Annual Results 2010

26 January 2011

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 EBITDA as a 12 month rolling average excluding book gains, release of pension provisions and restructuring costs, when over EUR 20m. Free cash flow is defined as cash flow from operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software and excluding tax recapture regarding E-Plus.

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" or similar expressions.

These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the Annual Report 2009. KPN's Annual Report 2010 is expected to be available by the end of February 2011.

Agenda

Chairman's review	Ad Scheepbouwer
Group finance	Carla Smits-Nusteling
International	Eelco Blok
Dutch Telco	Baptiest Coopmans
Getronics	Ad Scheepbouwer
Concluding remarks	Ad Scheepbouwer

Highlights ‘Back to Growth’ strategy 2008-2010

- ‘Back to Growth’ strategy 2008-2010 delivered good results, despite economic headwinds and regulation
- Significant improvement in profitability across the Group
- Dutch Telco reached EBITDA inflection earlier than expected
- Continued market outperformance at Mobile International with higher margins
- Acquired businesses integrated and on right performance trajectory

'Back to Growth' strategy - achievements 2008-2010

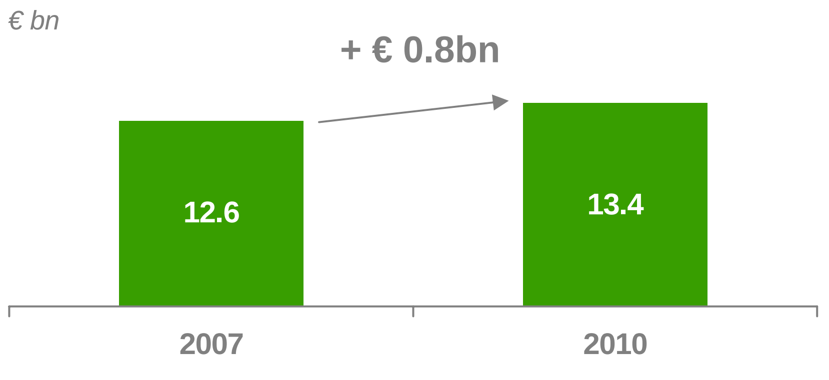
Significant achievements resulting from strong execution

	Objectives 'Back to Growth'	Achievements
The Netherlands	• Leading service provider and best-in-class operator • Reaching revenue and EBITDA inflection	• Overall stable market shares with broadband slipping somewhat, TV growing • No revenue inflection due to economic downturn and regulation • EBITDA growth and strong profitability
Mobile International	• Continued market outperformance and attractive margins • Selective expansion in Europe	• Continued market outperformance with higher margins in Belgium and Germany • Leading MVNO in Spain and France
Acquisitions	• Positive contribution from Getronics and iBasis following acquisitions in 2007	• Improved profitability at Getronics despite economic downturn • Continued momentum at iBasis following strategic repositioning in Q4 '09

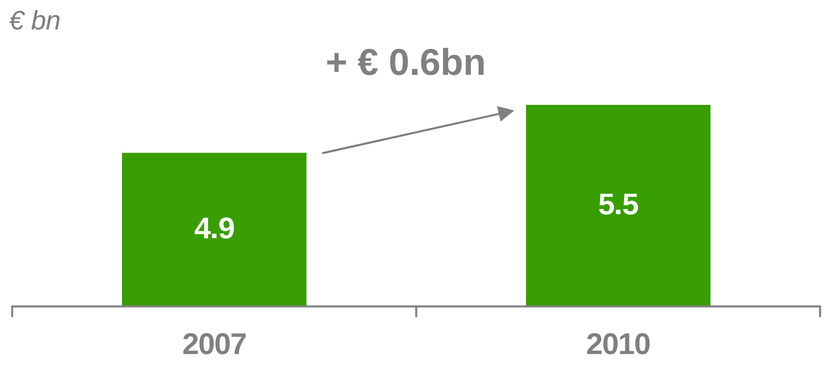
‘Back to Growth’ strategy - financial results 2008-2010

All 3-year strategy targets achieved, except for revenues

Revenues[1]

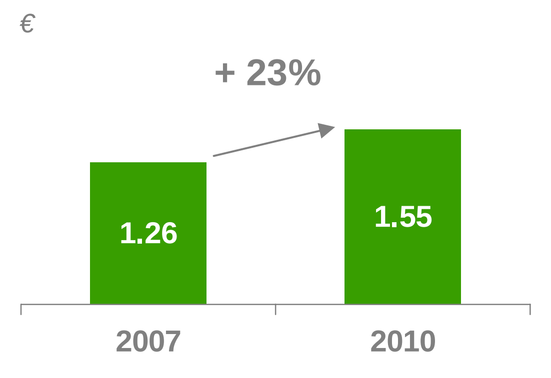


Significant EBITDA[1] growth



Growing earnings per share

Growing FCF per share



Growing dividend per share

1 Reported figures impacted by net result of acquisitions & divestments (mainly Getronics, iBasis on revenues), economic downturn and regulation
2 EPS 2007 corrected for impact DTA in Germany (+€ 1.2bn) on profit after taxes in Q4 ’07

'Back to Growth' strategy - performance 2008-2010

KPN outperforming the market since execution 'Back to Growth' strategy

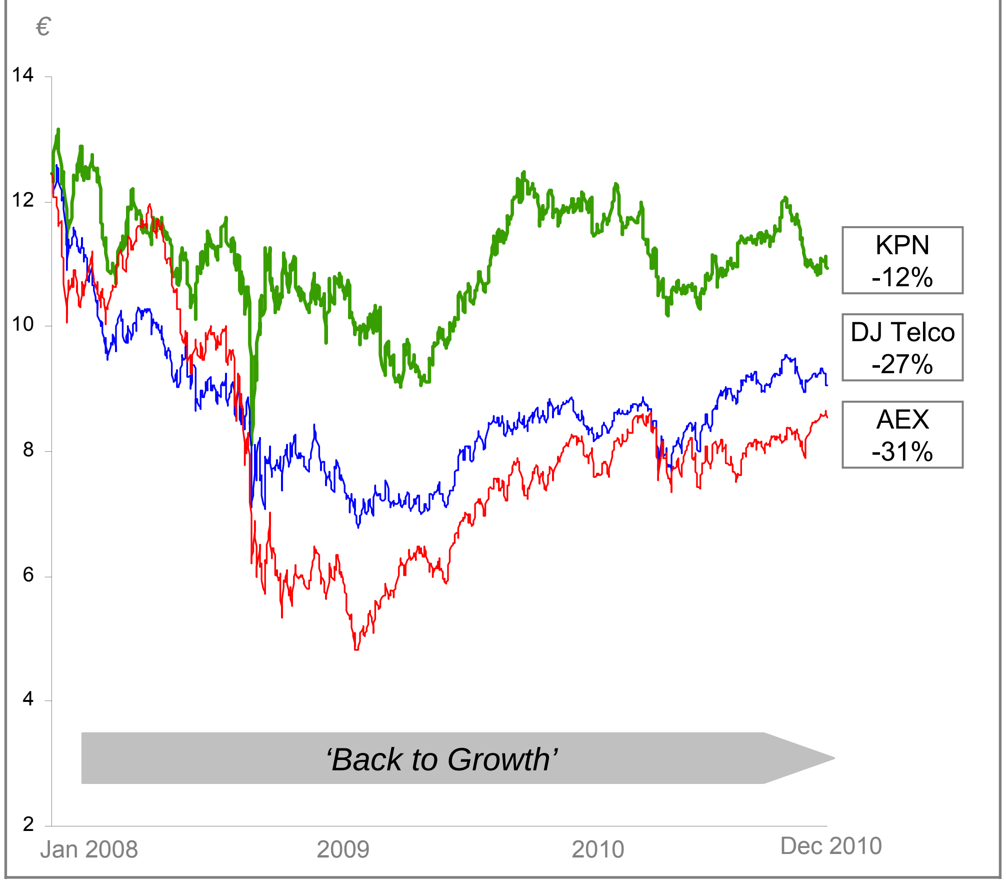
Shareholder returns 2008-2010

- Continued track record of delivering shareholder value
  - Industry-leading shareholder returns
- Delivered on dividend policy
  - Medium-term pay-out of 40-50% of FCF[1]
  - Increasing DPS from € 0.54 in 2007 to € 0.80 in 2010
  - € 3.2bn dividend paid since 2008
- Industry-leading share repurchases
  - € 3.0bn repurchased since 2008
  - 15% of outstanding shares repurchased since 2008
  - Share repurchases supporting DPS, EPS and FCF per share growth

FCF[2] € 7.5bn

Total returned € 6.2bn

Share price performance since 2008[3]



1 Free cash flow defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture at E-Plus
2 Cumulative FCF for the period 2008-2010. Free cash flow defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture at E-Plus
3 Source: Bloomberg. Rebased to KPN closing share price of € 12.44 at 31 December 2007

Highlights 2010

- Good performance across the Group
- Continued increase in profitability at Dutch Telco
- Higher service revenue growth in Germany at strong margin
- 2010 dividend per share of € 0.80, € 1bn share repurchase program completed in 2010
- Outlook 2011 confirmed, new € 1bn share repurchase program for 2011

Performance versus outlook 2010

Good performance across Group, balancing profitability with market shares

	Outlook 2010	Reported 2010
Revenues and other income	In line with 2009 (€ 13.4bn[1])	€ 13.4bn
EBITDA	> € 5.5bn	€ 5.5bn
Capex	< € 2bn	€ 1.8bn
Free cash flow[2]	> € 2.4bn	€ 2.4bn
Dividend per share	€ 0.80	€ 0.80

- Revenues flat y-on-y despite severe regulation and economic headwinds
- € 284m EBITDA increase, up 5.5% y-on-y
- Efficient use of Capex
- Free cash flow stable at € 2.4bn
- € 0.80 DPS in ’10, up 16% y-on-y

1 Corrected for disposals, e.g. SNT Belgium & Netherlands, B2B Belgium, parts of Getronics
2 Free cash flow defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture at E-Plus

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Group results

Good financial performance across the Group

€ m	Q4 '10	Q4 '09	%	FY '10	FY '09	%
Revenues and other income	**3,389**	**3,371**	***0.5%***	**13,398**	**13,509**	***-0.8%***
Operating expenses	**2,618**	**2,647**	***-1.1%***	**10,148**	**10,659**	***-4.8%***
– of which Depreciation[1]	357	383	*-6.8%*	1,409	1,550	*-9.1%*
– of which Amortization[1]	231	200	*16%*	817	792	*3.2%*
Operating profit	**771**	**724**	***6.5%***	**3,250**	**2,850**	***14%***
Financial income/expense	-220	-240	*-8.3%*	-916	-808	*13%*
Share of profit of associates	7	-	*n.m.*	-31	-6	*>100%*
Profit before taxes	**558**	**484**	***15%***	**2,303**	**2,036**	***13%***
Taxes	-83	609	*n.m.*	-508	139	*n.m.*
Profit after taxes	**475**	**1,093**	***-57%***	**1,795**	**2,175**	***-17%***
Earnings per share[2]	**0.31**	**0.67**	***-54%***	**1.15**	**1.33**	***-14%***
EBITDA[3]	**1,359**	**1,307**	***4.0%***	**5,476**	**5,192**	***5.5%***

- MTA impact of € 180m on revenues and € 62m on EBITDA in FY 2010
- Revenues up 1.1% in Q4 and flat FY '10, excluding disposals
- Profit after taxes influenced by DTA in Germany Q4 '09 (€ 705m), corrected EPS up 29% in Q4 and 28% FY '10

1 Including impairments, if any
2 Defined as profit after taxes per ordinary share / ADS on a non-diluted basis (in €)
3 Defined as operating profit plus depreciation, amortization & impairments

Group cash flow

Achieved full-year guidance of more than € 2.4bn free cash flow

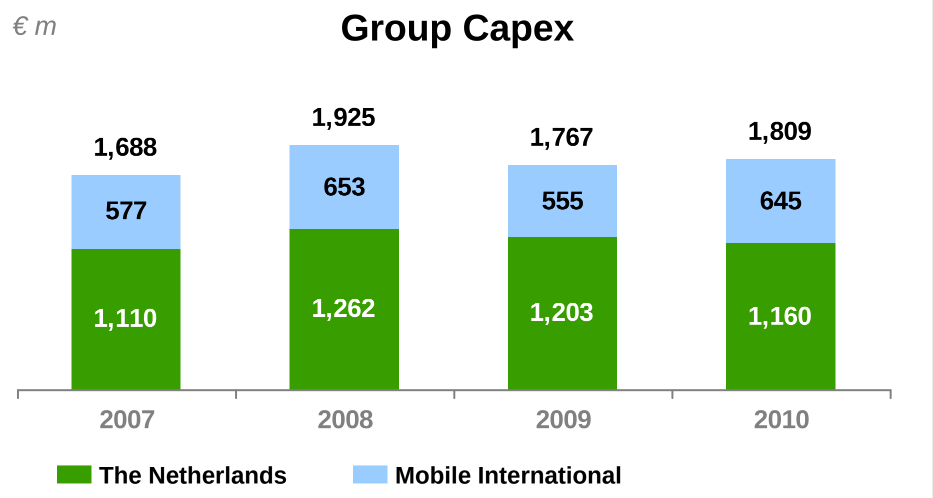
€ m	FY ’10	FY ’09	%
Operating profit	**3,250**	**2,850**	***14%***
Depreciation and amortization[1]	2,226	2,342	*-5.0%*
Interest paid/received	-736	-612	*20%*
Tax paid/received	-589	-506	*16%*
Change in provisions[2]	-336	-290	*16%*
Change in working capital	75	10	*>100%*
Other movements	-82	-18	*>100%*
Net cash flow from operating activities	**3,808**	**3,776**	***0.8%***
Capex[3]	**1,809**	**1,767**	***2.4%***
Proceeds from real estate	84	94	*-11%*
Tax recapture E-Plus	345	343	*0.6%*
Free cash flow[4]	**2,428**	**2,446**	***-0.7%***
Dividend paid	1,152	1,039	*11%*
Share repurchases	1,000	898	*11%*
Cash return to shareholders	**2,152**	**1,937**	***11%***

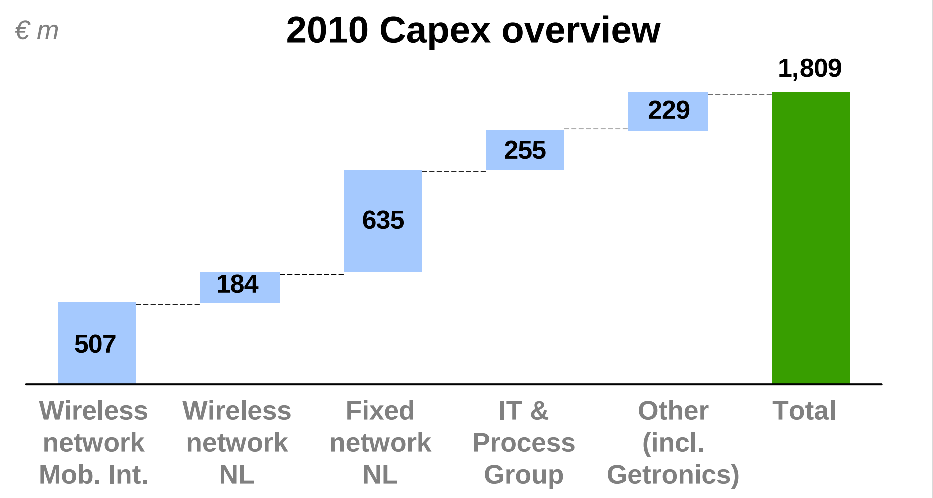
1 Including impairments, if any
2 Excluding changes in deferred taxes
3 Including Property, Plant & Equipment and software
4 Defined as net cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture E-Plus

- Full-year free cash flow of € 2.4bn, in line with 2009
- ~€ 300m higher EBITDA offset by
  - ~€ 120m higher interest payments due to bond issues
  - ~€ 80m higher tax payments due to tax refunds in 2009
  - ~€ 150m positive impact on working capital in 2009, due to change in timing of VAT payment
- Remuneration up 11% due to increase in DPS and start of the 2009 buyback at the end of 2008
- Average coverage ratio of all KPN pension funds at 105% end Q4 ’10
  - Including 3% negative impact from updated mortality tables
- Coverage ratio of KPN’s main pension fund at 104% end Q4 ’10
  - Q2 ’11 recovery payment of € 19m

Capex

Relatively stable Capex over the years

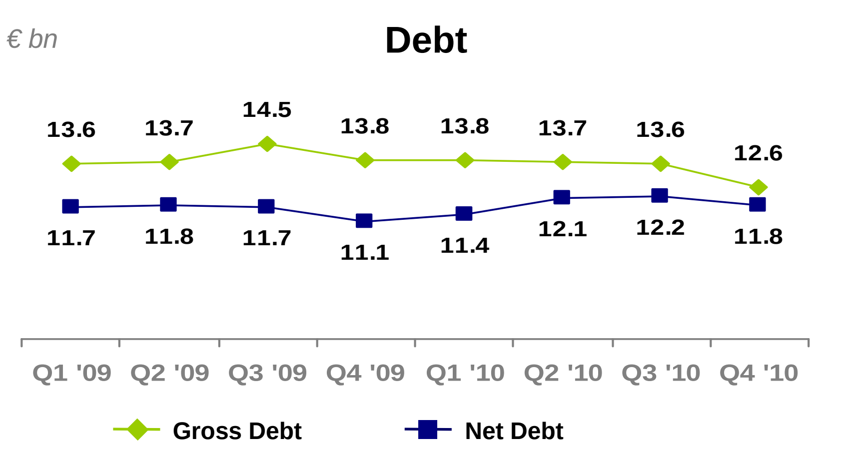


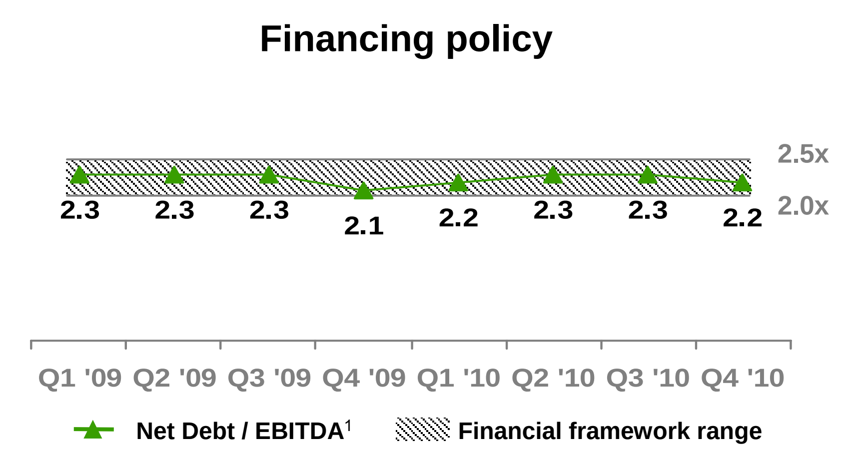


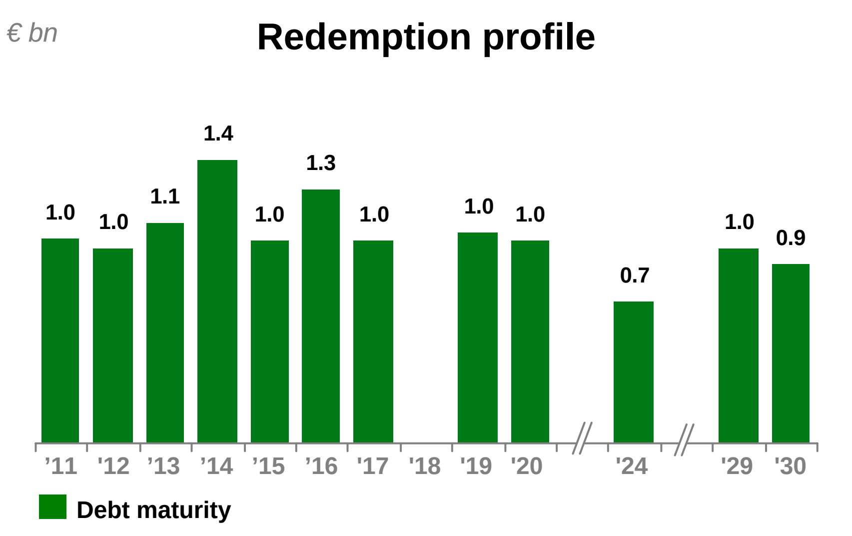
- Significantly higher volumes offset by lower equipment prices
- Stable Capex at Dutch Telco business
  - Central Capex Board in the Netherlands
  - Additional investments in capacity for fixed and mobile networks, IT and customers
- Relatively stable Capex at Mobile International
  - Leveraging assets across markets at Mobile International
- Focus on additional capacity and speed upgrades in fixed and mobile
  - Continued upgrades fixed and mobile in NL
  - Accelerated roll-out of high speed data network in Germany and Belgium

