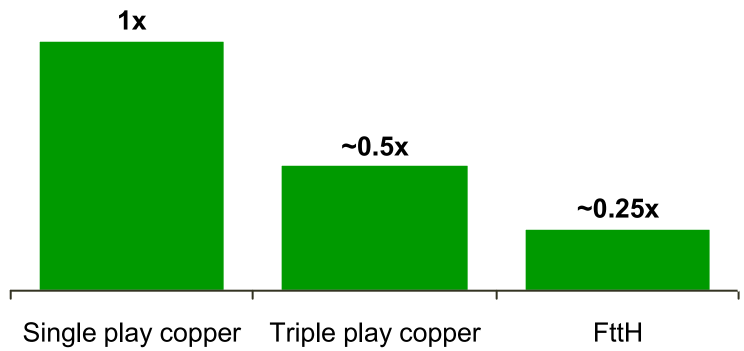
Bundled services and FttH increasing…



…leading to churn reduction

- Bundling of services is proven strategy to reduce churn

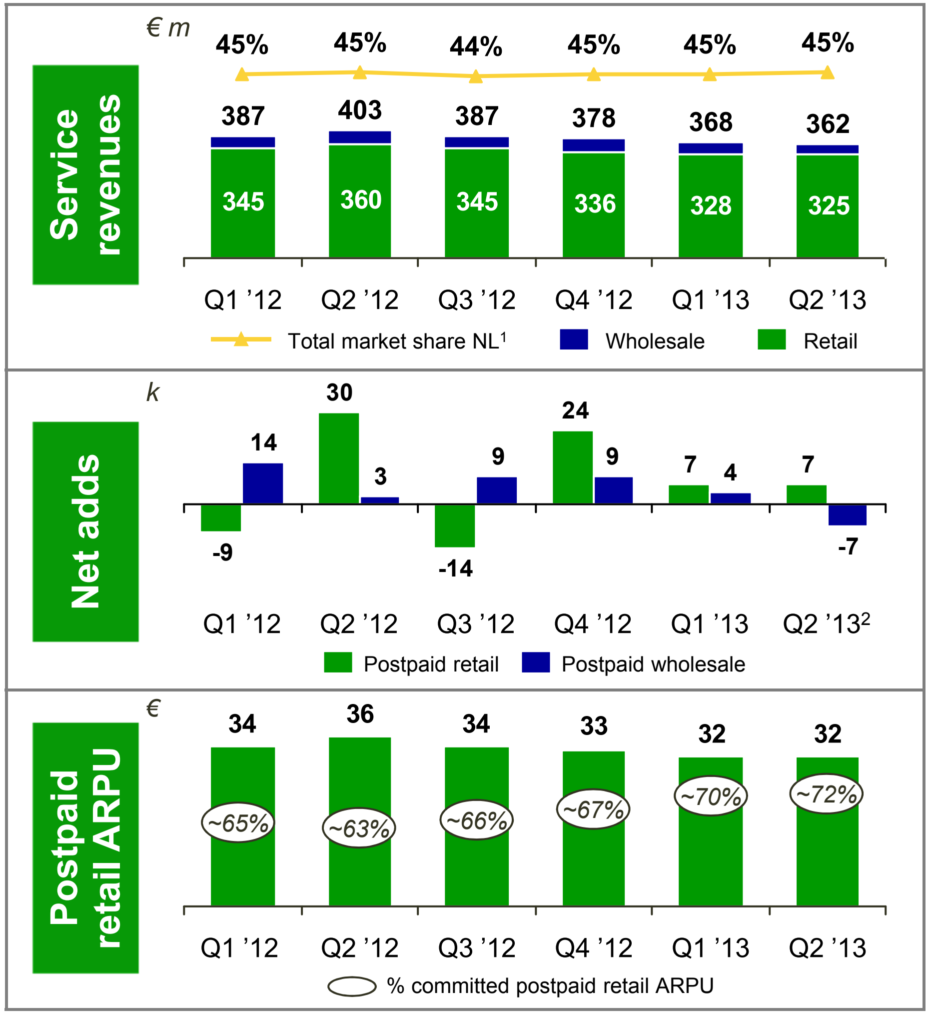
Triple play churn two times lower than single play



Churn reduction key area to support profitability

1 Homes Activated
2 KPN Compleet customers

Operating review – Consumer Mobile



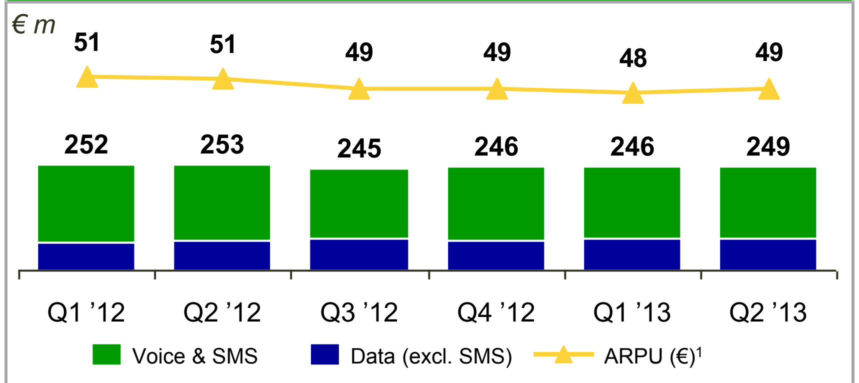
1 Total Dutch (Consumer and Business) mobile service revenue market share
2 Including 13k positive one-off adjustment to postpaid retail customer base

- Underlying service revenues under pressure (-7.2%)
- Market share relatively stable around 45%
- Differentiated market approach to capture value and growth
  - Focus on maintaining value in higher ARPU segment
  - Focus on volumes in growing SIM-only and value for money segments
- Postpaid ARPU lower y-on-y at € 32, impacted by lower traffic and supported by higher committed revenues

