Third Quarter Results 2004

1 November 2004

Safe harbor

Certain statements contained in this presentation constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN’s operations, the investigation into the discounts, 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 KPN’s Annual Report and Form 20-F for the year ended December 31, 2003.

All figures shown throughout this presentation are unaudited. Certain figures may be subject to rounding differences. All market share information in this quarterly report is based on management estimates based on externally available information, unless indicated otherwise.

Agenda

Introduction	Ad Scheepbouwer CEO
Financial results	Marcel Smits CFO
Business performance	Ad Scheepbouwer CEO

Ad Scheepbouwer

CEO

Financial Highlights Q3 2004

- Profit after tax more than doubled to € 288 mn
- EPS of € 0.12 (YTD € 0.43)
- YTD Operating result increased by 6.5% to € 1,869 mn excl. one-off book gains
- Q3 Operating expenses down 1.9%

- Q3 Net sales of Mobile up 6.4% driven by continued strong growth of international operations (+17.2%)
- Market share increases achieved in all three mobile markets

- Although Q3 net sales of Fixed down 7.8% (6.1% of which due to MTA and lower project revenues), operating result up by 5.3%
- ADSL subscribers doubled vs. last year

- YTD, € 1 bn years of shares repurchased

1 € 500 mn from second share repurchase program of € 1 bn completed, of which € 26 mn settled in October '04

Year-to-date cash returns to shareholders

€ 1.8 bn returned to shareholders, industry leading

- € 0.8 bn dividend
  - € 0.6 bn final dividend 2003
  - € 0.2 bn interim dividend 2004
- € 1.0 bn share repurchases
  - Initial € 0.5 bn buy back program completed
  - Half[1] of € 1 bn buy back program executed so far

12% of total market capitalization returned in nine months[2]

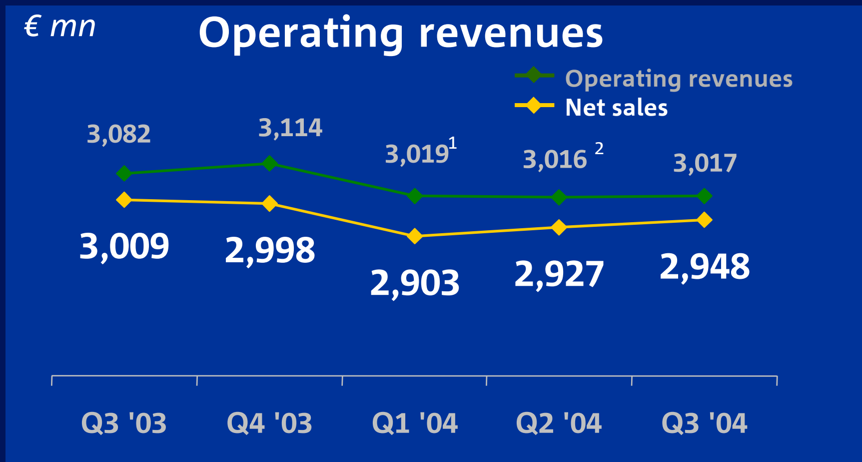
- All YTD free cash flow[3] has been returned to shareholders

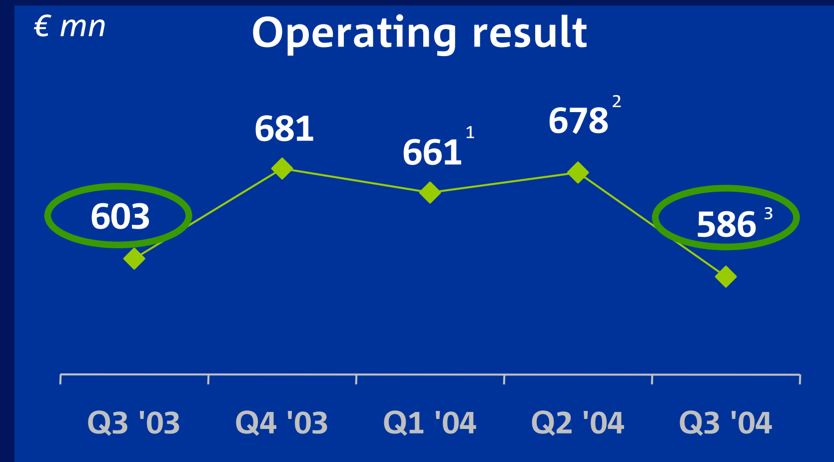
1 € 500 mn share repurchases of which € 26 mn settled in October '04
2 YTD cash return to shareholders divided by market capitalization as of September 30, 2004
3 YTD free cash flow: free cash flow from operating activities minus Capex amounts to € 1.7 bn

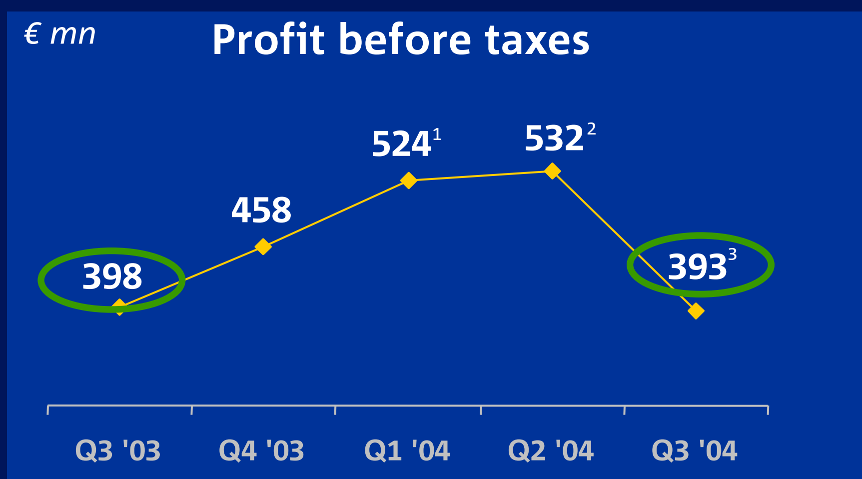
Marcel Smits

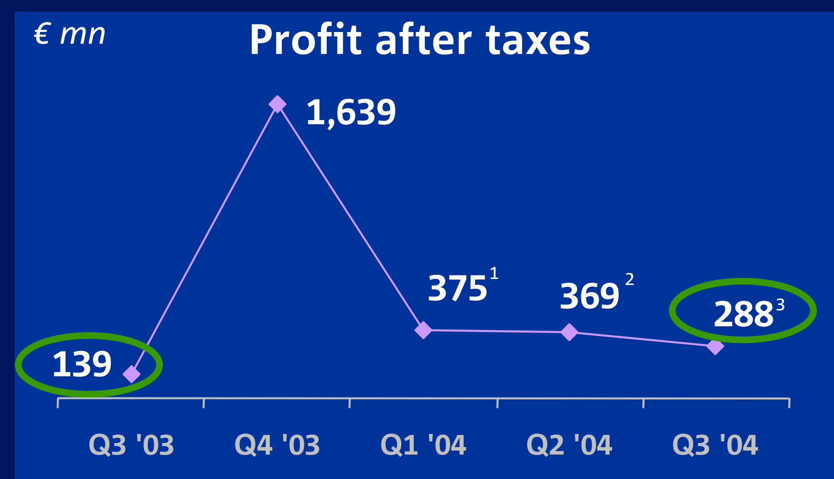
CFO

P&L Headlines
Solid third quarter performance





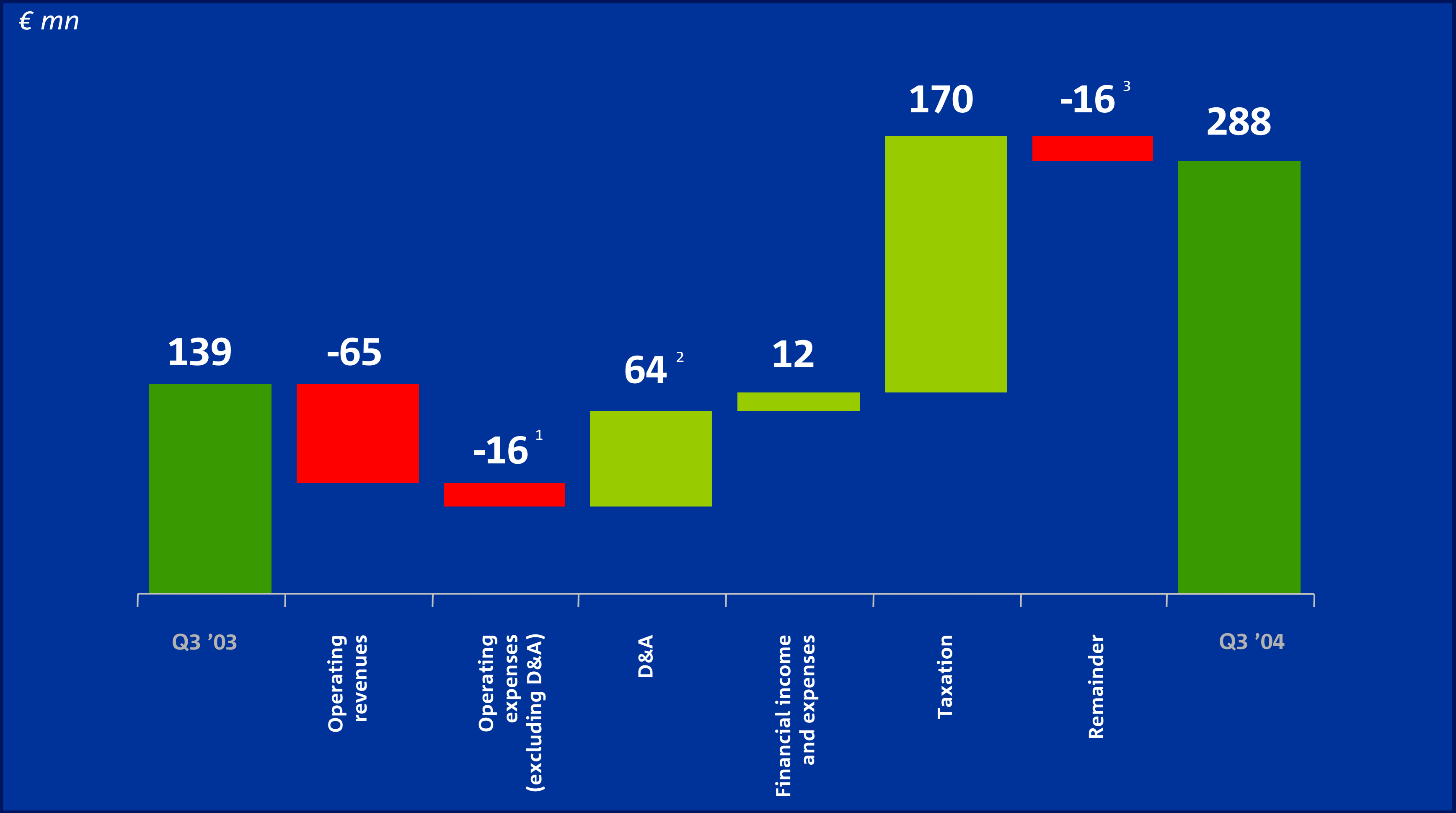




1 Including € 36 mn book gains (Eutelsat)
2 Including € 20 mn book gains (PTC)
3 Including € 36 mn early retirement provision
For further information about book gains & other exceptional items in 2003, please refer to KPN's '03 quarterly reports

Developments in net result

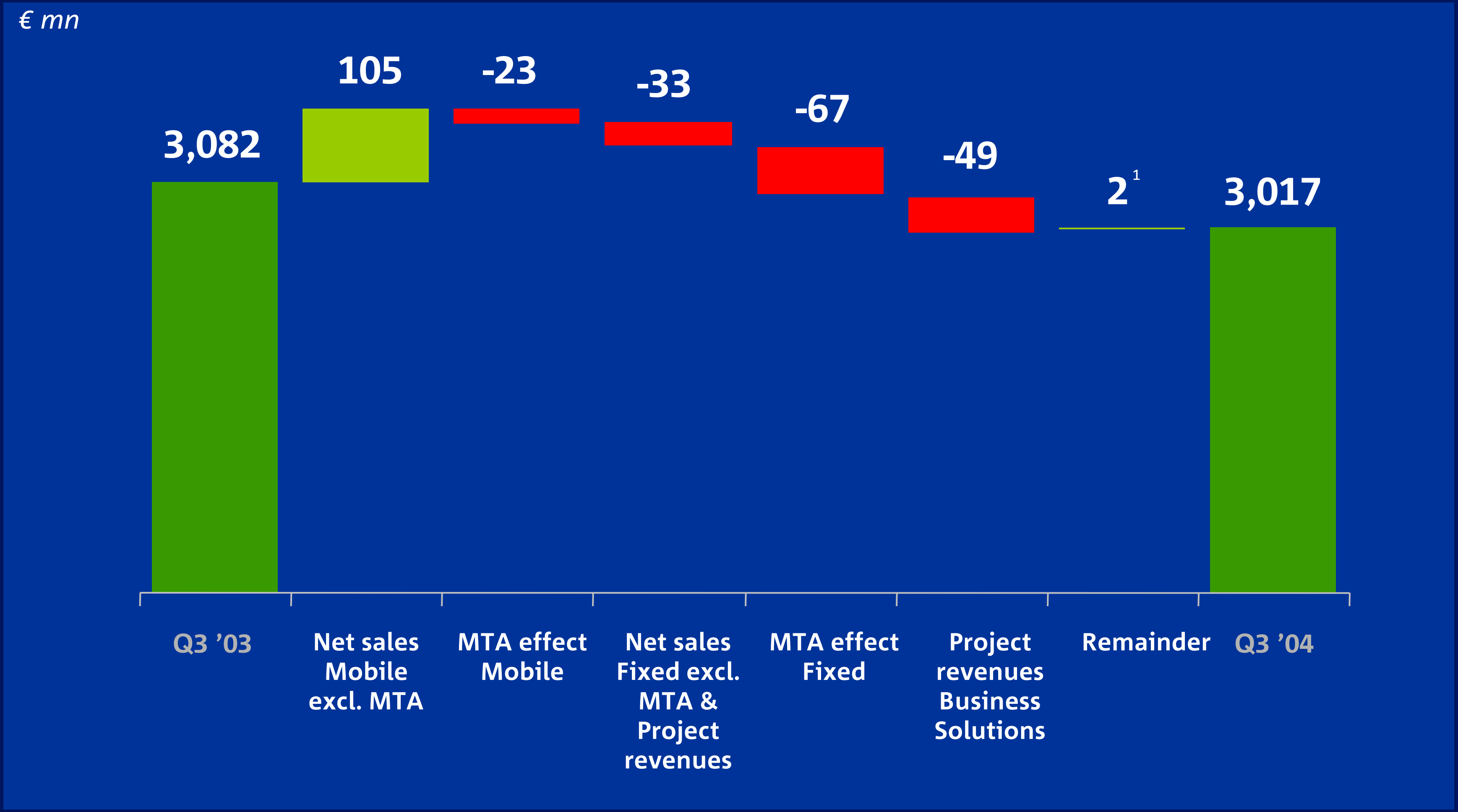
More than doubled Y-on-Y, mainly due to lower tax charges



