Third quarter results 2013

22 October 2013

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.

Contents

1	Chairman's review	Eelco Blok
2	Group financial review	Steven van Schilfgaarde
3	Group review	Eelco Blok
4	Concluding remarks	Eelco Blok

Executive summary

Third quarter results 2013

- Outlook reflects Group profile excluding E-Plus, lowered Capex forecast
- On track to realize outlook driven by good operational performance and stable market shares
- Revenues and EBITDA down, partly offset by growth in Consumer Residential
- FCF impacted by lower EBITDA and higher Capex, and reflecting intrayear phasing

Investments yielding operational results

- Triple play penetration at 43%, up 11%-points y-on-y
- TV market share increased to 25%
- Uptake of KPN Compleet in line with expectations
- Dutch 4G coverage at ~60%; nationwide in Q1 ’14
- Continued high postpaid net adds of 46k in Belgium
- 4G launched in Belgium on 1 October 2013

Executive summary (cont'd)

Structural cost savings

- ~4,200 FTE reductions since start of the program
- Structural decline in personnel costs ~10% y-on-y
- Simplification of products, client processes, network & IT

Sale of E-Plus

- EGM approved sale of E-Plus to Telefónica Deutschland
- Strong financial profile KPN Group, excluding E-Plus
- € 5.0bn cash proceeds, 20.5% in Telefónica Deutschland
- € 3.7bn tax book loss offsetting Dutch taxable income

No agreement with AMX, intended offer withdrawn

- KPN and AMX had extensive discussions on all aspects of AMX' intended offer
- Intended offer did not reflect sufficient value
- No acceptable proposal on governance and commitments by AMX to KPN's stakeholders
- KPN remains fully committed to create shareholder value

Outlook

Outlook excluding E-Plus, lowered Capex forecast

Continuing operations

- The Netherlands expected to stabilize towards 2014
- Market outperformance expected in Belgium
- 2013 Capex < € 1.7bn, total Capex 2013-2015 period of < € 4.7bn, including Reggefiber as of consolidation[1]
- Intention to recommence dividend payments for 2014, subject to closing E-Plus sale

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Discontinued operations

- Next phase German strategy expected to lead to service revenue growth combined with lower EBITDA margin, especially in 2013

1 Assuming Reggefiber consolidation per 31 December 2014

Contents

1	Chairman's review	Eelco Blok
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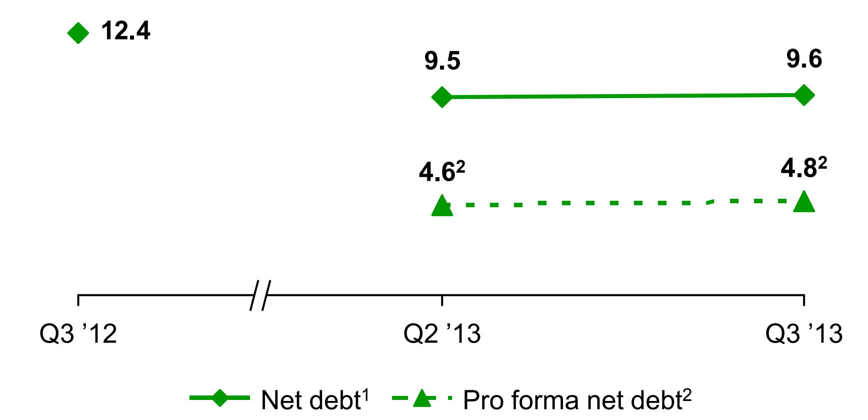
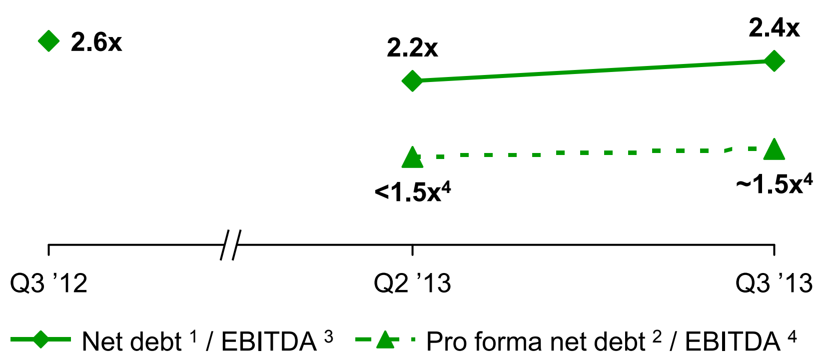
Group financial profile

Net debt



Net debt / EBITDA



- Net debt relatively stable
- € 1.4bn bond redemptions in first half of 2014
- Average coupon senior bonds 5.0%, average maturity senior bonds 6.9 years
- Net debt / EBITDA at 2.4x, pro forma E-Plus sale ~1.5x
  - Lower 12 months rolling EBITDA

1 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments, less net cash and cash equivalents
2 Pro forma adjustment, including net cash proceeds E-Plus sale
3 Based on 12 months rolling total EBITDA excluding book gains, release of pension provisions and restructuring costs, when over € 20m
4 Pro forma adjustment, including net cash proceeds E-Plus sale and excluding last 12-months E-Plus EBITDA

Group results Q3 ’13 (continuing operations)

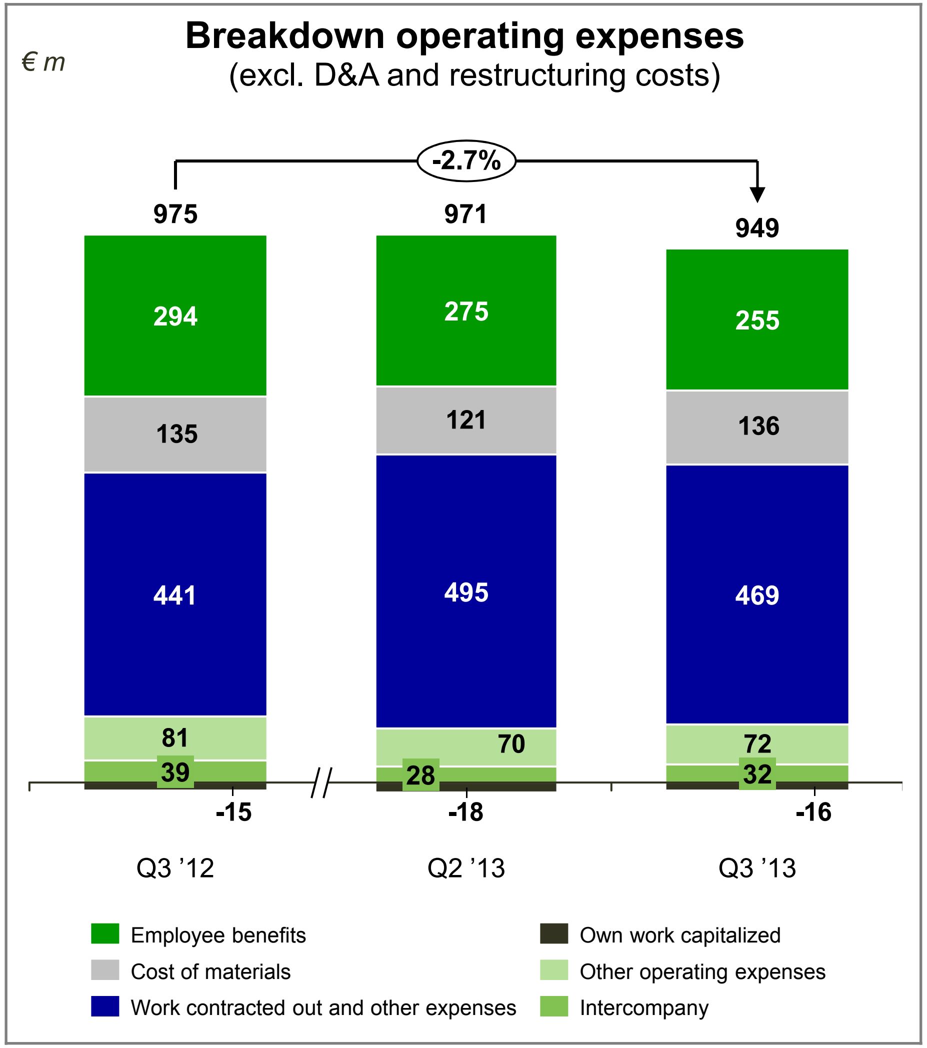
E-Plus discontinued operation

€ m (continuing operations)	Q3 ’13	Q3 ’12	%
Revenues and other income	**2,080**	**2,251**	***-7.6%***
Operating expenses (excl. D&A)	**1,337**	**1,384**	***-3.4%***
– Depreciation[1]	319	273	*17%*
– Amortization[1]	143	138	*3.6%*
Operating expenses	**1,799**	**1,795**	***0.2%***
Operating profit	**281**	**456**	***-38%***
Financial income/expense	-176	-209	*-16%*
Share of profit of associates	-3	-3	*flat*
Profit before taxes	**102**	**244**	***-58%***
Taxes	-15	-48	*-69%*
Profit after taxes	**87**	**196**	***-56%***
EBITDA[2] (reported)	**743**	**867**	***-14%***
– Restructuring costs	19	13	*46%*
EBITDA (excl. restructuring costs)	**762**	**880**	***-13%***

- Revenues down 7.6% y-on-y
  - Lower revenues at Business, Consumer Mobile and NetCo, partly offset by revenue growth at Consumer Residential
- Opex (excl. D&A) down 3.4% y-on-y
  - Lower personnel costs in The Netherlands
  - Partly offset by € 19m (1.4%) impact due to handset proposition change at KPN and Hi brands
- EBITDA (excl. restructuring costs) down 13% driven by revenue decline and handset proposition change
- Depreciation 17% higher due to increased customer driven investments

1 Including impairments
2 Defined as operating profit plus depreciation, amortization & impairments

The Netherlands – operating expenses



- Operating expenses (excl. D&A and restructuring costs) down 2.7% y-on-y
- Employee benefits down 13% y-on-y
  - Structural decline in personnel costs ~10% y-on-y, corrected for non-recurring items
- Cost of materials flat y-on-y due to change in handset propositions at KPN and Hi brands, partly offset by lower hardware sales
- Work contracted out increased 6.3% y-on-y
  - Higher TV content and FttH access costs
  - Higher outsourcing costs
  - Partly offset by lower traffic costs
- Continued good progress 4,500-5,000 FTE reduction program
  - ~300 reductions in Q3; ~4,200 FTE reductions made
  - € 341m restructuring costs since start FTE reduction program, incl. € 57m onerous rental contracts

Group results YTD ’13 (continuing operations)

E-Plus discontinued operation

€ m (continuing operations)	YTD ’13	YTD ’12	%
Revenues and other income	**6,411**	**7,075**	***-9.4%***
Operating expenses (excl. D&A)	**4,109**	**4,549**	***-9.7%***
– Depreciation[1]	930	782	*19%*
– Amortization[1]	444	409	*8.6%*
Operating expenses	**5,483**	**5,740**	***-4.5%***
Operating profit	**928**	**1,335**	***-30%***
Financial income/expense	-514	-582	*-12%*
Share of profit of associates	-7	-16	*-56%*
Profit before taxes	**407**	**737**	***-45%***
Taxes	-6	-160	*-96%*
Profit after taxes	**401**	**577**	***-31%***
EBITDA[2] (reported)	**2,302**	**2,526**	***-8.9%***
– Restructuring costs	89	83	*7.2%*
EBITDA (excl. restructuring costs)	**2,391**	**2,609**	***-8.4%***