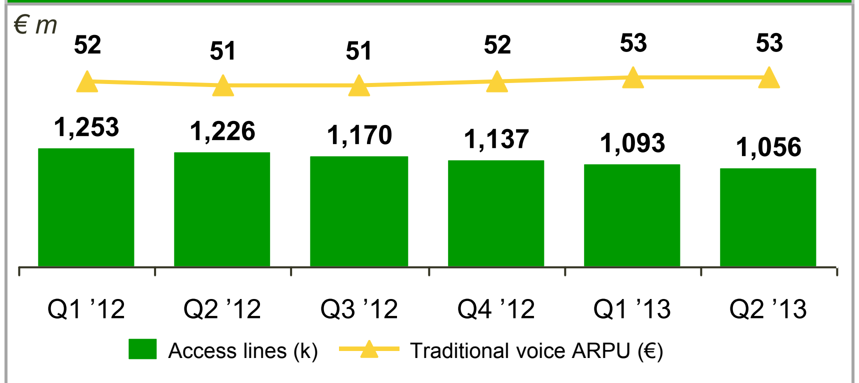
Operating review – Business

Moving towards bundled services

Service revenues slightly down y-on-y



Declining access lines, increasing ARPU

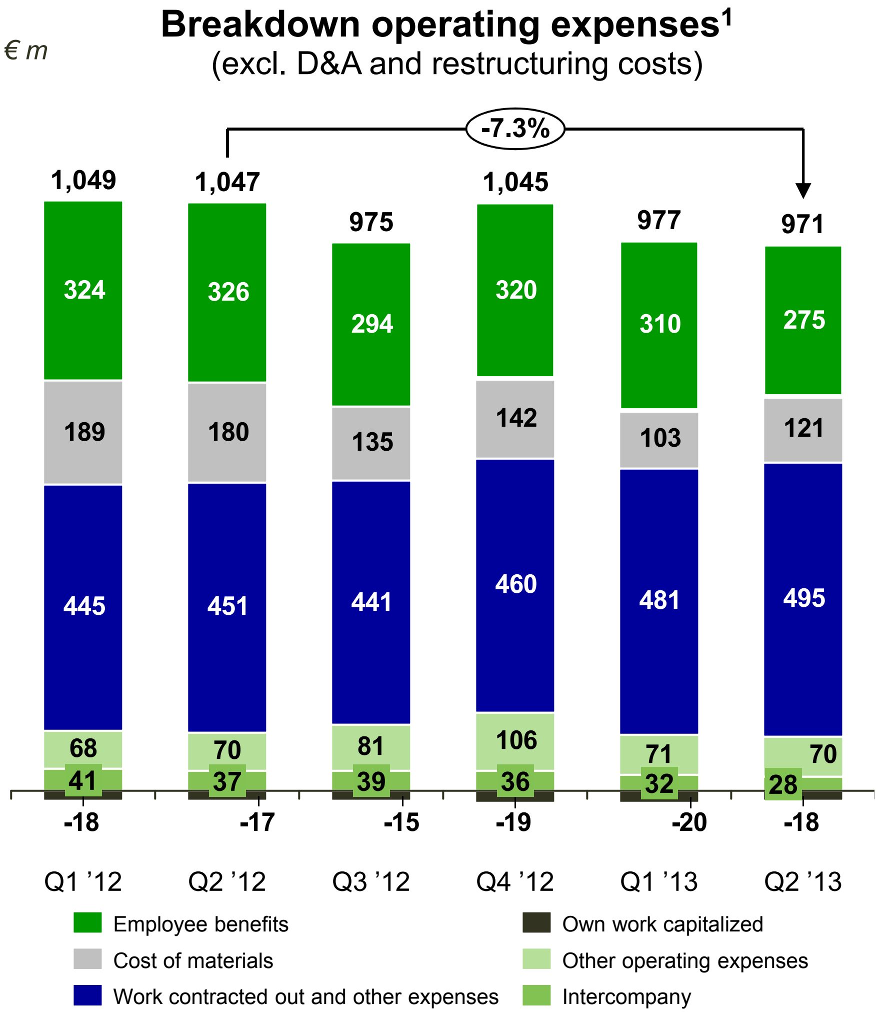


Bundling services

1 Excluding M2M

The Netherlands – operating expenses

FTE reductions leading to structural decline in personnel costs



1 Excluding Getronics International, sold per 1 May 2012

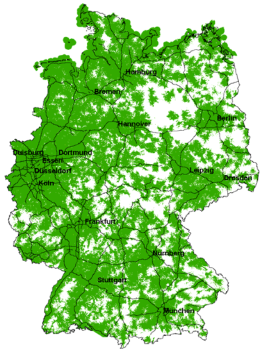
- Operating expenses (excl. D&A and restructuring costs) down 7.3% y-on-y
- Employee benefits down € 51m (16%) y-on-y
  - Lower personnel costs due to FTE reduction
  - Structural decline personnel costs ~10% y-on-y, corrected for non-recurring items
- Cost of materials down € 59m (33%) y-on-y
  - Lower hardware sales
  - Handset lease model
- Work contracted out up € 44m (9.8%) y-on-y
  - Higher TV content and FttH access costs
  - Higher outsourcing costs
  - Partly offset by lower traffic costs
- Continued good progress FTE reduction program
  - ~900 reductions in Q2 ’13, ~2,000 in H1 ’13
  - FTE reduction program resulting in 4,500-5,000 FTE reductions end of 2013

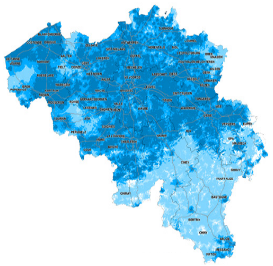
Contents

Mobile International

Focus on next phase of strategy

Invest in high quality broadband data networks

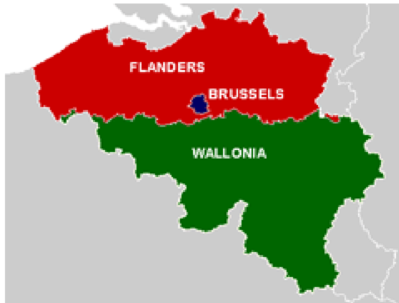




Focus on postpaid & data opportunity

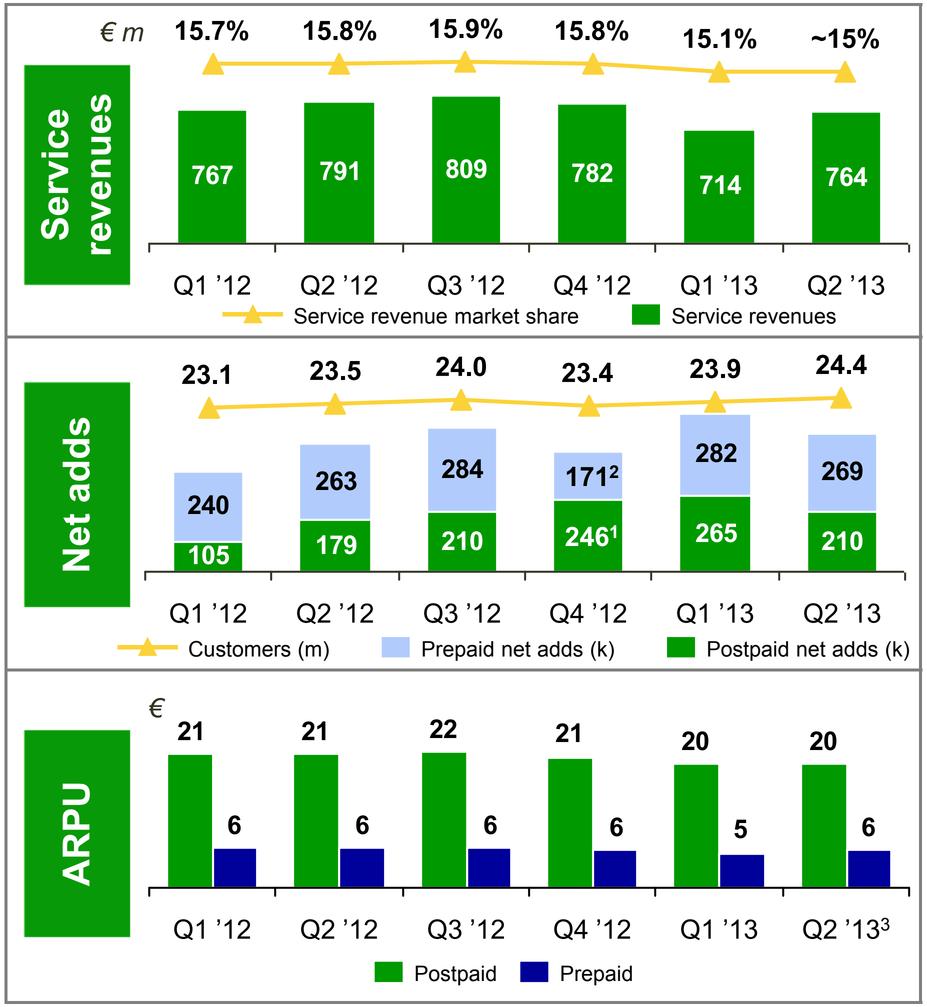
Data revenues

Grow in underpenetrated regions



Operating review – Germany

Continued good postpaid net adds



- Stable market share expected due to competitive environment
- Underlying service revenue decline stabilizing at 2.4%
- Continued good postpaid net adds
  - 475k net adds since start new strategy phase in Q1 ’13
- ARPU postpaid and prepaid lower y-on-y
  - Regulatory impact postpaid (~50% of decline), prepaid (~30% of decline)
  - Continued impact customer optimization

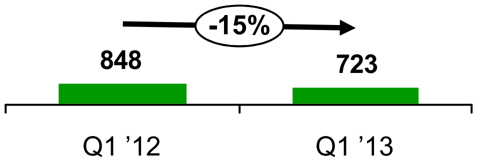
1 Excluding postpaid clean-up of 576k inactive SIM cards
2 Excluding prepaid clean-up of 439k inactive SIM cards
3 Excluding revenue incidental prepaid ARPU would be € 5

Operating review – Germany (cont'd)

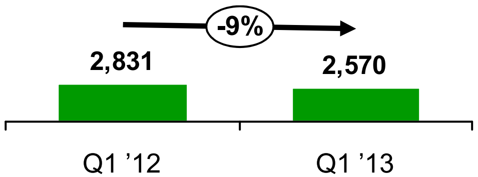
Capturing growing data opportunity

German mobile market developments[1]

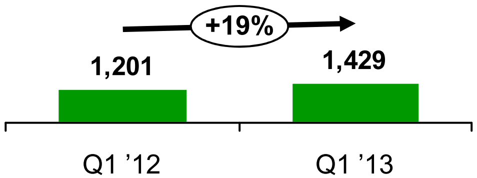
- SMS revenues total German market (€ m)



- Voice revenues total German market (€ m)

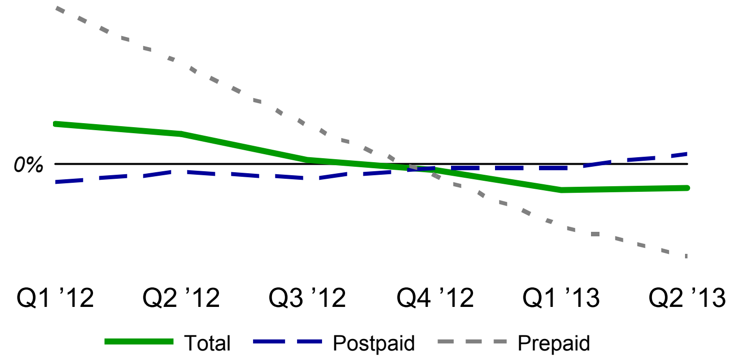


- Data revenues total German market (€ m)