1 Q3 '03 contains loss on sale of SNT France of € 5 mn and write down receivable Business Solutions of € 6 mn
2 Q3 '03 contains impairment on certain tangible fixed assets of € 42 mn
3 Income from participating interests (€ -11 mn) and minority interest (€ -5 mn)

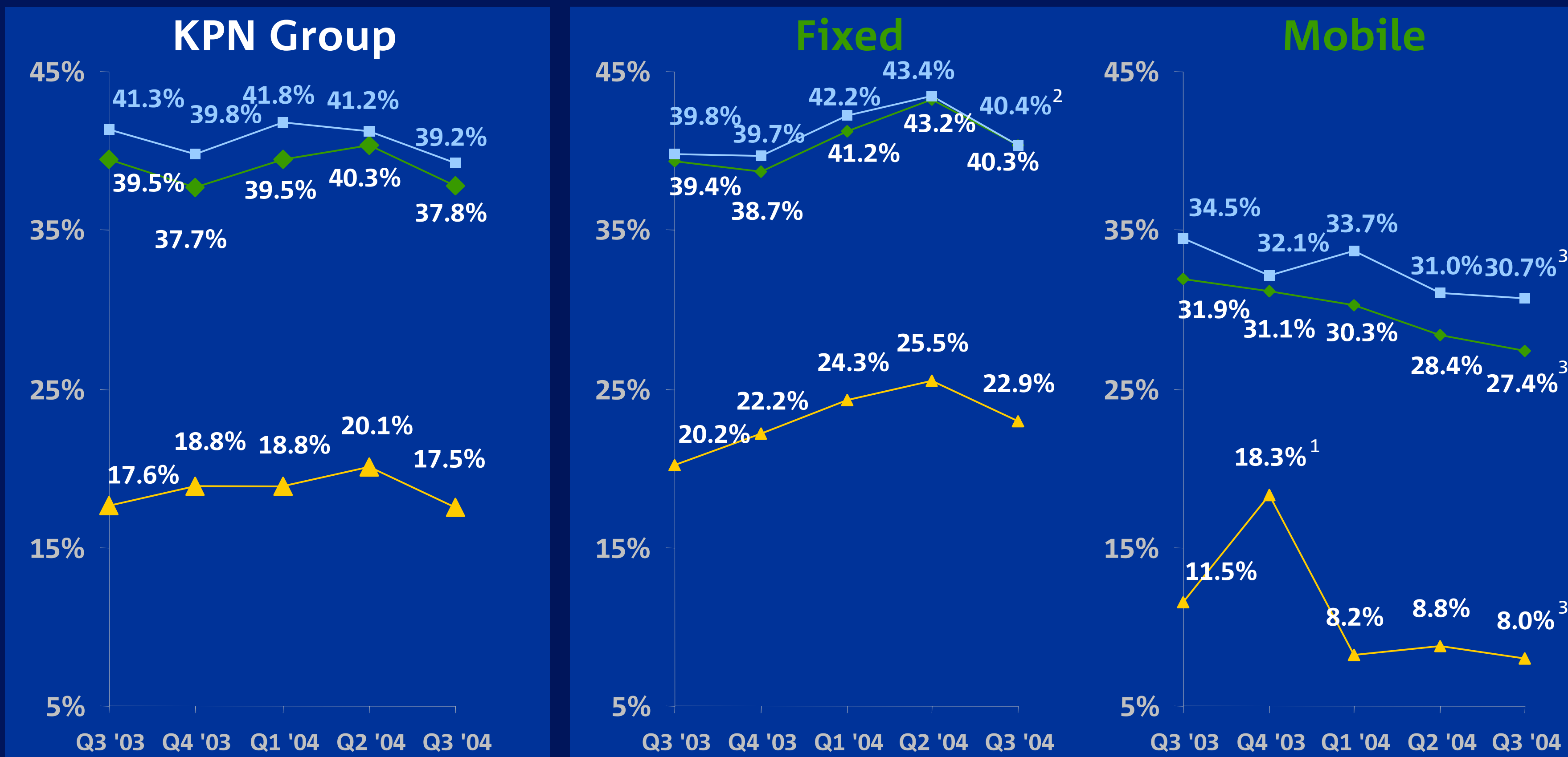
Developments in operating revenues

Decline mainly related to lower MTA tariffs and lower project revenues



1 Own work capitalized + other operating revenues Mobile € 3 mn, Fixed € 3 mn; Operating revenues other € -27 mn; MTA intercompany effect € 36; (remaining) intercompany revenues € -13 mn

Margin development

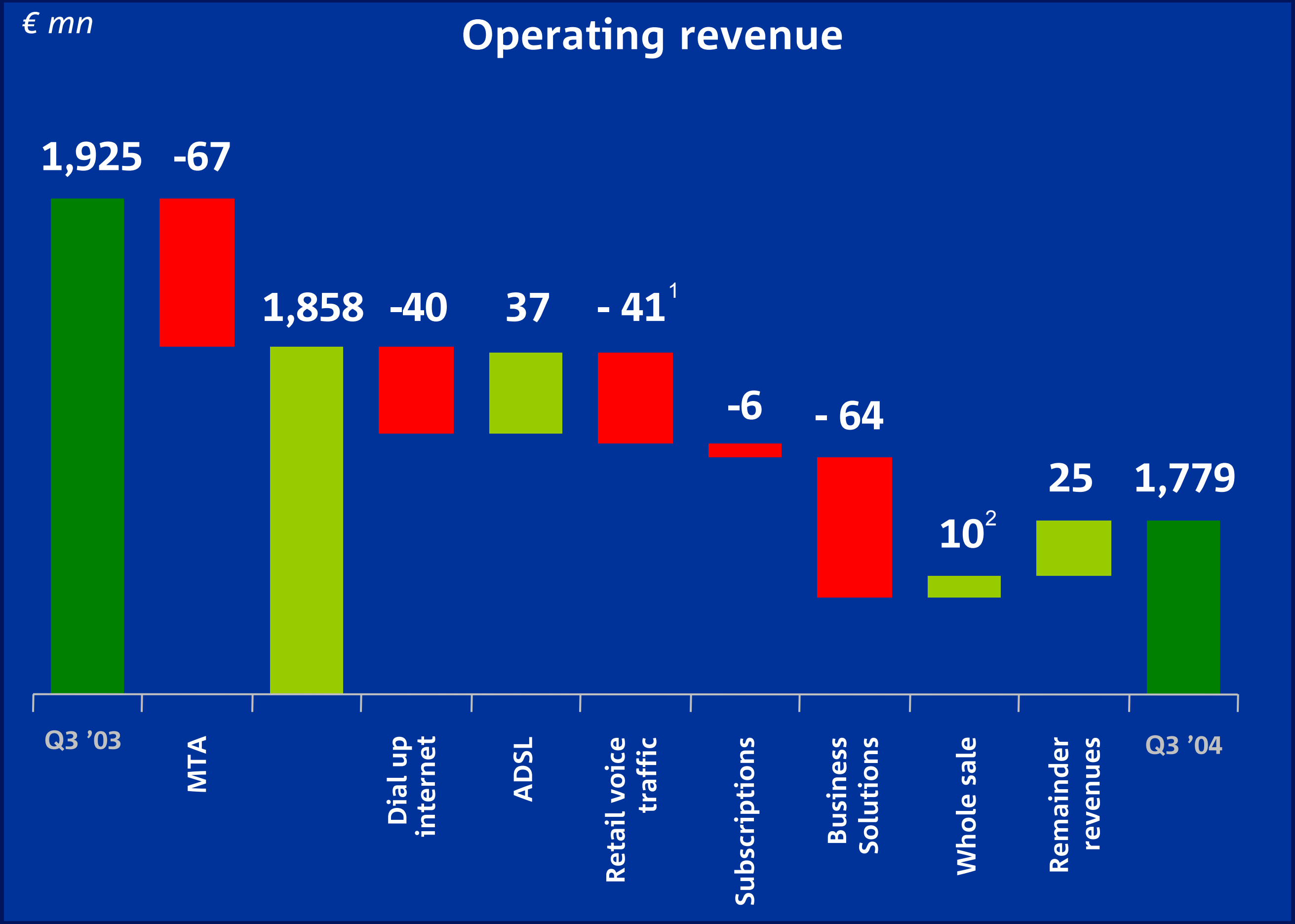


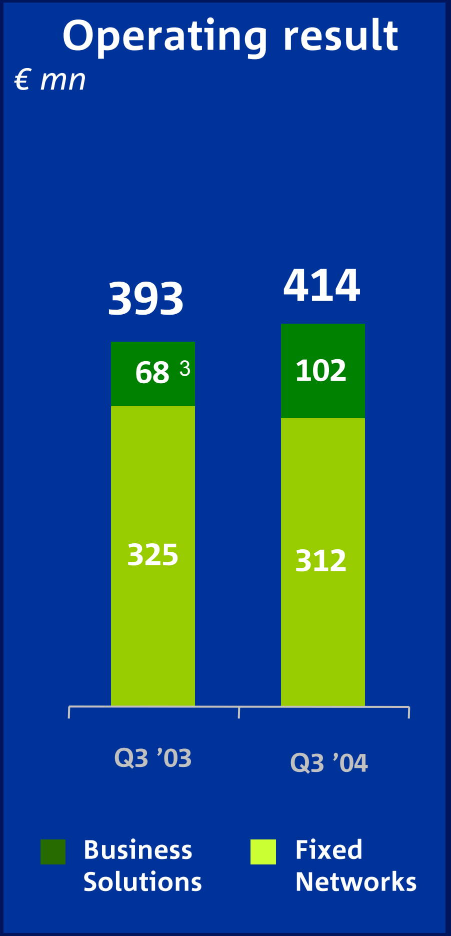
- Operating EBITDA margin excl. exceptional items[4]
- (Net sales – Operating expenses + Depreciation, amortization and impairments) / Net sales
- (Net sales – Operating expenses) / Net sales

1 Including € 103 mn reversal of impairment GSM license BASE
2 Including early retirement provision of € 32 mn, excluding early retirement provision margin would have been 42.2%
3 Including € 19 mn release accruals, among which partial release from the NMa claim (KPN Mobile NL)
4 (Operating revenues – Operating expenses + Depreciation, amortization and impairments) / Operating revenues, shown for comparative purposes only