Group financial profile

Solid financial profile with Net debt / EBITDA comfortably within target range







- Net debt / EBITDA comfortably within target range at 2.2x
- Capital market activity in 2010
  - € 1.3bn tender and € 1.0bn new bond issue
  - Redemption of € 0.9bn USD bond in October
- Improved capital structure
  - Smoothed redemption profile with average maturity of 7.4 years
  - Average interest rate at 5.2% in Q4 '10

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

Regulation

Significant MTA reductions implemented across the Group

The Netherlands

- KPN's suspension request has been rejected, Court decision on annulment procedure pending

€ ct / min	Until 7 July	7 July '10	Sep '10	Jan '11	Sep '11	Sep '12
KPN	7.00	5.60	5.60	4.20	2.70	1.20
Vodafone	7.00	5.60	5.60	4.20	2.70	1.20
T-Mobile	8.10	7.10	5.60	4.20	2.70	1.20

Germany

- Preliminary tariffs, final decision in March 2011

€ ct / min	Until 1 Dec '10	1 Dec '10 – 30 Nov '12
E-Plus	7.14	3.33
O2	7.14	3.37
Vodafone	6.59	3.33
T-Mobile	6.59	3.36

Belgium

- KPN has started an annulment procedure and requested suspension of the decision

€ ct / min	Until Aug '10	Aug '10	Jan '11	Jan '12	Jan '13
KPN Group Belgium	11.43	5.68	4.76	2.92	1.08
Mobistar	9.02	4.94	4.17	2.62	1.08
Proximus	7.20	4.52	3.83	2.46	1.08

MTA impact on Group revenues & EBITDA

€ m	2010	2011E	2012E
Revenues	**180**	**~ 500**	**~ 125**
EBITDA	**62**	**~ 200**	**~ 50**

Outlook 2011

Current strategy continued

	Reported 2010	Outlook 2011
EBITDA	€ 5,476m	Growth
Capex	€ 1,809m	< € 2bn
Free cash flow[1]	€ 2,428m	Growth
Dividend per share	€ 0.80	At least € 0.85

- **Outlook 2011 confirmed**
- **New € 1bn share repurchase program for 2011**

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

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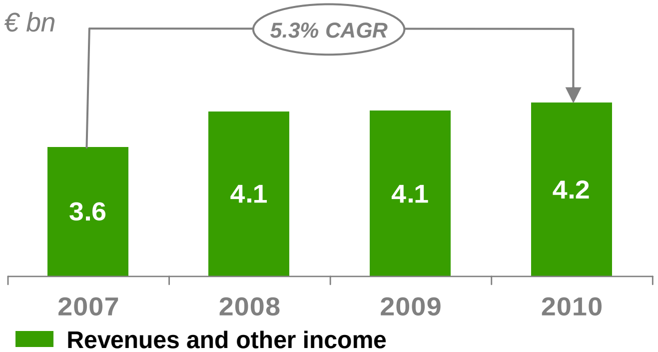
‘Back to Growth’ achievements - Mobile International

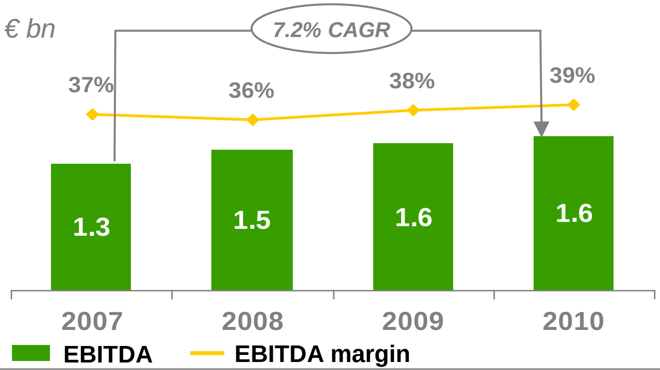
Continued profitable growth, steps taken for further outperformance

Strategic objective: Continued market outperformance and attractive margins

Revenues and other income up € 562m[1]



EBITDA up € 285m with strong margins[1]



Selective expansion in Europe

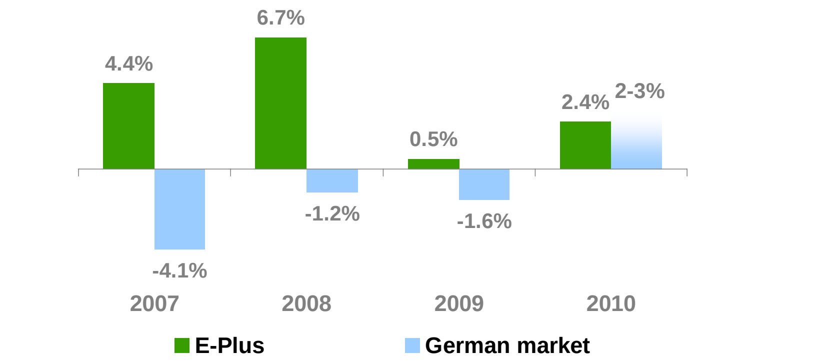
1 Approximations for Mobile International due to different reporting format before 2009

'Back to Growth' achievements - by segment

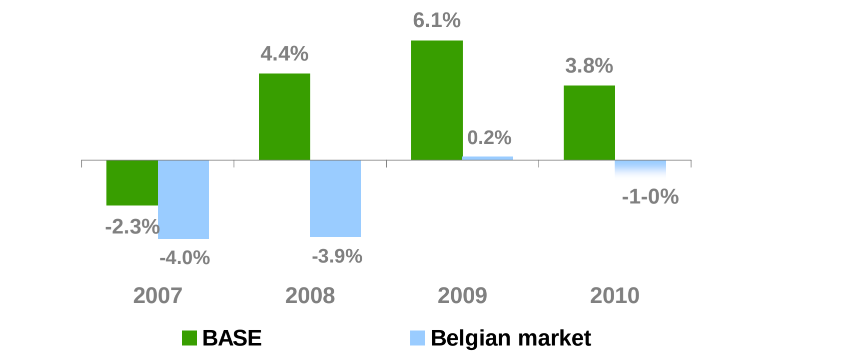
Profitable market outperformance in Germany and Belgium

Strategic objectives: E-Plus outperforming competition in growing German market
Re-igniting growth in Belgium with broader scope

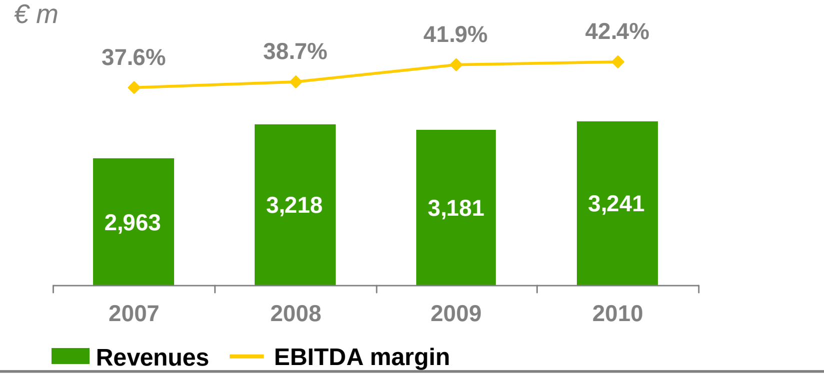
Service revenue growth Germany[1]



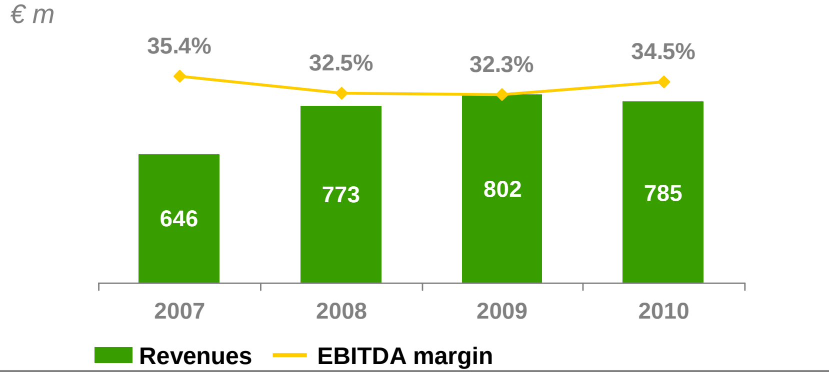
Service revenue growth Belgium[1]



Revenues and EBITDA margin Germany



Revenues and EBITDA margin Belgium

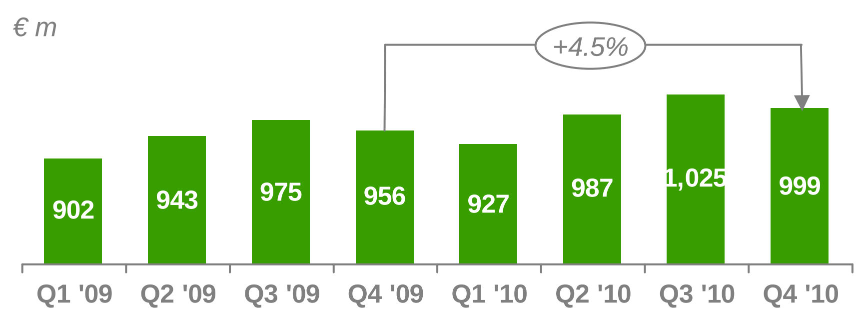


1 Management estimates for market growth

Financial review - Mobile International

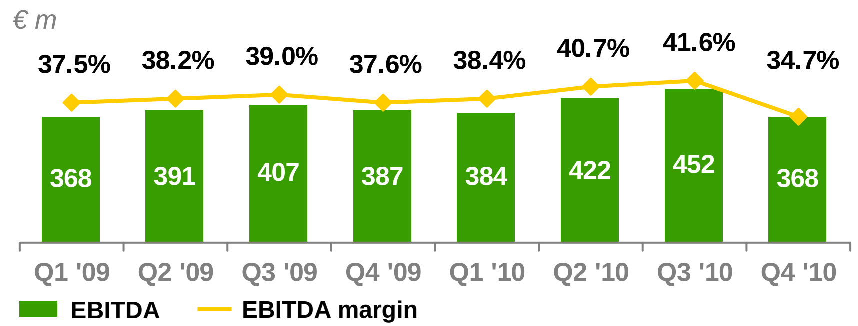
Continued service revenue growth, margin impacted by commercial data launch

Wireless service revenues



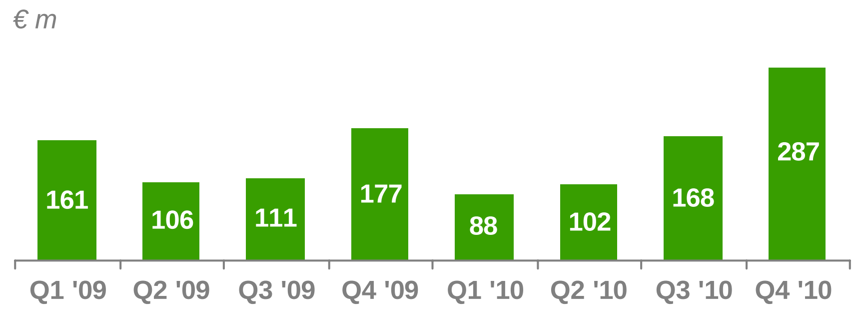
- Q4 service revenues up 4.5% y-on-y
  - Continued growth in Germany
  - Decline in Belgium due to severe MTA impact
  - Continued strong growth in RoW
- € 3,938m service revenues in FY 2010

EBITDA (margin)



- Q4 EBITDA down 4.9% y-on-y, lower margin at 34.7%
  - Severe regulatory impact (€ 26m)
  - Investing in commercial data launch
- Record EBITDA of € 1,626m in FY 2010
  - 4.7% growth in FY 2010 y-on-y

Capex

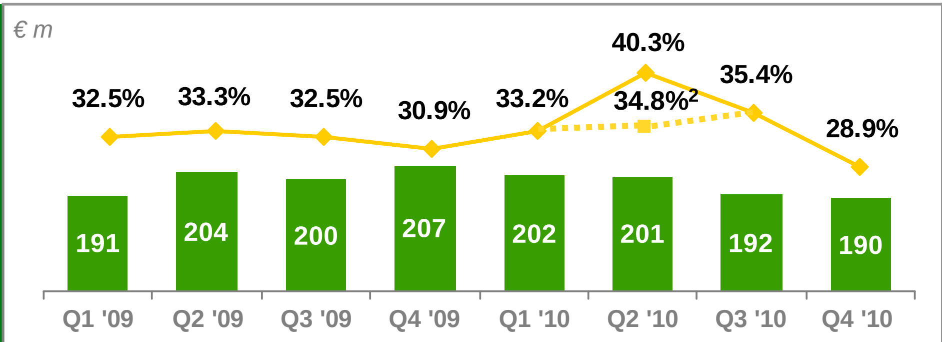


- Higher Capex in Q4 due to phasing in the year
- Total Capex of € 645m in FY 2010
  - Accelerated high speed data network roll-out in H2 in Belgium and Germany
  - Partly offset by improved purchase conditions

Financial review - Mobile International by segment

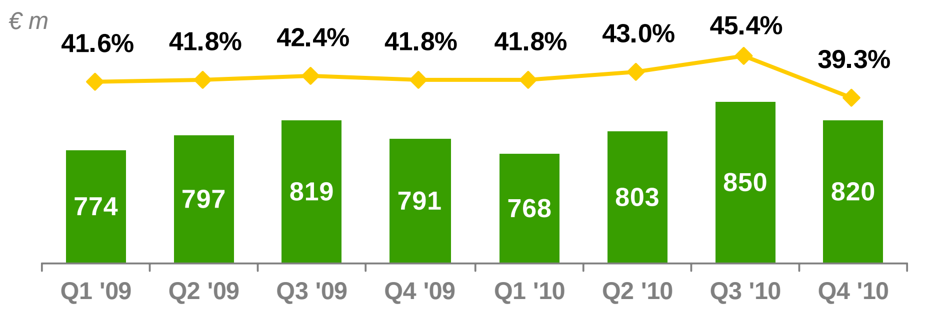
Improving underlying performance, regulation has strong negative impact

Belgium[1]



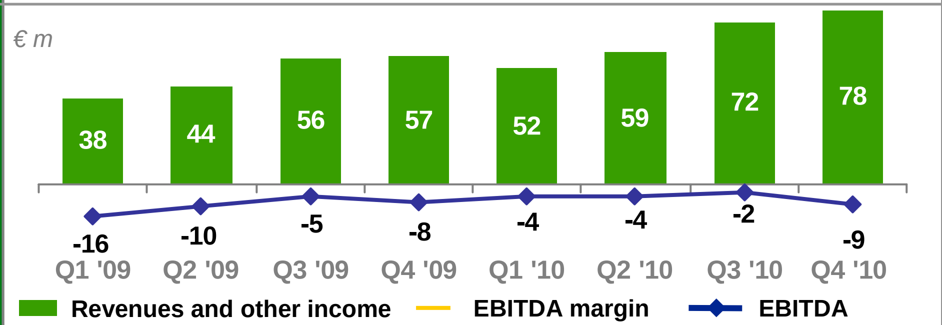
- Q4 service revenues down 2.3% y-on-y due to regulation
- Severe MTA impact of € 18m on service revenues, € 13m on EBITDA
- Divestment of fixed B2B; revenue impact of € 11m, EBITDA € 1m in Q4
- € 4m positive incidental relating to deferred revenues

Germany



- Q4 service revenues up 4.0% y-o-y
- December MTA impact of € 22m on service revenues, € 11m on EBITDA
- EBITDA down 2.7% y-on-y in Q4, lower margin at 39.3%, impacted by commercial mobile data launch and MTA
- Record EBITDA of € 1,374m in FY 2010

Rest of World[3]

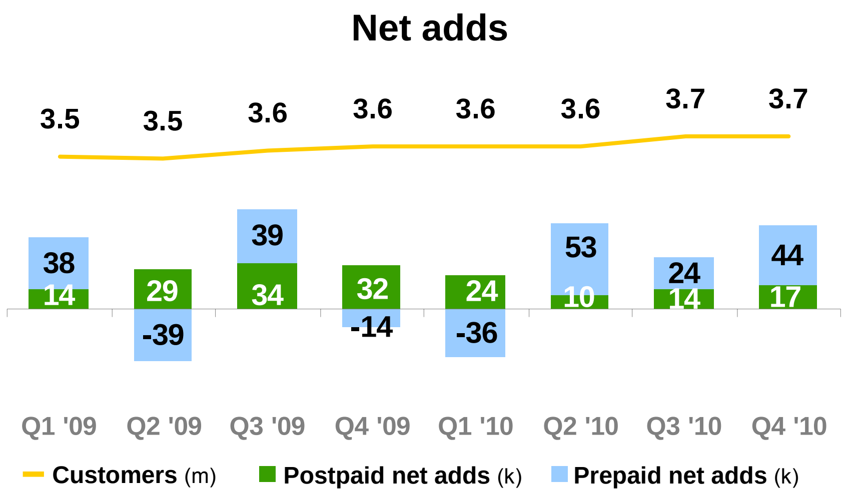


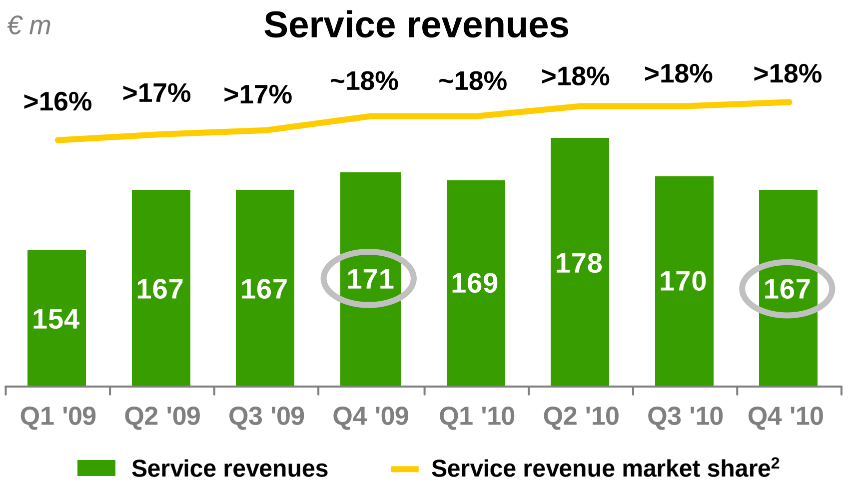
- External revenues up 37% y-on-y in Q4 with Spain, France and Ortel contributing
- EBITDA in Q4 impacted by footprint expansion of Ortel into Spain