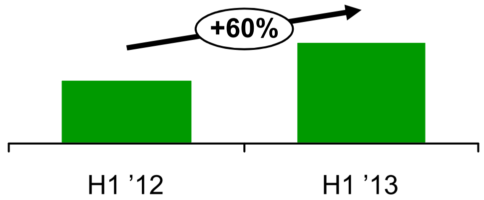


E-Plus developments

- Underlying service revenue growth stabilizing in Q2 '13



- Data service revenue growth



Continued focus on postpaid and data opportunity

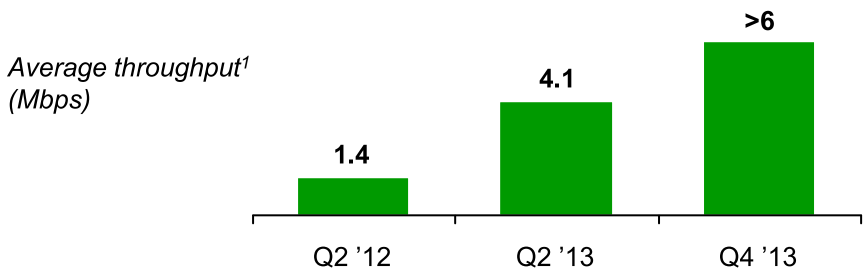
1 Management estimates

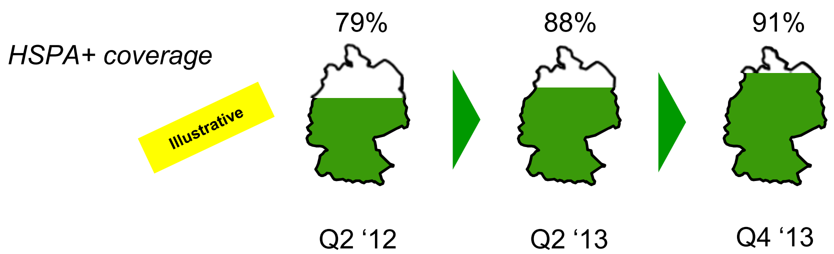
Operating review – Germany (cont'd)

Monetize and further improve data network

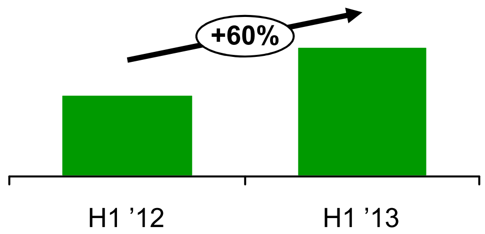
Monetize competitive data network

E-Plus data speed: from #4 to #3 in H1 '13





High data service revenue growth



Increased bandwidth

- Dual carrier (up to 42Mbps)
  - Q2 '13 >50%; end-2013 75%
- Connection of sites to IP backhaul
  - Q2 '13: >80%; end-2013 90%
- LTE deployment started

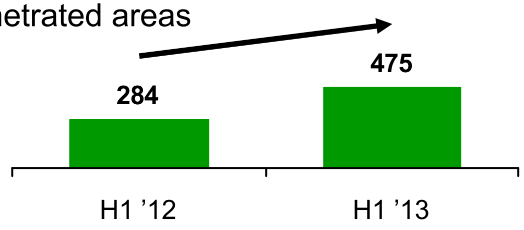
1 Source: NetCheck network quality benchmark and management estimate

Operating review – Germany (cont'd)

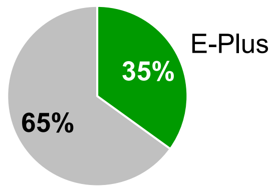
Focus on growing postpaid, stabilizing prepaid

Growing postpaid

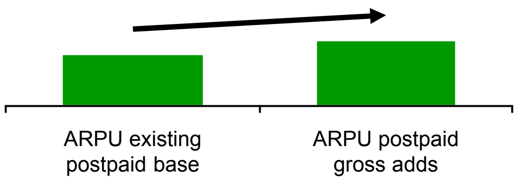
- Strong postpaid net adds (k), especially in underpenetrated areas



- High postpaid net adds market share in Q1 '13

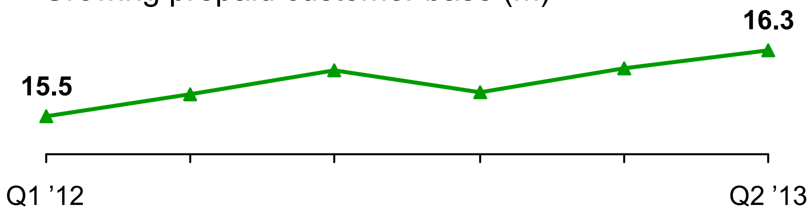


- Encouraging ARPU postpaid gross adds

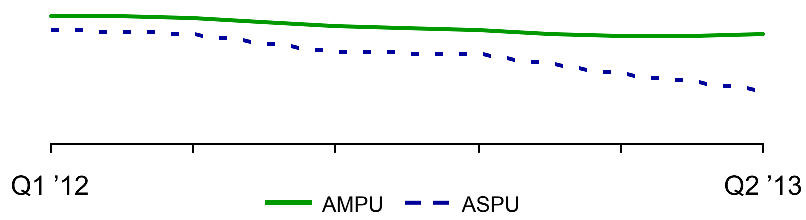


Important progress made to stabilize prepaid

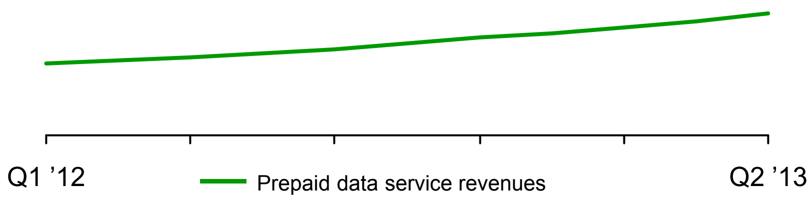
- Growing prepaid customer base (m)



- AMPU stabilizing, ASPU decline in line with market

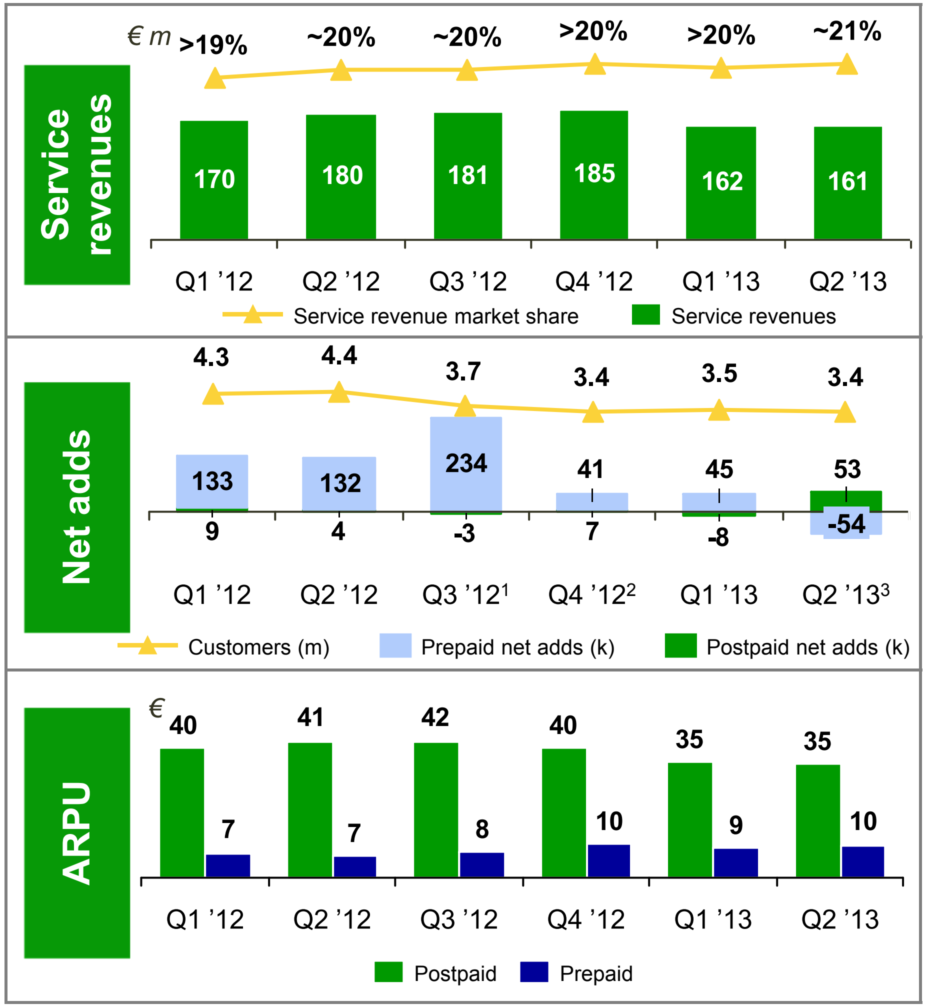


- Growing data revenues supporting prepaid revenues



Operating review – Belgium

Continued outperformance in competitive market



1 Excluding prepaid clean-up of 930k inactive SIM cards
2 Excluding prepaid clean-up of 334k inactive SIM cards
3 Excluding prepaid clean-up of 108k inactive SIM cards

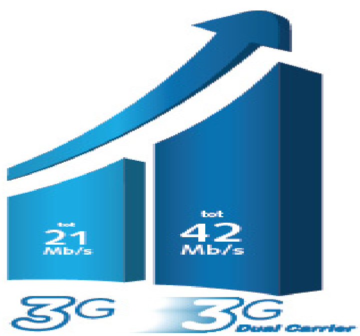
- Belgian mobile market size under pressure
  - Mobile market remains competitive
  - Telecoms law allows for increased tariff optimization
- Continued market outperformance, market share increased to ~21%
- Underlying service revenue decline 3.6%
- Strong postpaid net adds at 53k
  - New mobile propositions introduced in Q2 '13
- Prepaid net adds impacted by annualizing effect last year's campaign
- Postpaid ARPU at € 35