- Revenues down 9.4% y-on-y
  - Lower revenues at Business, NetCo and Consumer Mobile, partly offset by revenue growth at Consumer Residential
- Opex (excl. D&A) down 9.7% y-on-y
  - € 172m lower due to sale Getronics Int’l
  - Lower personnel costs in The Netherlands
- EBITDA (excl. restructuring costs) down 8.4%
- Depreciation € 148m higher due to increased customer driven investments

1 Including impairments
2 Defined as operating profit plus depreciation, amortization & impairments

Group cash flow Q3 ’13 (continuing operations)

E-Plus discontinued operation

€ m (continuing operations)	Q3 ’13	Q3 ’12	%
Operating profit	**281**	**456**	***-38%***
Depreciation and amortization[1]	462	411	*12%*
Interest paid/received	-168	-118	*42%*
Tax paid/received	-82	-122	*-33%*
Change in provisions[2]	-55	-78	*-29%*
Change in working capital[2]	-78	-169	*-54%*
Other movements	2	-3	*n.m.*
Net cash flow from operating activities	**362**	**377**	***-4.0%***
Capex[3]	**357**	**367**	***-2.7%***
Proceeds from real estate	-	2	*-100%*
Tax recapture E-Plus	58	89	*-35%*
Free cash flow[4]	**63**	**101**	***-38%***
Coupon on EUR hybrid	34	-	*n.m.*

- Free cash flow € 38m lower y-on-y
  - € 124m lower EBITDA
  - € 50m higher interest paid

  Partly offset by
  - € 91m more cash from change in working capital
  - € 23m more cash from change in provisions

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 (continuing operations)

E-Plus discontinued operation

€ m (continuing operations)	YTD ’13	YTD ’12	%
Operating profit	**928**	**1,335**	***-30%***
Depreciation and amortization[1]	1,374	1,191	*15%*
Interest paid/received	-584	-491	*19%*
Tax paid/received	-218	-327	*-33%*
Change in provisions[2]	-156	-182	*-14%*
Change in working capital[2]	-46	-286	*-84%*
Other movements	-21	-43	*-51%*
Net cash flow from operating activities	**1,277**	**1,197**	***6.7%***
Capex[3]	**1,205**	**1,079**	***12%***
Proceeds from real estate	2	40	*-95%*
Tax recapture E-Plus	151	243	*-38%*
Free cash flow[4]	**225**	**401**	***-44%***
Coupon on EUR hybrid	34	-	*n.m.*

- Free cash flow of € 225m YTD ’13, € 176m lower y-on-y
  - € 224m lower EBITDA
  - € 126m higher Capex
  - € 93m higher interest paid

  Partly offset by
  - € 240m more cash from change in working capital
- Capex 12% higher y-on-y
  - Increased customer driven and 4G mobile network investments in The Netherlands
- Coverage ratio of KPN pension funds at 108% end of Q3 ’13
  - No recovery payment expected in Q1 ’14

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

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Contents

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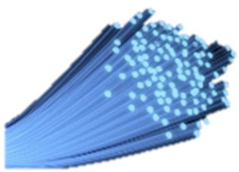
Clear strategy in The Netherlands

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

Simplification

Centralized Simplification agenda to support profitability

Simplified products

- Simple converged line-up
- Reduce product portfolio

Simplified client processes

- Improve online sales & service
- Simplify delivery processes

Simplified network & IT

- Consolidation to reduce complexity IT systems
- Reduce network complexity

- ➢ Reduce Capex and operating expenses
- ➢ Faster time-to-market
- ➢ Higher customer satisfaction

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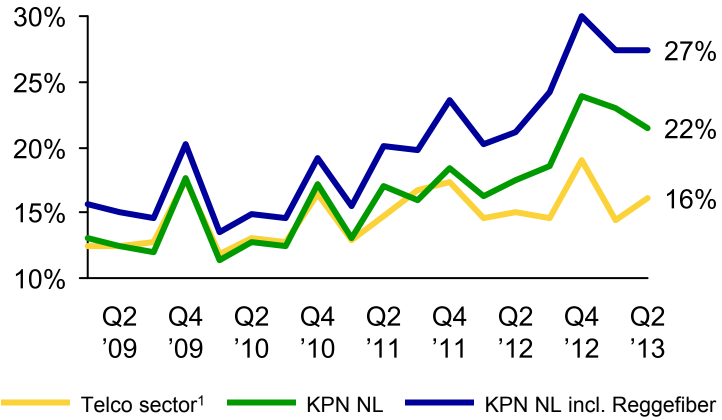
Capex

KPN ahead of domestic Capex curve in Europe

Increased investments since 2009

Capex-to-sales ratio development



- High investments in recent years, large part of these higher investments completed
- Centralized Simplification reducing Capex
- KPN continues to invest to expand leading network positions, though at less elevated Capex levels in coming years

Best-in-class fixed & mobile networks

- Future proof point-to-point fixed networks, hybrid FttH / copper strategy
- 4G market leadership; nationwide coverage end Q1 '14
- Leading IPTV product and bundled services; uniquely positioned to offer quad play

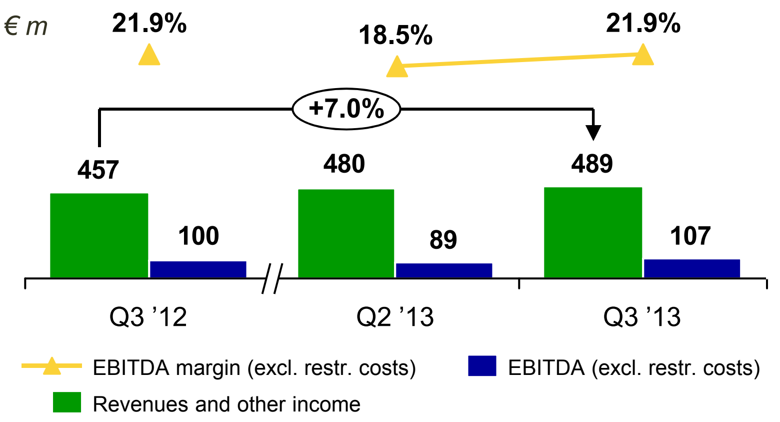
Fixed **Mobile**

1 Euro Telco sector based on company reports, management estimates

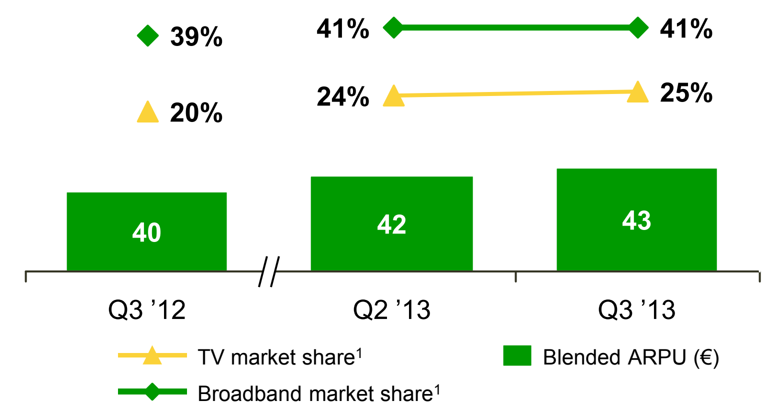
Consumer Residential

Growing revenues, improving profitability

Financial review



Market shares & ARPU per customer



Increasing products per customer

Increasing customer base

Increasing prices

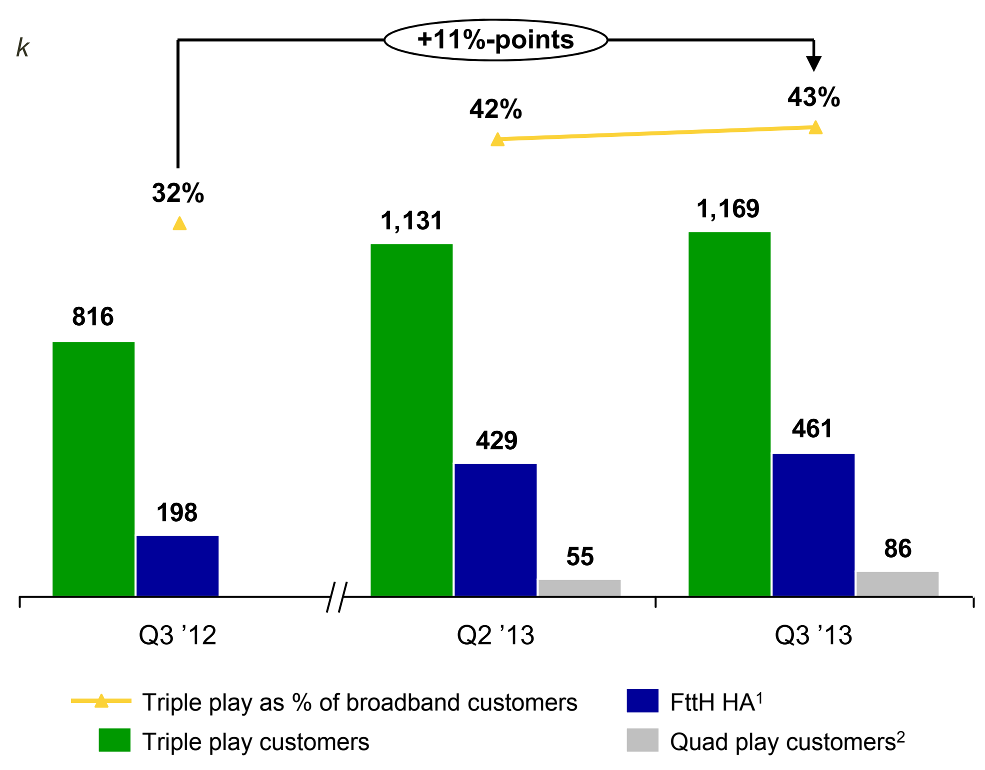
Growing revenues, improving profitability

1 Source: Telecompaper, management estimates for Q3 '13

Consumer Residential (cont'd)