1 Including fixed Belgian B2B and Carrier business, including the fiber network; divested per 31 March 2010
2 Normalized EBITDA margin, excluding one-off release of € 11m
3 External revenues

Operating review - Belgium[1]

Service revenues down due to regulation, underlying growth of 5.8% y-on-y



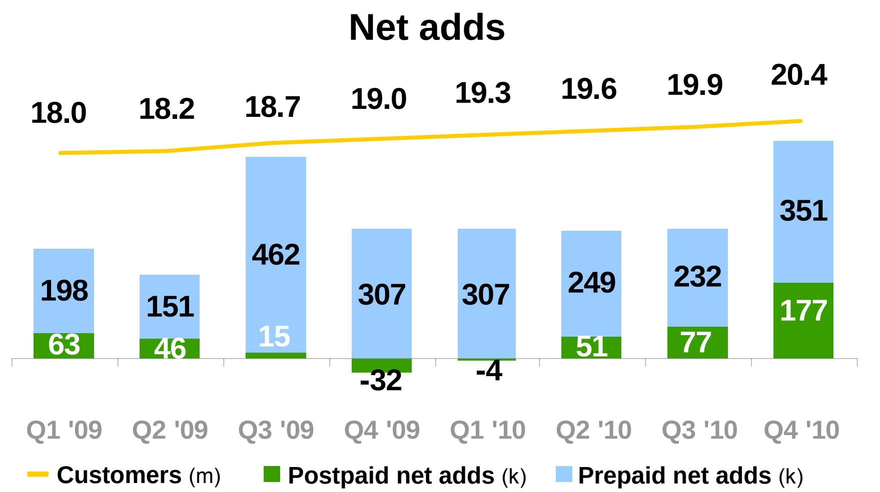


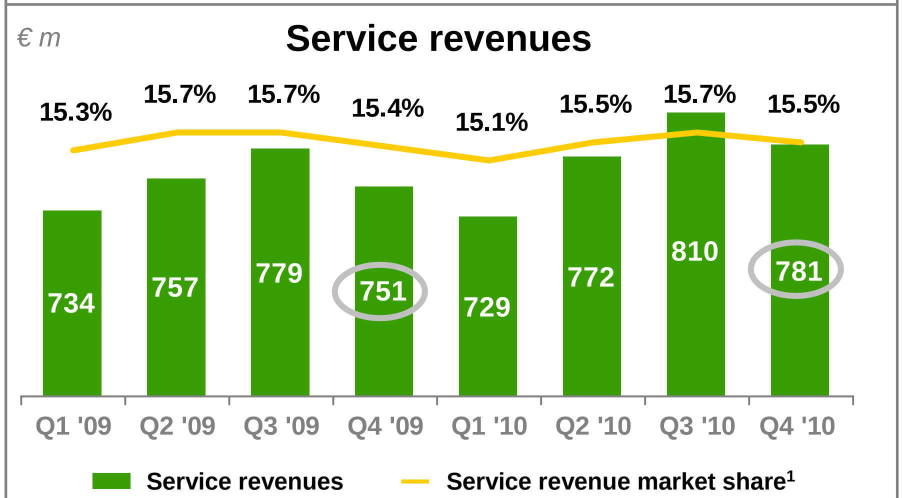
- Growing customer base through good performance of simplified BASE proposition
- Commercial mobile data launch in key regions
  - Supported by new transparent pricing
  - Initial demand for data bundles promising
- Q4 service revenues down 2.3% y-on-y
  - Negatively impacted by regulation (€ 17m), positively impacted by € 4m incidental
- Underlying service revenue growth of 5.8% y-on-y in Q4
  - Regional focus with increasing number of shops
  - Good take-up of flat fee bundles
- EBITDA down 14% y-on-y in Q4 to € 55m
  - Severe MTA impact of € 13m
- FY 2010 EBITDA was € 271m, up 4.6% y-on-y

1 Wireless services only
2 Management estimates

Operating review - Germany

Increased underlying service revenue growth of 6.1% driven by strong postpaid



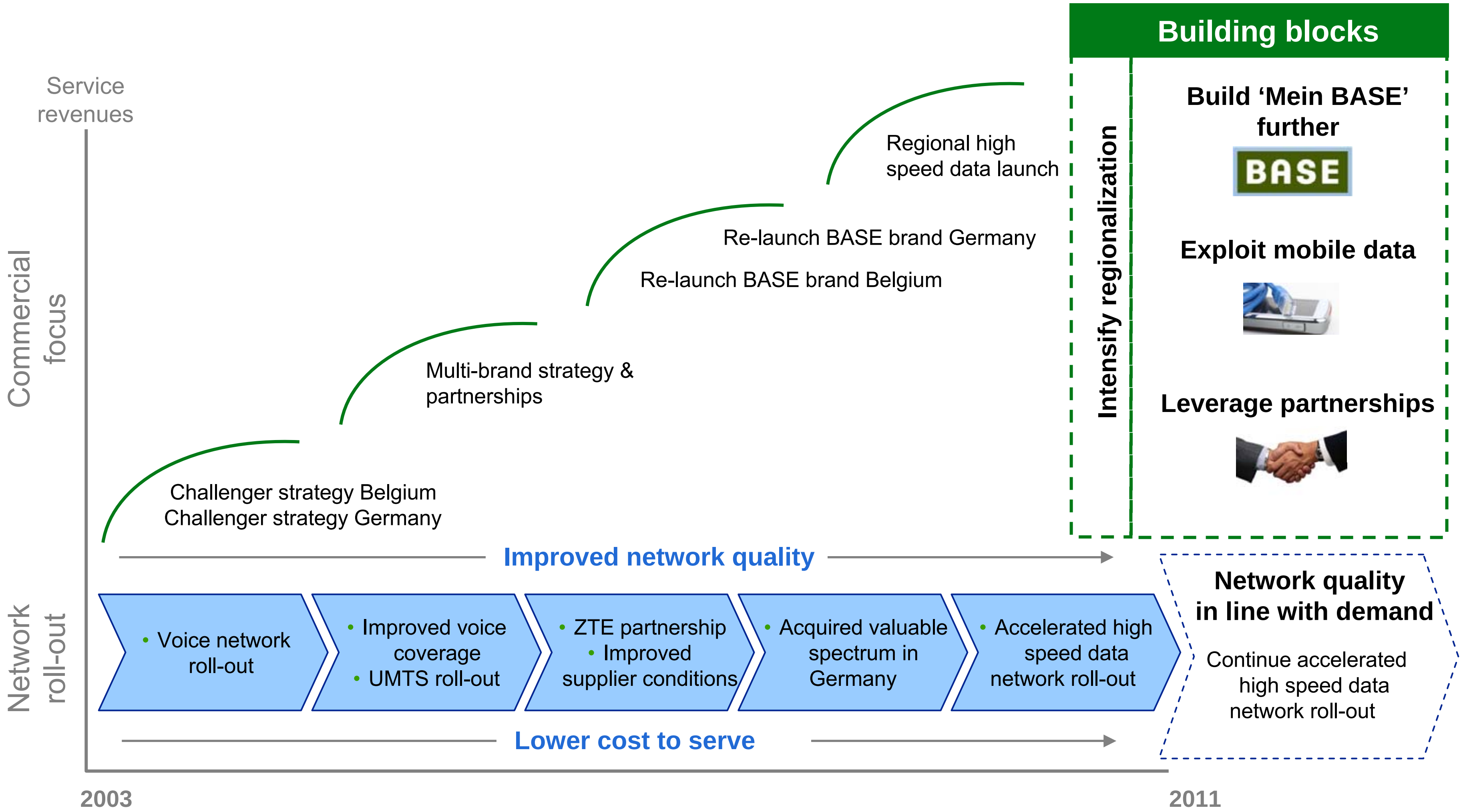


- Very strong postpaid net adds (177k), total customer base passing 20 million milestone
  - Regional focus and strong captive channel performance
  - Good performance of wholesale partnerships
- Launch of ‘value for money’ data propositions in 9 urban areas
  - Initial take-up of data bundles promising, >35% of Mein BASE adds take data bundle as part of promotion
- Improved service revenue growth, up 4.0% y-on-y
  - Impacted by MTA (€ 22m), roaming (€ 4m) and Multiconnect[2] (+€ 12m)
  - Underlying growth of 6.1% y-on-y
- Good underlying trend expected to continue in next quarters
- EBITDA margin at 39.3%, impacted by commercial mobile data launch and MTA
- Record EBITDA in FY 2010 of € 1,374m, up 3.1% y-on-y

1 Management estimates, based on service revenues
2 Former part of SNT Germany

Mobile International - Challenger strategy

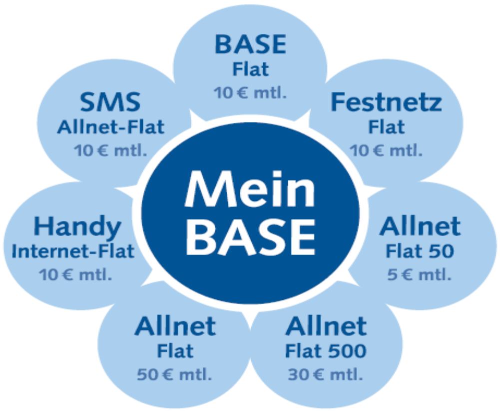
Key building blocks in place for continued profitable growth



Branding & distribution

Innovative brand strategy with focus on successful flagship brand - BASE

'Mein BASE' proposition

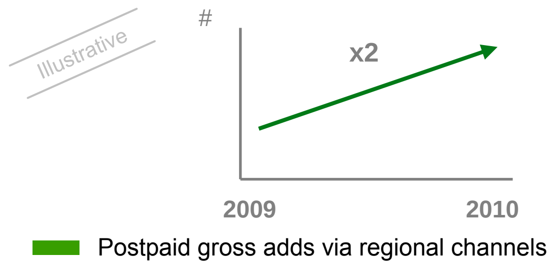


- Successful re-launch in Germany in February 2010
- Simple concept, transparent propositions
  - Mix, add, drop, switch rates at any time
  - Free community minutes & sms included
- Brand awareness significantly improved

BASE re-launch in Germany key driver of strong postpaid net adds

Distribution & wholesale

- Successful regional focus
  - Regional organization drives local strategy execution
  - Capturing remaining fixed to mobile substitution opportunity in regions with low market share
  - Distribution strategy in line with market position
- Regional captive channels performing strongly



- Undisputed leader in wholesale
  - Wholesale partnerships performing strongly

MEDION® ADAC

Network roll-out

Network quality in line with increasing customer demand for data

Principles & building blocks

- Investment principles

Timed investments **Proven technology**

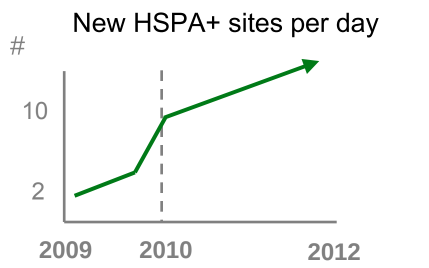
Lower risk **Lower cost**

- Regionalization strategy drives network roll-out

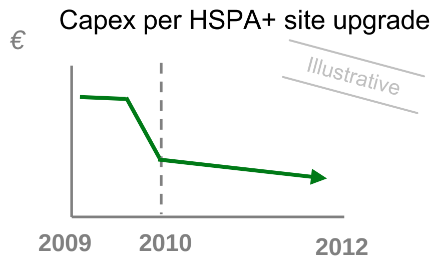
21.6 Mbit/s	→ Selected urban areas
3.6 Mbit/s	→ Major cities and regions
1.8 Mbit/s HSPA	
240 kbit/s EDGE	→ National coverage

- Multiple roll-out partners
  - Alcatel-Lucent doubling production lines
  - ZTE equipment roll-out on track with good results

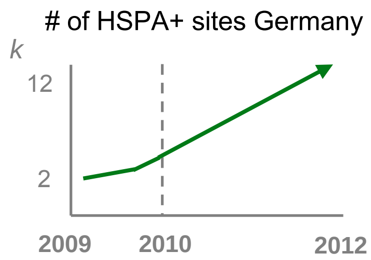
Objectives



Increasing speed of network roll-out due to multiple roll-out partners



Lower cost through leveraging partnerships and timed investments



Upgraded network to meet demand for high speed data

German spectrum

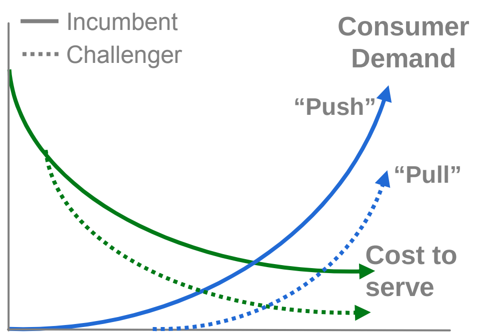
	Standard	Device availability	Spectrum E-Plus	Use	Opportunity
900MHz Paired		Handsets Dongles	1 block 2x5	GSM voice	• UMTS in white spots
1.8GHz Paired	Worldwide	Handsets Dongles	4 blocks 2x5 1 blocks 2x7.4	GSM 1800 / Trials LTE	• Preferred option to roll out LTE on coverage using existing grid
2.1GHz Paired	Worldwide	Handsets Dongles	4 blocks 2x5	UMTS 2100	• Highest HSPA+ capacity in Germany • Possibility to upgrade HSPA+ network to LTE over time
2.1GHz Unpaired			1 block 1x5		
2.6GHz Paired	Worldwide	Dongles	2 blocks 2x5	Trials LTE	• Two capacity blocks for LTE in hotspots
2.6GHz Unpaired			2 blocks 1x5	Trials LTE	• Flexibility for e.g. capacity, femtocell

With 10 worldwide standard blocks E-Plus has ample capacity to meet future data demand

Mobile data opportunity

Extending successful Challenger strategy into mobile data

Principles



- Lowest cost to serve is key enabler to offer low cost mobile data
- Timely data roll-out in line with consumer demand
- National data coverage with high speed data in target regions

Key building blocks

Network

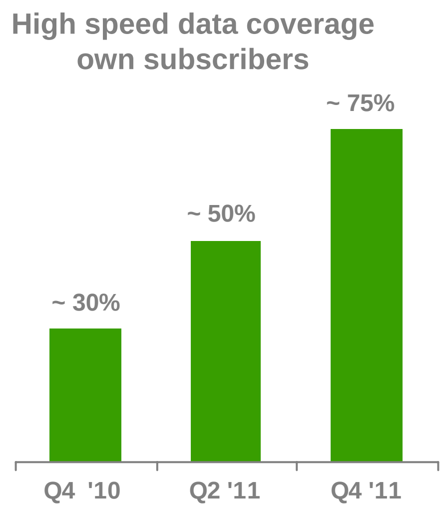
- Network quality in line with demand, meeting regional uptake of high speed data

Partnerships

- Partnerships for network roll-out, distribution and smartphones

Regional high speed data launch

- High speed data available in 9 selected urban areas since November 2010



- **Next 12 urban areas live in Q1 2011**
- **Clear plans for subsequent quarters**
- **Expected coverage of ~75% of own subscribers at year end 2011**

Mobile data opportunity (cont'd)

Unique proposition to target 'value for money' data market segment

Proposition

- Transparent 'value for money' propositions with data option
- High awareness through own shops and regional marketing

Partnerships

MEDION® ADAC Allo RTL

- Leverage wholesale partnerships to target mass market (e.g. Aldi/Medion, ADAC, RTL)
- Unique opportunity in prepaid data

Smartphone penetration

- Bundle of selected smartphones with internet flat inclusive making data accessible to mass market

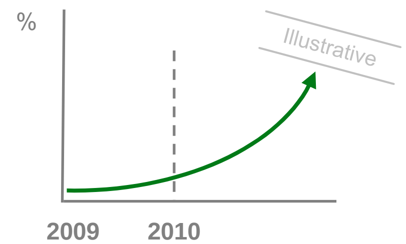
Base Lutea
€ 14 per month
24 month contract
200Mb high speed data, unlimited GPRS

Nokia 5230
€ 11 per month
24 month contract
200Mb high speed data, unlimited GPRS

- Low cost private label BASE smartphone, leveraging partnerships

Mobile data opportunity

Smartphone penetration to drive data uptake

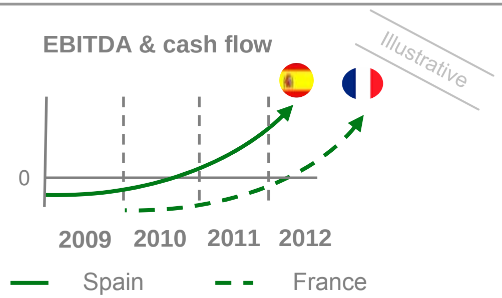
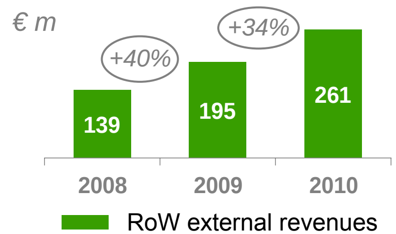


- ~30% of new subs take smartphone
- >35% of new subs take data subscription vs. < 20% before Q4 '10

Significantly increase data market share from current mid-single digit percentage to fair share

Rest of World

Strong top line growth, Spain EBITDA & cash flow positive

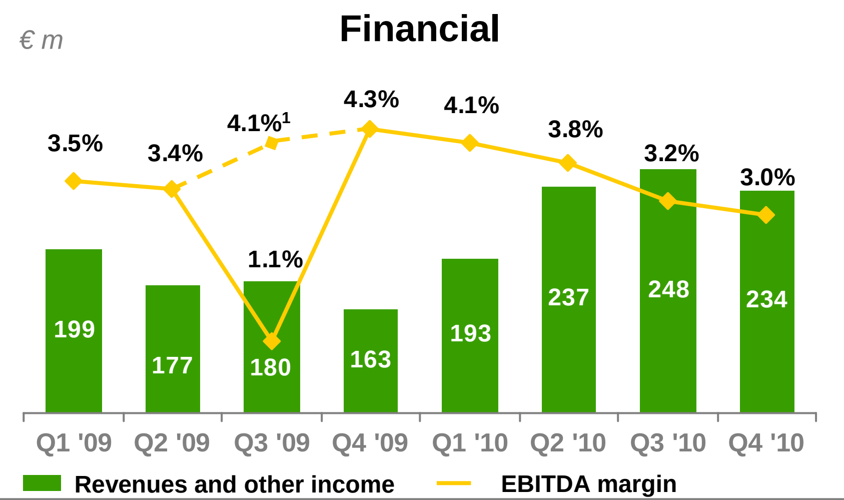
	Spain & France		Ortel
Objectives	• Scaling up brands, targeting selective segments, build partnerships • Ongoing cost reductions / process optimization • Spain cash flow positive in 2010, France expected in 2012		• Acquisition of remaining 35%, current strategy continued • Expansion to new markets
Achieved		• Improved host conditions • Increasing postpaid sales trend in Spain, total customers at ~400k • Strong growth in France driven by Ortel and Simyo, total customers at ~400k	• Full ownership Ortel • Successful expansion to France & Spain • Focused execution leading to strong revenue growth & improved profitability in core markets
Revenues		• Top line growth in 2010 predominantly fuelled by revenue inflection at Ortel after gaining full ownership	