Operating review – Belgium (cont'd)

Strong network position supporting postpaid and data focus

Strong network position

- A leading network position in Belgium[1]
  - #1 voice quality
  - Joint #1 position data quality
- Dual carrier supporting increased data speeds

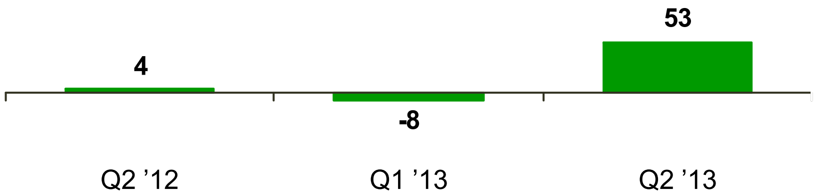


- Aim to have majority of population covered by LTE end of 2014

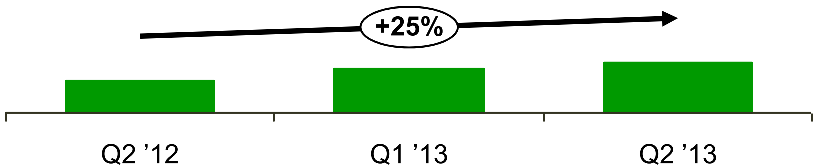
Focus on postpaid and data

- New mobile portfolio successfully launched

- Strong performance postpaid net adds (k)



- Strong growth postpaid data users



1 Source: NetCheck network quality benchmark

Contents

Concluding remarks

- Strengthened financial position, platform to continue to execute strategy
- Significant network investments strengthening operations
- Investments in customers yielding operational results
- Underlying cost structure improvements to continue
- Continued good operational performance, on track to realize outlook
- Sale of E-Plus to unlock German mobile synergies

Q&A

Q2 2013 - Information Pack

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Contents

KPN ADR program

KPN has a sponsored Level 1 ADR program

ADR program	
Bloomberg ticker	KKPNY
Trading platform	Over-the-counter (OTC)
CUSIP	780641205
Ratio	1 ADR : 1 Ordinary Share
Depositary bank	Deutsche Bank Trust Company Americas
Depositary bank contact	Stanley Jones
ADR broker helpline	+1 212 250 9100 (New York) +44 207 547 6500 (London)
E-mail	adr@db.com
ADR website	www.adr.db.com
Depositary bank's local custodian	Deutsche Bank, Amsterdam

Contents

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Analysis of results

Impact incidentals, restructuring and regulation

€ m			Q2 '13	Q2 '12	YTD '13	YTD '12
Revenue effect						
MTA reduction	Regulation	Group	-43	-30	-83	-60
Roaming tariff reduction	Regulation	Group	-18	-3	-32	-4
EBITDA effect						
MTA reduction	Regulation	Group	-21	-11	-43	-21
Roaming tariff reduction	Regulation	Group	-11	-2	-22	-3
Restructuring costs	Restructuring	Group	-48	-51	-65	-70
Release of provisions	Incidental	NetCo	5	-	22	9
Release of provisions	Incidental	IT Solutions	-	-	-	10
Release of provisions	Incidental	Germany	37	-	37	-
Release of accrued expenses	Incidental	NetCo	-	5	-	5
Revenue & EBITDA effect						
Book gain on sale of real estate	Incidental	NetCo	-	-	-	31
Book gain on sale of business	Incidental	Germany	-	16	-	16
Book gain on sale of business	Incidental	Business	23	-	23	-
Book gain on sale of business	Incidental	IT Solutions	-	8	-	8
Dotation to provision	Incidental	NetCo	-6	-	-6	-
Release of deferred revenues	Incidental	Consumer Mobile	-	7	7	7
Release of deferred revenues	Incidental	Germany	29	-	29	-
Release of deferred revenues	Incidental	Consumer Residential	-	-	13	-

Restructuring costs

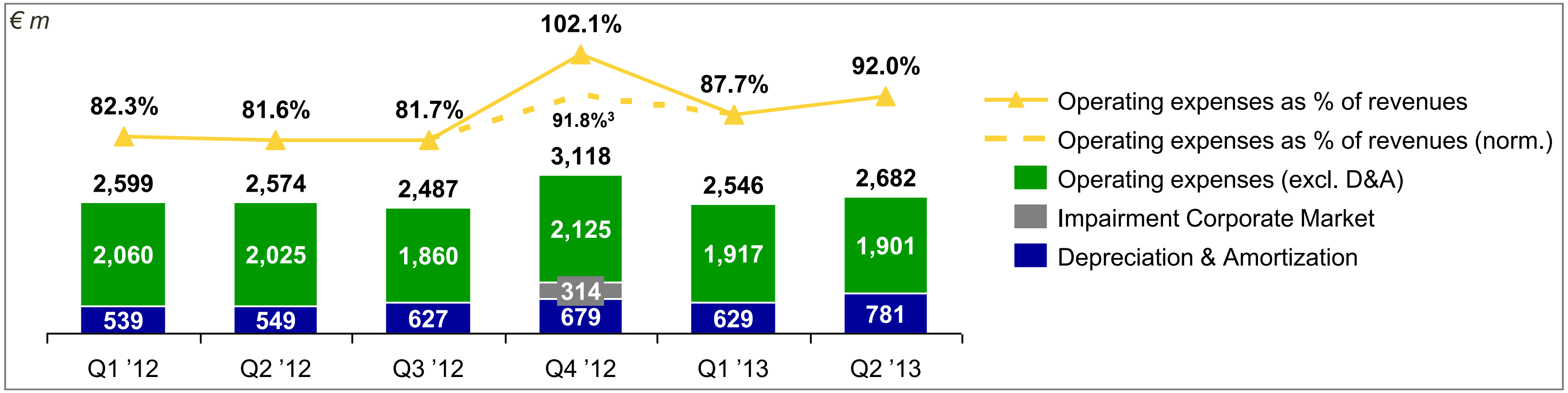
€ m	Q2 '13	Q2 '12	YTD '13	YTD '12
Germany	-	-	5	-
Belgium	-	-	-	-
Mobile International	**-**	**-**	**5**	**-**
Consumer Mobile	-2	-1	-5	-1
Consumer Residential	-10	-20	-12	-21
Business	-9	-1	-9	-12
NetCo	-2	-17	-5	-17
Other	-19	-2	-25	-3
Dutch Telco	**-42**	**-41**	**-56**	**-54**
IT Solutions	-5	-1	-10	-4
The Netherlands	**-47**	**-42**	**-66**	**-58**
Other	-1	-9	-4	-12
KPN Group	**-48**	**-51**	**-65**	**-70**

Impact regulation

€ m	Q2 '13		YTD '13	
	Revenues	EBITDA	Revenues	EBITDA
Germany	-38	-22	-73	-42
Belgium	-13	-8	-24	-15
Mobile International	**-51**	**-30**	**-97**	**-57**
Consumer Mobile	-6	-1	-10	-4
Of which: Mobile Wholesale	-2	-	-2	-
Business	-3	-1	-6	-4
NetCo	-1	-	-2	-
Intercompany	-	-	-	-
The Netherlands	**-10**	**-2**	**-18**	**-8**
KPN Group	**-61**	**-32**	**-115**	**-65**

Operating expenses

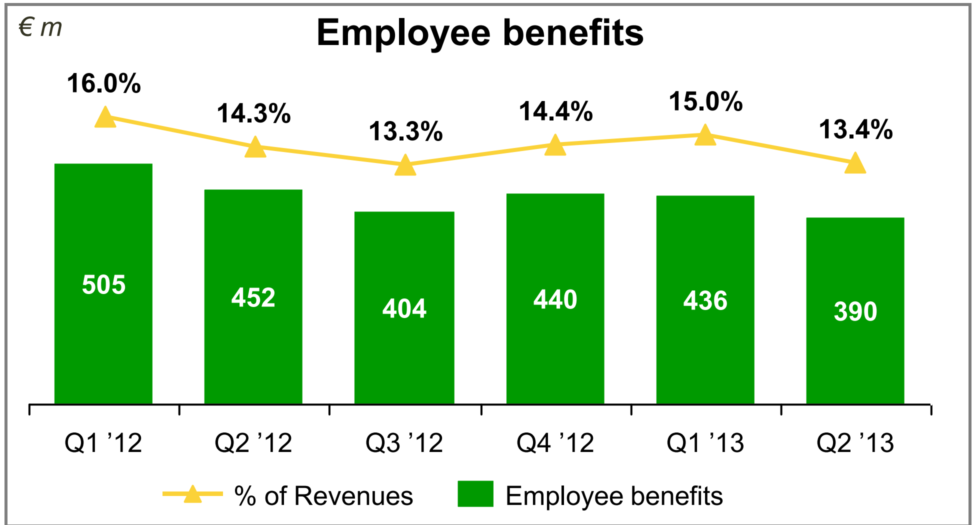
€ m	Q2 '13	Q2 '12	%
Employee benefits	390	452	*-14%*
Cost of materials	190	236	*-20%*
Work contracted out and other expenses	1,160	1,142	*1.6%*
Own work capitalized	-29	-29	*flat*
Other operating expenses[1]	190	224	*-15%*
Depreciation[2]	506	338	*50%*
Amortization[2]	275	211	*30%*
Total	**2,682**	**2,574**	***4.2%***