Growing multi play and FttH customer base

Bundled services and FttH

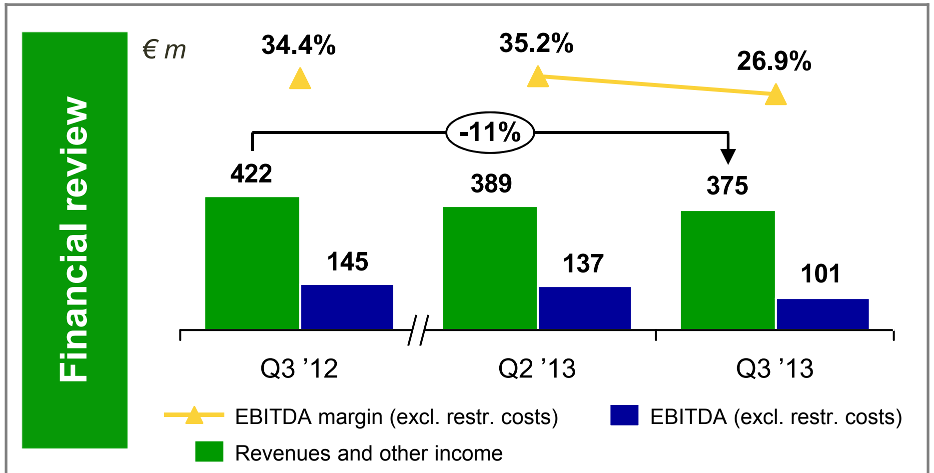


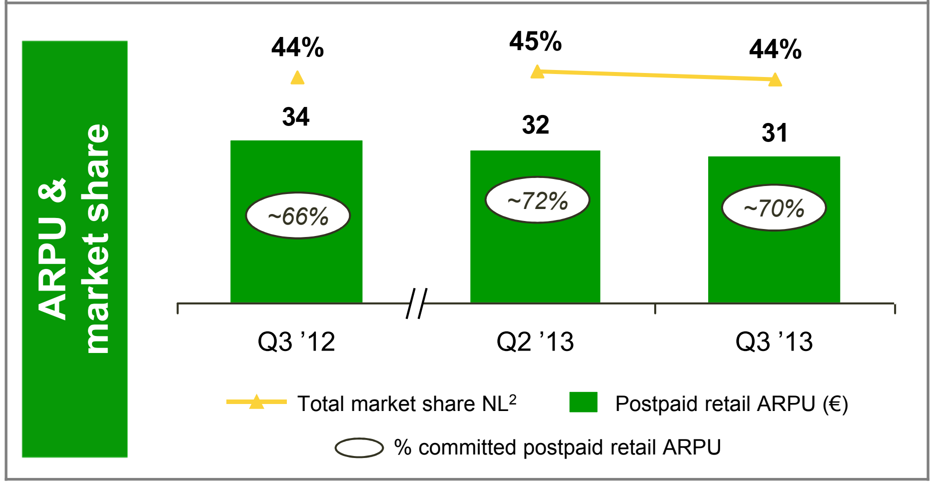
- Continued growth triple play customers, penetration up 11%-points y-on-y
- RGUs per customer increased by 7.3% y-on-y to 2.16 (Q3 '12: 2.01)
- 86k quad play customers per Q3 '13
  - Quad play for Hi customers to be introduced in Q4 '13
- KPN FttH base at 461k end Q3 '13

1 Homes Activated
2 KPN Compleet customers

Consumer Mobile

Multi-brand approach to capture all market segments





- Underlying service revenue decline 7.4% y-on-y in competitive market
- EBITDA margin[1] lower mainly due to change in handset propositions at KPN and Hi brands
- Targeting value segment with KPN and Hi brands through 4G and quad play
- Telfort and Simyo targeting volumes and growth in value for money segment
- 100k 4G subscribers (Q2 ’13: 21k) Dutch 4G coverage at ~60%; nationwide in Q1 ’14

1 EBITDA margin excluding restructuring costs, if any
2 Total Dutch (Consumer and Business) mobile service revenue market share

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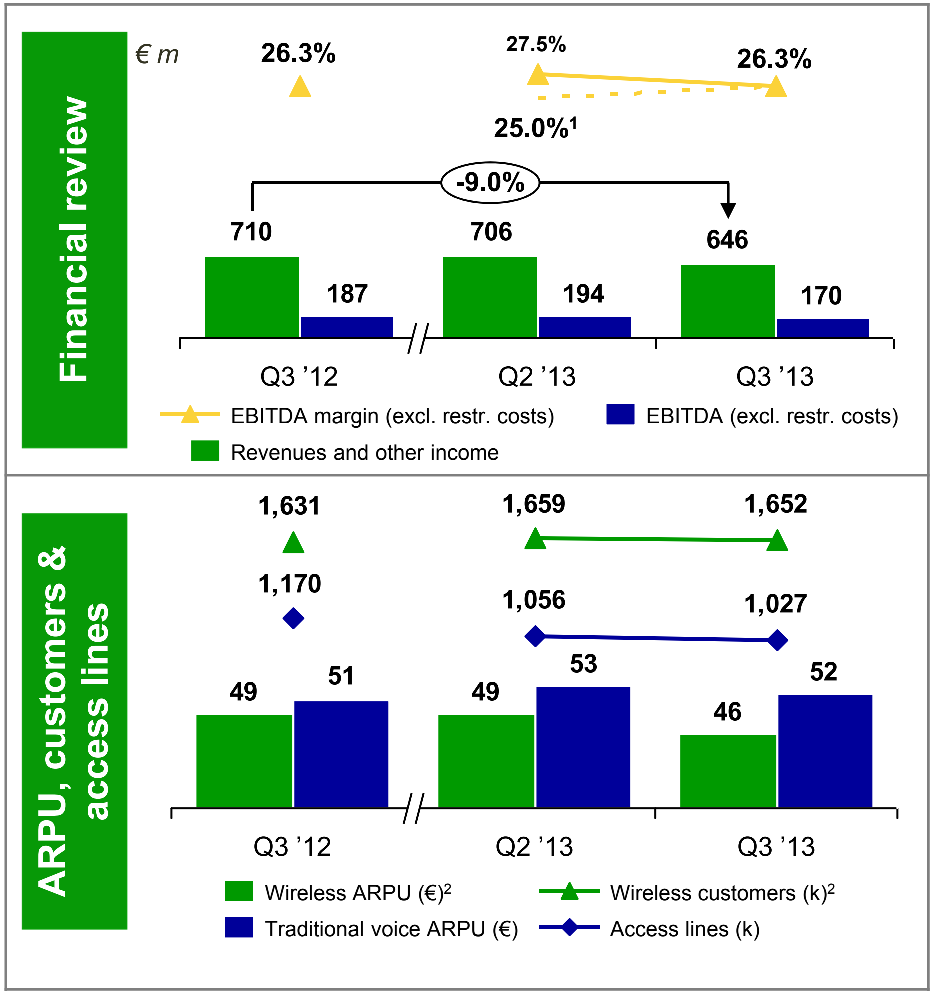
Business

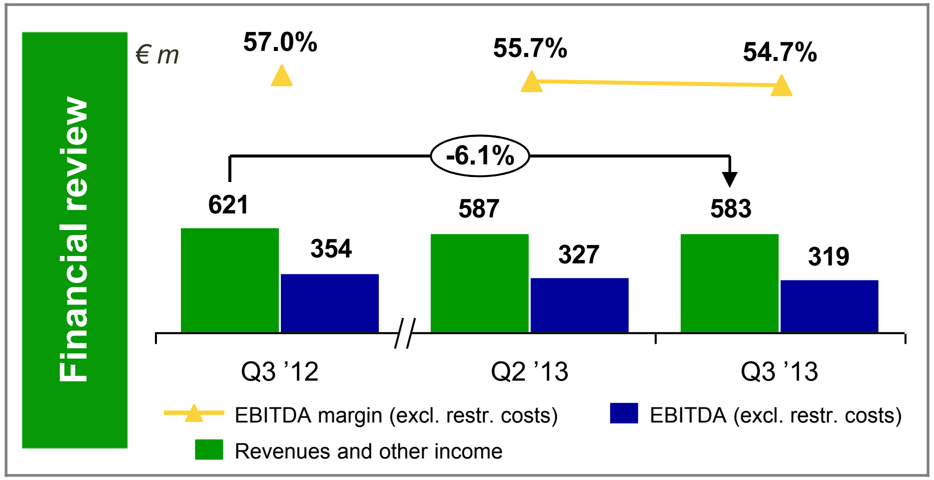
Focus on bundled services and committed revenues



- Stable market positions maintained in difficult macro environment and competitive market
- Focus on increasing committed revenues
  - Bundled services through KPN ONE (integrated fixed, mobile and ICT services)
  - 4G propositions
  - Flat fees for fixed and mobile services
- Good take-up bundled services and 4G
  - 98k 4G customers (Q2 '13: 20k)
- Resulting in lower wireless ARPU and stable fixed ARPU

1 Excluding sale of Infrastructure Services & Projects (€ 23m)
2 Excluding M2M

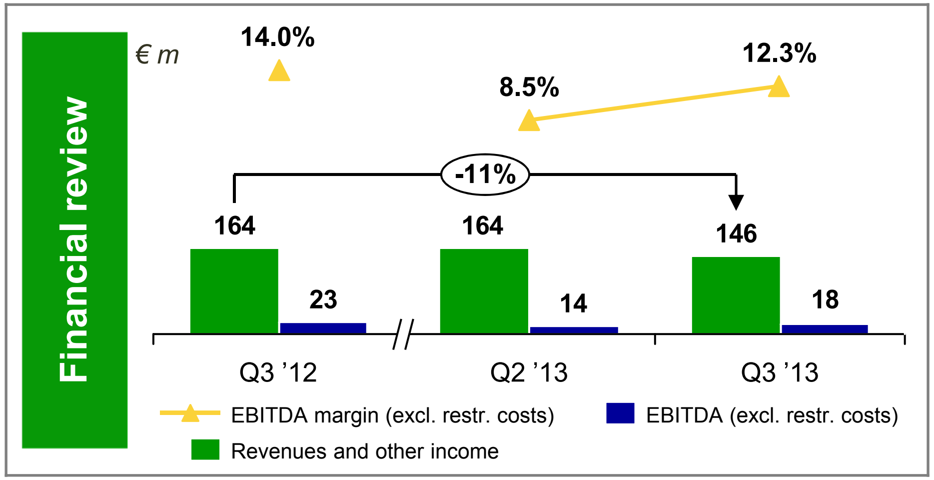
NetCo



- Revenues NetCo down by 6.1% y-on-y mainly driven by lower wholesale traffic revenues
- EBITDA margin[1] at 54.7%
  - Decline high margin traditional services
  - Higher FttH access costs
  - Partly offset by lower personnel costs

1 EBITDA margin excluding restructuring costs, if any

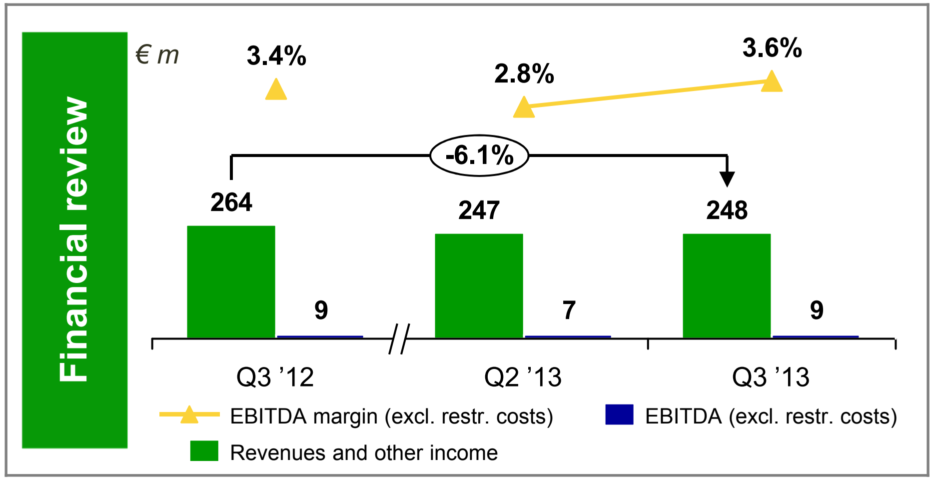
IT Solutions



- Revenues IT Solutions down 11% y-on-y
  - Continued price pressure driven by overcapacity and postponement large IT investments
  - Stable market position
- EBITDA margin[1] at 12.3%
  - Reduced margin due to lower revenues, partly offset by reduction in personnel costs