Fixed in Q3

Operating result increased by 5.3%, despite revenue decline

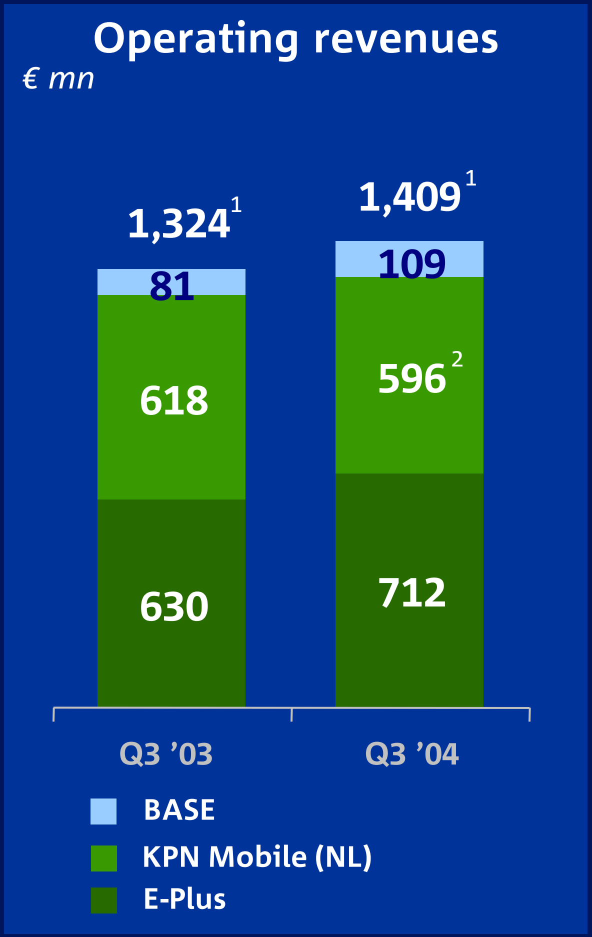


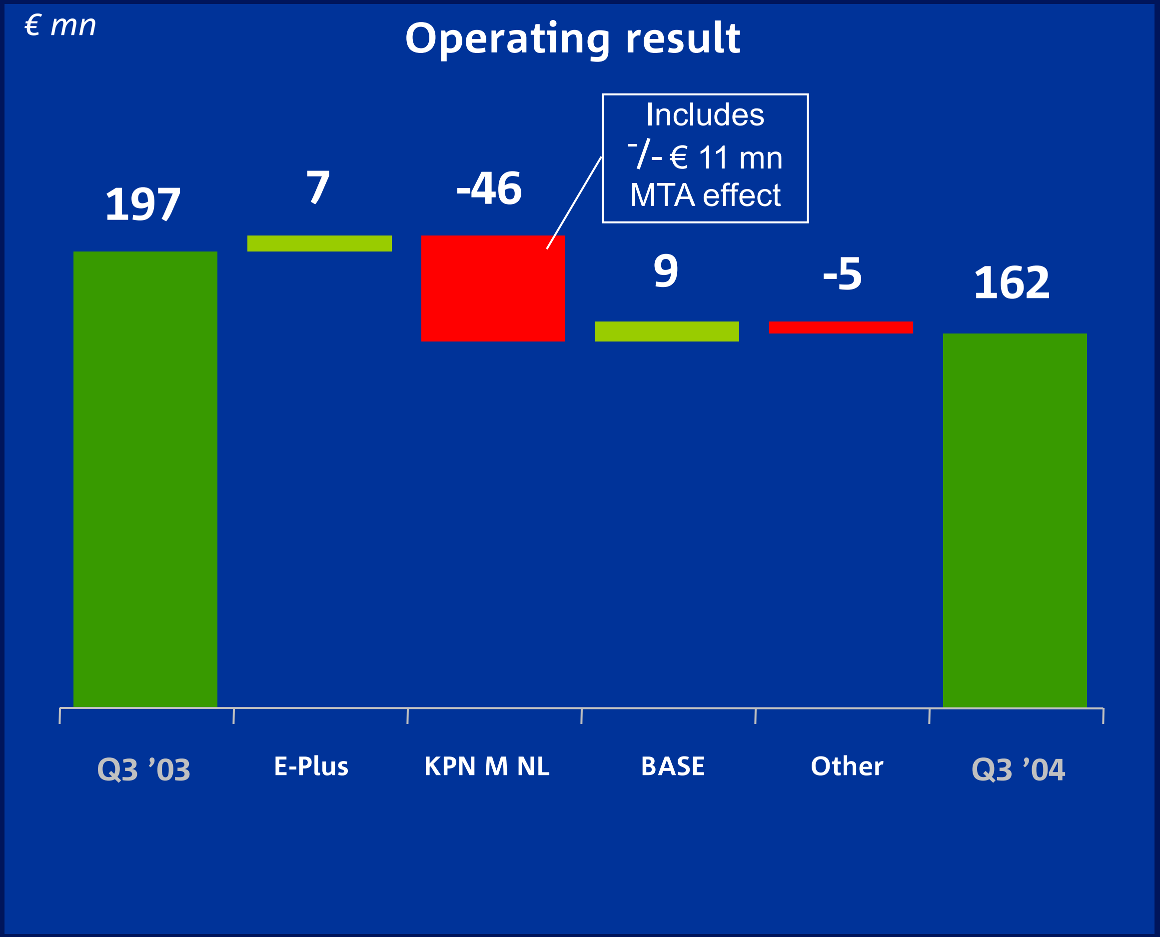


1 Excluding € 25 mn MTA reduction reported in Fixed Telephony
2 Excluding € 42 mn MTA reduction reported in Carrier Services
3 Including € 42 mn impairment of certain fixed assets

Mobile in Q3

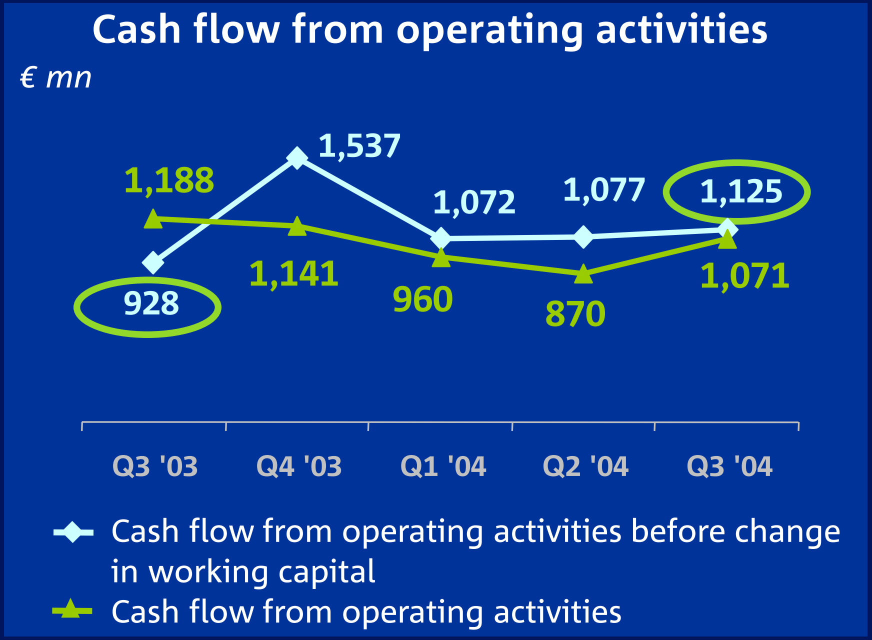
Subscriber growth drives increase in revenues and costs

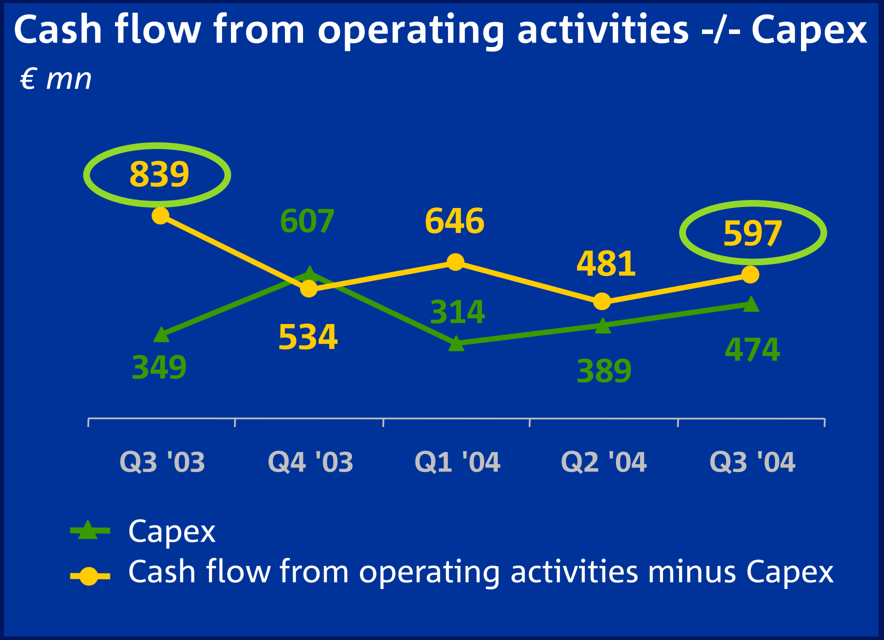




1 Operating revenues 'KPN Mobile other' not shown
2 Including € 23 mn decline due to MTA reduction

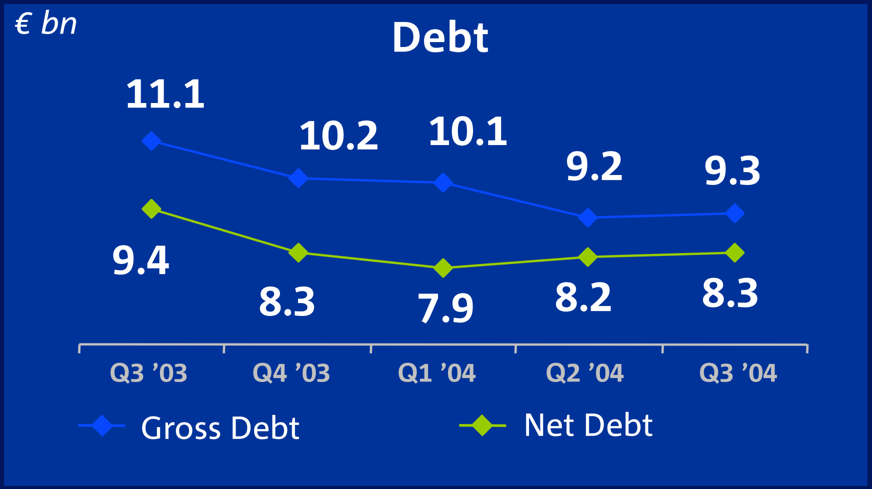
Continued strong cash flow

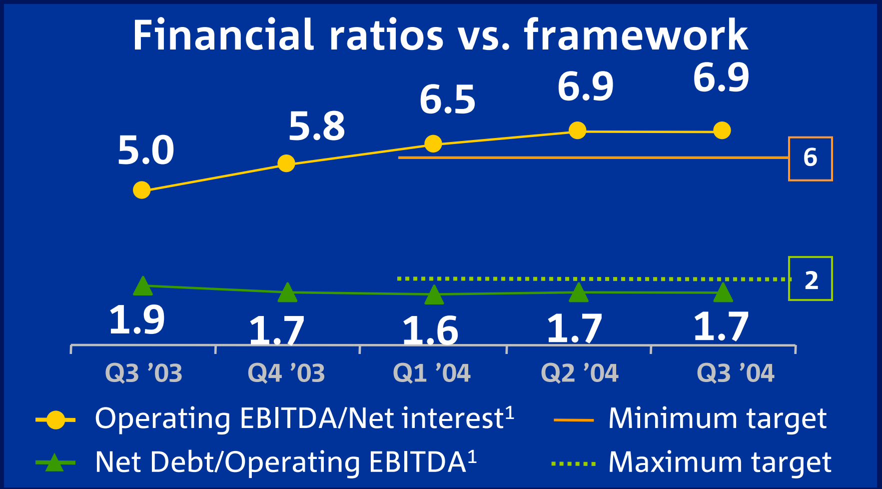


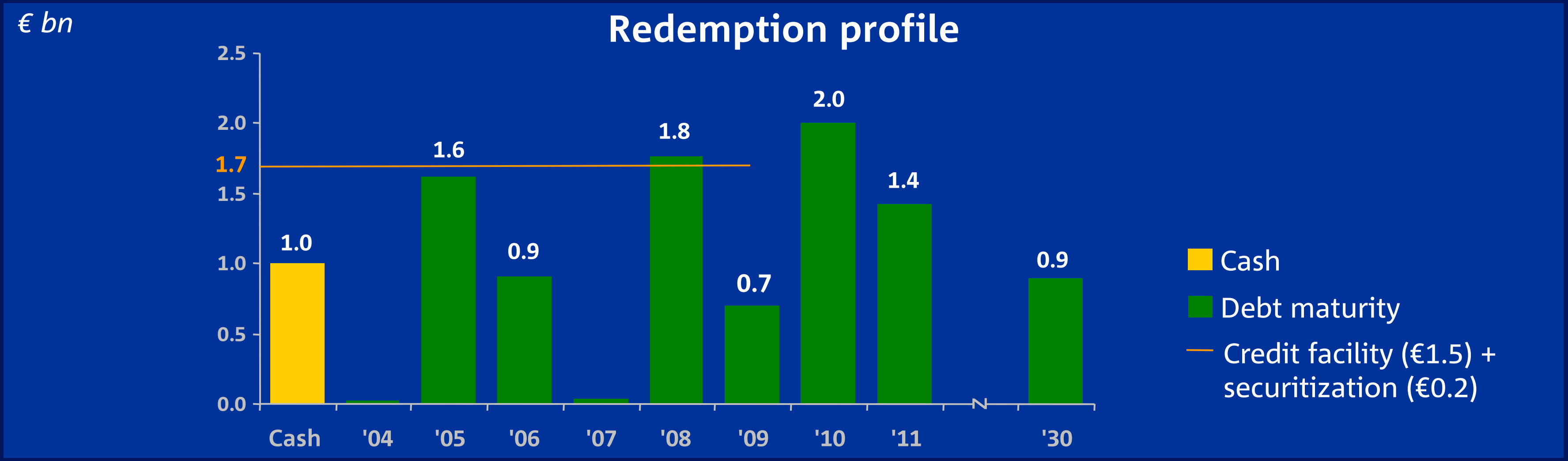


- Operational cash flow before change in working capital increased by 21%
- Increase of working capital mainly related to reclassification of € 127 mn tax asset
- Further increase of Capex in Mobile for UMTS roll-out

Financial profile
Stable ratios







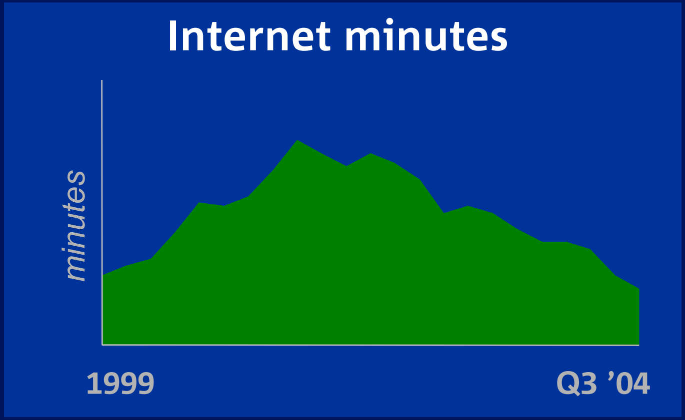
1 Based on a 12 months rolling calculation excluding 'extraordinary' and 'exceptional' items. Operating EBITDA excluding 'extraordinary items' and 'exceptional items' is used by financial institutions and credit rating agencies as one of the key indicators of borrowing potential. It is a non-GAAP measure which can be reconciled to GAAP by taking the Operating result and adding Depreciation, amortization & impairments before taking into account all 'extraordinary' and 'exceptional' items.