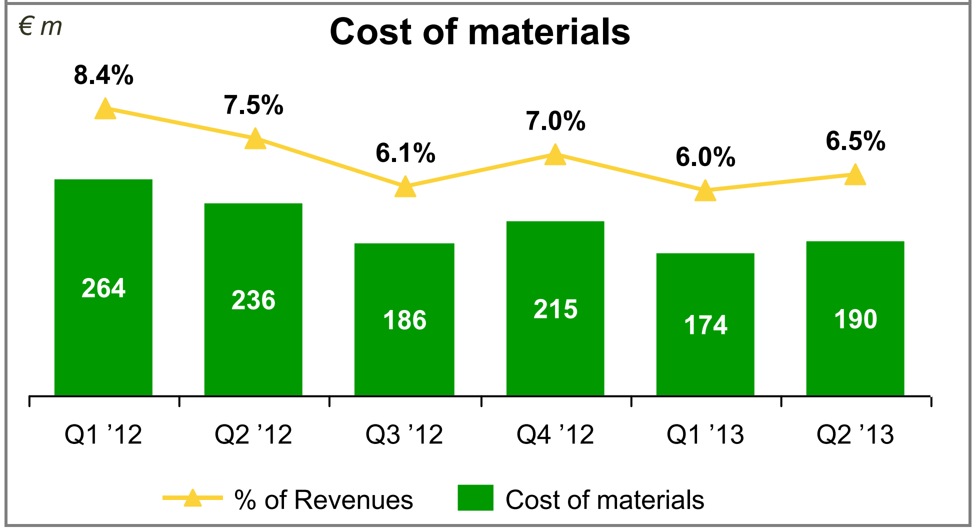


1 Including restructuring costs
2 Including impairments (if any)
3 Excluding Q4 '12 impairment of € 314m at Business and IT Solutions

Operating expenses - analysis

Employee benefits & Cost of materials





Y-on-Y decrease

- Lower costs due to the sale of Getronics International
- Lower costs as a result of FTE reduction program
- Release of provision for several incentive schemes in Q2 2013

Q-on-Q decrease

- Lower costs as a result of FTE reduction program
- Release of provision for several incentive schemes in Q2 2013

Y-on-Y decrease

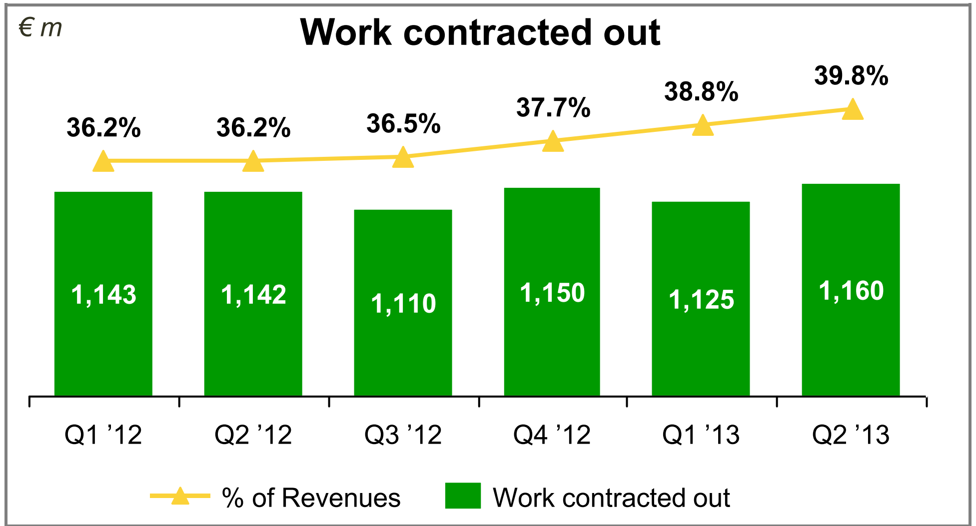
- Handset lease model Consumer Mobile
- Lower hardware sales Business
- Partly offset by increased hardware sales Germany

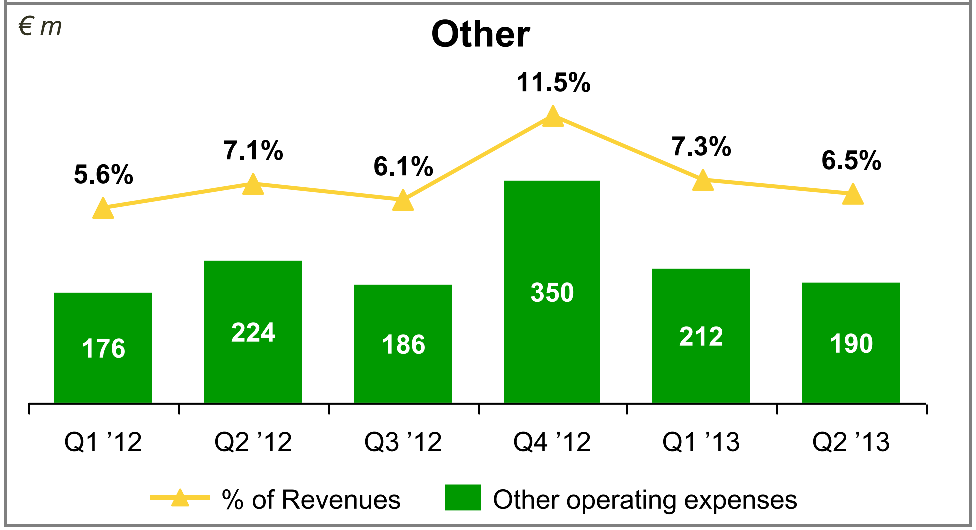
Q-on-Q increase

- Increased hardware sales IT Solutions
- Release of provision in Q1 2013 NetCo
- Partly offset by lower hardware sales Business

Operating expenses - analysis

Work contracted out & Other





Y-on-Y increase

- Increased dealer commissions Germany
- Higher content and activation costs Consumer Residential
- Higher FttH access costs NetCo
- Partly offset by lower commercial costs and traffic costs Consumer Mobile

Q-on-Q increase

- Increased other costs Germany
- Release of provision in Q1 2013 NetCo

Y-on-Y decrease

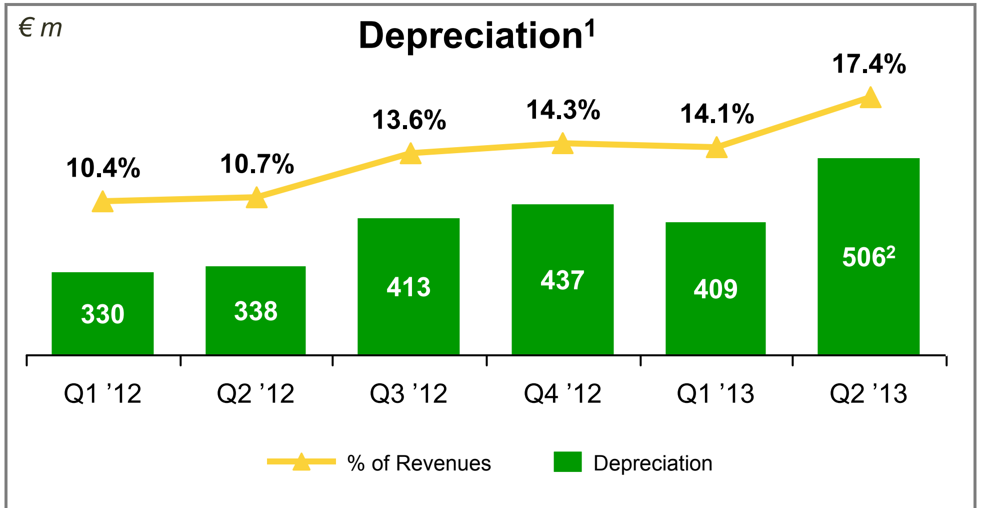
- Release of asset retirement obligation Germany
- Partly offset by higher marketing costs supporting growth in data and postpaid Germany

Q-on-Q decrease

- Release of asset retirement obligation Germany
- Decreased other costs Germany
- Partly offset by higher restructuring costs