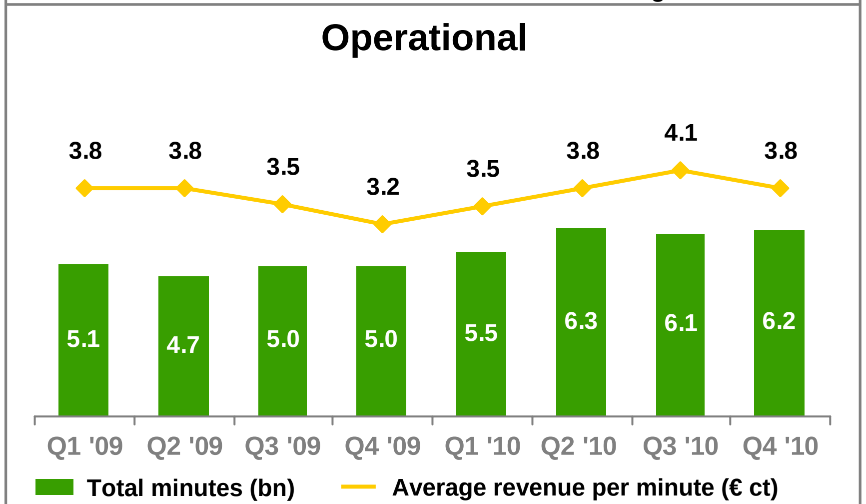
Going forward

- Leverage new MVNE platform, lower cost to serve and shorter time-to-market
- Target new partnerships
- Reinvest cost savings to further drive top line growth

Operating review - iBasis

Structurally higher revenues and improved market share





- Focus on balancing revenue growth with profitability
  - Q4 revenues up 44% y-on-y to € 234m, of which ~7% positive currency effect
  - EBITDA margin of 3.0%
  - FY '10 EBITDA margin of 3.5%; EBITDA increased to € 32m, up € 10m y-on-y
- Sustainable improvement since full takeover
  - Structurally higher revenues since Q1 '10 with sustainable profitability levels
- Market share improvement in 2010
  - Market outperformance in minutes growth
  - Average revenue per minute increased y-on-y
- Reinforced position within top 5 of the international voice traffic market

1 Normalized EBITDA margin excl. one-off costs

Agenda

Chairman's review	Ad Scheepbouwer
Group finance	Carla Smits-Nusteling
International	Eelco Blok
Dutch Telco	Baptiest Coopmans
Getronics	Ad Scheepbouwer
Concluding remarks	Ad Scheepbouwer

‘Back to Growth’ objectives - Dutch Telco

Leading service provider, reaching EBITDA inflection

Dutch Telco

- Ramping up new services
- Radical simplification
- Best-in-class operator
- Cost reductions

Consumer

- Strengthen position as leading Consumer service provider
- Market share growth in broadband and strengthening wireless
- Reach EBITDA inflection

Business

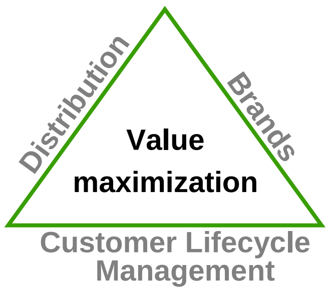
- Leading infrastructure and managed ICT supplier
- Preferred Business market supplier
- Growth with best-in-class margins

Wholesale & Operations

- Best-in-class network operator with very high productivity
- Network migration to IP
- Growing wholesale business

‘Back to Growth’ strategies - Dutch Telco

Manage for value



- Multi-brand, multi-proposition and national distribution network

Grow mobile data


- Monetize mobile data growth
- Focus on smartphone segment

Targeting single access



- Multi-play, TV is key
- Digitenne, IPTV on copper
- Fiber triple-play

Leverage Telco & ICT


- Leverage leading Telco & ICT position
- Increase share of wallet
- Migration to IP-based services

Have best networks

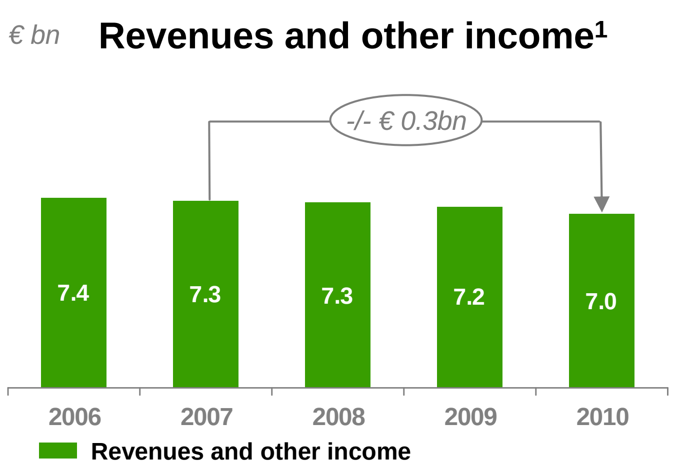

- VDSL upgrade
- Regional roll-out of fiber
- High quality mobile network, currently up to 14.4Mb/s
- LTE trials, up to 100Mb/s

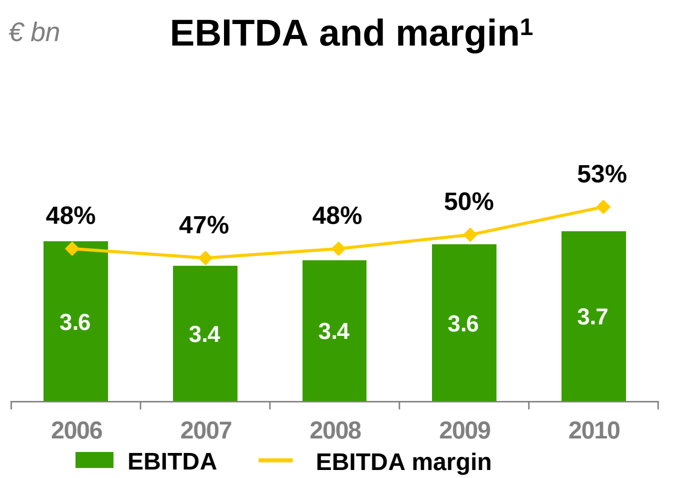
Lowest cost


- Simplification & ‘First time right’
- Cost reductions whilst investing in new services

‘Back to Growth’ achievements - Dutch Telco

Strong profitability growth





“Target EBITDA floor of € 3.4bn for 2008, followed by growth in 2009 – 2010”

- Focus has been on EBITDA, FCF and market shares
  - Revenues declined due to economic downturn and regulation
  - Strong cost focus embedded in programs
  - Overall market shares maintained
- EBITDA returned to growth
  - Revenue pressure mitigated by cost reductions
  - Maximizing market value and customer value
  - Strong EBITDA margin increase, up 6%-points since 2007

1 Approximations for Dutch Telco business, due to different reporting format before 2008

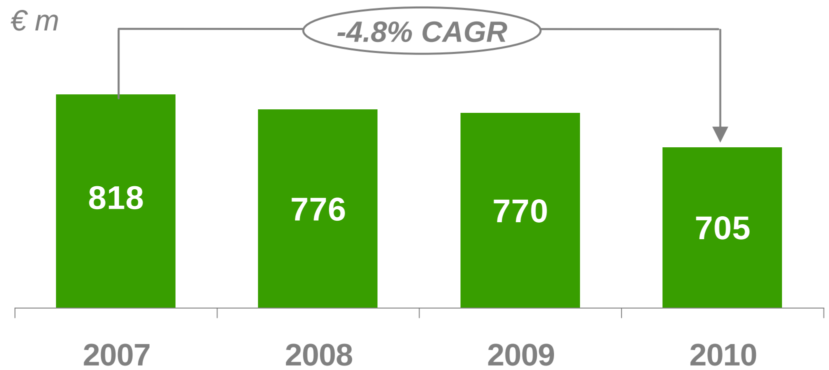
‘Back to Growth’ achievements (cont’d)

Substantial FTE[1] reductions achieved

Objectives	Achievements
Reduction permanent staff[1]	**Reduction permanent staff[1]**
• Target 2005-2010: ~10,000 FTE	• Achieved 2005-2010: 9,385 FTE
– Target 2008-2010: 4,500 FTE	– Achieved 2008-2010: 3,973 FTE
Reduction temporary staff	**Reduction temporary staff**
• Target 2008-2010: 1,300 FTE	• Achieved 2008-2010: ~2,400 FTE

Considerably lower personnel costs[2]

Dutch Telco annual personnel costs[2] decreased € 113m during 2008-2010



1 In the Netherlands, excluding Getronics and iBasis
2 Excluding temporary staff

‘Back to Growth’ achievements (cont’d)

Cost reduction programs embedded in organization

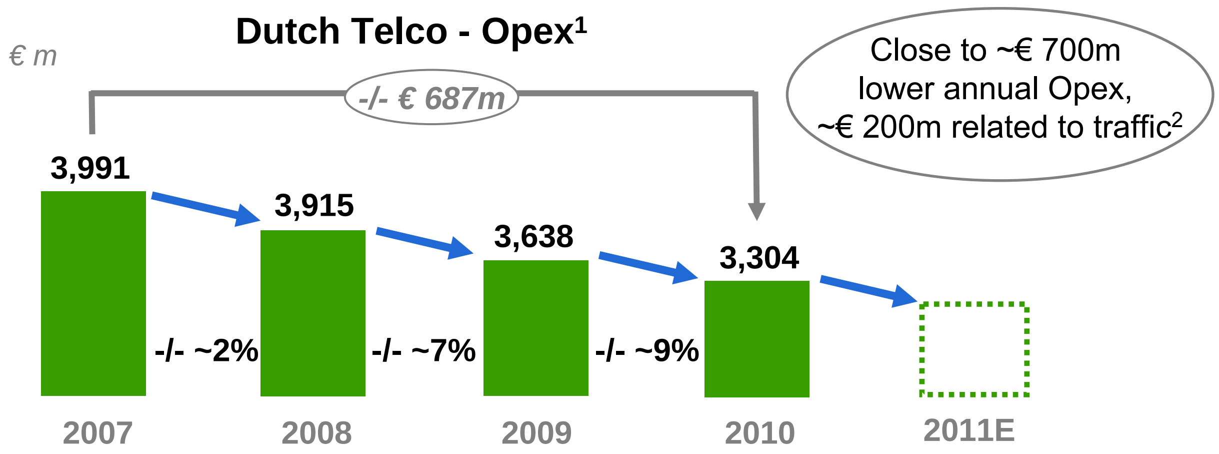
Cost scrutiny continues

Quality focus leading to additional cost measures

- Service quality improvement programs; First Time Right & Zero waste
- Centralization of e.g. Shared services, Finance

Various new cost reduction areas

- Rationalization of billing systems landscape
- Service delivery streets
- Operating costs TI platforms



Procurement costs down

- Next discount wave, leverage scope in growth areas
- Combined purchasing of Dutch Telco and Mobile International
  - E.g. Network organizations

Simplifying organization

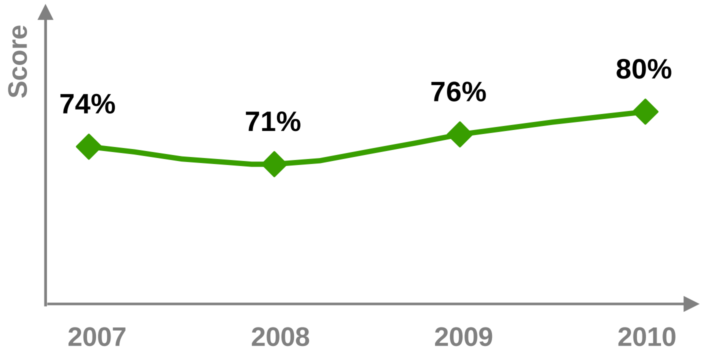
- Redesign process of Innovation, Product- and Project management

1 Excluding depreciation and amortization
2 External traffic costs

‘Back to Growth’ achievements (cont’d)

Employee engagement & customer satisfaction up, social responsibility improving

Employee engagement rising



- Employee engagement improving strongly
- Significantly more support for KPN’s values and business objectives

Customer satisfaction increasing

- Customer satisfaction has increased during ‘Back to Growth’ strategy
  - Score is satisfactory but should further increase over the coming years
  - Net Promoter Score introduced and implemented

Corporate social responsibility improving

New way of working

- Facilitate people to improve work-life balance

  - 10,000 KPN employees Telework enabled
  - Getronics campaign rolled out

Responsible energy use

- Reduce the use of fossil fuels

  - 75% Green Power in The Netherlands
  - Energy reduction program on track
  - E-Plus partnering with NaturSchutzbund Deutschland

DJ Sustainability Index & transparency

- Enlisted in the Dow Jones Sustainability Index from September ’10
- No. 1 in transparency benchmark of Ministry of Economic Affairs

‘Back to Growth’ achievements - Consumer

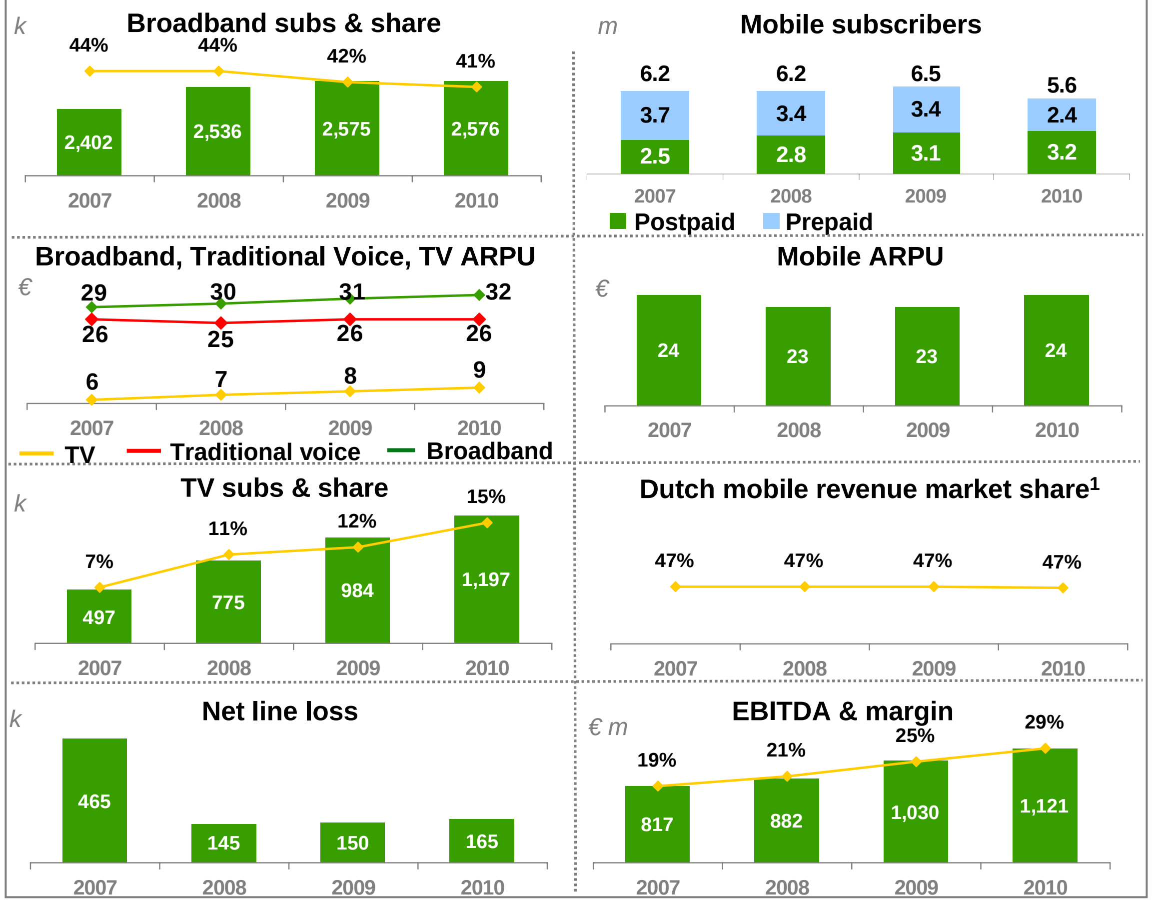
Managing for value resulted in stable ARPUs & strongly improved profitability

Strategic objective: Leading service provider with wireless growth and without line loss

‘Back to Growth’ strategy

- **Strengthen position as leading consumer service provider**
- **Market share growth in broadband and strengthening wireless**
- **Reach inflection in EBITDA**

Achievements



1 Management estimates

‘Back to Growth’ achievements - Business

Leading and preferred business market supplier, but pressure on revenues

Strategic objective: Leading managed ICT service provider in the Netherlands

‘Back to Growth’ strategy

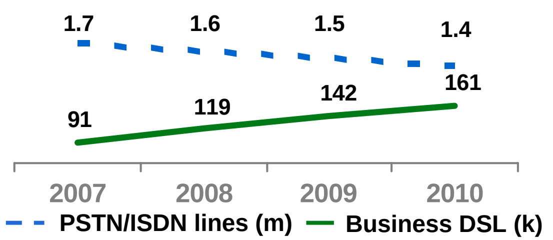
Leading managed ICT service provider

Preferred supplier for business market

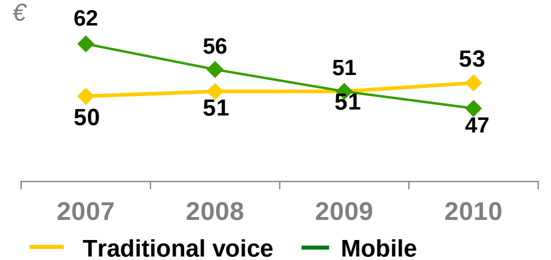
Revenue growth with best-in-class margins

Achievements

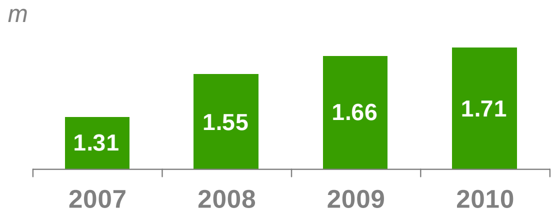
Voice / internet connections



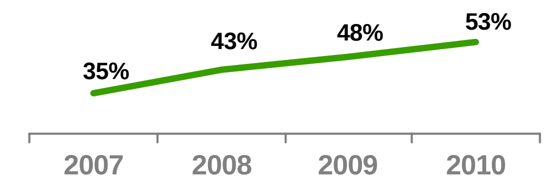
Traditional voice / Mobile ARPU



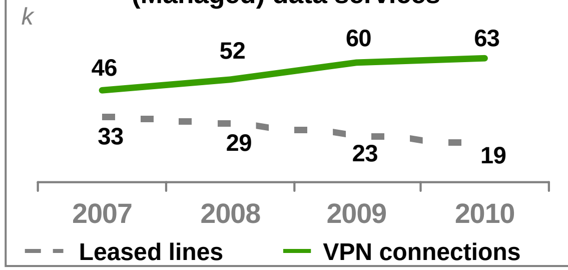
Mobile subscribers



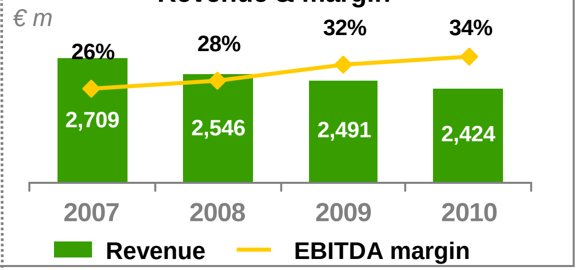
Mobile subscribers using data



(Managed) data services



Revenue & margin[1]



1 Approximation for Business segment, due to different reporting format before 2008

'Back to Growth' achievements - Wholesale & Operations

Strategic objective: Network transformation, higher bandwidth and radical cost reduction