1 EBITDA margin excluding restructuring costs, if any

iBasis

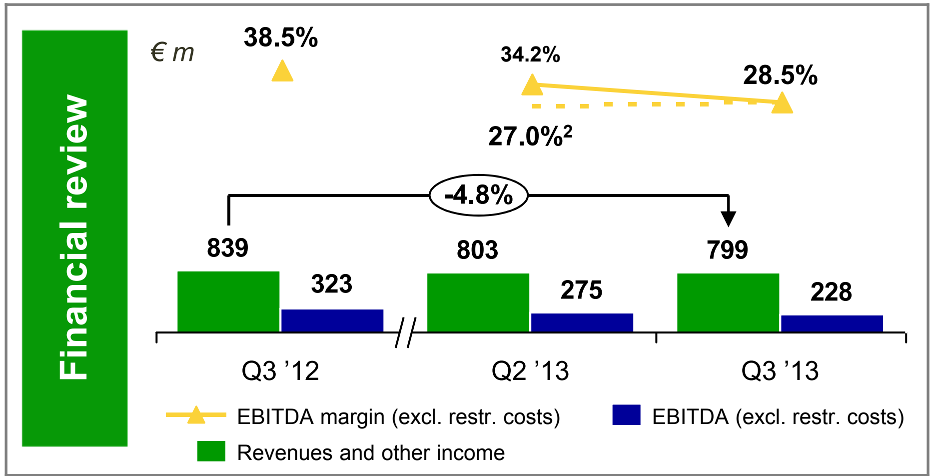


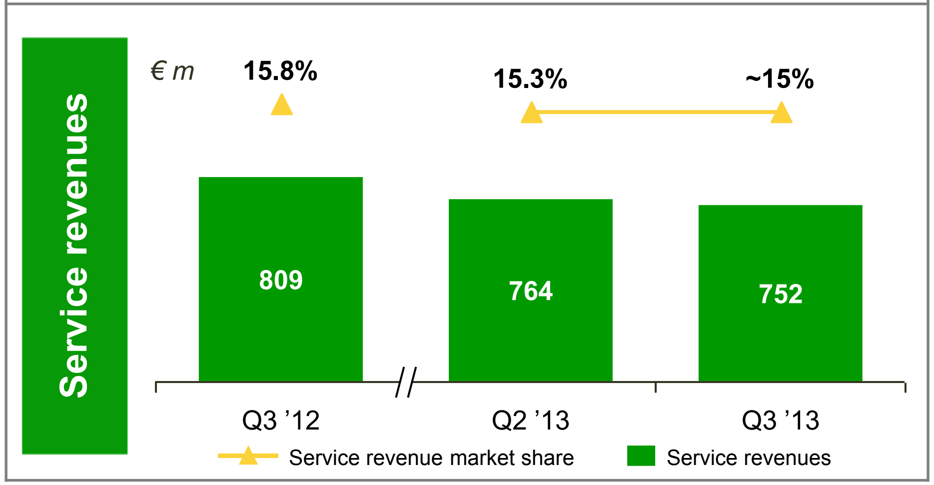
- Revenues iBasis down 6.1% y-on-y
  - Competitive market
  - Including 2.3% negative currency effect
- EBITDA margin[1] at 3.6%
  - Margin pressure offset by focus on costs

1 EBITDA margin excluding restructuring costs, if any

Germany (discontinued operation[1])

Market share relatively stable, margin improving



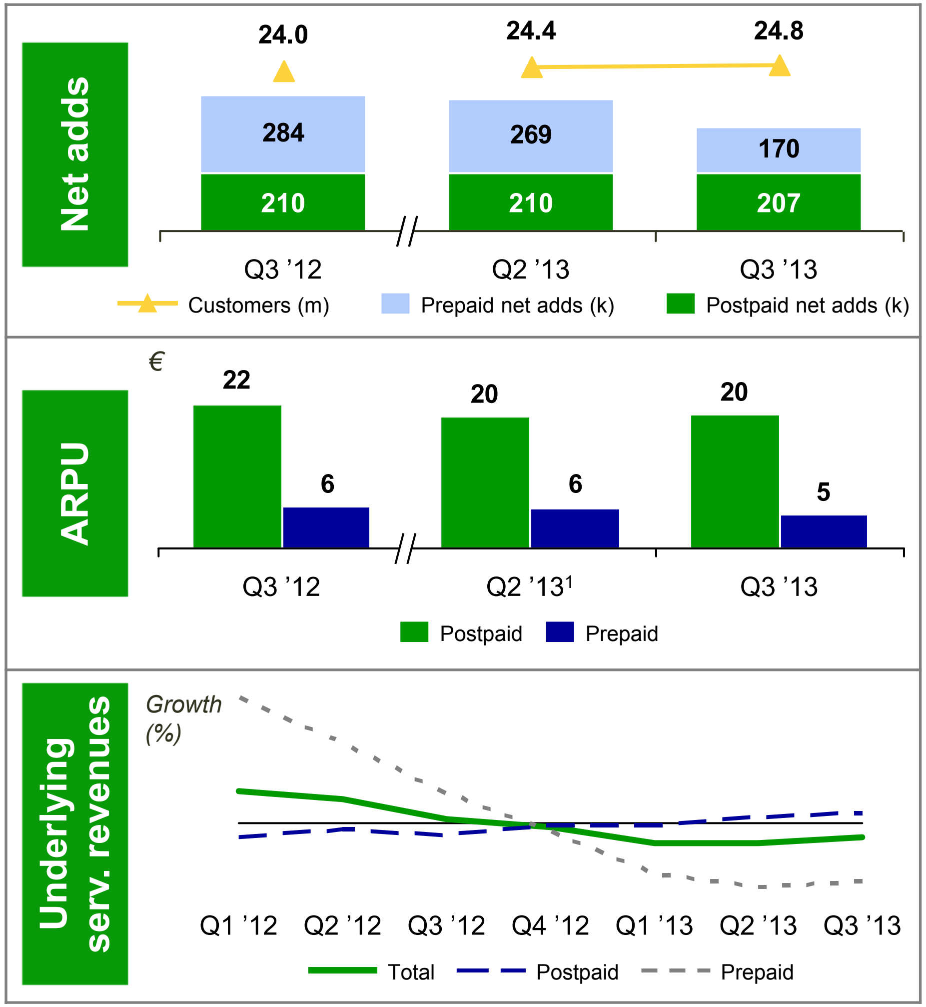


- Underlying service revenue decline 2.0% y-on-y
- Regulation impact on revenues of € 42m (5.0%)
- EBITDA margin[3] improved to 28.5% vs. H1 ’13
  - Continued commercial investments supporting growth in data and postpaid
  - Regulation impact € 22m
- Market share relatively stable in competitive mobile market environment

1 Some small operations in Germany will not be sold and remain reported in continuing operations
2 Excluding € 29m incidentals on revenues and € 66m incidentals on EBITDA in Q2 ’13
3 EBITDA margin excluding restructuring costs, if any

Germany (discontinued operation) (cont'd)

Underlying service revenue trend improving

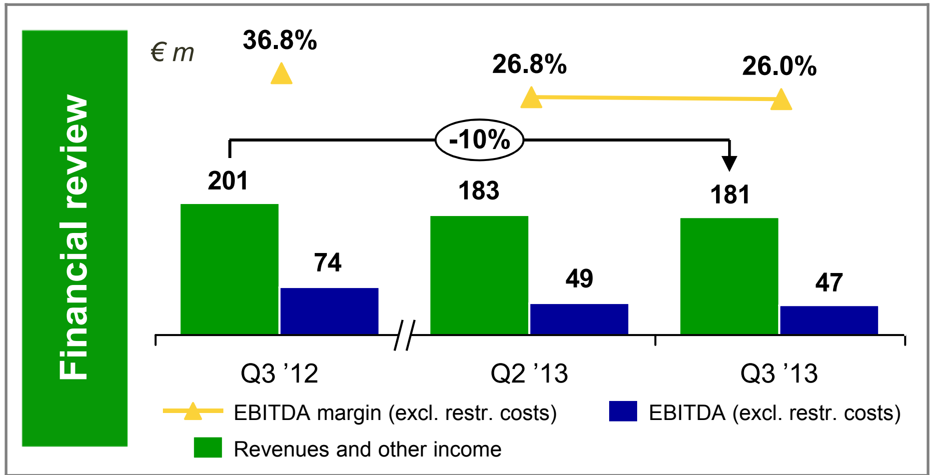


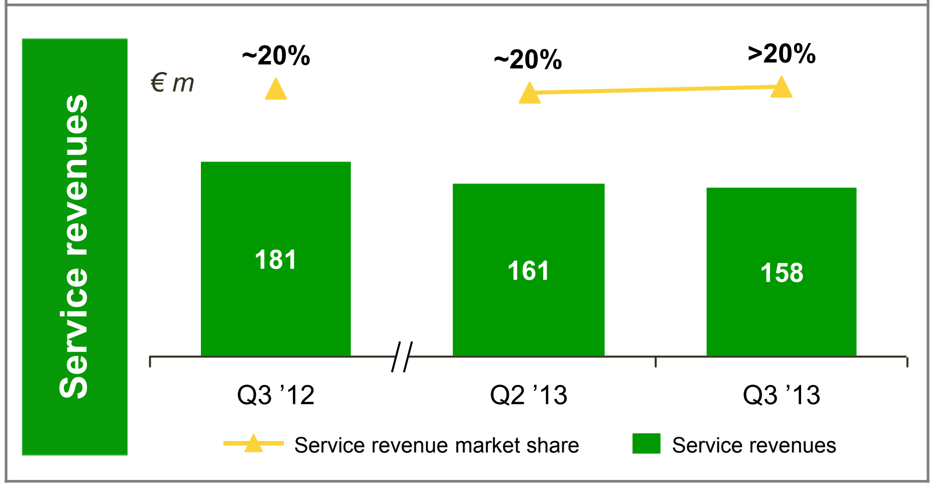
1 Excluding revenue incidental prepaid ARPU would have been € 5

- Strong improvement network quality confirmed by CHIP network test
  - #3 position in German market
  - Throughput increased significantly
    - Urban areas - up to 6.0Mbps
    - Rural areas - up to 4.3Mbps; HSPA+ data speeds on par with #2 German operator
- Continued strong postpaid performance, 5 consecutive quarters >200k net adds
- Underlying service revenue trend improving
  - Strong postpaid performance supported by good net adds development
  - Prepaid decline stabilizing