Operating expenses - analysis

Depreciation & Amortization

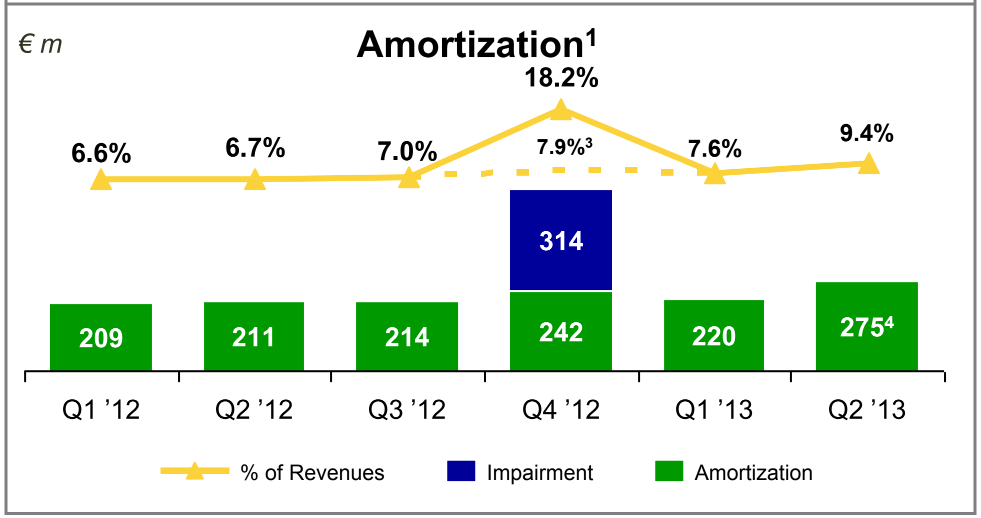


Y-on-Y increase

- Impairment of assets Germany (€ 75m)
- Increased customer driven investments, including handset lease model Consumer Mobile

Q-on-Q increase

- Impairment of assets Germany (€ 75m)



Y-on-Y increase

- Impairment related to mobile platform in Germany (€ 44m)

Q-on-Q increase

- Impairment related to mobile platform in Germany (€ 44m)

1 Including impairments, if any
2 Including € 75m impairment of assets in Germany
3 Excluding impairments, Q4 2012 impairment of € 314m at Business and IT Solutions
4 Including € 44m impairment related to mobile platform in Germany

Dutch wireless disclosure

	Q2 '13	Q2 '12	%
Service revenues (€ m)	**617**	**664**	***-7.1%***
− Consumer retail	325	360	*-9.7%*
− Business	249	253	*-1.6%*
− Other[1]	43	51	*-16%*
SAC/SRC per subscriber (€)			
− Consumer retail[2]	162	168	*-3.6%*
− Business	283	277	*2.2%*

1 Includes amongst others Consumer Mobile wholesale and visitor roaming revenues at NetCo
2 Including handset subsidies, commissions, SIM costs and capitalization of handsets corrected for residual value

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Tax

	P&L		Cash flow	
Fiscal units *(€ m)*	Q2 ’13	Q2 ’12	Q2 ’13	Q2 ’12
The Netherlands	36	-54	-77[1]	-112[1]
IT Solutions	-6	3	-	-2
Germany	1	-36	1	-1
Belgium	-1	-3	1	-
Other	-	-2	-2	-4
Total reported tax	**30**	**-92**	**-77**	**-119**
Effective tax rate	*n.m.*	*21.3%*		

- Q2 ’13 P&L tax includes one-off benefits from application innovation tax facilities relating to prior years (€ 22m) and from tax deductible liquidation loss arising from liquidation of subsidiary (€ 22m)
- Effective tax rate is ~18% in Q2 ’13, excluding one-offs
- Effective tax rate expected to be ~20% in 2013-2015 period[2]

1 Including tax recapture E-Plus
2 Excluding effects of, amongst others, impairments, revaluations of DTA Germany or Reggefiber options

Contents

Debt summary

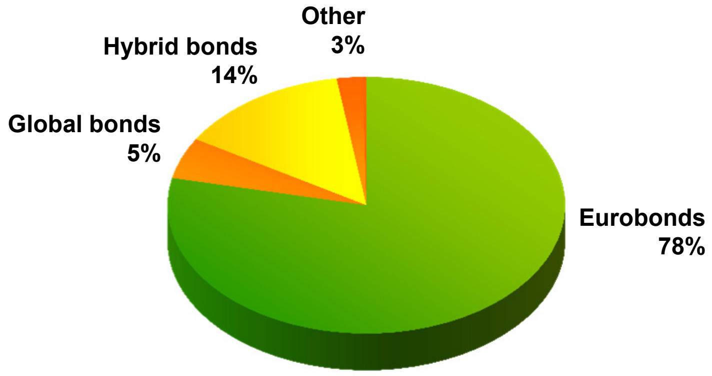
€ bn	Q2 '13	Q1 '13	%
Nominal debt	**14.55**	**14.51**	***0.3%***
Eurobonds	11.37	11.37	*flat*
Global bonds	0.76	0.76	*flat*
Hybrid bonds	2.03	2.03	*flat*
Credit facility	-	-	*flat*
Financial leases and other loans	0.39	0.35	*11%*
Equity credit hybrid bonds	**-1.01**	**-1.01**	***flat***
Gross debt[1]	**13.54**	**13.50**	***0.3%***
Of which short-term	*2.12*	*1.43*	*48%*
Net cash & cash equivalents	**4.04**	**1.02**	***>100%***
Cash & cash equivalents	4.35	1.22	*>100%*
Bank overdraft	-0.31	-0.20	*55%*
Net debt[2]	**9.50**	**12.48**	***-24%***

1 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments
2 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments, less net cash and cash equivalents

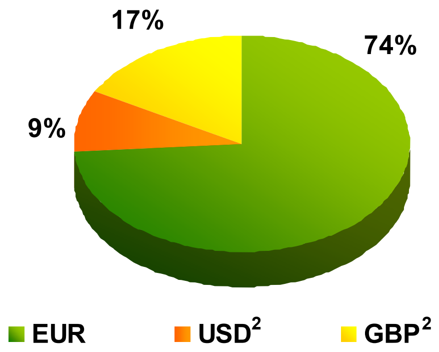
Debt portfolio

Breakdown of € 14.6bn nominal debt[1] including hybrid bonds

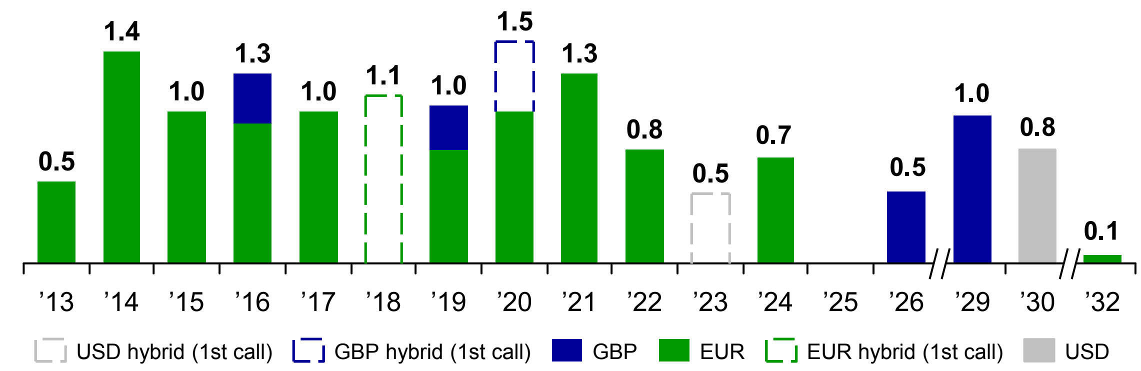
Breakdown nominal debt[1] (total € 14.6bn)



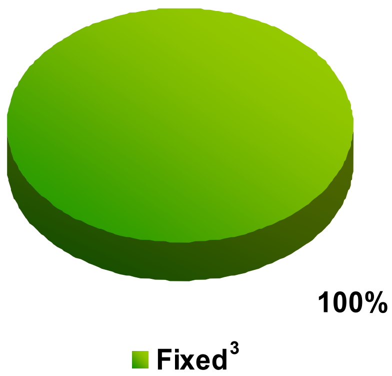
Breakdown by currency



Bond redemption profile



Fixed vs. floating interest



1 Based on the nominal value of interest bearing liabilities after swap to EUR, including € 1.1bn hybrid bond, £ 400m hybrid bond and $ 600m hybrid bond
2 Foreign currency amounts hedged into EUR
3 Excludes bank overdrafts

Treatment of hybrid bonds

KPN & Credit rating agencies

- Each tranche of the hybrid bonds is recognized as 50% equity and 50% debt by the rating agencies
- Definition of KPN net debt includes: *'[…], taking into account 50% of the nominal value of any hybrid capital instrument'*
  - Hybrid bonds part of KPN's bond portfolio
  - Independent of IFRS classification
  - In line with treatment of credit rating agencies

IFRS

- EUR tranche is a perpetual, accounted for as equity
  - Coupon payments treated as equity distribution, hence not expensed through P&L, not included in FCF, but in financing cash flow[1]
- GBP and USD tranche have 60 years specified maturity, accounted for as financial liability
  - Coupon payments treated as regular bond coupon, hence expensed through P&L, included in FCF

Tranche	Nominal (swapped to EUR)	KPN net debt	Maturity	Rates (swapped)[1]	IFRS principal	IFRS coupon
EUR 1.1bn 6.125%	€ 1,100m	€ 550m	Perpetual (non-call 5.5)	6.125%	Equity	Financing cash flow[2] (not incl. in FCF)
GBP 0.4bn 6.875%	€ 460m	€ 230m	60 years (non-call 7)	6.777%	Liability	Interest paid (incl. in FCF)
USD 0.6bn 7.000%	€ 465m	€ 233m	60 years (non-call 10)	6.344%	Liability	Interest paid (incl. in FCF)
Total	€ 2,025m	€ 1,013m				