'Back to Growth' strategy

Best-in-class network operator with very high productivity

Network based on IP

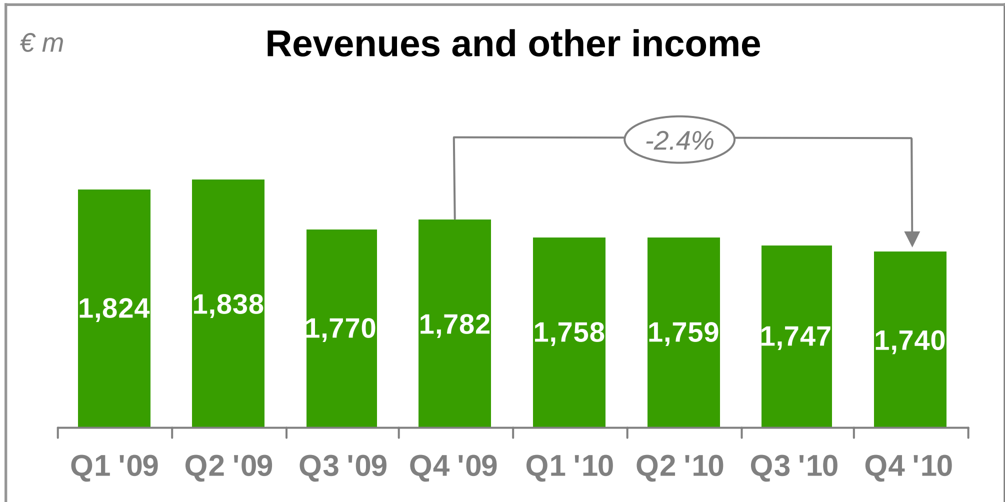
Growing wholesale business

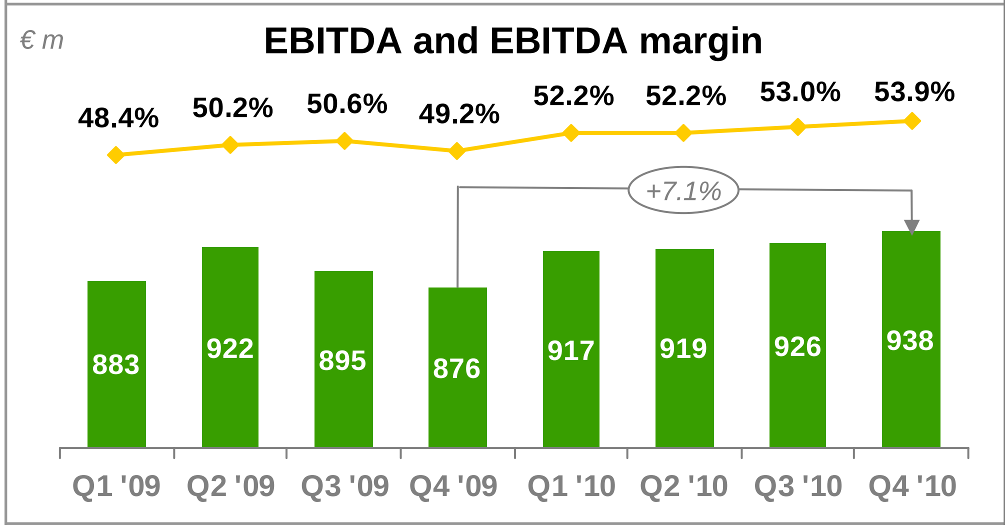
Achievements

- Best-in-class mobile network in the Netherlands
  - Highest quality based on all metrics
  - Close to 60% of UMTS base stations connected to fiber at YE 2010
  - LTE trials in progress
- Upgraded fixed network with mix of technologies
  - Core network completely fiber
  - Continuing VDSL network upgrades
  - Roll-out of FttH in selective areas
- Revenues under pressure due to decline in traditional services and regulation
- Cost reductions compensate for revenue pressure
  - Driven by simplification, lower procurement costs and selective centralization
  - Margin up from 59% in 2007 to 61% in 2010

Financial review - Dutch Telco

Continued increase in profitability



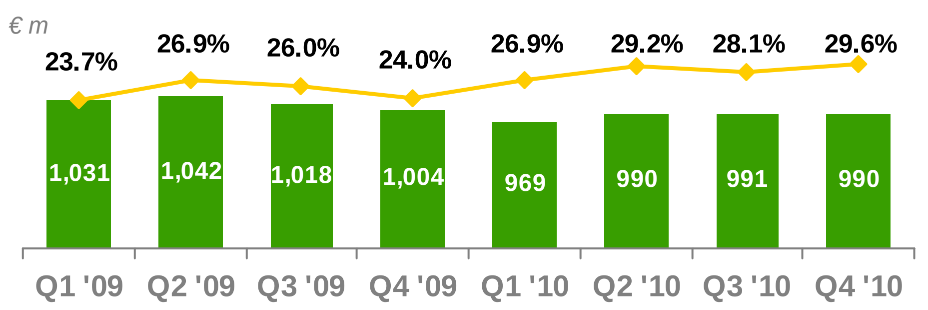


- Revenues and other income down 2.4% y-on-y in Q4 '10
  - Continued pressure on traditional businesses
  - Consumer revenue trend improving
  - ~1.7% impact from regulation
  - € 11m positive impact from incidentals
- EBITDA up 7.1% y-on-y in Q4 '10
  - Focus on market and customer value
  - Best-in-class benchmarking
  - € 15m positive impact from incidentals

Financial review - Dutch Telco by segment

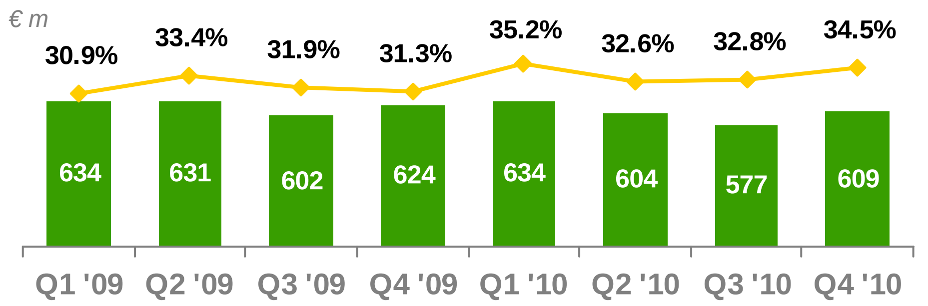
All segments contributing to healthy profitability

Consumer



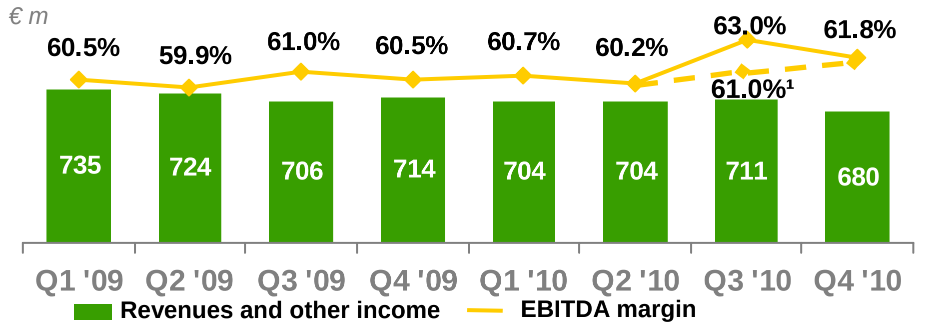
- Improving revenue trend due to wireless services, despite regulation impact
- Solid profitability, positive impact from € 5m release of provision

Business



- Ongoing revenue pressure from economic circumstances, competition and regulation
- Good profitability supported by ~€ 10m net positive incidentals on revenue and EBITDA

W&O (national)



- Underlying revenue decline stable, EBITDA margin up
  - Ongoing decline traditional business
  - ~1.4% revenue impact from regulation

1 EBITDA margin excluding mobile towers sale

Operating review - Consumer wireless[1]

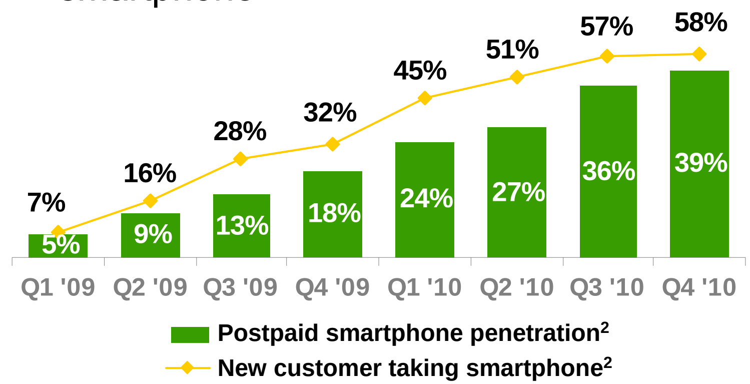
Market position supported by mobile data growth

Positive developments in Q4

- Commercial efforts back to normal after marketing push in Q3
- Q4 showed good performance
  - High value postpaid net adds of 22k, iPhone 4 launch
  - ARPU stable at € 25
  - SAC under control despite iPhone launch
- National distribution footprint realized
  - All 52 *t for telecom* shops rebranded
  - Total # of shops increased to 213

Successful focus on mobile data

- iPhone 4 launched end November '10
- Continued focus on tiered pricing
  - Moving from flat fee to volume based pricing
  - Introduced tiered pricing in Q4 '10, fully applied across whole portfolio in mid 2011
- Non-voice as % of ARPU at 35% in Q4
- 45% of postpaid customers[2] have a data product in Q4
- 39% of postpaid customers[2] have a smartphone[3]

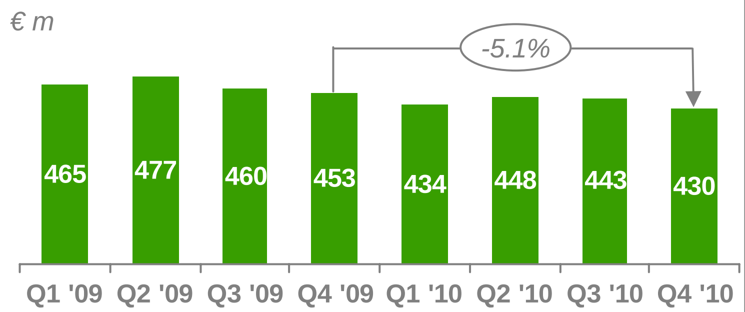


1 Excluding Mobile Wholesale NL
2 Consumer postpaid customers exclude SIM only. Q4 '10 based on October and November data only
3 Smartphone definition based on GfK

Operating review - Consumer wireless[1] (cont'd)

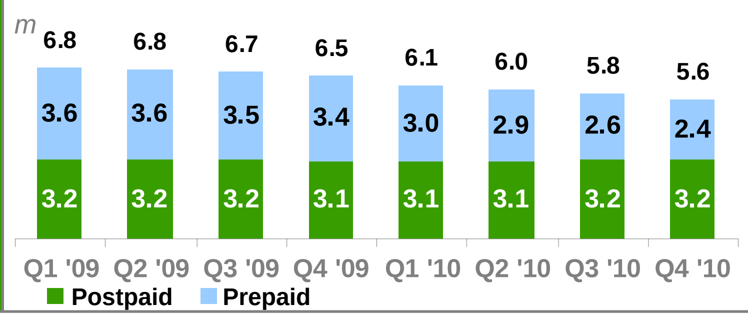
Continued focus on high value customers

Service revenues



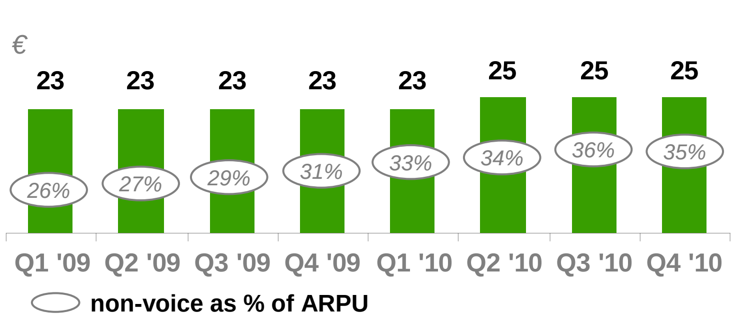
- Service revenues down 5.1% y-on-y
  - ~3% impact from regulation
  - Lower customer base due to value focus
  - Some price pressure at value for money segment
- Positive impact from continued data growth

Customer base



- 22k postpaid net adds, iPhone 4 launch contributing
- Ongoing shift to higher value customers
  - Prepaid customer base decline

ARPU



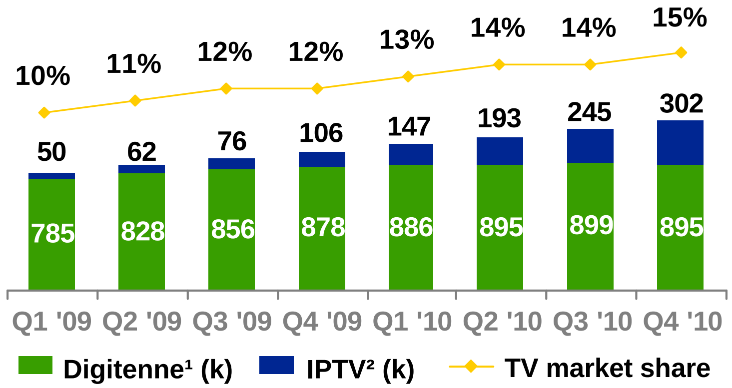
- ARPU stable q-on-q at € 25
  - Focus on high value customers, including data
  - Mix effect due to lower prepaid customer base
- 35% of ARPU is non-voice

1 Excluding Mobile Wholesale NL

Operating review - Consumer wireline

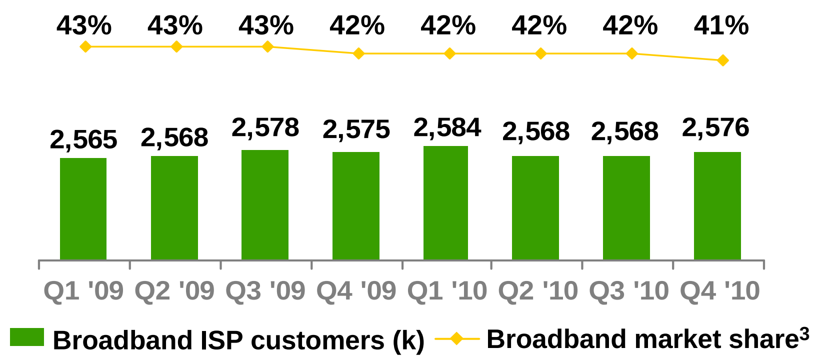
IPTV growth continues, slight erosion broadband share with stable customer base

Positive developments in Q4



- Solid growth IPTV
  - IPTV adds of ~5k per week in Q4
  - ~50% new subs are new broadband customers, ~80% take a triple play package
- Stable Digitenne base and ~60k IPTV net adds lead to increasing TV market share, up 3%-points to 15% at YE ’10

Broadband customer base stable



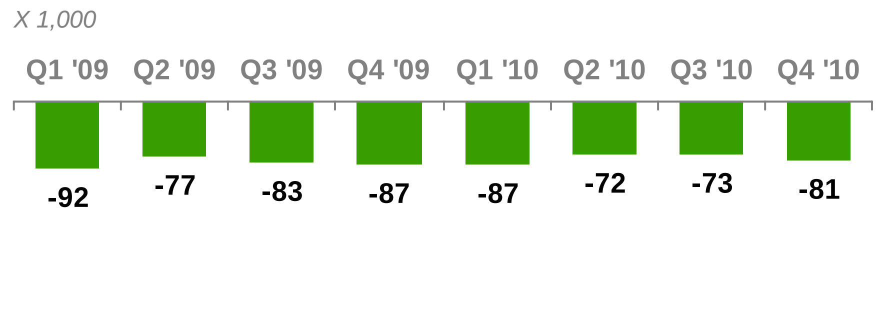
- Slight erosion broadband share, customer base stable
  - IPTV supports broadband base
  - VDSL upgrade matching customer needs
  - Fiber roll-out continues, securing long-term position
- Q4 market share impacted by revision of total broadband market size[3]
- Net line loss at manageable normalized level of 35k[4]

1 Digitenne used as primary TV connection
2 Including FttH IPTV
3 Market share 41% impacted by better insights (of Telecompaper) on size of broadband market, leading to lower (0.4%) KPN share
4 Q4 ’10 line loss of 50k includes 15k clean up; similar as in Q4 ’08 with 20k positive one-off line loss

Operating review - Consumer wireline (cont'd)

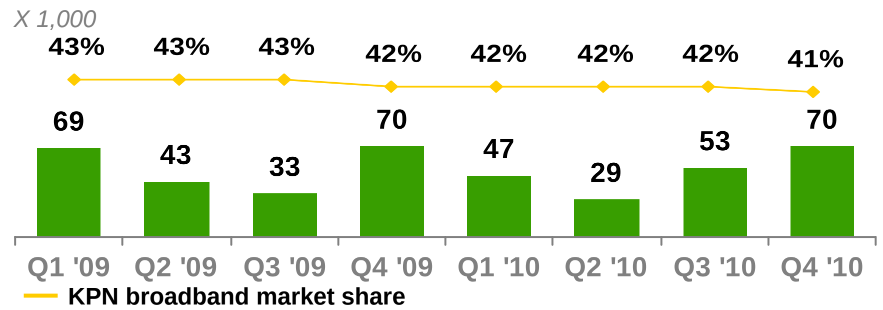
Net line loss remains at manageable level in Q4

PSTN/ISDN loss



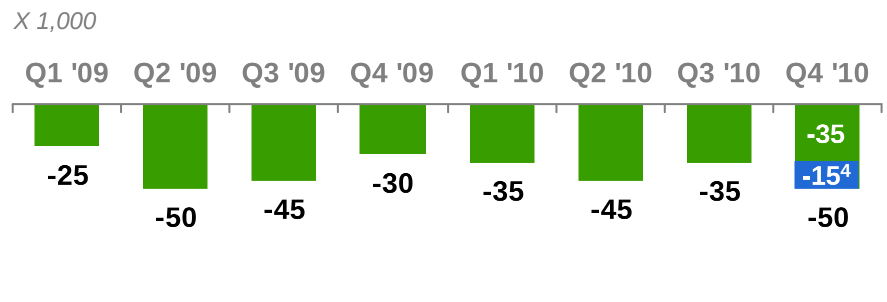
- PSTN/ISDN line loss stable
- Outflow to cable remains in line with previous quarters
- Success of retention offers continues

Broadband market growth[2]



- Broadband market growth supported by fiber roll-out
- Market growth is including one-off correction[1] on BB market size

Net line loss[3]



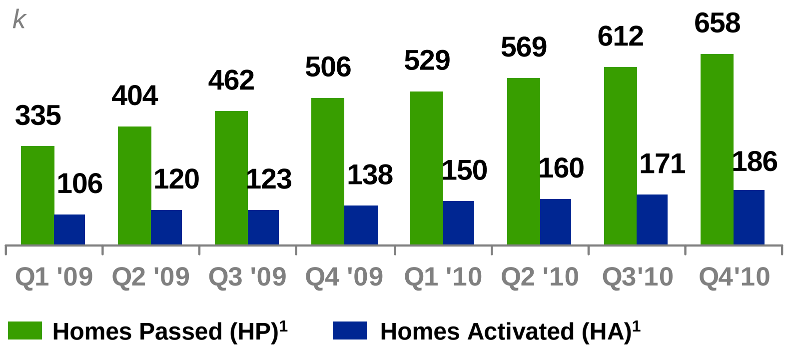
- Net line loss at manageable levels
- Positive contribution from IPTV
- Improving fiber sales, activations in progress

1 Source: Telecompaper, total broadband market including fiber adjusted upwards in Q4 due to better insights
2 Source: Telecompaper, management estimates for Q4 '10
3 Quarterly delta in PSTN/ISDN access lines + delta Consumer VoIP, ADSL Only and delta Consumer Fiber
4 Q4 '10 line loss of 50k includes 15k clean up; similar as in Q4 '08 with 20k positive one-off line loss