Belgium

Strong performance in competitive market



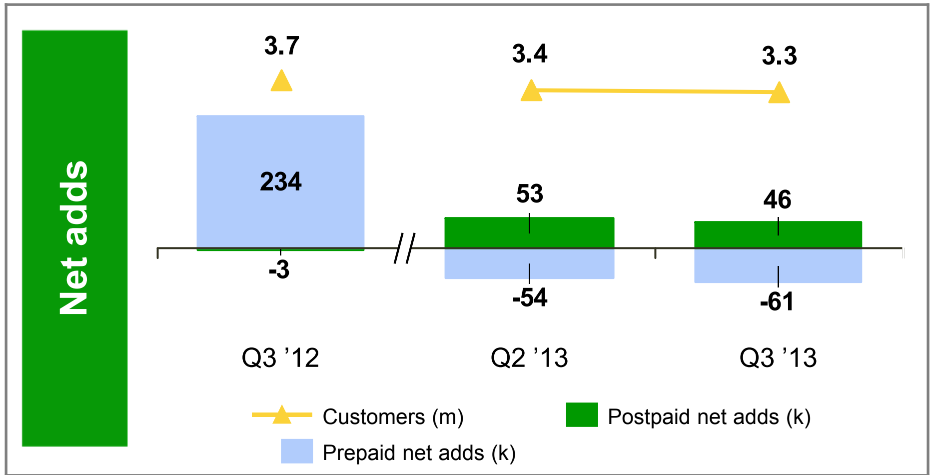


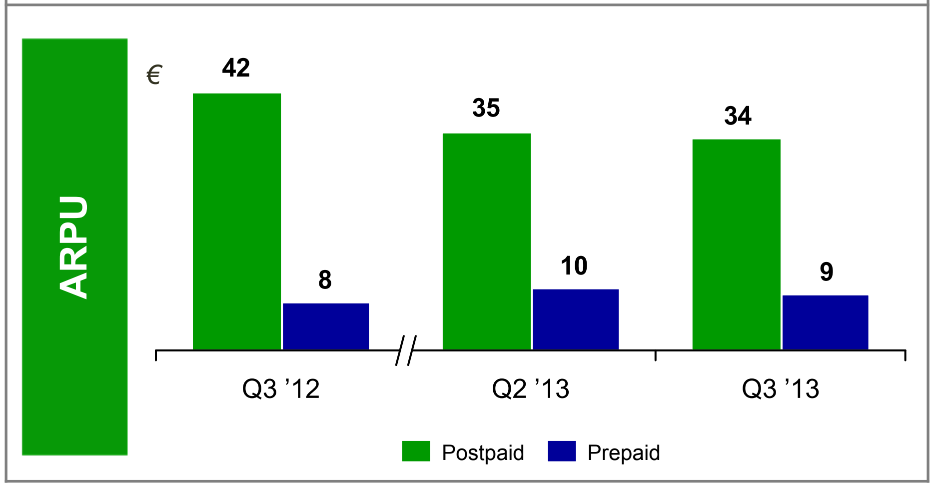
- Underlying service revenue decline 7.1% y-on-y in competitive market
- Regulation impact on revenues of € 11m (5.5%)
- EBITDA down € 27m y-on-y due to lower revenues and regulation (€ 7m)
- Market share >20% in Q3 '13

1 EBITDA margin excluding restructuring costs, if any

Belgium (cont'd)

Focus on strong network position





- Focus on strong 3G and 4G network position
  - #1 voice quality
  - Joint #1 data quality
  - 4G launched in 15 cities, aim to cover majority of population end-2014
  - BASE Company to participate in 800MHz auction

NET CHECK
SERVICE SUPPORT DOCUMENTATION

- Successful new mobile propositions leading to 46k postpaid net adds
- Postpaid ARPU decline moderating

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1	Chairman's review	Eelco Blok
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4	Concluding remarks	Eelco Blok

Concluding remarks

- Investments in customers and networks yielding operational results
- Focus on bundled services delivered over high quality networks
- Large Simplification program to support profitability and reduce Capex
- Sale of E-Plus approved by EGM, regulatory approval expected mid-2014
- Outlook reflects Group profile excluding E-Plus, lowered Capex forecast
- On track to realize outlook driven by good operational performance and stable market shares

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Q&A

Q3 2013 - Information Pack

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Contents

1	KPN ADR program
2	Group results analysis
3	Debt overview
4	Regulation & Spectrum
5	Fixed infrastructure & Reggefiber

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			Q3 '13	Q3 '12	YTD '13	YTD '12
Revenue effect						
MTA reduction	Regulation	Group	-44	-21	-127	-81
Roaming tariff reduction	Regulation	Group	-28	-19	-60	-23
EBITDA effect						
MTA reduction	Regulation	Group	-20	-8	-63	-29
Roaming tariff reduction	Regulation	Group	-19	-15	-41	-18
Restructuring costs	Restructuring	Group	-18	-13	-83	-83
Release of provisions	Incidental	NetCo	-	-	22	9
Release of provisions	Incidental	IT Solutions	-	-	-	10
Release of provisions	Incidental	Germany	-	-	37	-
Release of accrued expenses	Incidental	NetCo	-	-	-	5
Booking of provision	Incidental	Business	-	-5	-	-5
Revenue & EBITDA effect						
Book gain on sale of real estate	Incidental	NetCo	-	-	-	31
Book gain on sale of business	Incidental	Germany	-	-	-	16
Book gain on sale of business	Incidental	Business	-	-	23	-
Book gain on sale of business	Incidental	IT Solutions	-	-	-	8
Booking of provision	Incidental	NetCo	-	-	-6	-
Release of deferred revenues	Incidental	Consumer Mobile	-	-	7	7
Release of deferred revenues	Incidental	Germany	-	-	29	-
Release of deferred revenues	Incidental	Consumer Residential	-	-	13	-

Restructuring costs

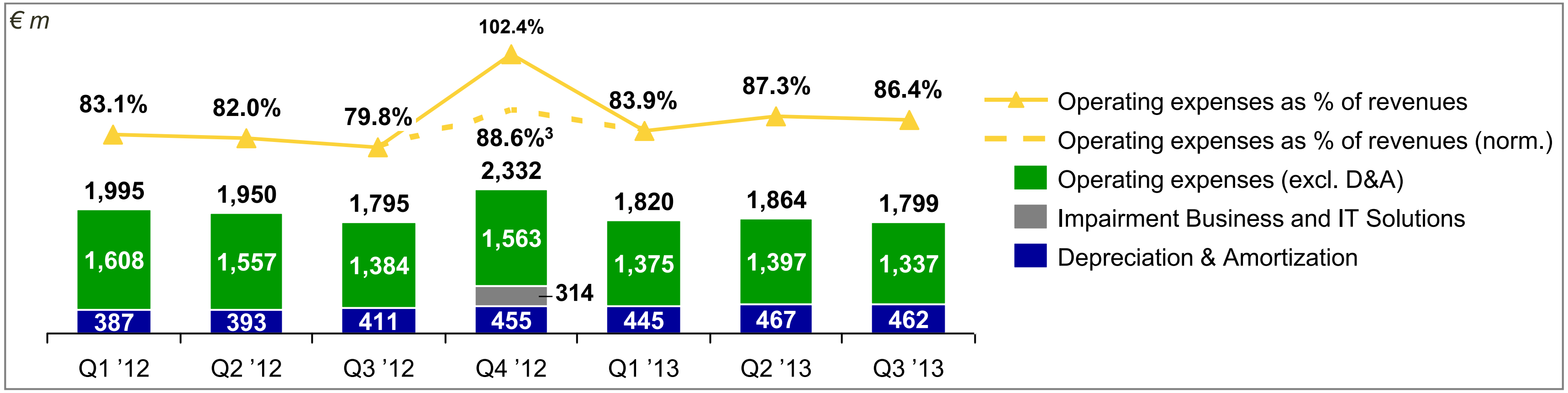
€ m	Q3 '13	Q3 '12	YTD '13	YTD '12
Germany (incl. discontinued operations)	1	-	6	-
Belgium	-	-	-	-
Mobile International (incl. discontinued operations)	**1**	**-**	**6**	**-**
Consumer Mobile	-	-1	-5	-2
Consumer Residential	-4	-2	-16	-23
Business	2	-	-7	-12
NetCo	-2	-3	-7	-20
Other	-7	-	-32	-3
Dutch Telco	**-11**	**-6**	**-67**	**-60**
IT Solutions	-7	-4	-17	-8
The Netherlands	**-18**	**-10**	**-84**	**-68**
Other	-1	-3	-5	-15
KPN Group (incl. discontinued operations)	**-18**	**-13**	**-83**	**-83**
Of which discontinued operations	1	-	6	-
KPN Group continuing operations	**-19**	**-13**	**-89**	**-83**

Impact regulation

€ m	Q3 '13		YTD '13	
	Revenues	EBITDA	Revenues	EBITDA
Germany (incl. discontinued operations)	-42	-22	-115	-64
Belgium	-11	-7	-35	-22
Mobile International (incl. discontinued operations)	**-53**	**-29**	**-150**	**-86**
Consumer Mobile	-7	-3	-17	-7
Of which: Mobile Wholesale	-	-	-2	
Business	-10	-7	-16	-11
NetCo	-2	-	-4	-
The Netherlands	**-19**	**-10**	**-37**	**-18**
KPN Group (incl. discontinued operations)	**-72**	**-39**	**-187**	**-104**
Of which discontinued operations	*-42*	*-22*	*-115*	*-64*
KPN Group continuing operations	**-30**	**-17**	**-72**	**-40**

Operating expenses (continuing operations)

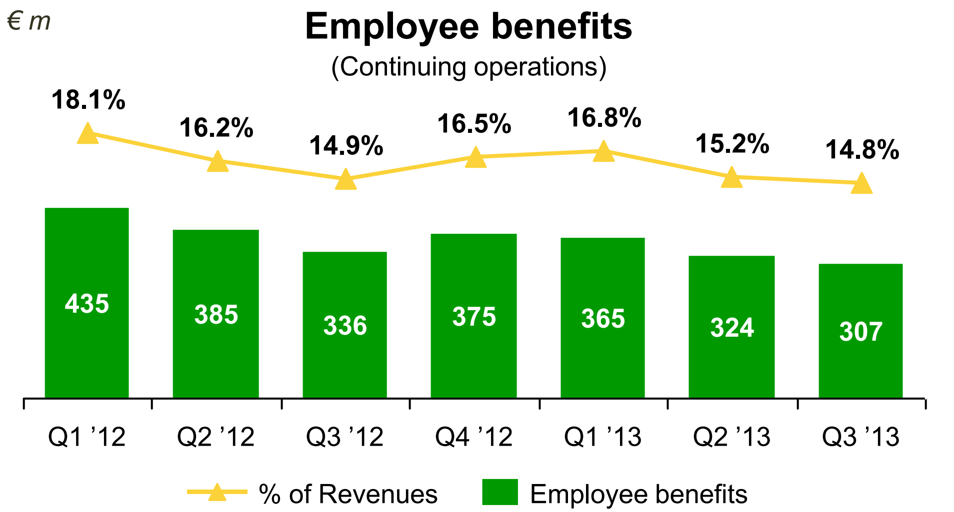
€ m	Q3 '13	Q3 '12	%
Employee benefits	307	336	*-8.6%*
Cost of materials	146	146	*flat*
Work contracted out and other expenses	782	795	*-1.6%*
Own work capitalized	-17	-17	*flat*
Other operating expenses[1]	119	124	*-4.0%*
Depreciation[2]	319	273	*17%*
Amortization[2]	143	138	*3.6%*
Total operating expenses from continuing operations	**1,799**	**1,795**	***0.2%***