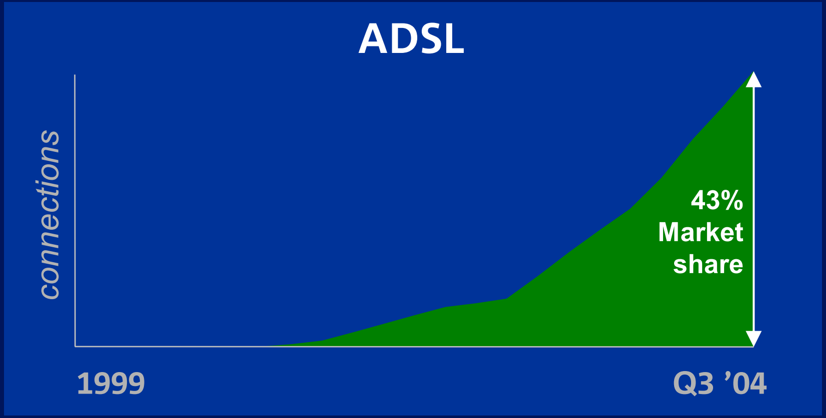
Ad Scheepbouwer

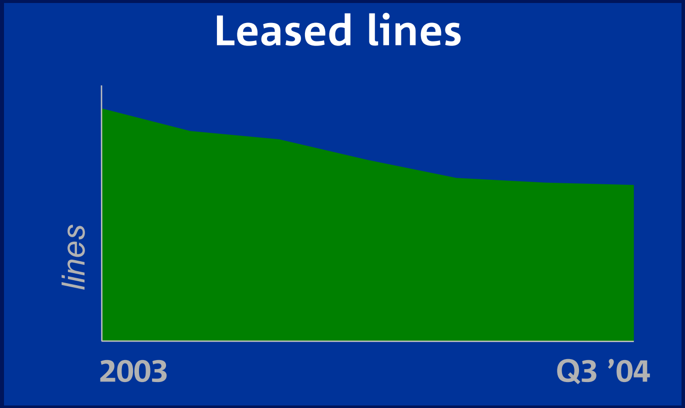
CEO

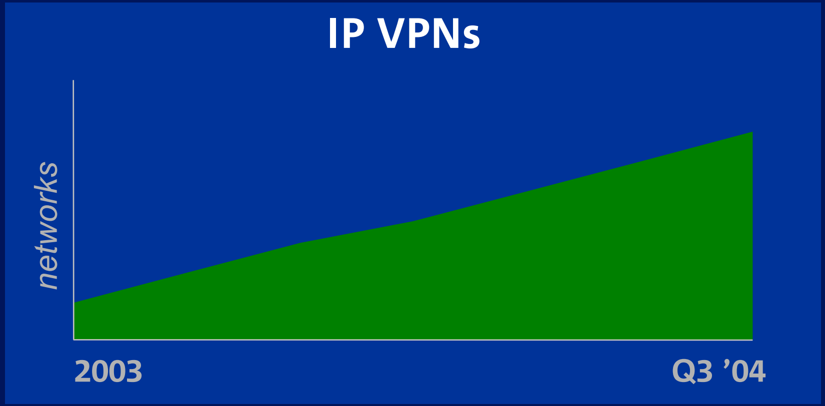
Migration in KPN's fixed service portfolio
Traditional markets contract, new markets arise

- Maintaining market share in traditional markets
- Actively pursuing market share in new markets









Fixed - Voice telephony

Maximum focus on market share

Overall market contraction is a reality

- Mobile-only use steadily higher
- Internet and Telephony minutes moving to Broadband
- Penetration IP business networks rising

Maintaining market share is first priority

- Market share decline is gradually levelling off since early 2004

Consumer market

- Win-back actions in various channels
  - Telemarketing
  - Shops
  - Technicians
- Retention programs successful
  - Already 23% of Dutch consumer households participate in one of our four '**BelPlus**' packages
  - Personalized advice based on individual household's call pattern

Business market

- Similar approach as in consumer market
- Successfully exploiting full potential of packages
  - As a prepaid discount package '**BelZakelijk**' is an unique product
  - Already 115.000 customers subscribed
  - About 15% in the primary target group of SME companies participate

KPN's plans for New Voice

An evolutionary path of services, products and platforms

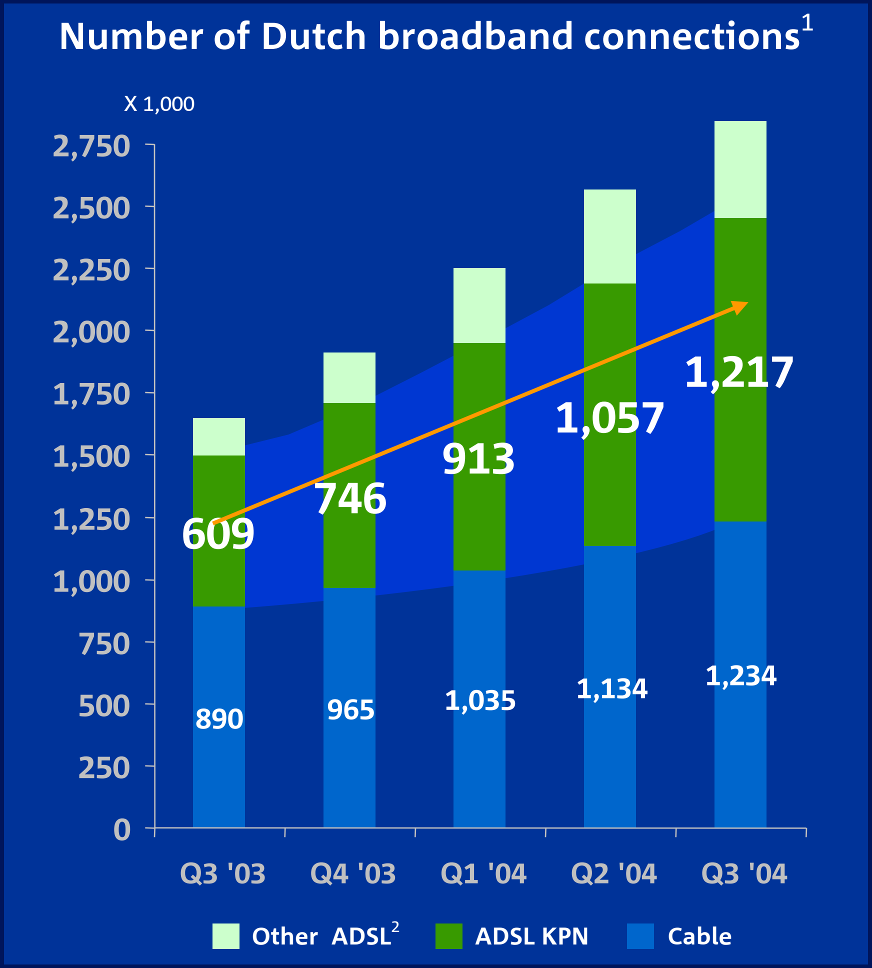
Focus points	KPN's actions
Corporate Enterprises IP-PBX replacing PBX, VoIP for 'on net'-traffic, Value Added Services LAN / WAN integration for data and voice	- IP-VPN is used for 'on net'-traffic - First launch migration to all IP environment - VoIP 'off net' ready for pilot customers - Managed and hosted IP Telephony in 2005
Small & Medium Enterprises VoDSL and VoIP over Broadband are emerging	- VoDSL used as part of OfficeDSL - OfficeDSL will be enhanced with VoIP services in 2005 - Managed and hosted IP Telephony in 2005 - Further services will follow in 2005
Consumer VoIP over broadband (DSL, Fibre) is emerging	- Bundled VoIP/ADSL with ISP Het Net in December[1] live for first customers - New services for 2005 under construction

Network Technology
High quality IP-technologies are becoming available for both fixed and mobile networks
	- Platform currently ready for basic services
	- Platform releases under construction
	  – Q2-Q3 2005 for enhanced services
	  – Q3-Q4 2005 for multimedia services

1 Pending OPTA approval

ADSL Broadband

Continued strong growth



Results Q3

- Proposition to have ADSL installed by technician very popular
- Time based ADSL propositions lock in dial up customers
- KPN ADSL connections from 1,057k to 1,217k (+15%)
- Total market share now approx. 43%

Objectives

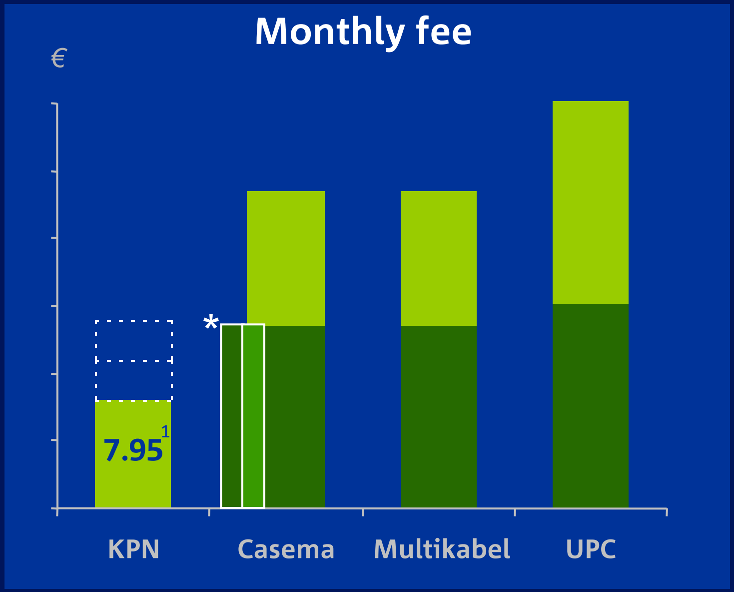
- Further increase of market share
- Extending packaging initiatives
  - Multi ADSL for teleworkers
  - ADSL/Mobile voice package
  - Bundling with TV

1 Of which currently approximately 80% consumers and 20% (small) businesses
2 Excluding Bitstream

Digital TV from KPN
Successful introduction

Rationale
- Strategic offense
- Loyalty increasing
- Image & Branding
- Additional source of revenue

Proposition
- Digital picture and sound quality
- Wireless TV in home environment
- 3 Televisions on 1 subscription
- Competitive channel offering
- Easy to connect
- Electronic Program Guide



* Announced availability (September 24 '04)
Digital
Analogue

	KPN	Casema	Multikabel	UPC
Analogue TV channels		40	45	32
Analogue Radio channels		40	45	39
Digital TV channels	25	60	62	60
Digital Radio channels	17	60	60	47

1 Price in combination with ADSL and voice

Triple Play strategy in the consumer market

Triple Play

1. Voice

2. Internet

3. TV

Packages

KPN Triple Play strategy

Leverage Strong Market Position

1. Use increasing Broadband Market Share as stepping stone for market leadership in ‘New Voice’
2. Further development of Broadband Portfolio

Build on Capabilities

3. Expand TV-Broadcast portfolio (digital TV services, PVR-services)
4. Bundling of Voice, Internet and TV-services in attractive packages

Triple play strategy

Increasing number of integrated packages

Packages		Fixed				Mobile	
		Voice	(A)DSL	TV	Wi-Fi	Voice	Data
Consumer			✓			✓	
Consumer		✓				✓	
Consumer		✓ [1]		✓		✓ [1]	
Consumer		✓ [1]	✓	✓		✓ [1]	
Business			✓		✓		✓
Business		✓	✓				
Business		✓				✓	

Package discount offers significant advantage to both KPN and customers

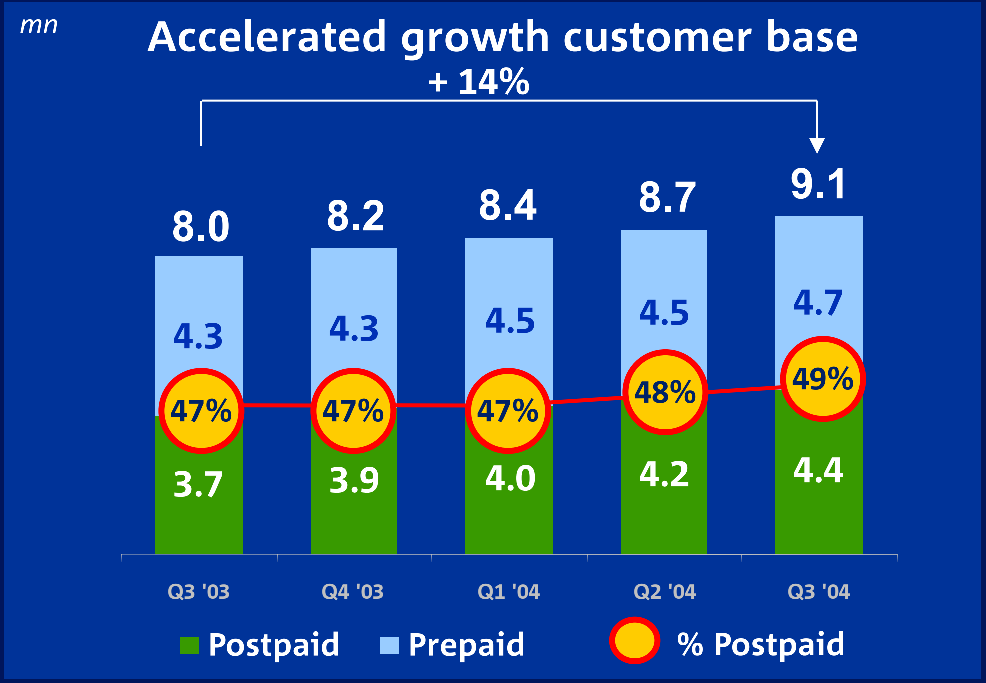
Example:

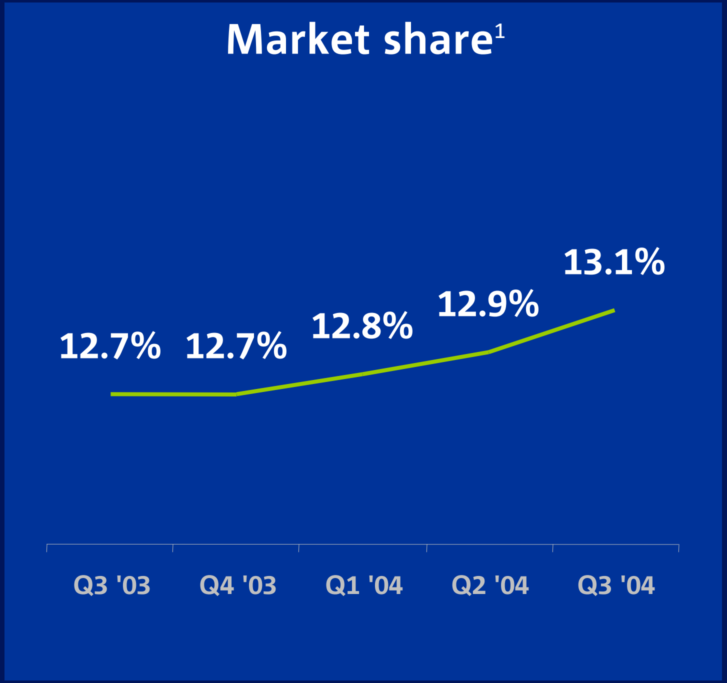
TV	= € 13.95	
TV + voice	= € 10.95	(discount € 3.-)
TV + voice + ADSL	= € 7.95	(discount € 6.-)

1 Either fixed voice or mobile voice

Operating review E-Plus
Delivery on ambitions

Ambitions
- Continued strong growth and increase in market share
- Maintain margin around 25% in ’04

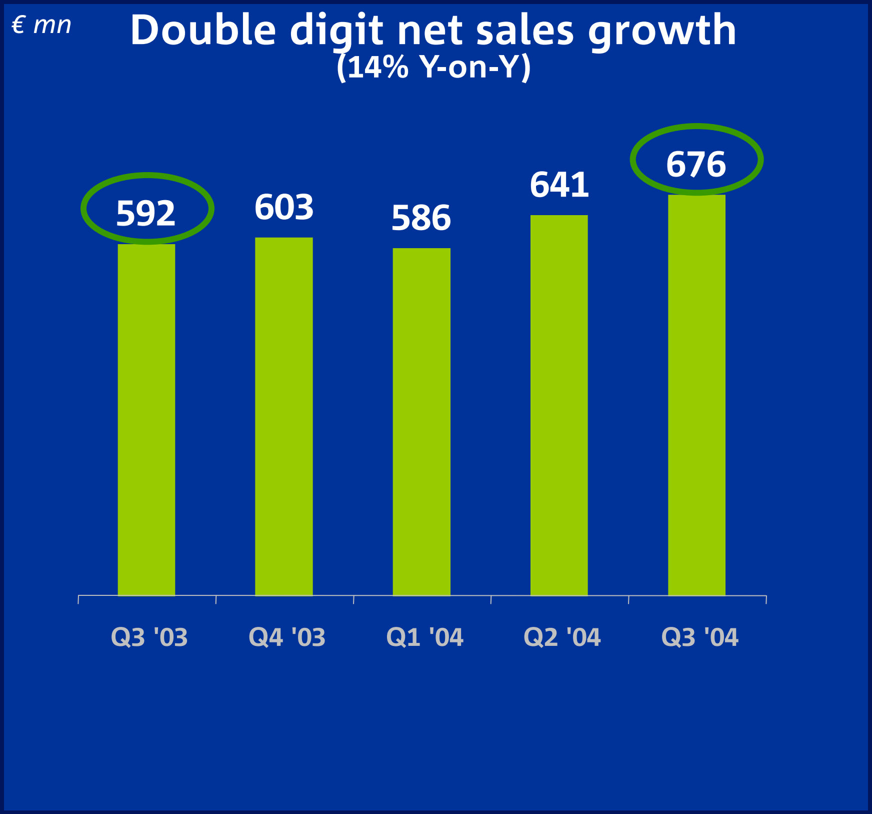


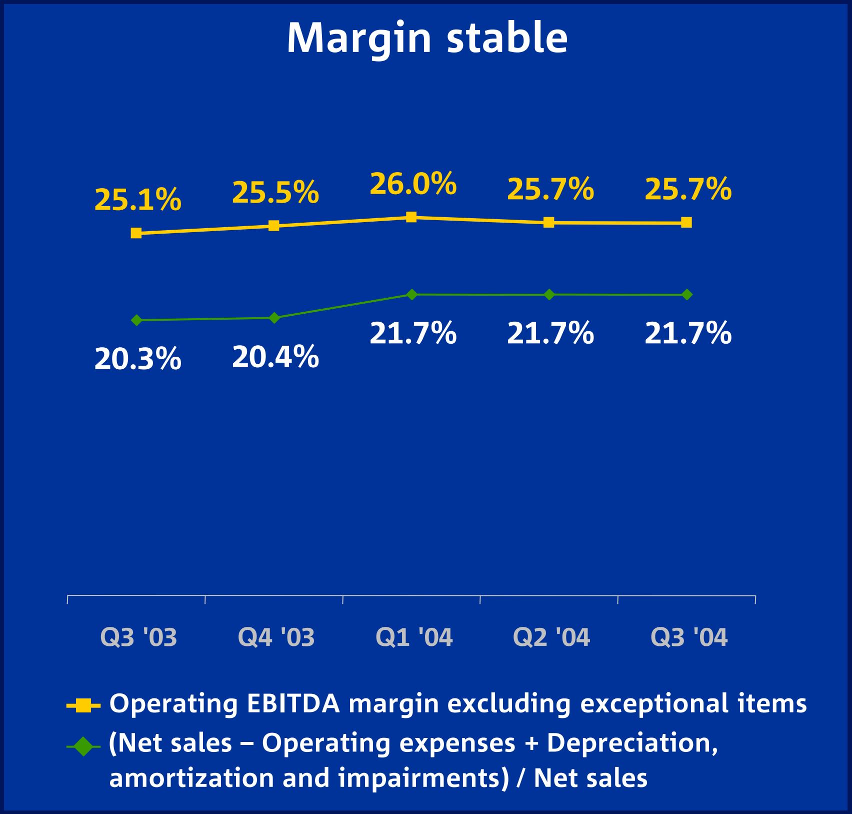


- YE target of 9 mn customers reached in September
- Improving customer mix

1 Management estimates, based on number of customers

Operating review E-Plus
Profitable growth





- Development in line with growth customer base
- Margin stable despite acquisition costs related to strong growth customer base

Operating review KPN Mobile Netherlands

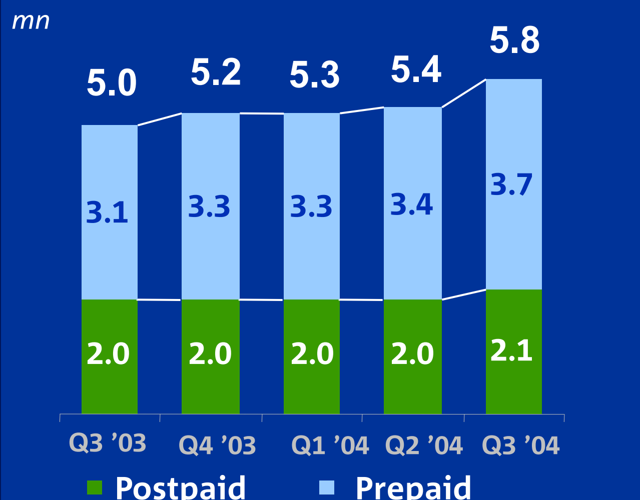
Revitalized commercial strategy

Ambitions: Strengthen market share and margin in medium term

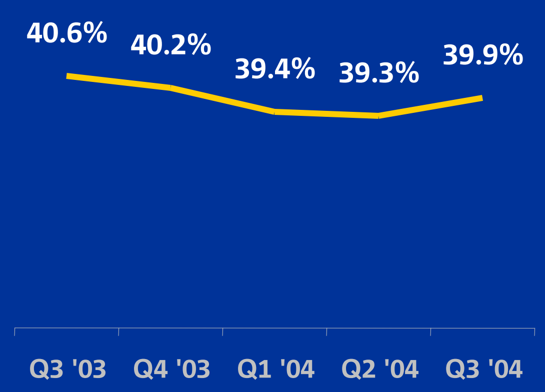
Actions since end Q2 ’04 focused on
- Improvement position external retail
- Stronger brand differentiation KPN vs. Hi
- New attractive propositions

Achievements

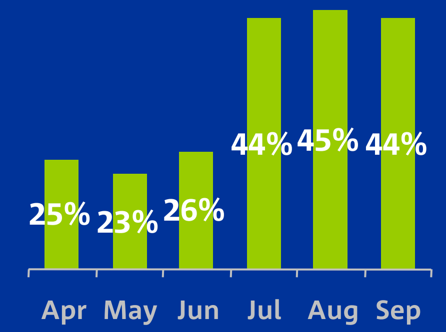
Pick-up growth customer base



Recovery market share[1]



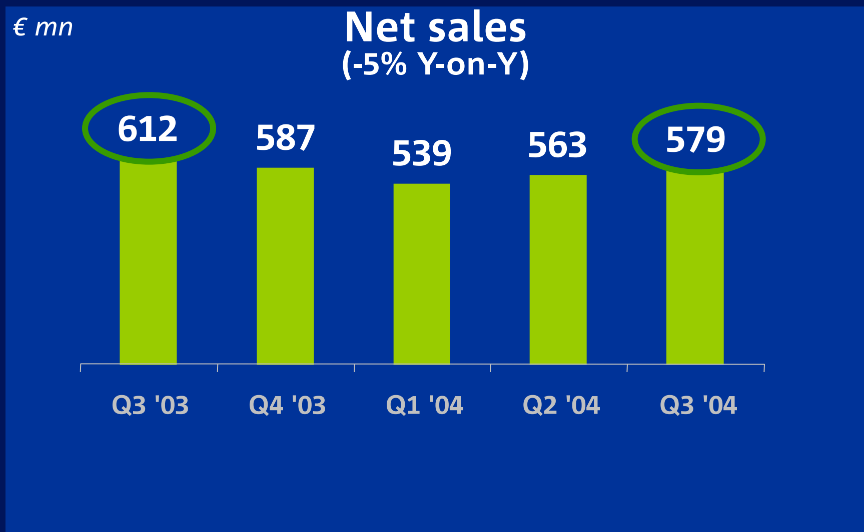
Market share gross additions postpaid[2]

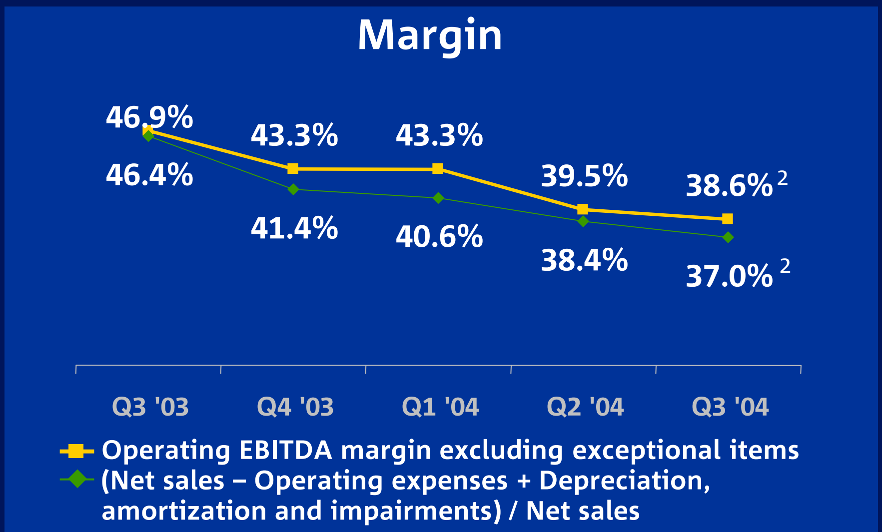


1 Management estimates (numbers of customers) , based on industry filings
2 Based on industry filings

Operating review KPN Mobile Netherlands

Next steps: from Volume to Value





- Trend determined by
  - + growth customer base
  - -/- decline MTA tariffs[1]
  - -/- MoU prepaid

- Pressure on EBITDA margin caused by stepped up marketing efforts resulting in high number of gross adds

Maximum focus on postpaid growth and usage

1 Per 1 January 2004 (–€ 23 mn on net sales in Q3, and –€ 75 mn YTD)
2 Including € 19 mn release several accruals, among which partial release from the NMa claim