Fiber-to-the-Home

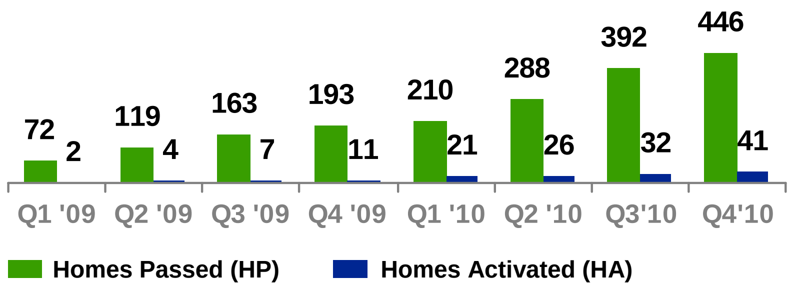
FttH activations take time, ambition of 250k HA by 2012

Reggefiber JV activations in progress



- 658k HP in Reggefiber JV, of which 186k HA
  - Other ISPs have reached ~145k HA
  - Increasing penetration of HA takes time
- Target of 1.1-1.3m HP by 2012 with estimated € 1,000 Capex per home
  - Roll-out of 250-300k per year leading to € 250-300m annual Capex

KPN active on larger part of JV base



- KPN service provider on 446k HP with 41k HA
  - KPN gradually expanding service provider areas
- Increasing penetration of HA takes time
  - Time lag between customer order and actual activations
  - Demand-bundling before rolling out in newly selected areas
- Customer order numbers are promising

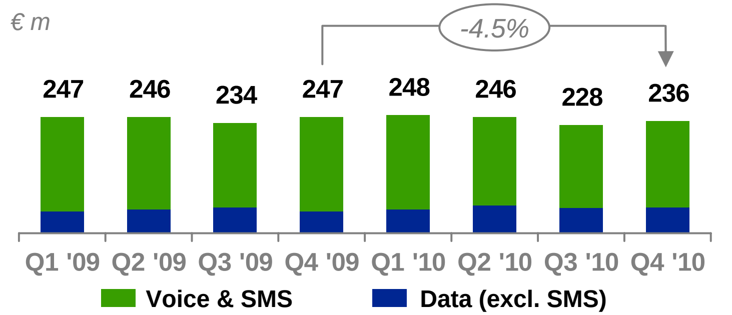
Reggefiber JV targeting 1.1-1.3m HP by 2012
KPN targeting 250k active customers by 2012

1 Source: Reggefiber

Operating review - Business wireless

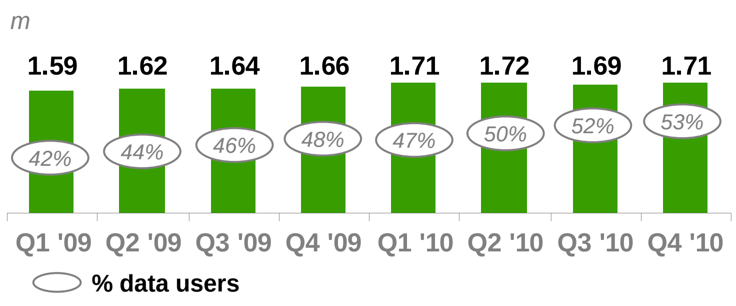
Stable performance of wireless services corrected for regulation

Service revenues



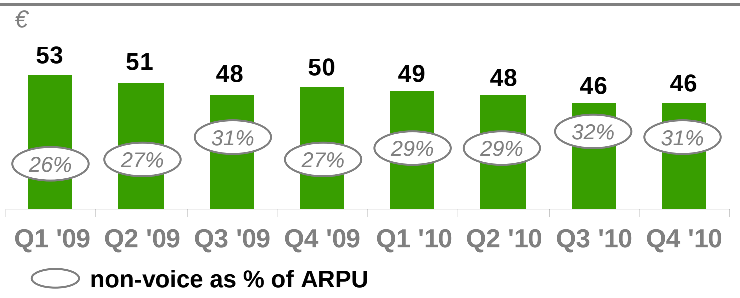
- Service revenues down 4.5% y-on-y
  - ~3.6% impact from regulation
- Continued mobile data growth in a competitive environment

Customer base



- Customer base up driven by data
  - Stable number of voice subscribers
- 53% of customers use data services
- Focus on customer value by managing SAC/SRC

ARPU

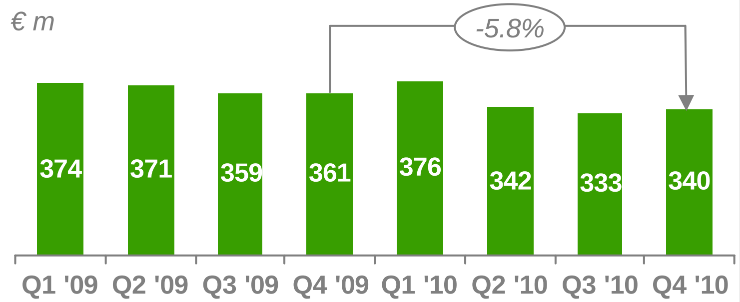


- ARPU impacted by regulation, M2M and data mix effect
- Strong growth mobile data subscriptions
- 31% of ARPU is non-voice

Operating review - Business wireline

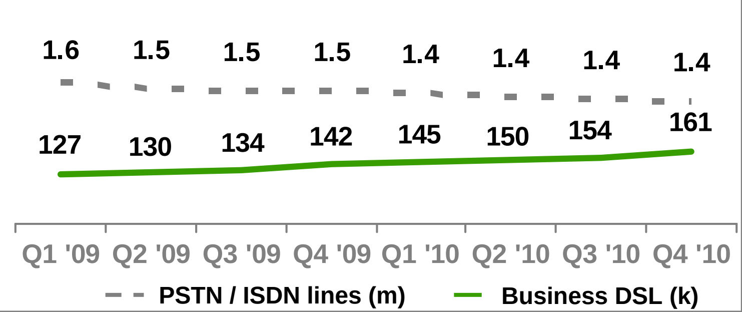
Continued decline in revenues, good profitability

Revenues[1]



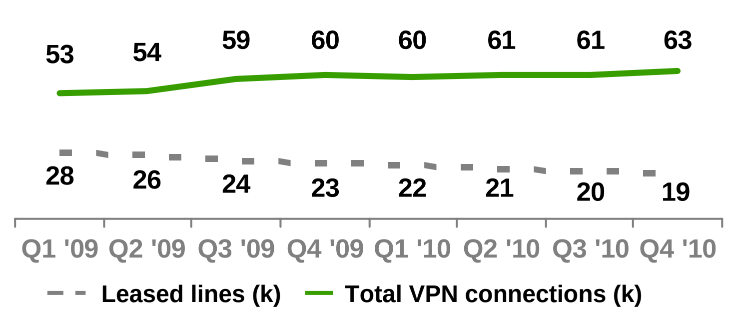
- Continued impact from competition, economy and decline in traditional business
- ~€ 10m net positive incidentals on revenue and EBITDA

Voice / internet connections



- Lower installed base of PSTN/ISDN and lower traffic volumes
  - Customer rationalization
  - Migration to new services
  - Competition
- Growth of Business DSL continues

(Managed) data services

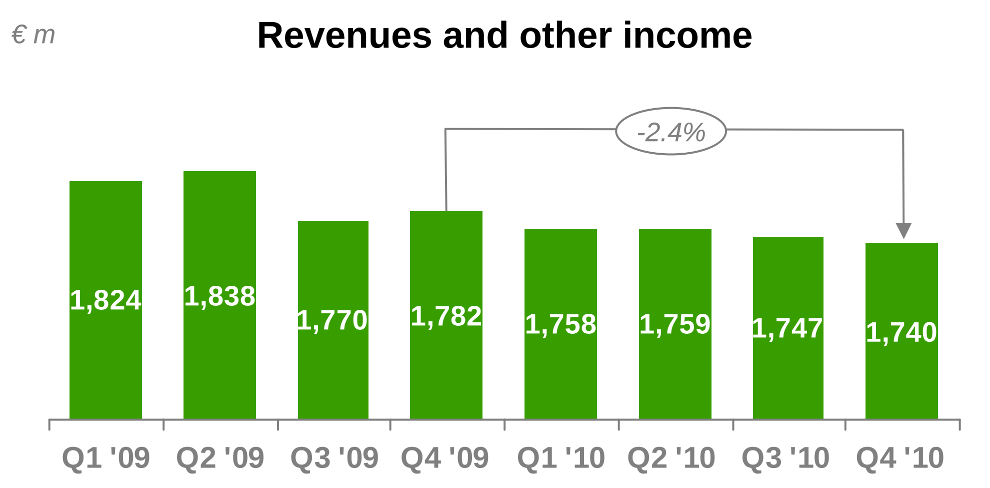


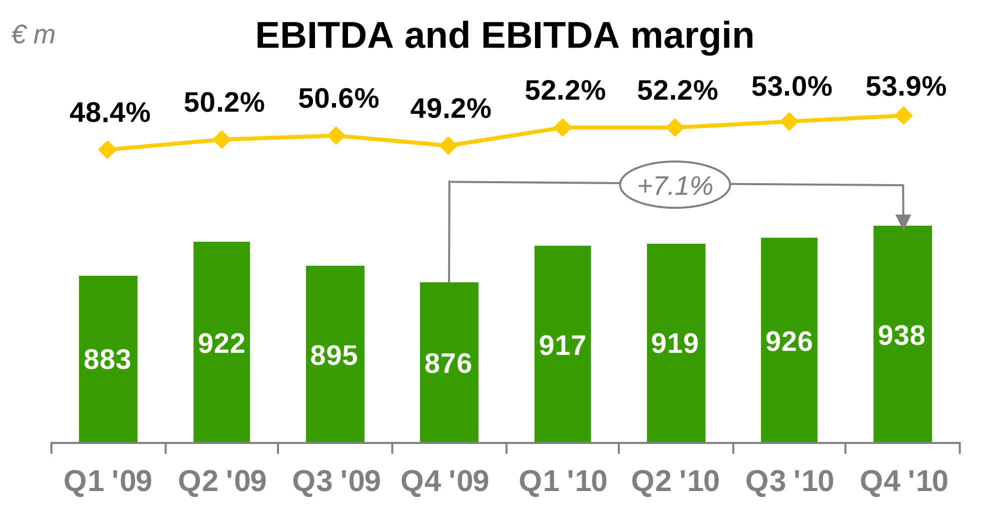
- VPN connections increase
  - Unmanaged and managed VPN growth
  - Stable market share in competitive environment

1 Revenues for Voice & Internet wireline and Data network services

Financial review - Dutch Telco

Continued increase in profitability





- Revenues and other income down 2.4% y-on-y in Q4 '10
  - Continued pressure on traditional businesses
  - Consumer revenue trend improving
  - ~1.7% impact from regulation
  - € 11m positive impact from incidentals
- EBITDA up 7.1% y-on-y in Q4 '10
  - Focus on market and customer value
  - Best-in-class benchmarking
  - € 15m positive impact from incidentals

Agenda

Chairman's review	Ad Scheepbouwer
Group finance	Carla Smits-Nusteling
International	Eelco Blok
Dutch Telco	Baptiest Coopmans
Getronics	Ad Scheepbouwer
Concluding remarks	Ad Scheepbouwer

‘Back to Growth’ achievements - Getronics

Benelux leader in workspace management with improved margins

Strategic objective: Strengthen ICT capabilities and increase profitability

‘Back to Growth’ strategy

- **Benelux market leader**
- **Expand global workspace management**
- **‘Best-in-class’ margins**

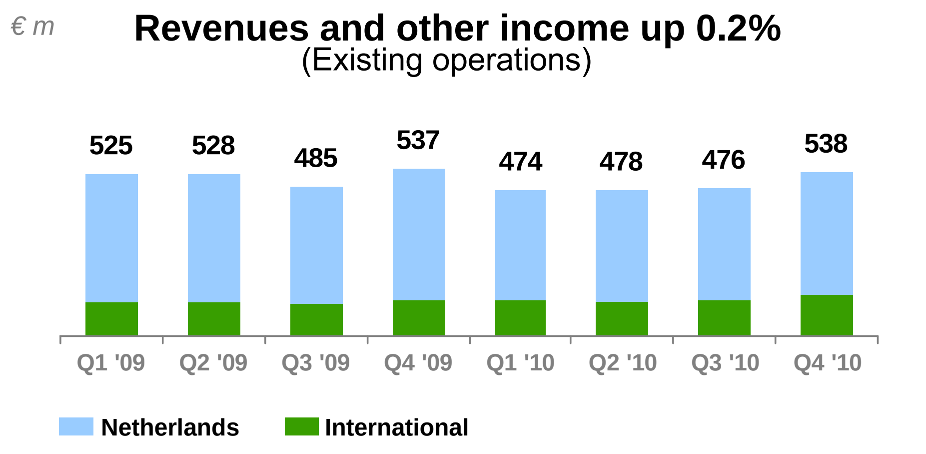
Achievements

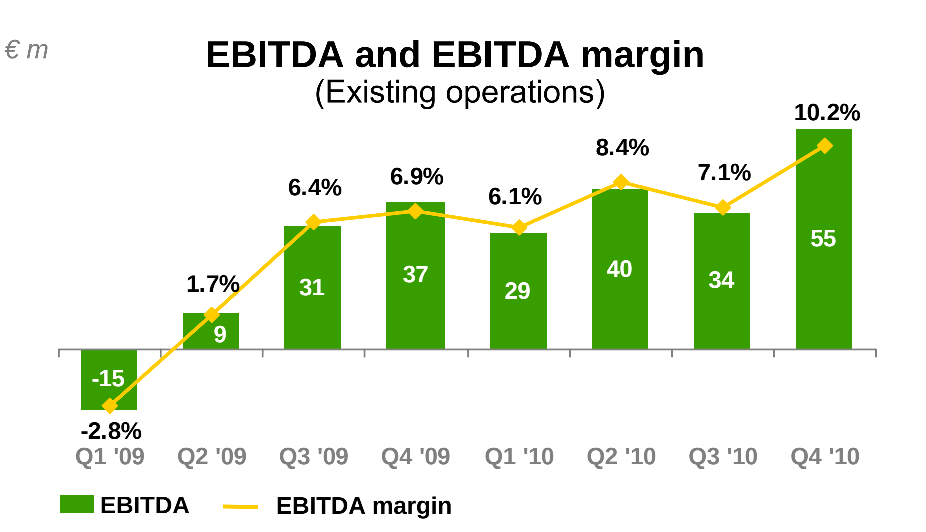
- Timely disposals at good prices
  - Focus on workspace management
  - Total consideration of disposals ~€ 600m
- Synergies from combined portfolio and market approach
- Benelux market leader in workspace related services
  - Servicing multinational clients with Getronics Workspace Alliance
  - Stable market share in difficult environment
- Revenues under pressure due to impact of economic downturn and increased competition
- EBITDA margin increased from 3% in 2007[1] to 8% in 2010

1 Approximation for Getronics, due to different reporting format before 2008

Operating review - Getronics

EBITDA margin strongly improved despite difficult market conditions





- Revenue trend improving during 2010, target of 8% EBITDA margin in 2010 realized
- Revenues up 0.2% y-on-y in Q4
  - The Netherlands down 6.5% y-on-y in Q4
  - International up 14% y-on-y in Q4, of which ~7% currency effect
- 10.2 % EBITDA margin in Q4 ’10
  - EBITDA of € 55m in Q4 ’10, up 49% y-on-y
  - Structural improvements in 2009 leading to margin improvement in 2010
- Stable market share[1] while market conditions remain challenging
  - Price pressure
  - Clients postponing investments
- Promising results from offshoring project
  - Delivering improved quality of service at lower costs
  - Further off-shoring opportunities studied

1 Management estimate

Agenda

Chairman's review	Ad Scheepbouwer
Group finance	Carla Smits-Nusteling
International	Eelco Blok
Dutch Telco	Baptiest Coopmans
Getronics	Ad Scheepbouwer
Concluding remarks	**Ad Scheepbouwer**

Concluding remarks

- Good performance across the Group
- Continued increase in profitability at Dutch Telco
- Higher service revenue growth in Germany at strong margin
- 2010 dividend per share of € 0.80, € 1bn share repurchase program completed in 2010
- Outlook 2011 confirmed, € 1bn share repurchase program for 2011

Q&A

Annex

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Analysis of results

Key items worth mentioning in results interpretation

€ m		Q4 '10	Q4 '09	FY '10	FY '09
Revenue effect					
MTA tariff reduction	Group	-68	-58	-180	-198
Roaming tariff reduction	Group	-5	-11	-44	-57
Wholesale Price Cap	W&O	-	-10	4	-34
Sale of dark fiber	Business	14	-	14	-
Book gain on sale of real estate	Group	2	22	45	55
EBITDA effect					
MTA tariff reduction	Group	-29	-21	-62	-85
Roaming tariff reduction	Group	-3	-4	-32	-39
Wholesale Price Cap	W&O	-	-2	4	-18
Sale of dark fiber	Business	13	-	13	-
Restructuring charges	Group	-1	-21	1	-56
Release of provisions	Group	22	-	51	11
Book gain on sale of real estate	Group	-	22	43	57
Revenue & EBITDA effect					
Release of deferred income	W&O	-	-	8	-
Release of deferred connection fees	Business	-3	-	9	-
Book gain on sale of business	Getronics	-	-	3	-
Corrected revenue recognition	Business	-	-	-8	-
Release of deferred income	Belgium	4	-	4	-

Restructuring charges

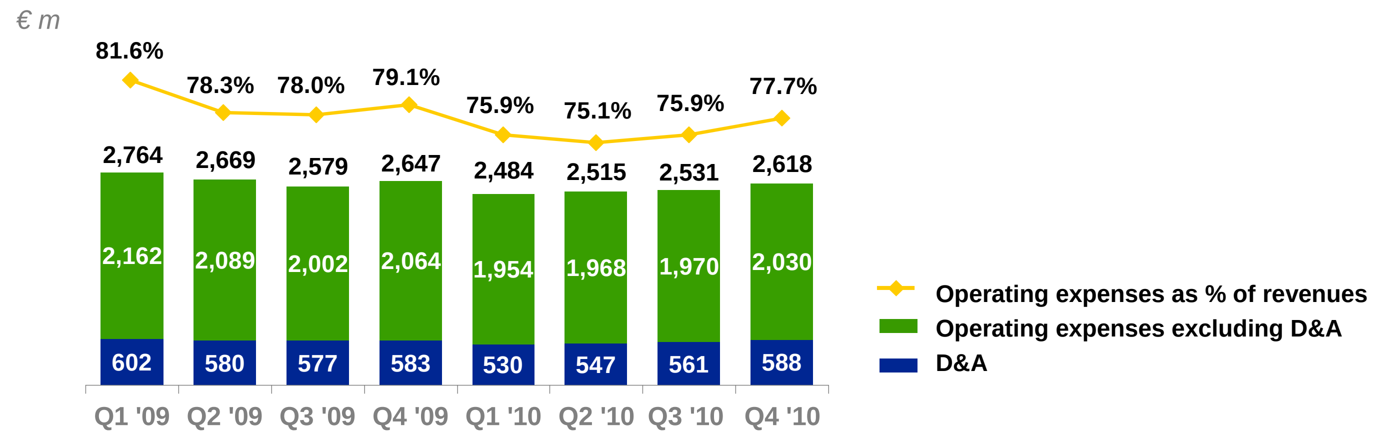
€ m	Q4 '10	Q4 '09	FY '10	FY '09
Germany	-1	-	-2	-1
Belgium	-	1	-	1
Rest of World	-	-	-	-
Mobile International	**-1**	**1**	**-2**	**0**
Consumer	3	-2	1	-6
Business	-	1	-	1
Wholesale & Operations	-2	-5	1	-9
IT NL	-	-1	-	-1
Dutch Telco	**1**	**-7**	**2**	**-15**
Getronics	-5	-14	-4	-44
The Netherlands	**-4**	**-21**	**-2**	**-59**
Other	4	-1	5	3
KPN Group	**-1**	**-21**	**1**	**-56**