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

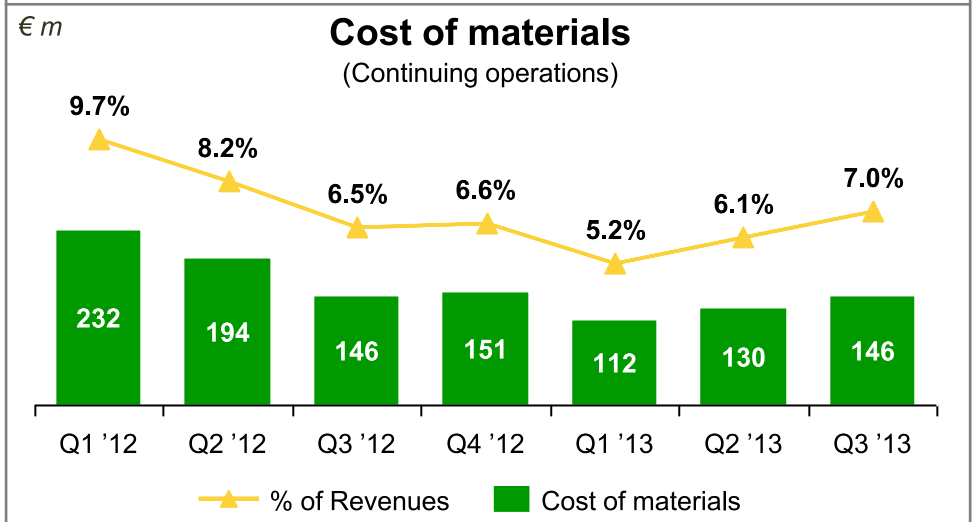


Y-on-Y decrease

- Lower costs as a result of FTE reduction program
- Release of provision for several incentive schemes in Q3 2013

Q-on-Q decrease

- Lower costs as a result of FTE reduction program
- Release of provision for holiday allowance



Y-on-Y flat

- Higher costs due to change in handset propositions KPN and Hi brands Consumer Mobile
- Offset by lower hardware sales and other smaller items at Business

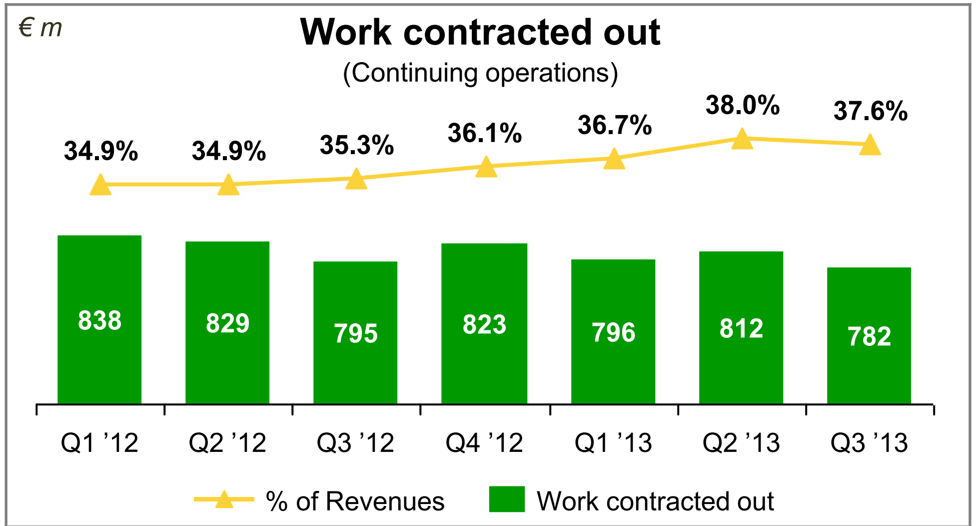
Q-on-Q increase

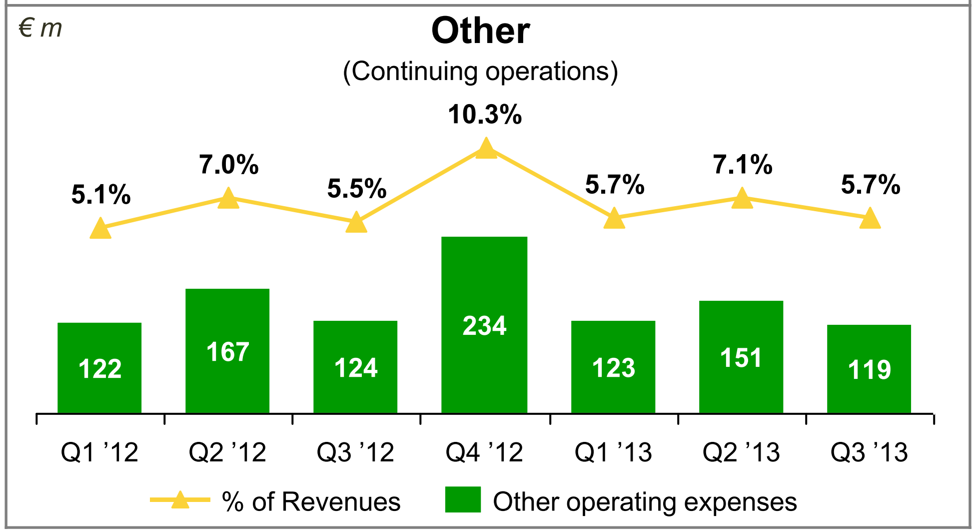
- Higher costs due to change in handset propositions KPN and Hi brands Consumer Mobile
- Partly offset by lower hardware sales IT Solutions

kpn

Operating expenses - analysis

Work contracted out & Other





Y-on-Y decrease

- Lower traffic costs Consumer Mobile and iBasis
- Lower costs due to sale of KPN Spain and Ortel Switzerland
- Partly offset by higher content costs Consumer Residential

Q-on-Q decrease

- Lower SAC at Business
- Lower costs external personnel Dutch Telco

Y-on-Y decrease

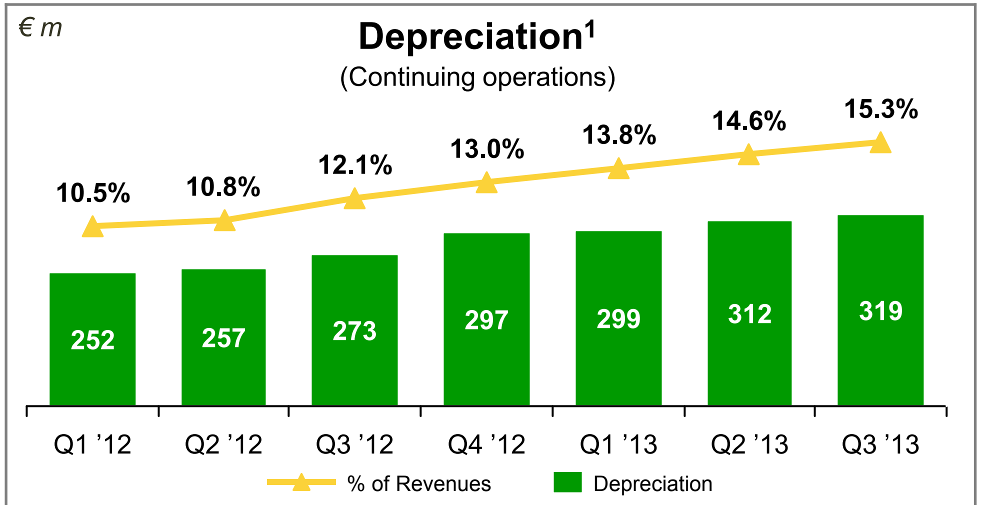
- Lower marketing costs Dutch Telco
- Dotation to provision in Q3 2012 at Business
- Partly offset by higher restructuring costs

Q-on-Q decrease

- Lower restructuring costs

Operating expenses - analysis

Depreciation & Amortization

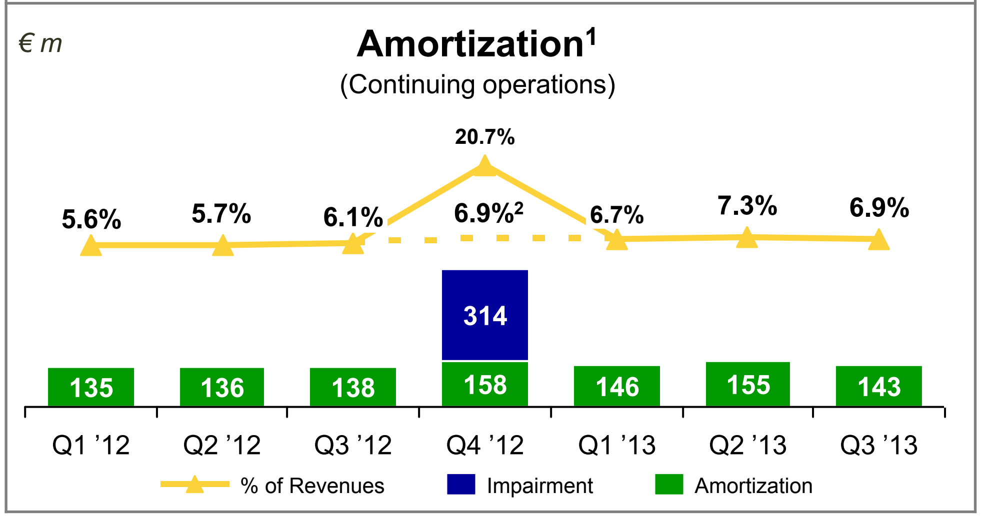


Y-on-Y increase

- Increased customer driven investments, including handset lease model Consumer Mobile

Q-on-Q increase

- Increased customer driven investments, including handset lease model Consumer Mobile



Y-on-Y increase

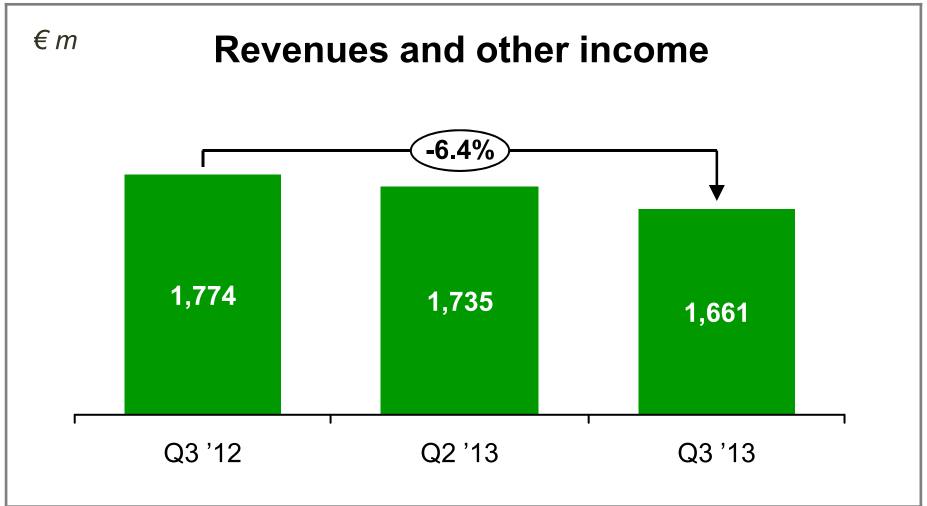
- Higher amortization of spectrum licenses at Dutch Telco