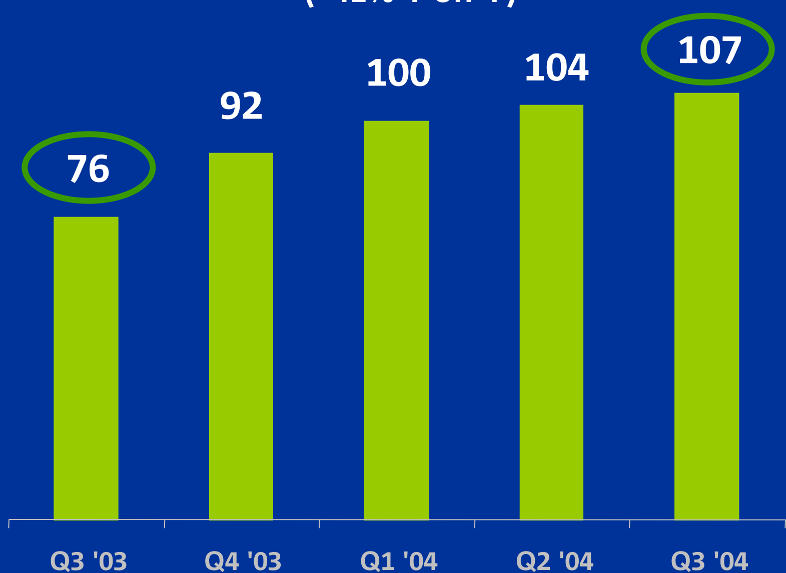
Operating review BASE

Strong momentum continues

Ambitions

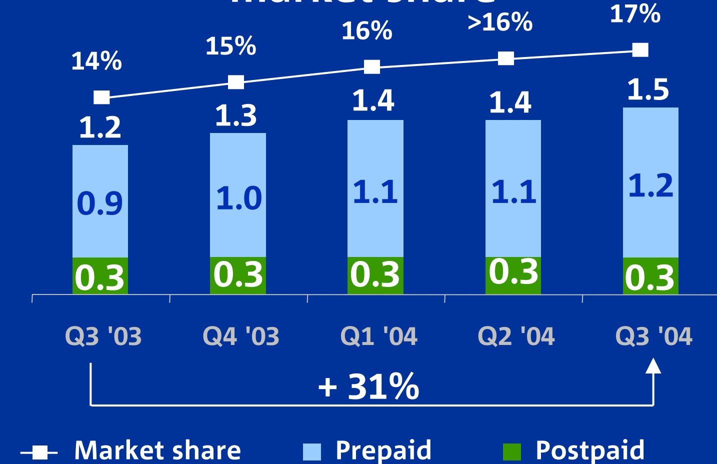
- Continued strong growth
- Cash flow positive 2004

Net sales
(+41% Y-on-Y)

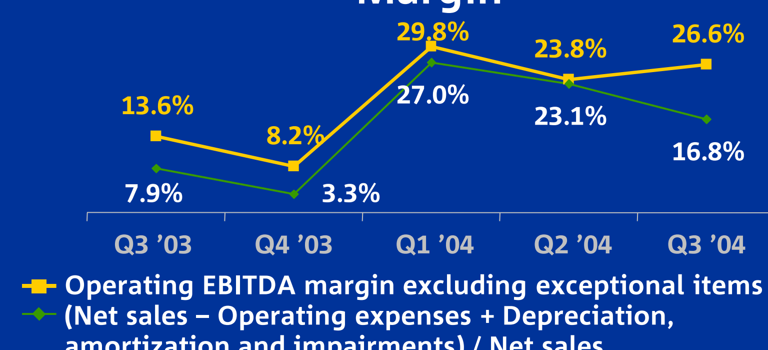


Driven by increase in customer base and ARPU

Growing customer base and market share [1]



Margin



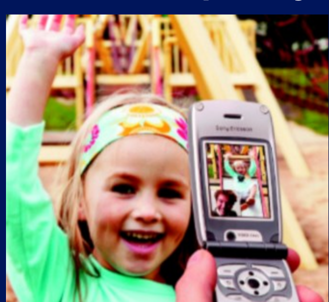
1 Management estimates, based on numbers of customers

Mobile data services-UMTS
Developing data beyond messaging

- UMTS handsets and datacards were launched in Germany and the Netherlands in Q3
- Focus on business users and early adopters
- Data offering continually improved with new applications & devices

UMTS: Mobile services are enhanced by video and speed

'Video'			Data-Access
Telephony	i-mode™	Messaging	Mobile Office Internet access
UMTS	UMTS	UMTS	UMTS
Video telephony	Faster and richer	Video messaging	Fast mobile broadband
Mainly Consumer			Mainly Business



i-mode™

- Network roll-out continues apace

Q & A

Annex

For more information please contact

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Reported results[1]

€ *mn*	Q3 '03	Q3 '04	%	YTD '03	YTD '04	%
Operating revenues	**3,082**	**3,017**	***-2%***	**9,793**	**9,052**	***-8%***
- of which Net sales	3,009	2,948	*-2%*	8,872	8,778	*-1%*
Operating expenses	**2,479**	**2,431**	***-2%***	**7,366**	**7,127**	***-3%***
- of which Depreciation[2]	582	497	*-15%*	1,677	1,535	*-8%*
- of which Amortization[2]	78	99	*27%*	292	253	*-13%*
Operating result	**603**	**586**	***-3%***	**2,427**	**1,925**	***-21%***
Financial income/(expense)	-205	-193	*-6%*	-639	-476	*-26%*
Profit/(Loss) before taxes	**398**	**393**	***-1%***	**1,788**	**1,449**	***-19%***
Income participating interests	-4	-15	*n.a.*	-4	-11	*n.a.*
Minority Interests	1	-4	*n.a.*	23	-12	*n.a.*
Taxes	-256	-86	*-66%*	-715	-394	*-45%*
Profit/(Loss) after taxes	**139**	**288**	***107%***	**1,092**	**1,032**	***-5%***

Earnings per share[3]	**0.05**	**0.12**	***140%***	**0.44**	**0.43**	***-2%***

1 Also see sheet 'Exceptional items'
2 Including impairments
3 Profit after taxes per ordinary share/ADS on a fully diluted basis (in €)

Exceptional items[1]

€ mn	Q3 '03	Q3 '04	YTD '03	YTD '04
Special items with impact on Operating result				
Fixed				
Release of restructuring provision	3	4	9	-11
Write down receivables Business Solutions	-6		-6	
Additional loss on sale of SNT France	-5		-5	
Impairment on tangible fixed assets (Business Solutions)	-42		-42	
Reversal impairment Connectivity				2
Impairment of goodwill re SNT (Fixed)			-38	
Mobile				
Addition to restructuring provision (BASE)		-8		-8
Gain resulting from termination agreement MobilCom			222	
Book gain on sale of UMC			15	
Other activities				
Release of restructuring provision	-3	4	-3	15
Book gain on sale of Directory Services			435	
Book gain on sale of Eutelsat				36
Book gain on sale of PTC				20
Additional impairment Xantic		-5		-7
Impairment on intangible fixed assets (Other)			-15	

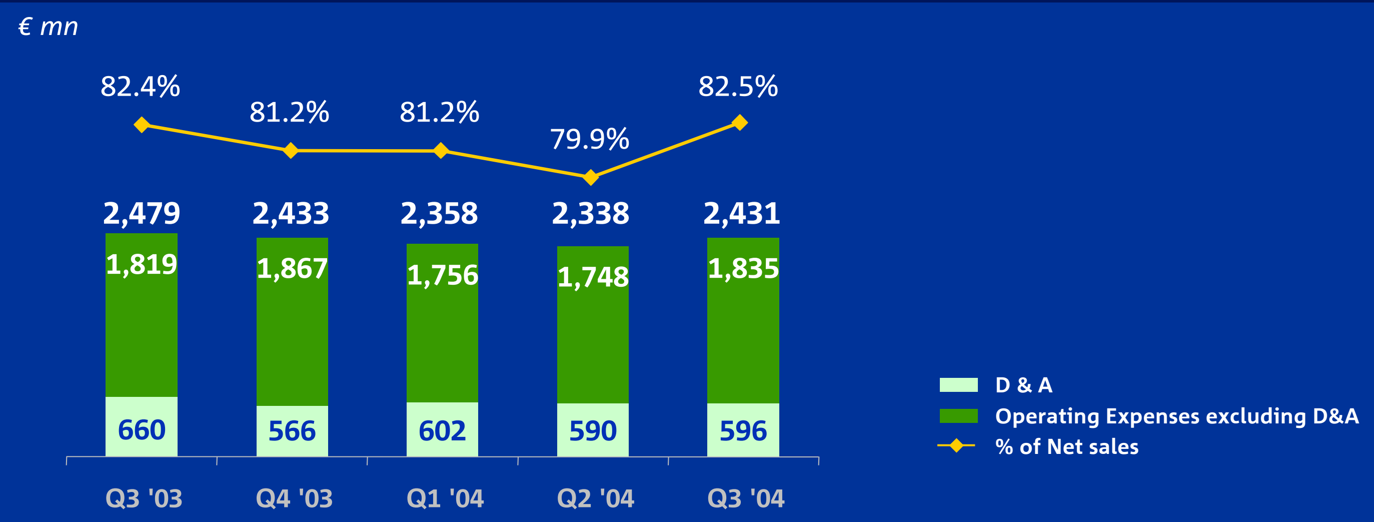
Special items with impact on Profit or loss after taxes				
Tax effect on exceptional items	19	2	28	1
Reversal impairment PTC loan				7
Minority's share in impairment of goodwill re SNT	1		15	

[1] Analysis is based on figures including exceptional items rather than those excluding such items. In order to facilitate the analysis of trends, we will disclose items with significant impact that in our opinion are important to interpret these trends. In the past, we have defined the following events as an exceptional item:

- (Reversal) impairment charges and other substantial write-downs on the value of our assets, including goodwill an other intangible fixed assets
- Restructuring charges
- Gains or losses on the disposal of group companies, associates and other assets and/or activities

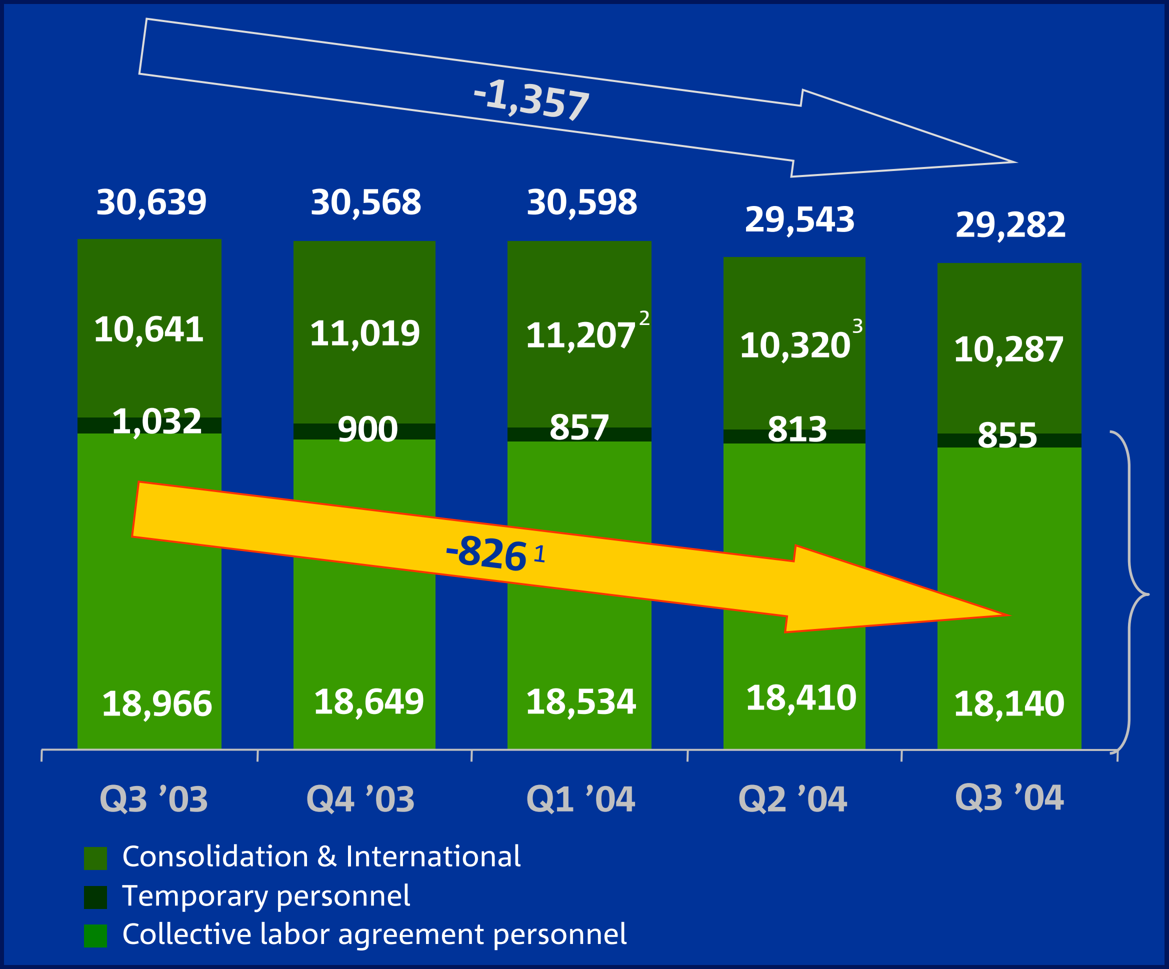
Operating expenses

€ mn	Q3 ’03	Q3 ’04	%
Salaries and social security contributions	404	440	*9%*
Cost of materials	232	273	*18%*
Work contracted out and other expenses	1,062	1,010	*-5%*
Other	121	112	*-7%*
Depreciation[1]	582	497	*-15%*
Amortization[1]	78	99	*27%*
Total	**2,479**	**2,431**	***-2%***