Impact MTA reduction

€ m	Q4 '10		FY '10	
	Revenues	EBITDA	Revenues	EBITDA
Germany	-22	-11	-43	-21
Belgium	-18	-13	-29	-21
Rest of World	-	-	-	-
Mobile International	**-40**	**-24**	**-72**	**-42**
Consumer	-13	-4	-57	-16
Of which: Mobile Wholesale	*-1*	-	*-3*	*-1*
Business	-9	-1	-35	-3
Wholesale & Operations	-8	-	-24	-1
Intercompany	2	-	8	-
The Netherlands	**-28**	**-5**	**-108**	**-20**
KPN Group	**-68**	**-29**	**-180**	**-62**

Operating expenses

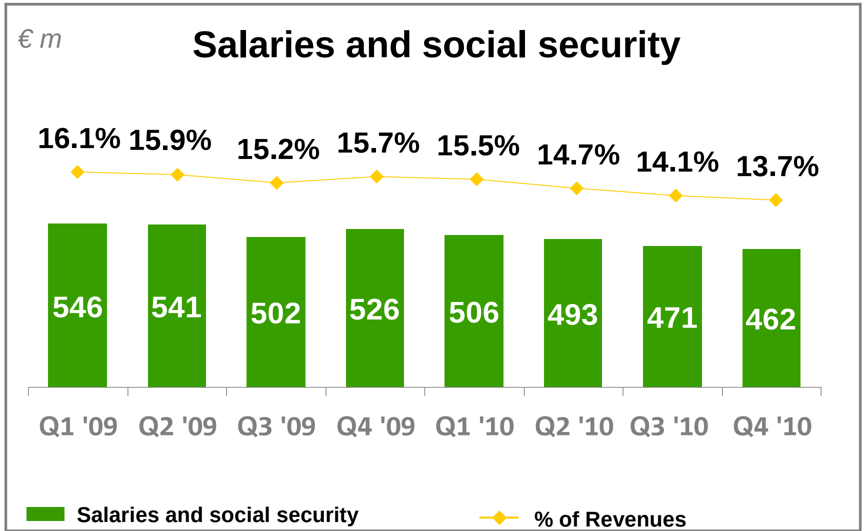
€ m	Q4 '10	Q4 '09	%
Salaries and social security contributions	462	526	-12%
Cost of materials	281	213	+32%
Work contracted out and other expenses	1,140	1,136	+0.4%
Own work capitalized	-28	-28	-
Other operating expenses	175	217	-19%
Depreciation[1]	357	383	-6.8%
Amortization[1]	231	200	+16%
Total	**2,618**	**2,647**	**-1.1%**

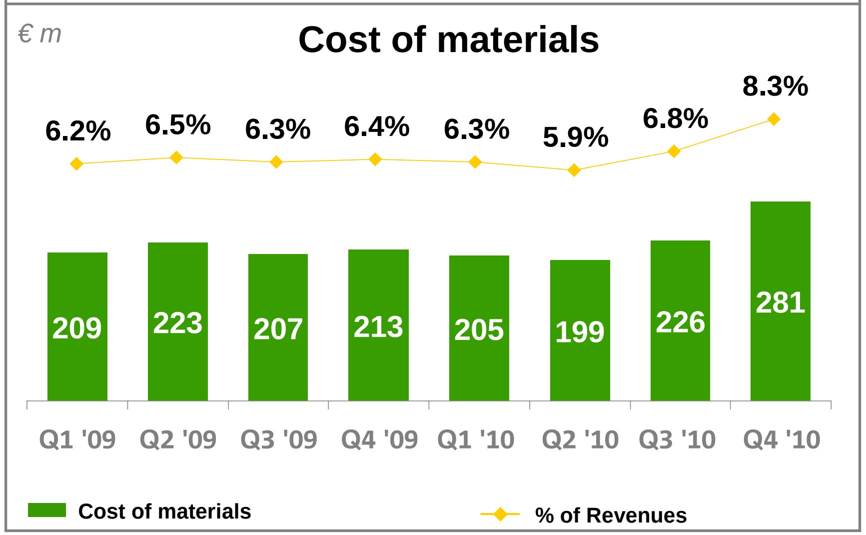


1 Including impairments, if any

Operating expenses - analysis

Salaries and social security contributions & Cost of materials





Y-on-Y decrease

- Decrease own personnel
- Releases of employee benefit provisions

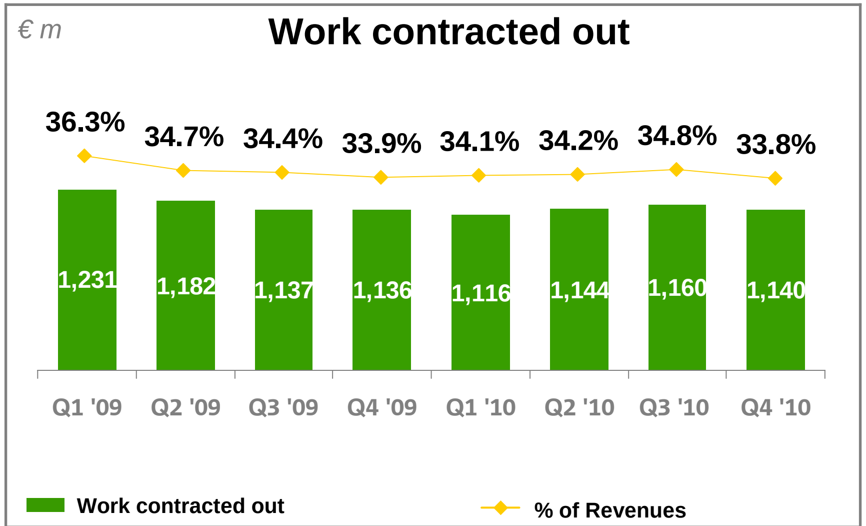
Q-on-Q decrease

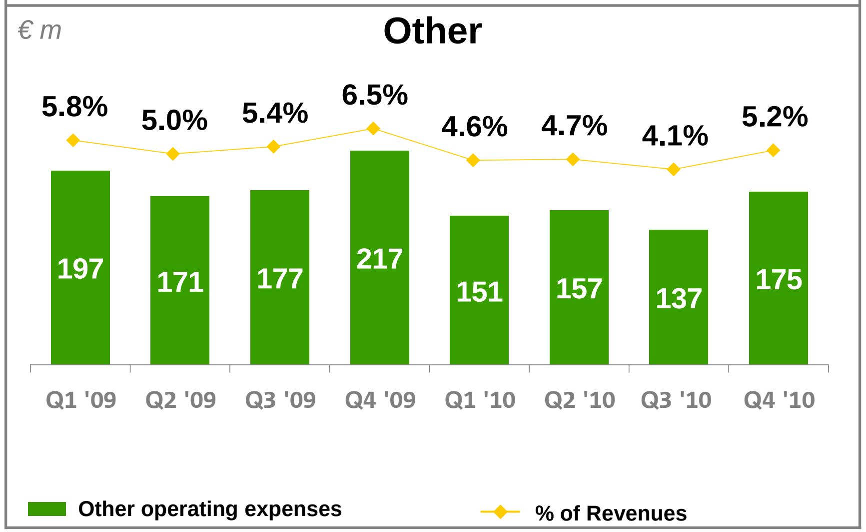
- Decrease own personnel
- Releases of employee benefit provisions

Y-on-Y & Q-on-Q increase

- Increase SAC due to higher purchase costs of smartphones
- Increase of cost of goods sold due to higher product revenue, predominantly at Getronics
- Increased commercial activity leading to higher spend, mainly in Germany

Analysis operating expenses
Work contracted out & Other





Y-on-Y increase
- Different traffic mix at iBasis
- Offset by decrease external personnel
- Lower MTA cost

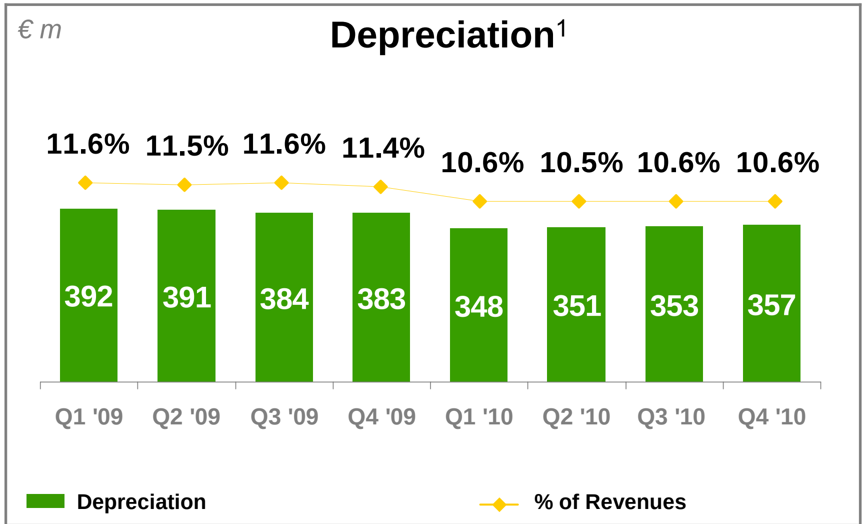
Q-on-Q decrease
- Different traffic mix at iBasis
- In Q3 ’10 intensified marketing at Consumer mobile

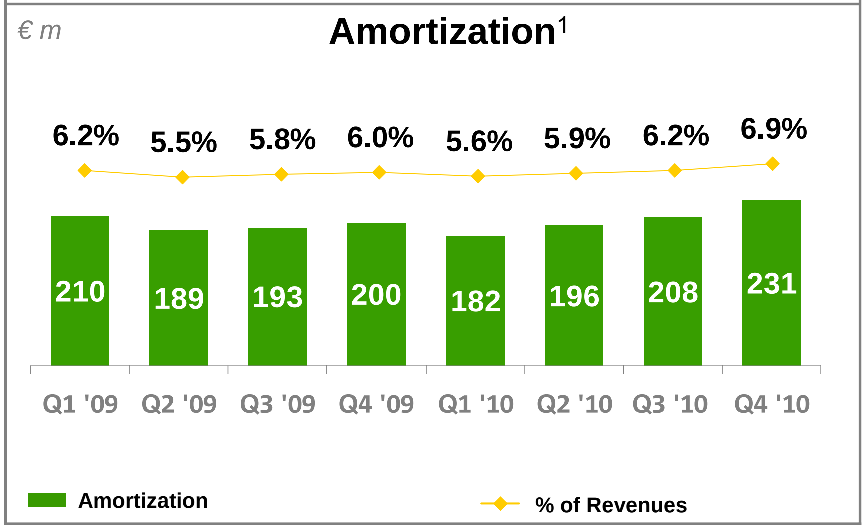
Y-on-Y decrease
- Higher marketing costs mainly in Germany
- Substantial lower restructuring charges, mainly at Getronics
- Release of several provisions in Q4 ’10

Q-on-Q increase
- Higher marketing costs mainly in Germany
- In Q3 ’10 release provision in Germany

Analysis operating expenses

Depreciation & Amortization





Y-on-Y decrease

- Lifetime of mobile masts increased in Q1 ’10
- Lower asset base across all segments

Y-on-Y increase

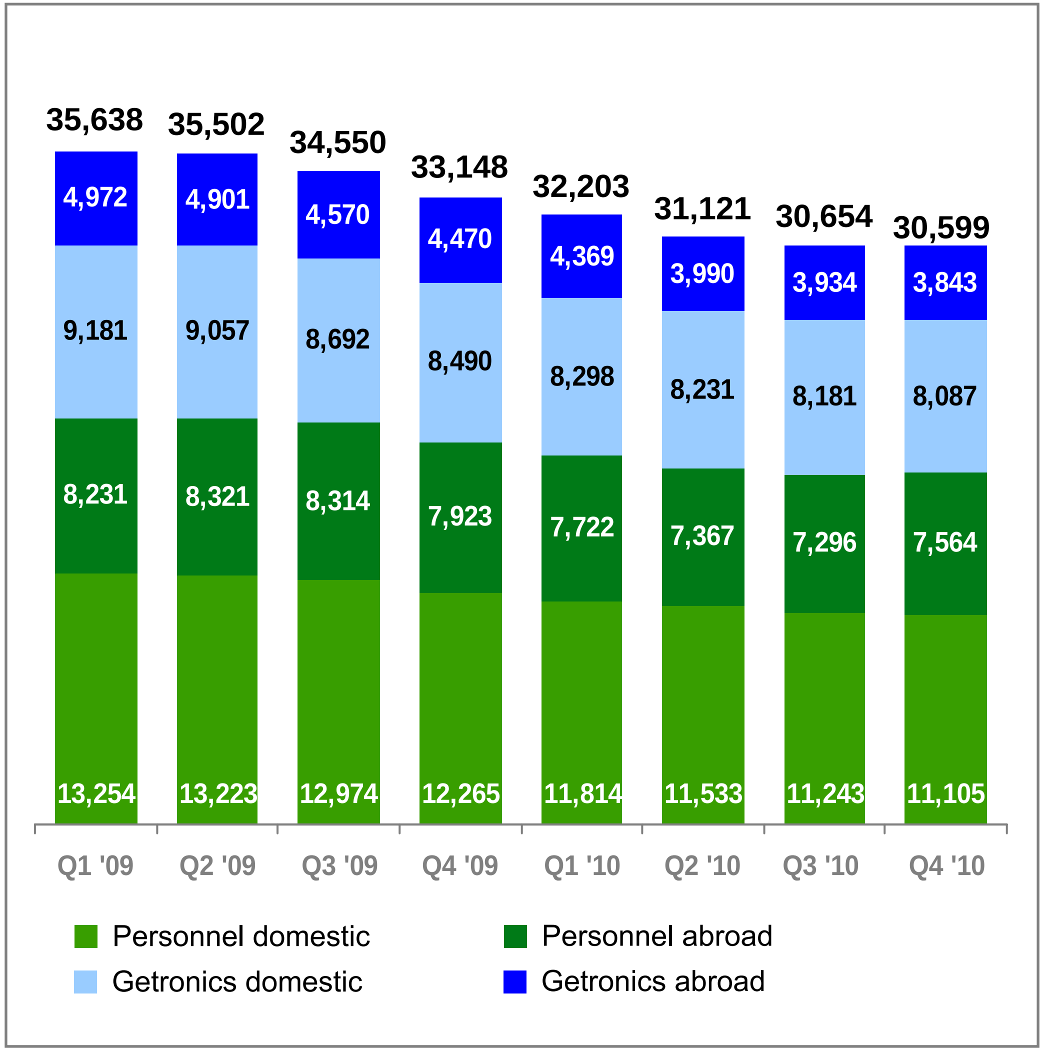
- Impairment IT platforms
- Amortization of software licenses

Q-on-Q increase

- Impairment IT platforms
- Amortization of software licenses

1 Including impairments, if any

Personnel



- Decrease of 2,549 FTE y-on-y
  - Reduction of 1,160 FTE in the Netherlands (excl. Getronics) from all segments
  - Reduction of 1,030 FTE at Getronics, mainly from divestments and restructuring
  - Reduction of 359 FTE at KPN abroad, mainly from Belgium, Germany and due to divestment of SNT Belgium
- Decrease of 55 FTE q-on-q
  - Reduction of 144 FTE at W&O
  - Reduction of 185 FTE at Getronics
  - Offset by increase in FTE at call centers International and acquisition of Atlantic Telecom (75 FTE)
- Cumulative reduction of 9,385 FTE in the Netherlands since 2005
  - Excluding Getronics and acquisitions

Tax

	P&L		Cash flow	
Fiscal units *(€ m)*	Q4 '10	Q4 '09	Q4 '10	Q4 '09
Dutch activities	-92	-85	-18	59
Getronics	-7	-3	-2	-1
German Mobile activities	23	654	-1	-2
Belgian Mobile activities	-6	44	-	-
Other	-1	-1	-4	-
Total	**-83**	**609**	**-25**	**56**

- Tax gain recorded in Germany of € 45m in Q4 '10 and € 705m in Q4 '09 due to reassessment of deferred tax asset
- In Q4 '09 a tax gain of € 52m recorded in Belgium regarding positive effect of a restructuring
- In Q4 '10 payment of € 18m Dutch Corporate income tax related to E-Plus tax recapture
- In Q4 '09 refunds and payment of Dutch Corporate income tax
  - € 49m receipt related to prior years
  - € 33m receipt related to 2009
  - € 16m payment related to E-Plus tax-recapture

Share repurchase progress

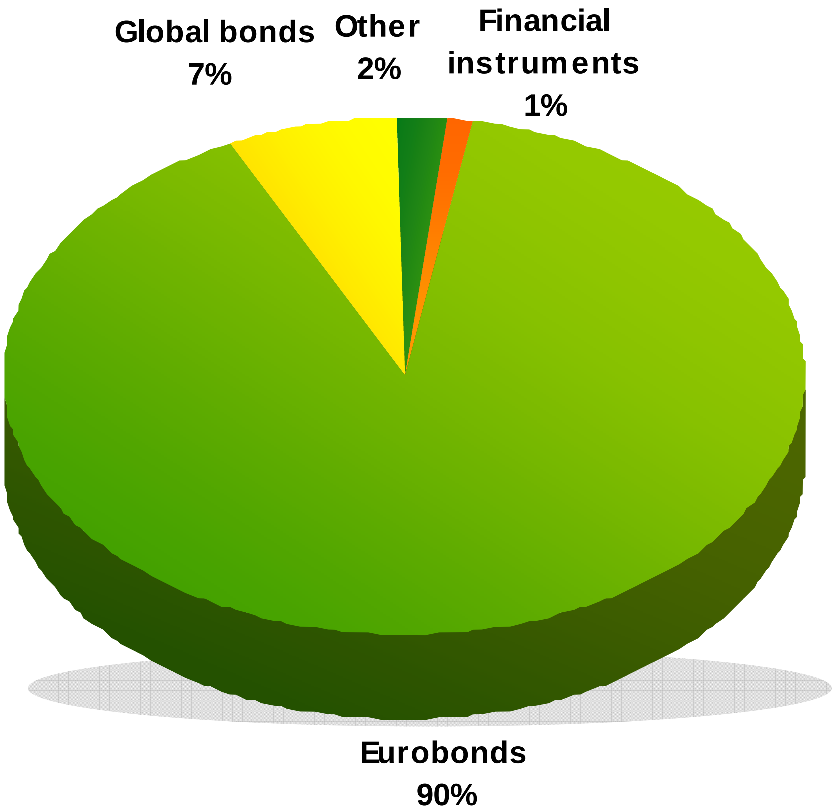
Date[1]	Value (€ m)	Shares (m)	Avg. share price (€)
Q1 ’10	**103.1**	**8.9**	**11.60**
Q2 ’10	**454.1**	**42.1**	**10.79**
Q3 ’10	**101.9**	**9.4**	**10.86**
October	26.4	2.3	11.35
November	265.8	22.8	11.67
December	48.7	4.4	11.00
Q4 ’10	**340.9**	**29.5**	**11.55**
Total	**1,000.0**	**89.9**	**11.12**