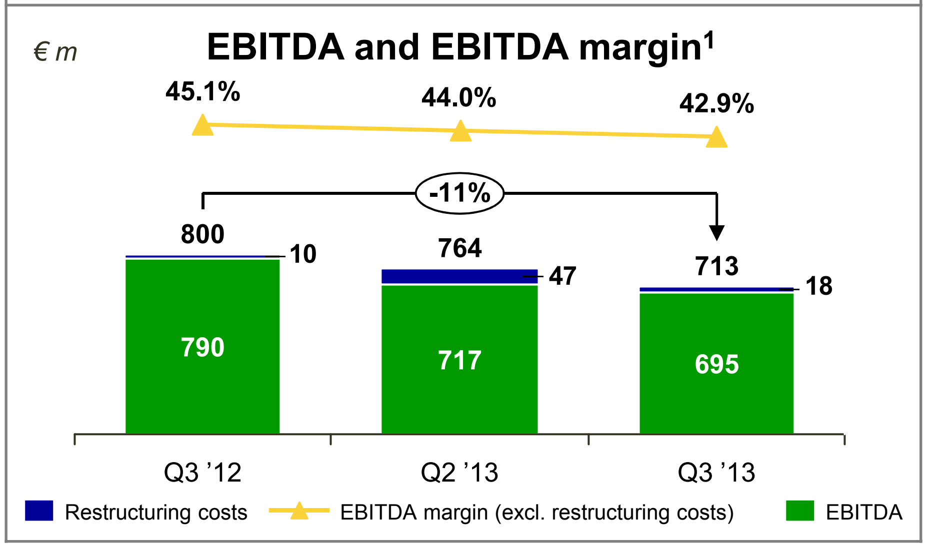
Q-on-Q decrease

- Lower amortization software Consumer Mobile

1 Including impairments, if any
2 Excluding impairments, Q4 2012 impairment of € 314m at Business and IT Solutions

Financial review - The Netherlands





1 EBITDA margin excluding restructuring costs, if any

- Lower revenues due to Business, Consumer Mobile and NetCo, partly offset by growth at Consumer Residential
- EBITDA down 11% due to
  - Lower revenues
  - Impact change handset propositions € 19m (2.4%) at KPN and Hi brands
  - Partly offset by cost savings related to FTE reduction program
- EBITDA margin lower y-on-y at 42.9%

kpn

Dutch wireless disclosure

	Q3 '13	Q3 '12	%
Service revenues (€ m)	**592**	**639**	***-7.3%***
− Consumer retail	312	345	*-9.6%*
− Business	234	245	*-4.5%*
− Other[1]	46	49	*-6.1%*
SAC/SRC per subscriber (€)			
− Consumer retail[2]	172	174	*-1.1%*
− Business	244	320	*-24%*

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

Tax

	P&L		Cash flow	
Fiscal units *(€ m)*	Q3 '13	Q3 '12	Q3 '13	Q3 '12
The Netherlands	-37	-45	-81[1)]	-121[1)]
IT Solutions	25	6	-	-1
Germany Belgium Other	-102 - -2	-27 -8 -1	1 - -1	- - -
Total reported tax (incl. discontinued operations)	**-116**	**-75**	**-81**	**-122**
Of which discontinued operations	*-101*	*-27*	*1*	
Reported tax continuing operations	**-15**	**-48**	**-82**	**-122**
Effective tax rate continuing operations	*14.7%*	*19.7%*		

- Effective tax rate for continuing operations is 17.6% in Q3 '13, excluding one-off effects and is expected to be ~20% in 2013-2015 period[2]
- For discontinued operations the following tax related items occurred in Q3 '13
  - Impairment of German deferred tax assets relating to tax losses carry forward to an amount of € 846m, of which
    - € 747m within context of the sale of E-Plus
    - € 99m due to change of control regulation following the issuance of preference shares B KPN
  - Tax benefit of € 932m relating to agreement in principle with Dutch tax authorities on € 3.7bn tax book loss upon sale of E-Plus, which is expected to offset KPN's taxable income in The Netherlands in the coming years

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

Contents

1	KPN ADR program
2	Group results analysis
3	Debt overview
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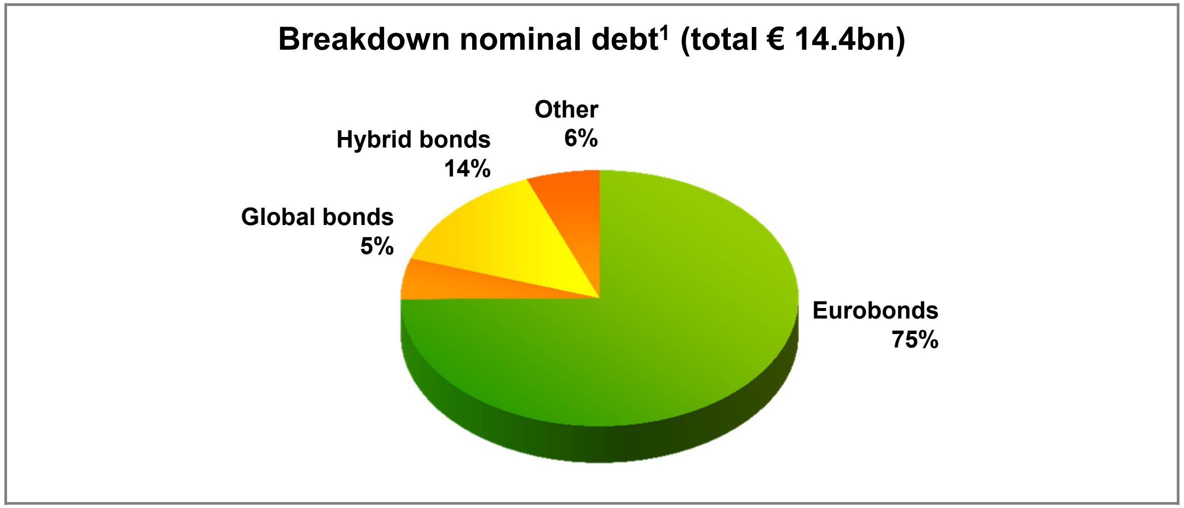
Debt summary

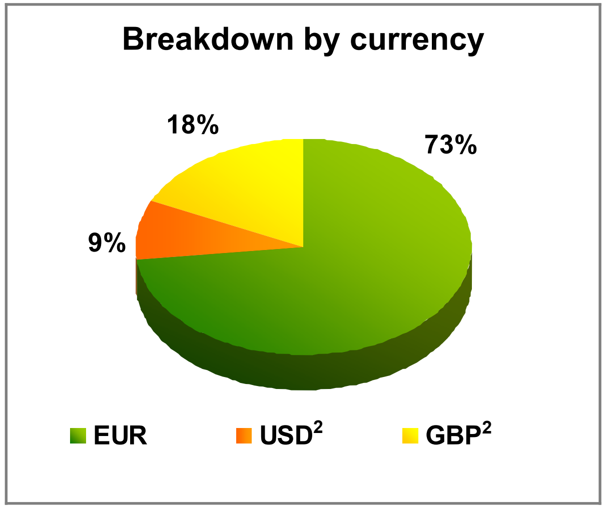
€ bn	Q3 '13	Q2 '13	%
Nominal debt	**14.38**	**14.55**	***-1.2%***
Eurobonds	10.83	11.37	*-4.7%*
Global bonds	0.76	0.76	*flat*
Hybrid bonds	2.03	2.03	*flat*
Credit facility	-	-	*flat*
Preference shares (issued to Foundation Preference Shares B KPN)[1]	0.26	-	*n.m.*
Financial leases and other loans	0.50	0.39	*28%*
Equity credit hybrid bonds	**-1.01**	**-1.01**	***flat***
Gross debt[2]	**13.37**	**13.54**	***-1.3%***
Of which short-term	*1.89*	*2.12*	*-11%*
Net cash & cash equivalents	**3.74**	**4.04**	***-7.4%***
Cash & cash equivalents	4.13	4.35	*-5.1%*
Bank overdraft	-0.39	-0.31	*26%*
Net debt[3]	**9.63**	**9.50**	***1.4%***

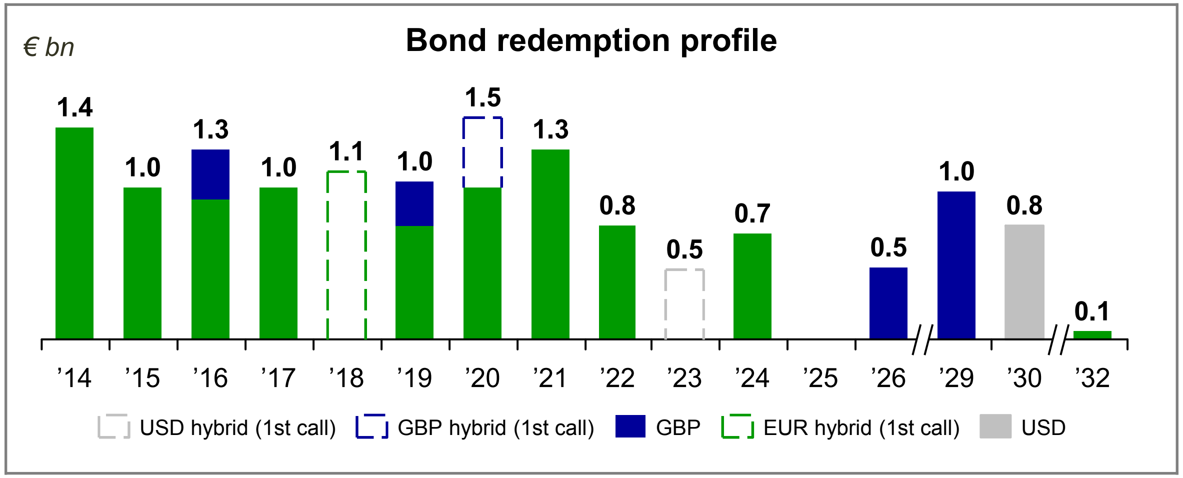
1 Preference shares B KPN are treated as debt
2 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments
3 Nominal debt repayment obligations in Euro at maturity, including 50% of hybrid capital instruments, less net cash and cash equivalents

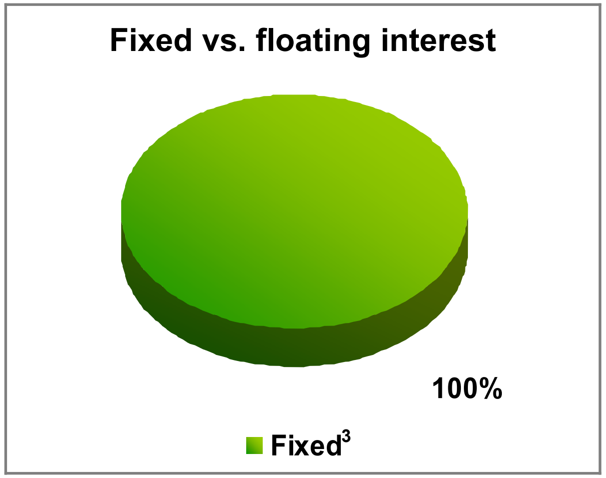
Debt portfolio

Breakdown of € 14.4bn nominal debt[1] including hybrid bonds









1 Based on the nominal value of interest bearing liabilities after swap to EUR, including EUR 1.1bn hybrid bond, GBP 400m hybrid bond and USD 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

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Regulation

MTA rates across the Group

NL

- ACM decision MTA rates based on 'pure BULRIC' of € 1.019 cent per minute as of 1 September 2013 under appeal
- Dutch court suspended ACM decision and mandated interim rates based on 'plus BULRIC' of € 1.861 cent per minute instead

€ 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	1.861

GER

- Legal proceedings against former MTA decisions ongoing
- EC expressed serious doubts for not applying 'pure BULRIC'
- On 19 July BNetzA ruled that 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