1 EUR tranche has short first coupon payment (0.5 years payable in September 2013), annual coupon payments in September thereafter; USD tranche has semi-annual coupon payments (March / September); GBP tranche has annual coupon payments in March
2 Cash flow item *'Coupon on EUR hybrid bond'*

Contents

Regulation

MTA rates across the Group

NL

- ACM published draft decision for MTA rates as of 1 September 2013
- Formal decision subject to EC notification, open to appeal

€ ct / min	Until 7 July '10	7 July '10	Sep '10	Jan '11	Sep '11	Sep '12	Sep '13
MTA rate	7.00	5.60	5.60	4.20	2.70	2.40	1.019

GER

- Legal proceedings against former MTA decisions ongoing
- EC expressed considerable doubts on draft new MTA tariffs
- On 19 July BNetzA ruled that the earlier announced MTA tariffs retroactively apply as of 1 December 2012

€ ct / min	Until 1 Dec '10	1 Dec '10	1 Dec '12	1 Dec '13 - 30 Nov '14
MTA rate	7.14	3.36	1.85	1.79

BE

- BIPT new tariffs setting (2014-2016) in progress

€ 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

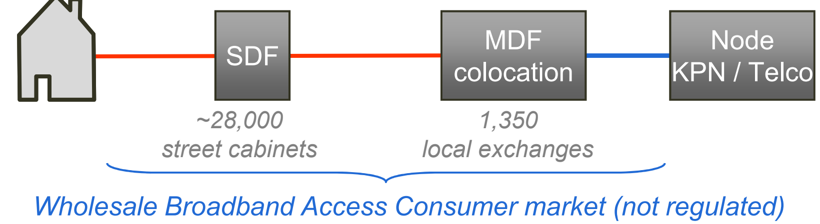
Impact on Group revenues & EBITDA

€ m	2011	2012	2013E[1]
Revenues	459	102	~150
EBITDA	192	40	~80

1 MTA impact on revenues and EBITDA for the Netherlands based on MTA rate of € 2.40 cents per minute, since ACM decision is not formal yet

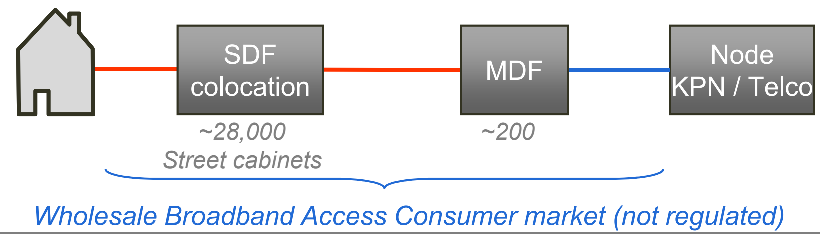
Unbundling tariffs

Unbundling in copper network



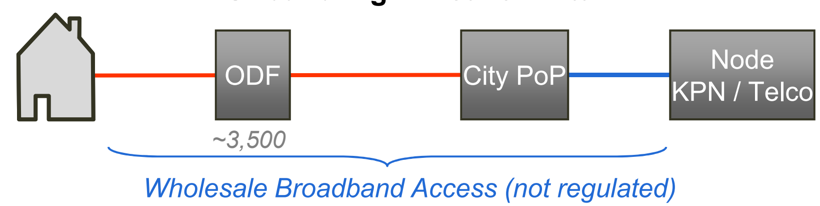
Category	Monthly tariff
Line sharing (LLU)	€ 0.12 / line
Fully unbundled (LLU)	€ 6.86 / line
MDF colocation	€ 913.52 footprint / year
Wholesale Broadband Access[1]	€ 5.32 / line shared € 13.00 / line non-shared

Unbundling in network FttC



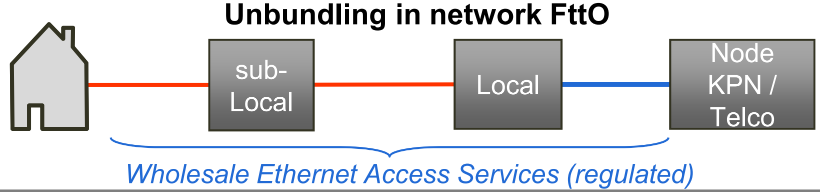
Category	Monthly tariff
Line sharing (SLU)	€ 6.86 / line
Fully unbundled (SLU)	€ 6.86 / line
SDF colocation	€ 1.24 / line or € 5.50 / per unit One-off € 503.64 / per unit
Wholesale Broadband Access[1]	€ 5.32 / line shared € 13.00 / line non-shared

Unbundling in network FttH



Category	Monthly tariff
Fully unbundled (ODF FttH)	€ 15.52 – € 17.67 / line
ODF FttH colocation	≤ € 535 / month / per Area Pop One-off ≤ € 3,212 / per Area Pop
ODF FttH Backhaul	≤ € 642 / month
Wholesale Broadband Access FttH[2]	€ 25.00 - € 45.00 non-shared

Unbundling in network FttO



Category[3]	Monthly tariff
ODF (Sub)Local FttO	€ 85 / line
ODF FttO colocation sublocal	≤ € 535 footprint / month
ODF FttO Backhaul	€ 218 / line
Wholesale Ethernet Access Services	€ 155 / line

Regulated   Not regulated

1 List prices excluding PVC/VLAN tariffs
2 List prices including PVC/VLAN tariffs
3 Preliminary tariff decision ACM still under consultation. Tariffs per 1 January 2013

kpn

Spectrum in The Netherlands

Current status

800MHz Paired	Tele2 2*10; VOD 2*10; KPN 2*10	2*30
900MHz Paired	VOD 2*10; KPN 2*10; T-Mob 2*15	2*35
1.8GHz Paired	KPN 2*20; VOD 2*20; T-Mob 2*30	2*70
1.9GHz Unpaired	T-Mob 10; KPN 5; VOD 5.4; T-Mob 14.6	1*35
2.1GHz Paired	VOD 2*14.6; KPN 2*14.8; T-Mob 2*10; KPN 2*5; VOD 2*5; T-Mob 2*10	2*59.4
2.6GHz Unpaired	T-Mob 25; KPN 30; Tele2 5	1*60
2.6GHz Paired	VOD 2*10; Ziggo4 2*20; T-Mob 2*5; KPN 2*10; Tele2 2*20	2*65
Total	KPN 174.6MHz; VOD 144.6MHz; T-Mob 189.6MHz; Tele2 65MHz; Ziggo4 40MHz	614MHz

Spectrum in Germany

Current status

800MHz Paired	O2: 2*5, 2*5; VOD: 2*5, 2*5; DT: 2*5, 2*5	2*30
900MHz Paired	E+: 2*5; O2: 2*5; DT: 2*12.4; VOD: 2*12.4	2*34.8
1.8GHz Paired	DT: 2*5, 2*5, 2*5, 2*5; E+: 2*5; O2: 2*17.4; VOD: 2*5; E+: 2*5, 2*17.4	2*69.8
2.1GHz Paired	VOD: 2*4.95, 2*9.9; E+: 2*4.95, 2*4.95, 2*9.9; O2: 2*4.95, 2*9.9; DT: 2*9.9	2*64.35
2.1GHz Unpaired	O2: 5, 14.2; E+: 5; DT: 5; VOD: 5	1*34.2
2.6GHz Paired	VOD: 2*5, 2*5, 2*5, 2*5; DT: 2*5, 2*5, 2*5, 2*5; E+: 2*5, 2*5; O2: 2*5, 2*5, 2*5, 2*5	2*70
2.6GHz Unpaired	E+: 5, 5; VOD: 5, 5, 5, 5, 5; DT: 5; O2: 5	1*45
Total	VOD: 154.5MHz; DT: 154.6MHz; E+: 139.4MHz; O2: 158.7MHz	607MHz

Upcoming auction

In June 2013, the German telecoms regulator, ("BNetzA") published a draft decision, concerning 900MHz / 1800MHz licenses that expire in 2016, including the following:

- BNetzA intends to prolong 2x5MHz in 900MHz frequencies for all incumbent MNOs until ~2031
- BNetzA intends to auction the remaining 900MHz and 1800MHz expiring in 2016, and possibly also 700MHz and unpaired 1400MHz
- BNetzA assumes that 2x30MHz or 2x40MHz spectrum in 700MHz and 1x40MHz spectrum in 1400MHz can be made available
- All frequencies shall be allocated for ~15 years
- BNetzA's draft decision can be commented until 4 October 2013; consultation concerning the draft auction rules will start thereafter