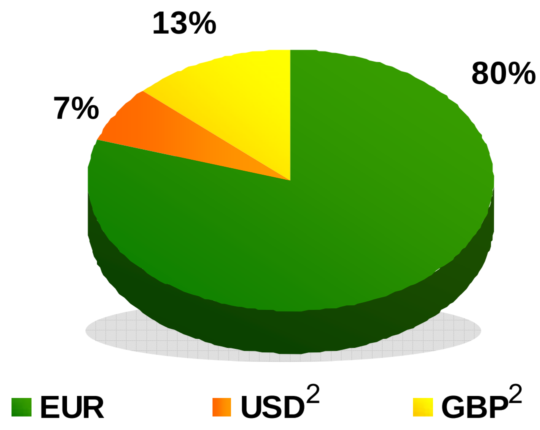
- € 1bn share repurchase program for 2010 started on 4 February 2010
  - 100% completed to date
  - 89.9m shares repurchased in 2010, of which 29.5m in Q4 ’10
- € 8.8bn in shares repurchased since start in 2004, average price of € 9.14
  - ~37% of outstanding shares cancelled since 2004
- Number of outstanding shares amounting to 1,572,609,884 per 31 December 2010
  - 44,358,475 shares to be cancelled in Q1 ’11

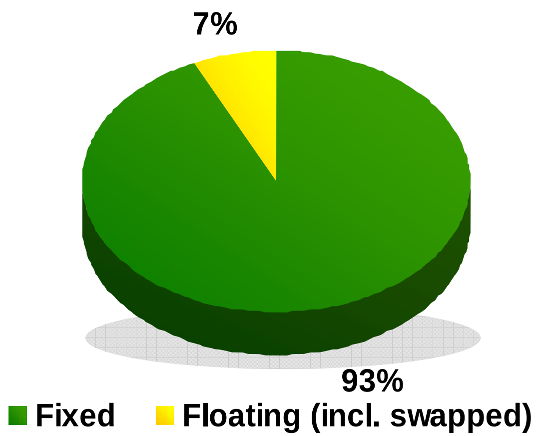
1 Figures based on transaction date of share repurchases, some rounding changes may be applicable

Debt portfolio

Breakdown of € 12.6bn gross debt[1]







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

2 Foreign currency amounts hedged into Euro

Consumer voice market[1]

m	Q4 '10	Q3 '10	Q4 '09
KPN PSTN / ISDN	1.69	1.77	2.02
Wholesale Line Rental (WLR)	0.39	0.40	0.41
Total traditional voice	**2.08**	**2.17**	**2.43**
KPN VoIP	1.30	1.28	1.20
Cable VoIP	1.81	1.74	1.53
Alternative DSL VoIP	0.43	0.43	0.42
Total VoIP	**3.54**	**3.45**	**3.11**
Mobile-only	1.25	1.25	1.25
Total households	**6.87**	**6.87**	**6.83**

1 Management estimates

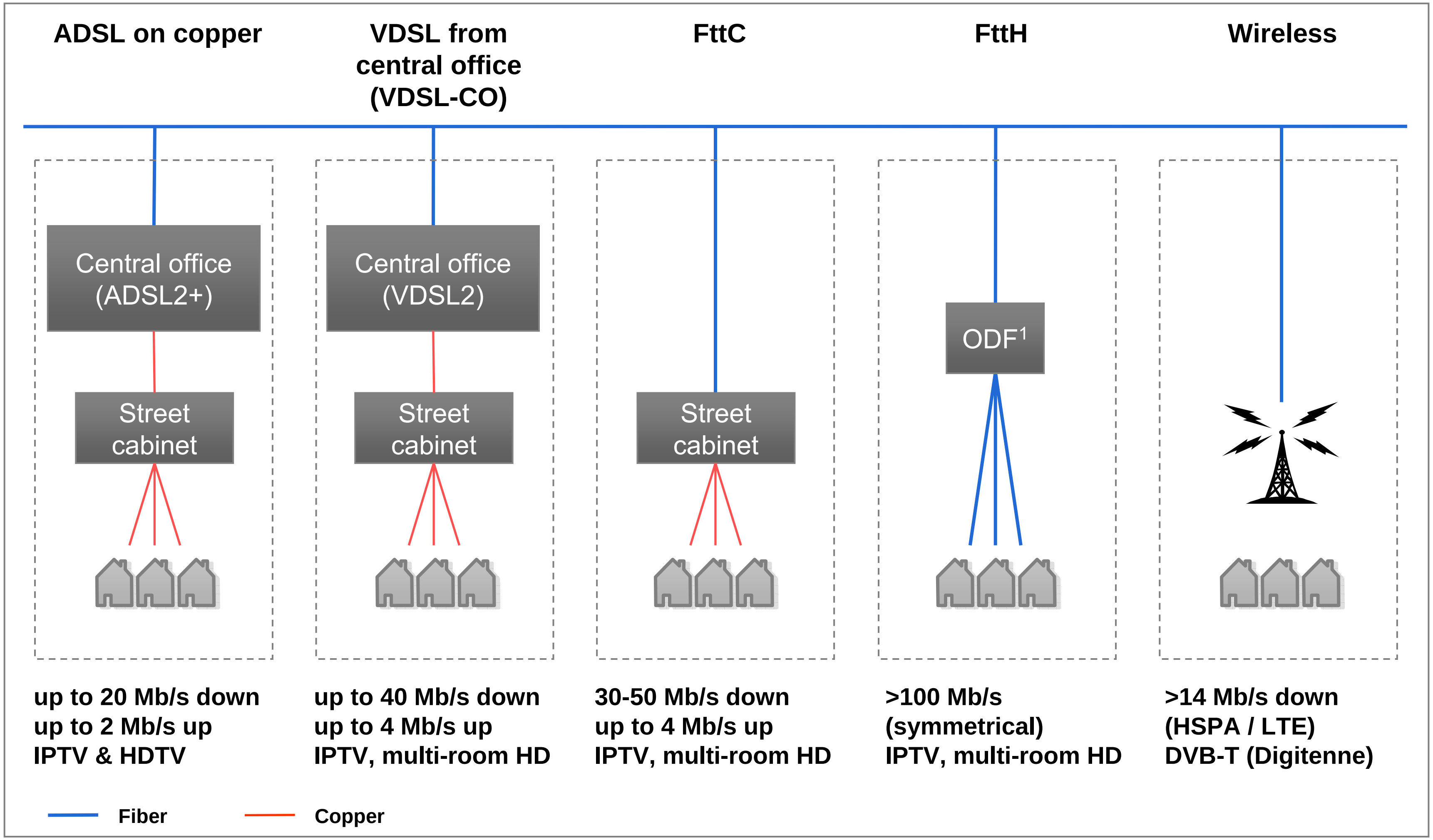
Dutch wireless services disclosure

	Q4 '10	Q3 '10	Q4 '09
Service revenues (€ m)	**735**	**742**	**758**
– *Consumer*	*430*	*443*	*453*
– *Business*	*236*	*228*	*247*
– *Other Dutch activities*[1]	*69*	*71*	*58*
SAC / SRC (€)			
– *Consumer*	*168*	*162*	*183*
– *Business*[2]	*234*	*242*	*272*

1 Indicates amongst others Mobile Wholesale NL, Simyo and visitor roaming revenues within KPN the Netherlands
2 Restated numbers following recalculation, now also including all data SAC/SRC in addition to voice SAC/SRC

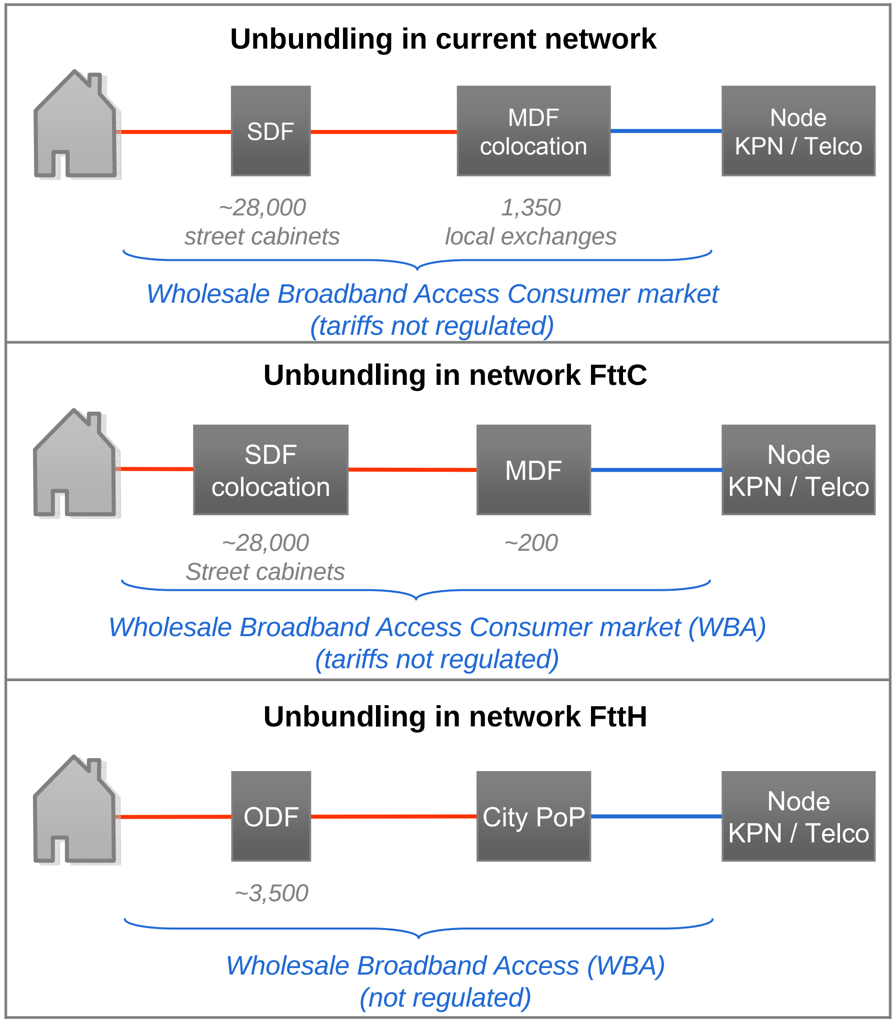
Infrastructure

Deploying mix of technologies going forward



1 Optical distribution frame

Unbundling tariffs



Regulated — Not -regulated

Category	Monthly tariff
Line sharing (LLU)[1]	€ 0.10 / line
Fully unbundled (LLU)[1]	€ 6.53 / line
MDF colocation[1]	€ 839.60 / footprint / year
MDF backhaul	Commercial pricing, not regulated
Wholesale Broadband Access (WBA)[1]	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Line sharing (SLU) [1]	€ 7.58 / line
Fully unbundled (SLU) [1]	€ 7.44 / line
SDF colocation[1]	€ 1.20 / line or 5.36 / per unit One-off € 492.74/ per unit
SDF backhaul	To be regulated
Wholesale Broadband Access (WBA) [1]	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariff
Fully unbundled (ODF FttH)	€ 12.14 – € 17.71
ODF FttH colocation	≤ € 506 / month /per Area Pop One-off ≤ € 3,036 /per Area Pop
ODF FttH Backhaul	≤ 607 / month
Wholesale Broadband Access (WBA) FttH	€ 25.00 - € 45.00 non-shared
ODF FttO	To be regulated

1) Tariffs refer to WPC 2009-2011 |(WPC 2A)

German spectrum auction

Good auction outcome, capacity and standardization are key

Band															Total	E-Plus
800MHz Paired	O	O	V	V	T	T									60.0MHz	0%
	2x5	2x5	2x5	2x5	2x5	2x5										
900MHz Paired	E	O	T	V	T	V									69.6MHz	14%
	2x5	2x5	2x5	2x5	2x7.4	2x7.4										
1.8GHz Paired	T	T	T	T	E	O	O	O	V	E	E	E	E		140.4MHz	39%
	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x7.4	2x5.4	2x5	2x5	2x5	2x7.4			
2.1GHz Paired	V	V	V	E	E	E	E	O	O	O	T	T			120.0MHz	33%
	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5				
2.1GHz Unpaired	E	T	V	O	O										34.2MHz	15%
	1x5	1x5	1x5	1x5	1x14.2											
2.6GHz Paired	V	V	V	V	T	T	T	T	E	E	O	O	O	O	140.0MHz	14%
	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5	2x5		
2.6GHz Unpaired	E	E	V	V	V	V	V	T	O	O					50.0MHz	20%
	1x5	1x5	1x5	1x5	1x5	1x5	1x5	1x5	1x5	1x5						
															614.2MHz	23%

Standardized

1 4 connecting blocks, leading to highest capacity in most standard spectrum for data

2 E-Plus has obtained and holds most spectrum in standardized bands

3 E-Plus doubled capacity, now at 23% of total spectrum in the German mobile market

E: E-Plus, O: O_2, T: T-Mobile, V: Vodafone, colors indicate acquired spectrum

Spectrum in Belgium

Currently fairly allocated, potential new entrant

Current status

Band						
900MHz	KPNgB 2x10.8	Proximus 2x12	Mobistar 2x12			
1.8GHz	KPNgB 2x22	Proximus 2x15	Mobistar 2x15	Prox 2x5.8	Mob 2x5.8	Free 2x11.4
2.1GHz	KPNgB 2x15, 1x5	Proximus 2x15, 1x5	Mobistar 2x15, 1x5	Free 2x14.8, 1x5		
2.6GHz	Free 140MHz paired, 50MHz unpaired[1]					
Total	KPNgB 100.6MHz	Proximus 100.6MHz	Mobistar 100.6MHz	Free 247.4MHz		

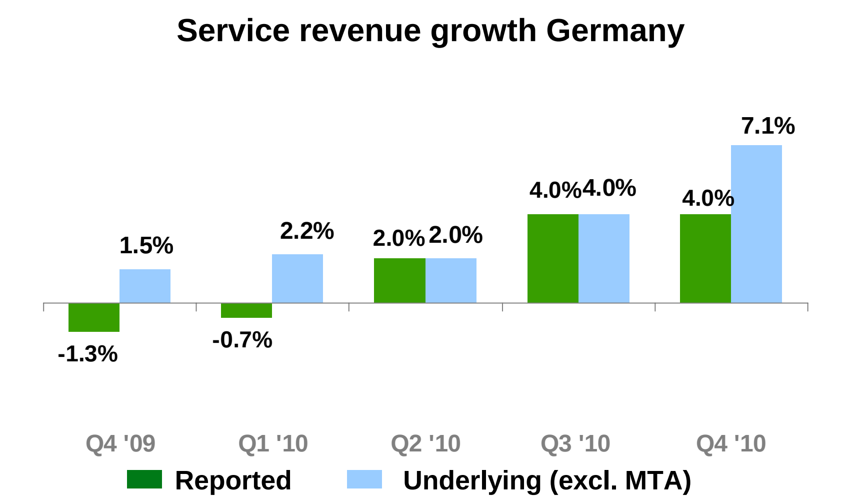
Upcoming auctions

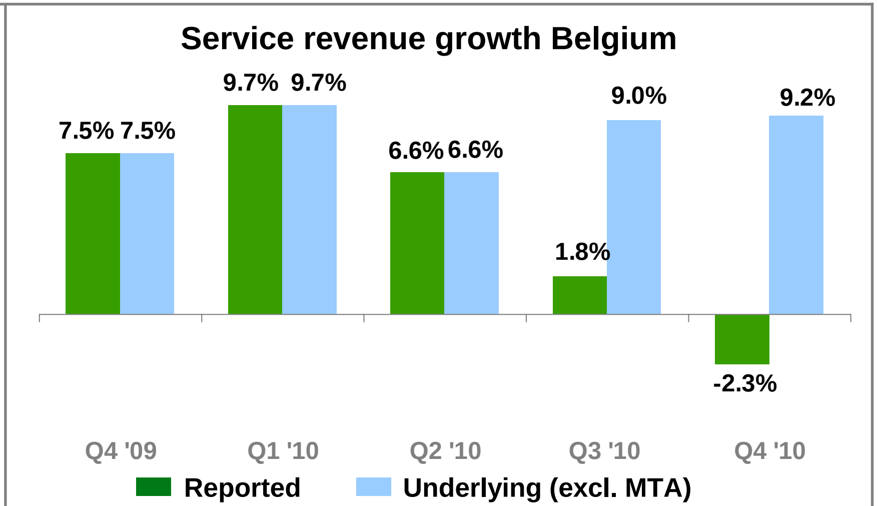
- Auction of 29.6MHz in 2.1GHz band expected in Q2 2011[2]
  - All reserved for potential 4th entrant
  - Current operators can ask for auction when 4th entrant does not buy all spectrum
  - New entrant can buy 900MHz and 1.8GHz in 2015, but only under the condition that 4th entrant buys part of 2.1GHz in coming auction
- Auction of 185MHz (140 paired + 45 unpaired) in 2.6GHz band after summer[2]
  - Operators capped at 40MHz (2x20) in paired
- Current 2G licenses can be extended to 2021
- No clarity on 800MHz band yet

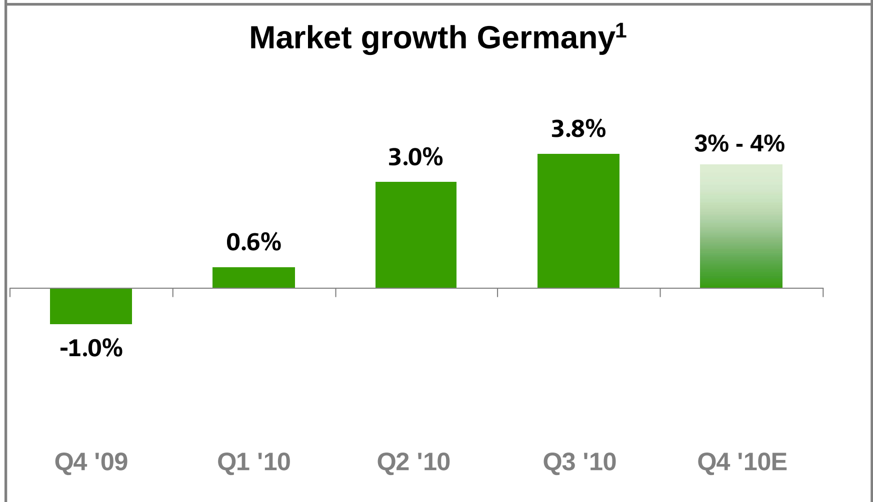
1 45 of 50MHz unpaired will be auctioned

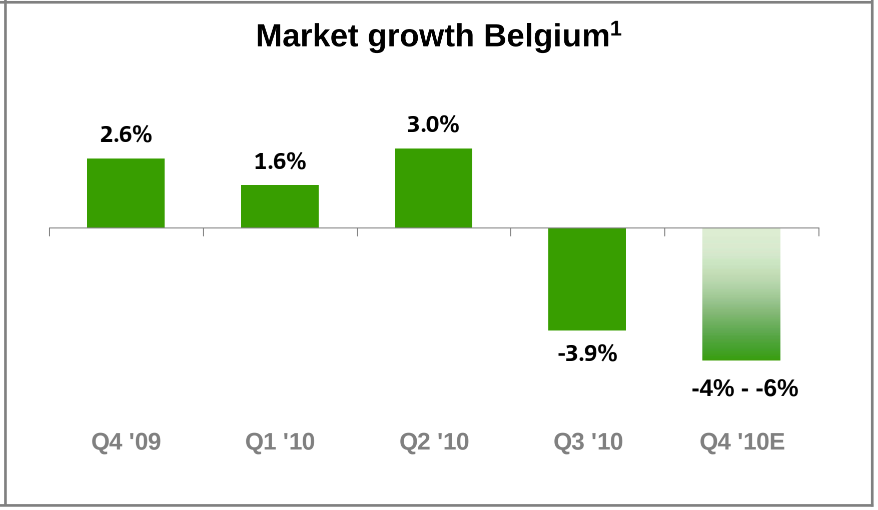
2 On basis of current information BIPT. Final timing expected end of January

Service revenue growth Mobile International









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