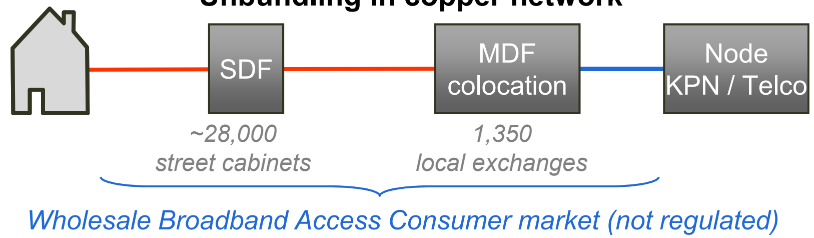
Impact on Group[1] revenues & EBITDA

€ m	2011	2012	2013E[2]
Revenues	459	102	~165
EBITDA	192	40	~80

1 Including discontinued operations
2 MTA impact on revenues and EBITDA for the Netherlands based on MTA rate of € 1.861 cents per minute pursuant to Dutch court ruling

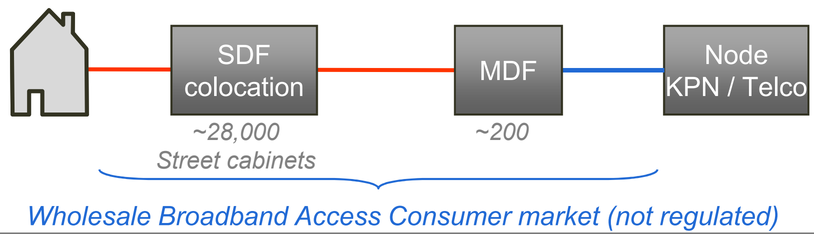
Unbundling tariffs

Unbundling in copper network



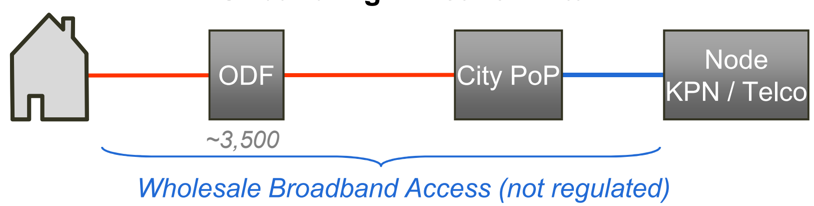
Category	Monthly tariff
Line sharing (LLU)	€ 0.12 / line
Fully unbundled (LLU)	€ 6.86 / line
MDF colocation	€ 913.52 footprint / year
Wholesale Broadband Access[1]	€ 5.32 / line shared € 13.00 / line non-shared

Unbundling in network FttC



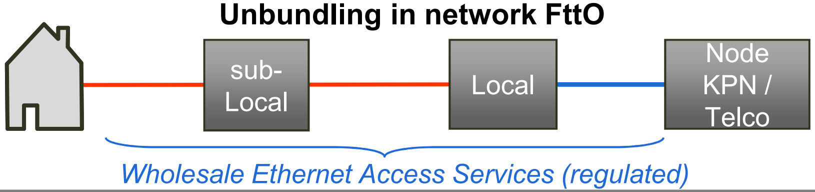
Category	Monthly tariff
Line sharing (SLU)	€ 6.86 / line
Fully unbundled (SLU)	€ 6.86 / line
SDF colocation	€ 1.24 / line or € 5.50 / per unit One-off € 503.64 / per unit
Wholesale Broadband Access[1]	€ 5.32 / line shared € 13.00 / line non-shared

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[4]	€ 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
4 List prices fiber access standard excluding EVC/WAP tariffs

Spectrum in The Netherlands

Current status

Band	Allocation	Total
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

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 start on 12 November 2013. On 8 October 2013 BIPT announced that BASE Company, Belgacom and Mobistar will participate in the 800MHz auction

- Three licenses available 2x10MHz each, for 20 year period, capped at 2x10MHz per operator with reserve price of € 120m per license
- SMRA auction format
- 4G roll-out obligation of 98% population coverage within six years
- Third 800MHz license has additional roll-out obligation to reach 98% population coverage of 60 communes with minimal 3Mbps download speed within three years

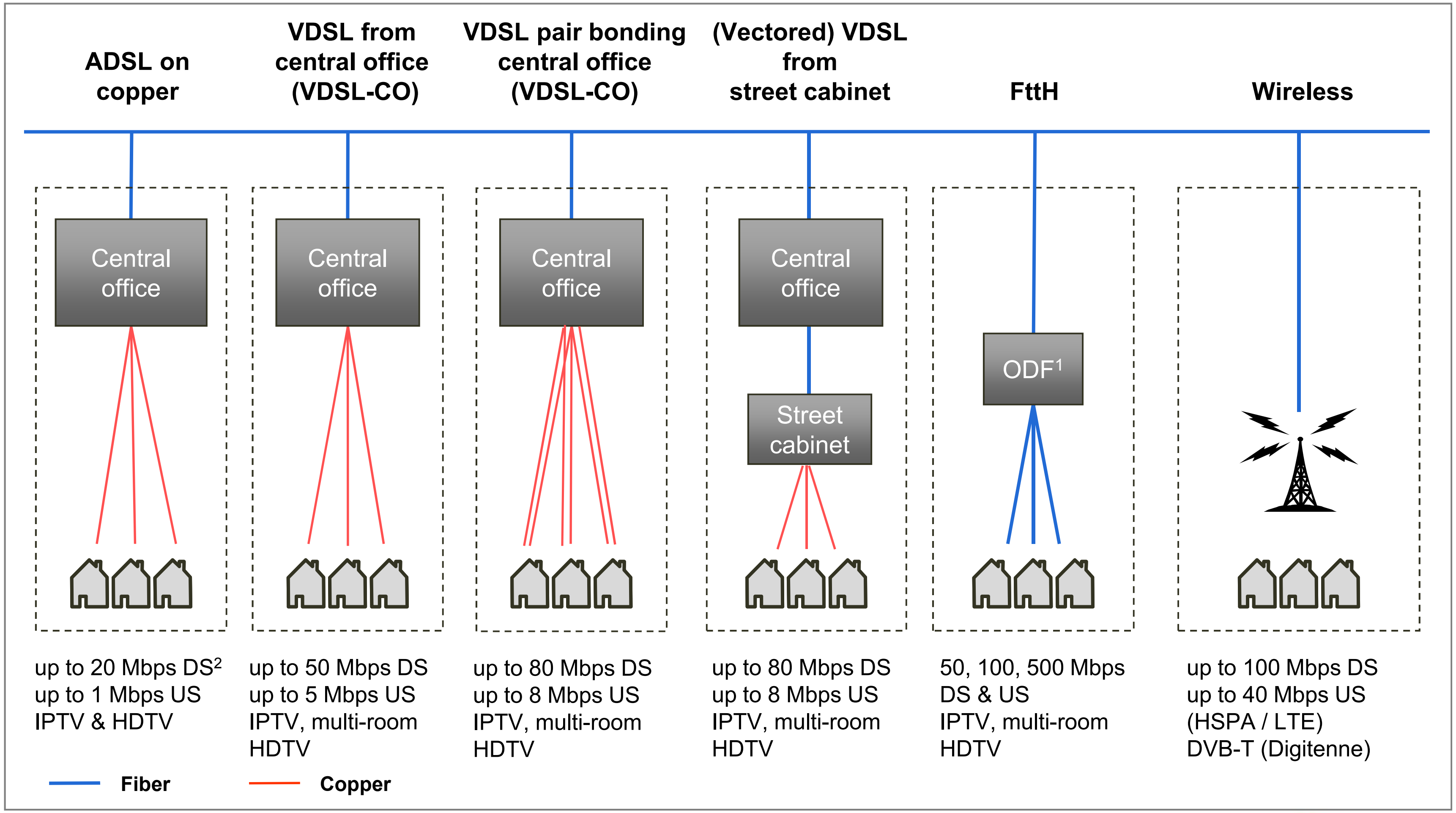
1 As a result of refarming, Telenet will acquire 2x4.8MHz in 900MHz and 2x10MHz in 1800MHz in November 2015. BASE already returned 2x0.8MHz of 900MHz and will return 2x2MHz of 1800MHz in 2015. Both Belgacom and Mobistar will return 2x2MHz of 900MHz and 2x0.8MHz of 1800MHz in 2015

Contents

1	KPN ADR program
2	Group results analysis
3	Debt overview
4	Regulation & Spectrum
5	Fixed infrastructure & Reggefiber

Infrastructure

Deploying mix of technologies going forward



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

Roadmap to Reggefiber consolidation

Option structure

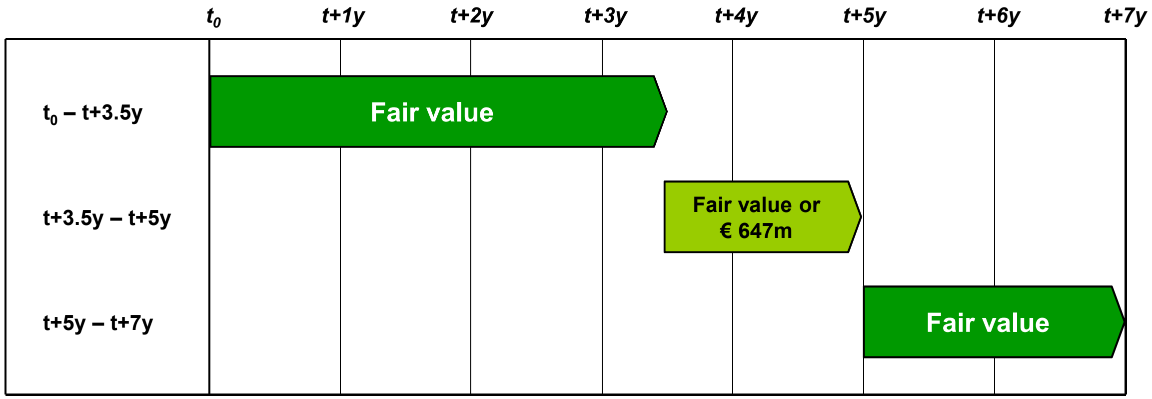
	Option I[1]	Option II[3]	Option III
Ownership stake	• Additional 10% • 51% ownership	• Additional 9% • 60% ownership	• Remaining 40% • 100% ownership
Option type	Call and Put option	Call and Put option	Put option
Exercise price	€ 99m	€ 116m - € 161m	'Fair value' or € 647m
Option trigger	• 1m Homes Connected 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

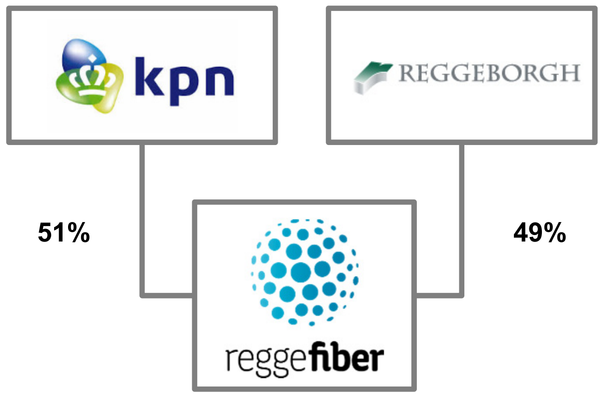
Indicative, simplified financials based on Dutch GAAP; Balance Sheet items per 31 December 2012

Exercise price option III



t_0 = settlement option II

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%