1 Including impairments

Personnel
Continuing decline

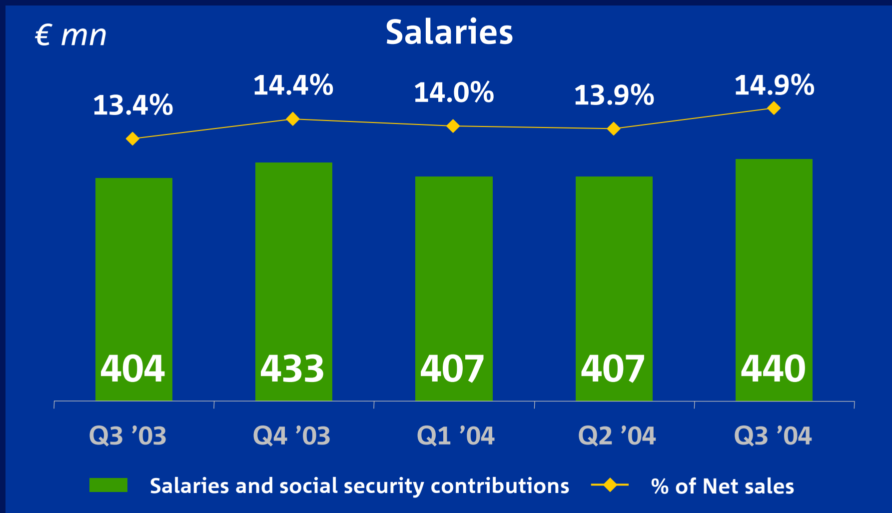


Deconsolidation effect of 201 FTE

Remainder via social plan and natural attrition

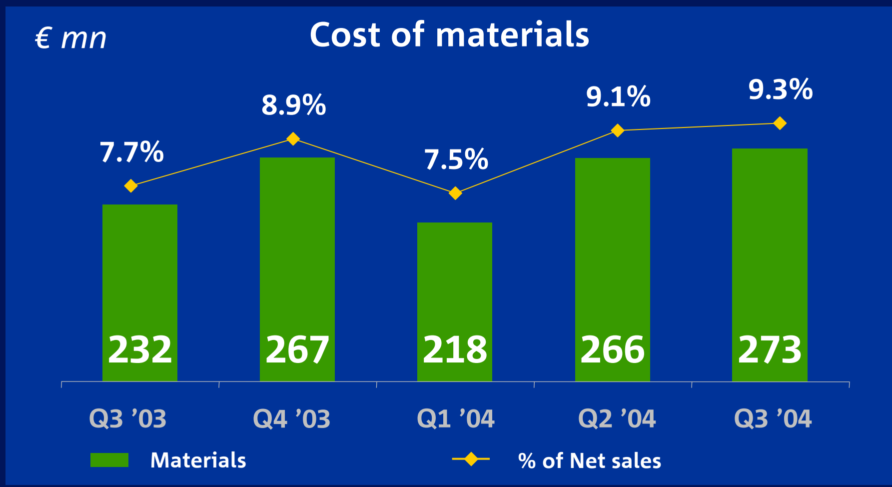
1 Collective labor agreement personnel, including deconsolidation effects of 201 FTE
2 Q-on-Q increase mainly related to SNT Germany, due to acquisition info portal
3 Q-on-Q decrease mainly relates to SNT (natural attrition), Euroweb (deconsolidation) and BASE

Analysis operating expenses
Salaries & Cost of materials



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

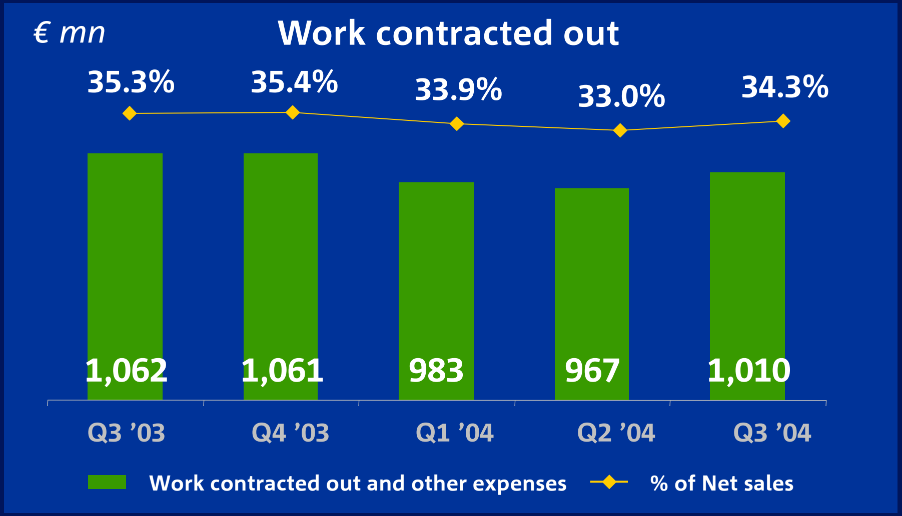
- Addition to early retirement provision of € 36 mn



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

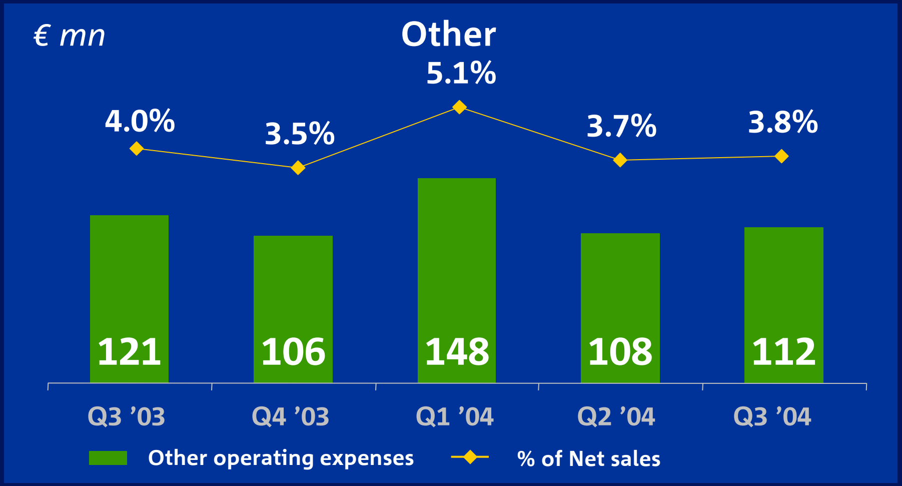
- Higher number of mobile handsets sold

Analysis operating expenses
Work contracted out & other



Y-on-Y decline
- Lower volumes at fixed and lower MTA tariffs
- Lower project costs at Business Solutions

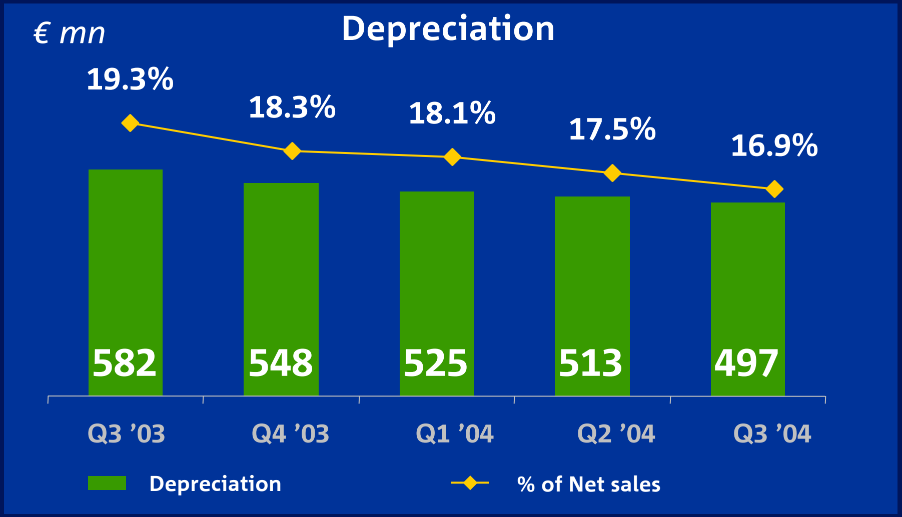
Q-on-Q increase
- Higher bonuses and commission fees per subscriber and higher number of gross adds



Y-on-Y decline
- Release restructuring provision
- Partial release of NMa provision

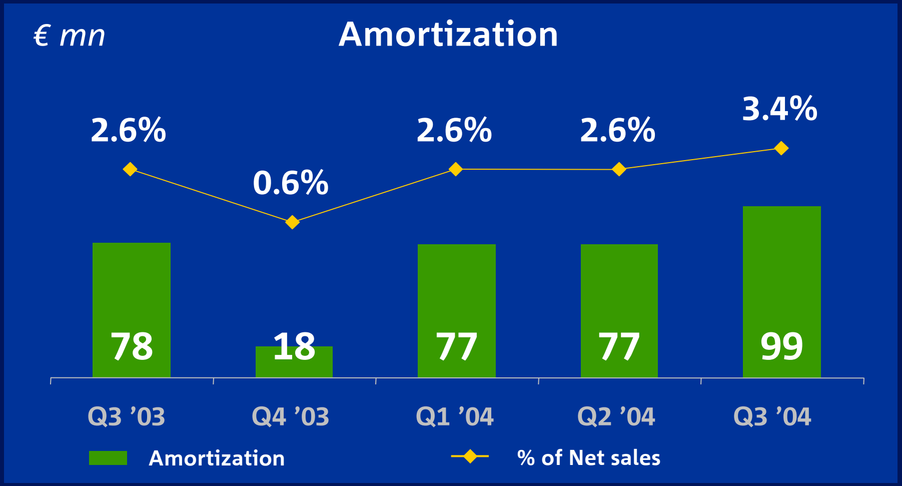
Q-on-Q increase
- Release restructuring provision in Q2 '04

Analysis operating expenses
Depreciation & Amortization



Y-on-Y decline

- Lower Capex levels during ’02 and ’03
- Impairment of certain fixed assets at Business Solutions of € 42 mn in Q3 ’03



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

- Start of UMTS amortization E-Plus

Taxes
Q3

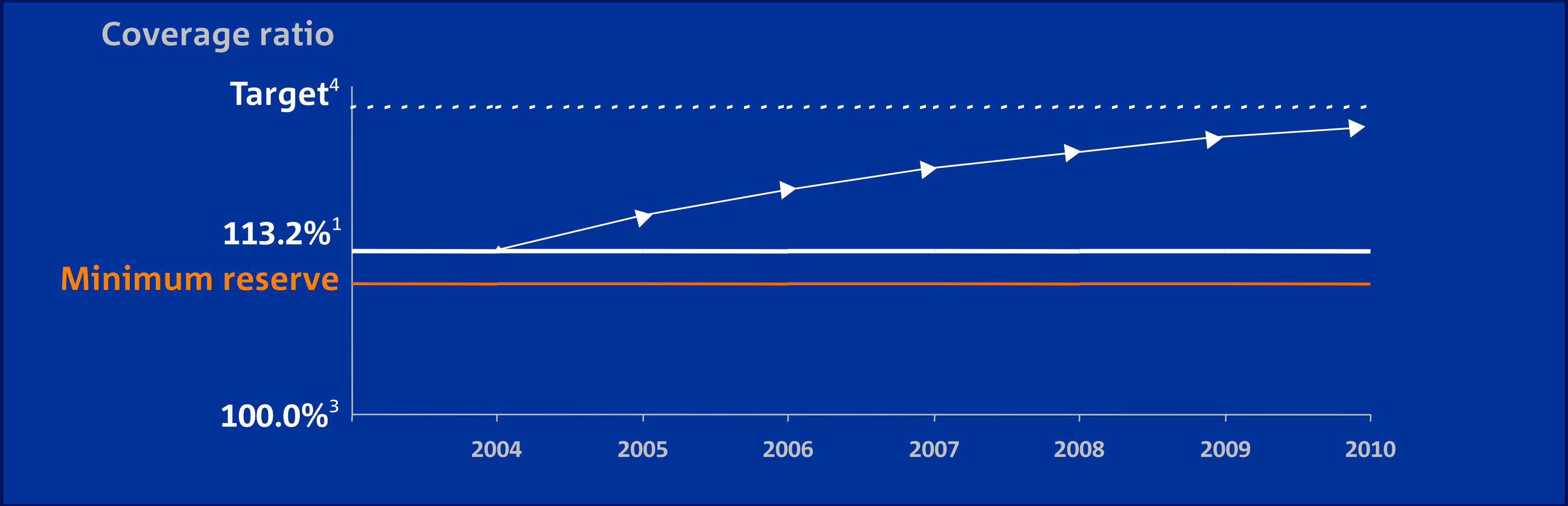
Reported, € mn	Q3 '04		YTD '04	
Fiscal unities	**P&L charge**	**Payments (–) Receipts (+)**	**P&L charge**	**Payments (–) Receipts (+)**
Fixed division & Other activities	-87		-340	-11
German Mobile activities	-17		-7	
Dutch Mobile activities	-26		-119	
Belgian Mobile activities	44		72	
Total	**-86**	**-**	**-394**	**-11**

- Deferred tax asset Belgium is a result of further conversion of debt into equity and improvement of business plan

Net result affiliates & minority interests

€ mn	Q3 '03	Q3 '04	YTD '03	YTD '04
Income from participating interests				
UMC	-2	0	0	0
Infonet	-3	-1	-6	0
Other	1	-14	2	-11
Total	**-4**	**-15**	**-4**	**-11**
Minority interests				
KPN Mobile (2.16% NTT DoCoMo owned)	0	-3	-3	-7
Xantic (35% Telstra owned)	1	1	10	-1
Other	0	-2	16	-4
Total	**1**	**-4**	**23**	**-12**