Spectrum in Belgium

Current status

Band	Allocation	Total
800MHz Paired	To be auctioned 2013: 2*10, 2*10, 2*10	2*30
900MHz Paired[1]	BASE 2*10; Belgacom 2*12; Mobistar 2*12	2*34
1.8GHz Paired[1]	BASE 2*22; Belgacom 2*20.8; Mobistar 2*20.8	2*63.6
2.1GHz Paired	Belgacom 2*15; BASE 2*14.8; Telenet 2*14.8; Mobistar 2*14.8	2*59.4
2.1GHz Unpaired	B 5; M 5; B 5	1*15
2.6GHz Paired	Belgacom 2*20; BASE 2*15; Mobistar 2*20	2*55
2.6GHz Unpaired	BUCD 45	1*45
Total	Belgacom 140.6MHz; BASE 128.6MHz; Tel 29.6; Mobistar 140.2MHz; BUCD 45MHz; 60	544MHz

Upcoming auction

Belgian telecoms regulator ("BIPT") has indicated that the 800MHz auction will take place in November 2013. In July 2013, BIPT published an Information Memorandum concerning the auction including the following:

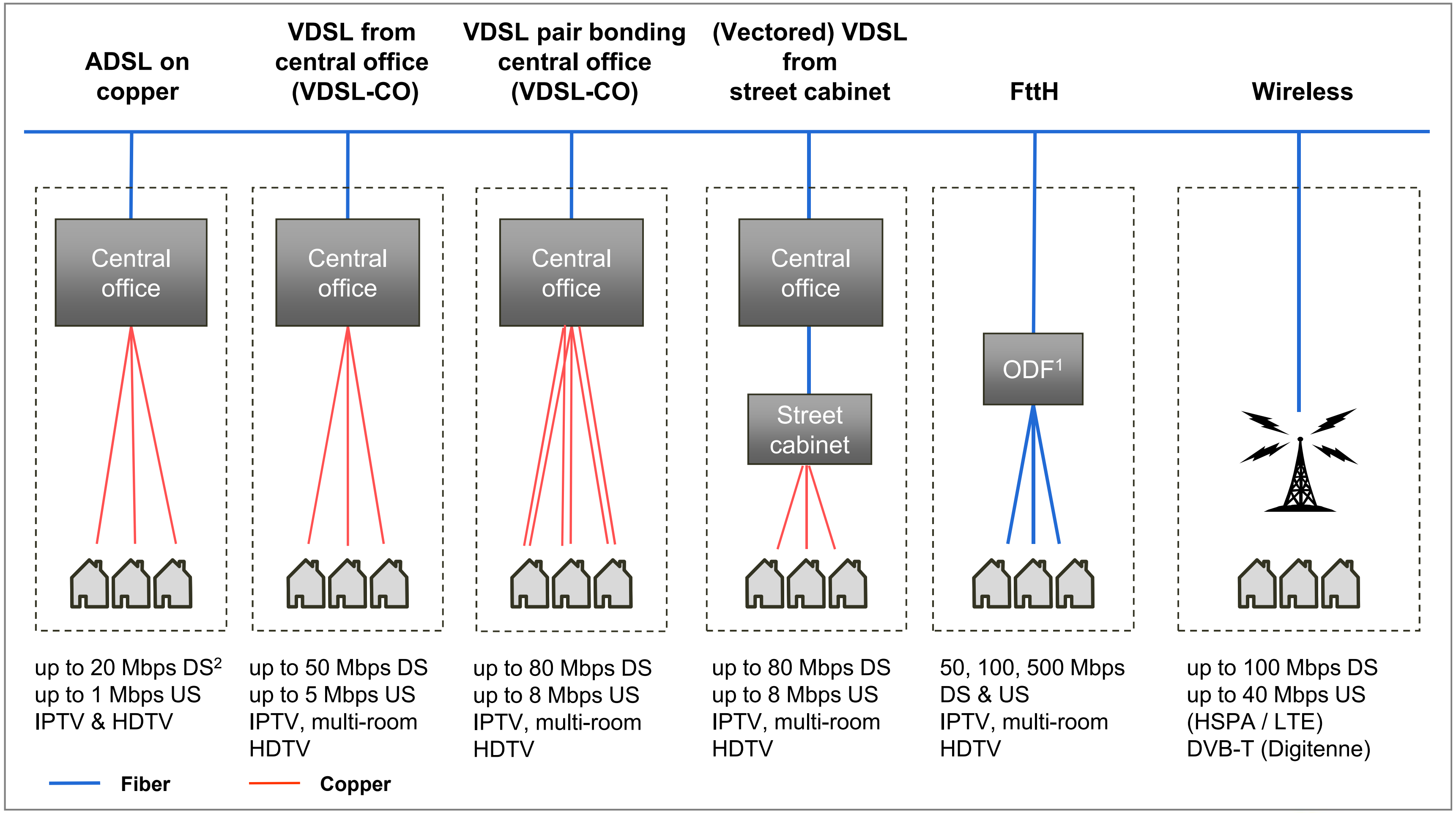
- Three licenses available 2x10MHz each, for a period of 20 years, capped at 2x10MHz per MNO
- Reserve price of € 120m set for each license
- SMRA auction format
- 4G roll out obligation of 98% population coverage within six years for incumbents MNOs and within nine years for new entrants MNOs
- Incumbent MNOs that acquire a license can be obliged to offer national roaming, all other licensees are entitled to national roaming
- BIPT will make 2x15MHz spectrum in 2.6GHz available, that was not allocated in the 2011 auction, to a 800MHz operator should that operator lack spectrum in 2.6GHz

1 As a result of refarming, Telenet will acquire 2x4.8MHz in 900MHz and 2x10MHz in 1800MHz in November 2015. BASE already returned 2x0.8MHz of 900MHz and will return 2x2MHz of 1800MHz in 2015. Both Belgacom and Mobistar will return 2x2MHz of 900MHz and 2x0.8MHz of 1800MHz in 2015

Contents

Infrastructure

Deploying mix of technologies going forward



1 Optical distribution frame
2 DS: Download Speed; US: Upload Speed

Roadmap to Reggefiber consolidation

Option structure

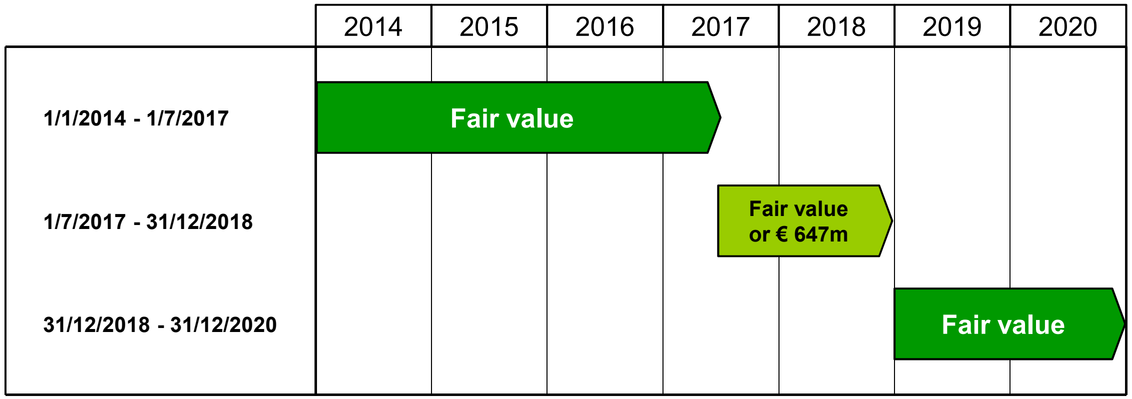
	Option I[1]	Option II[3]	Option III
Ownership stake	• Additional 10% • 51% ownership	• Additional 9% • 60% ownership	• Remaining 40% • 100% ownership
Option type	Call and Put option	Call and Put option	Put option
Exercise price	€ 99m	€ 116m - € 161m	'Fair value' or € 647m
Option trigger	• 1m Homes Connected or • 1 January 2013	• 1.5m Homes Connected or • 1 January 2014	• Put vests at exercise of option II • Expires 7 years later
Consolidation	No[2]	Yes	Yes

Reggefiber financials FY 2012

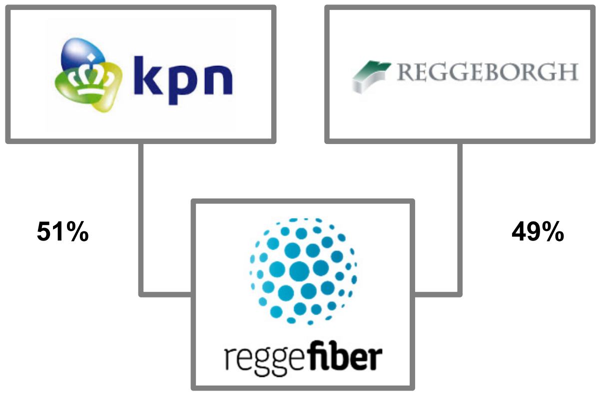
Reggefiber FY 2012 *(€ m)*	
Revenue	73
Opex	19
Capex	381
Shareholder loans	410
Net bank debt	376

Indicative, simplified financials based on Dutch GAAP; Balance Sheet items per 31 December 2012

Exercise price option III



Organizational chart



1 KPN acquired an additional 10% of the shares in Reggefiber, increasing its share to 51%, for an amount of € 99m on November 8, 2012
2 KPN does not obtain management control at 51% ownership, therefore no consolidation triggered
3 Dutch Competition Authority (ACM) approval is required to increase KPN ownership from 51% to 60%