Pension charges
Total shortfall of € 312[1] mn



- Improvement coverage ratio to 113.2%[1] (was 112.3%[2])
- As a result the total shortfall decreased to € 312[1] mn (was € 350[2] mn)
- This results in a potential € 63[1] mn charge for 2004; to be paid in Q2 2005

1 Based on situation September 30, '04
2 Based on situation June 30, '04
3 Any coverage below 100% has to be funded within 12 months
4 Based on the long term interest rate and the strategic mix of the pension funds as per September '04

Addition to early retirement provision

Division	Q3 '04
Fixed	**32**
Fixed networks	*20*
Business networks	*12*
Mobile	**0**
Other	**4**
Total	**36**

VAT claim

European perspective

- VAT claims lodged in Austria & UK
- Local Courts have asked European Court of Justice opinion on treatment of license issuance with respect to VAT

KPN’s position

- Claim has been lodged in August in The Netherlands
- Claim has been lodged in October in Belgium
- In November a claim will be lodged in Germany unless the government agrees to wait for the outcome of the legal procedures in Austria and UK while preserving the claim of the operators

Total cash flow

€ mn	Q3 '03	Q3 '04	YTD '03	YTD '04
Net cash flow provided by operating activities	**1,188**	**1,071**	**2,946**	**2,901**
Capex	-349	-474	-814	-1,177
Sale of non-core assets	-	1	845	93
Other (including real estate)	-18	-8	5	-21
Net cash flow from investing activities	**-367**	**-481**	**36**	**-1,105**
Dividend	-	-190	-	-796
Share repurchase	-	-507[1]	-	-974
Shares purchased for option plan	-	-4	-9	-33
Issued debt	-	2,125	-	2,125
Redemptions	-85	-12	-1,577	-933
Early redemptions	-648	-1,979	-2,344	-2,001
Other	12	-3	37	-
Net cash flow used in financing activities	**-721**	**-570**	**-3,893**	**-2,612**
Changes in cash and cash equivalents	**100**	**20**	**-911**	**-816**

1 Including €33 mn shares from initial € 500 mn share repurchase program which were settled in July '04 and excluding € 26 mn shares from second share repurchase program settled in October '04

Net cash flow from operating activities

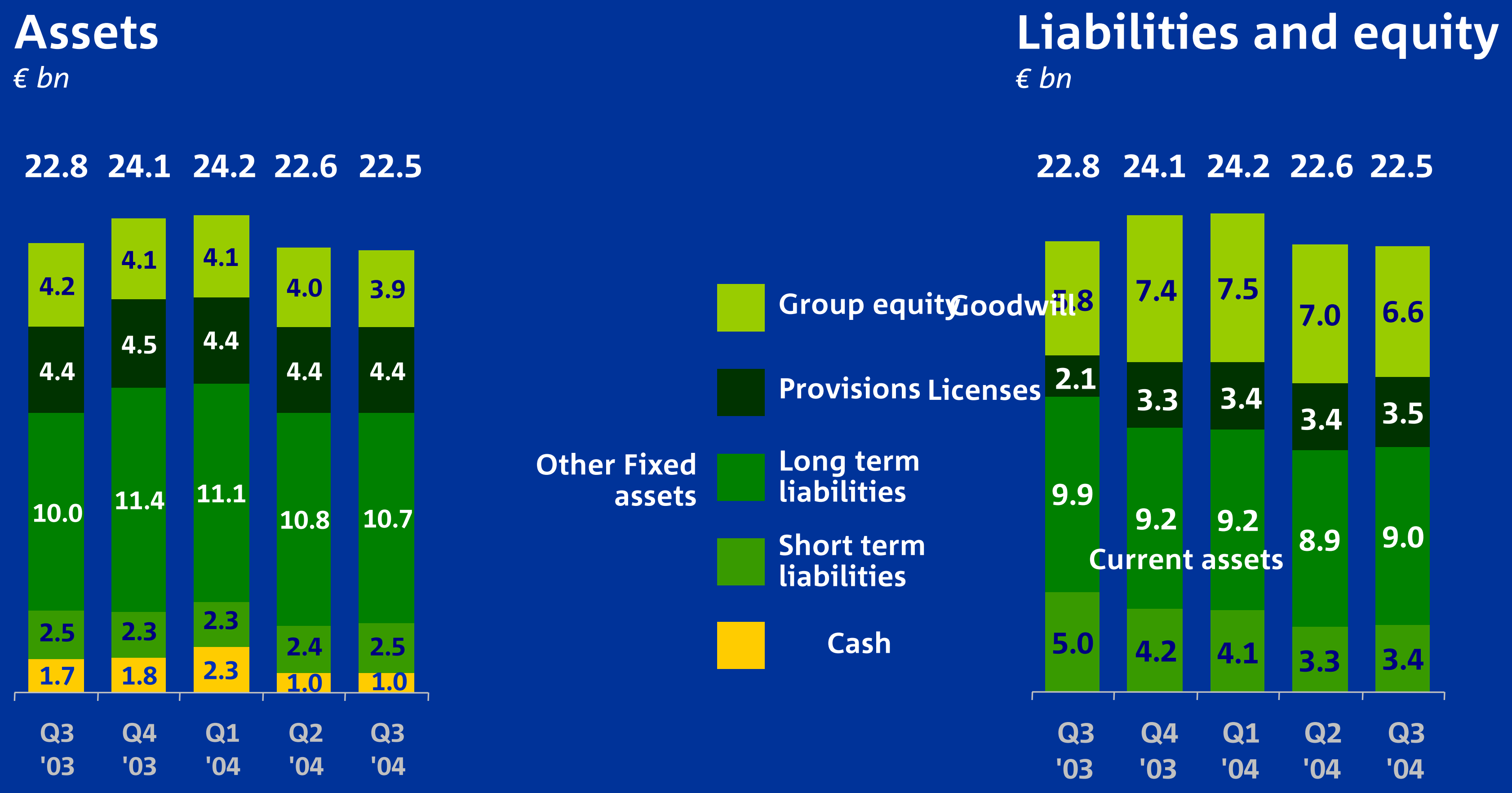
€ mn	Q3 '03	Q3 '04	YTD '03	YTD '04
Profit or loss after taxes	**139**	**288**	**1,092** [1]	**1,032**
Minority interests	-1	4	-23	12
Depreciation, amortization and impairments	660	596	1,969	1,788
Income from participating interests	4	15	4	11
Results from sale of assets minus received dividend	-	-	-461	-56
Change in provisions and deferred taxes	126	222	302	487
Net cash flow from operating activities *before changes in working capital*	**928**	**1,125**	**2,883**	**3,274**
Inventory	65	-54	18	-101
Receivables	15	10	22	22
Other current assets	-22	-103	-60 [1]	-94
Current liabilities	202	93	83 [1]	-200
Change in working capital	**260**	**-54**	**63**	**-373**
Net cash flow from operating activities	**1,188**	**1,071**	**2,946**	**2,901**
Capex	349	474	814	1,177 [1]
Net cash flow from operating activities minus Capex	**839**	**597**	**2,132**	**1,724**

1 Including effect termination MobilCom agreement in Q1 '03

Capex

Including exceptional items *€ mn*	Q3 '03	Q3 '04	%	YTD '03	YTD '04	%
Fixed	**126**	**145**	***15%***	**353**	**408**	***16%***
% revenues	*7%*	*8%*		*6%*	*7%*	
Fixed Networks	93	103	*11%*	272	309	*14%*
% revenues	*6%*	*7%*		*6%*	*7%*	
Business Solutions	33	42	*27%*	81	99	*22%*
% revenues	*6%*	*8%*		*5%*	*6%*	
Mobile	**213**	**314**	***47%***	**436**	**730**	***67%***
% revenues	*16%*	*22%*		*11%*	*18%*	
E-Plus	125	232	*86%*	250	530	*112%*
% revenues	*20%*	*33%*		*12%*	*26%*	
KPN Mobile (NL)	49	70	*43%*	100	166	*66%*
% revenues	*8%*	*12%*		*6%*	*10%*	
BASE	39	12	*-69%*	86	34	*-60%*
% revenues	*48%*	*11%*		*36%*	*11%*	
Other	**10**	**15**	***50%***	**25**	**39**	***56%***
Total	**349**	**474**	***36%***	**814**	**1,177**	***45%***
% revenues	*11%*	*16%*		*8%*	*13%*	

Balance sheet



Share buyback progression
€ 1 bn returned to shareholders in 2004

- Principles:
  - Total share buybacks announced for € 1.500 mn
  - Timing depends on share price, size and liquidity of market

Period [1]	mn shares	% of total capital	value € mn	Avg. share price
March 11 - March 31, 2004	45.7	1.8%	289	€ 6.32
May 10 - June 30, 2004	34.9	1.4%	211	€ 6.04
August 9 - September 30, 2004	81.0	3.3%	500	€ 6.18
Total	**161.6**	**6.5%**	**1,000**	**€ 6.19**

²/₃ of committed buyback programs completed so far

- 80.6 mn shares repurchased until June 30 (3.2% of total capital), cancelled on October 28

1 Figures based on transaction date of share repurchases, not settlement date

New credit facility

Solid financial position has led to improved conditions

	Credit facility, August 2004	Credit facility, April 2003
Size	€ 1.5 bn	€ 1.5 bn
Term	August 2009	April 2006 with extension option for KPN to April 2007
Margin A- / A3 A- / Baa1 (KPN current) BBB+ / Baa1	 0.250% 0.275% 0.300%	 0.600% 0.700% 0.800%
Commitment fee (% of margin)	32.5%	40.0%
Covenants	▪ No financial covenants ▪ No MAC event of default ▪ No ring fencing KPN fixed	▪ 2 financial covenants ▪ MAC event of default ▪ Ring fencing KPN fixed
P&L effect (non cash)	€ 17 mn	
Annual cash savings (undrawn excl up front fees)	€ 3 mn	

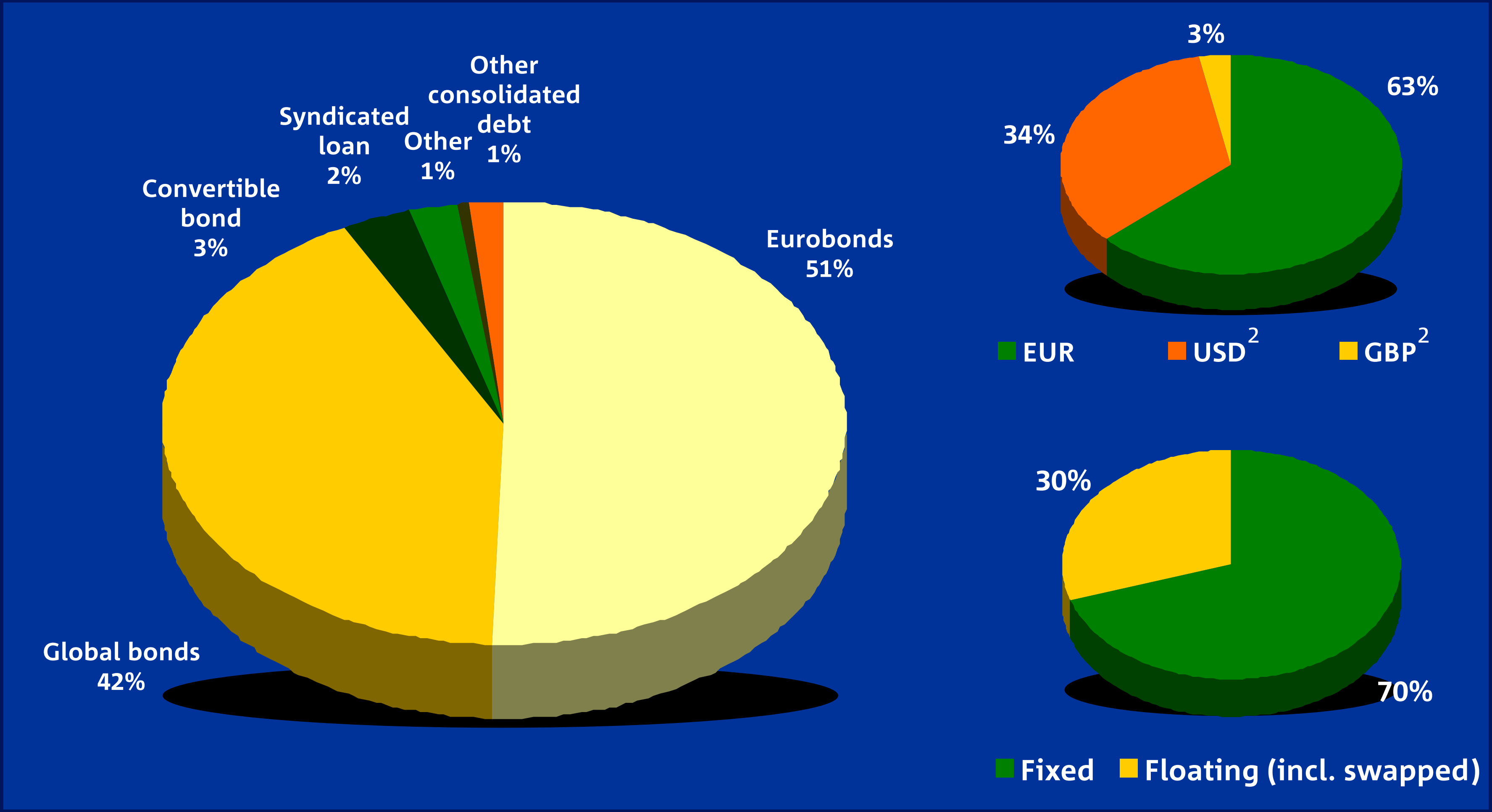
Debt summary

€ bn	Q3 '03	Q2 '04	Q3 '04
Subordinated convertible bonds	**1.2**	**1.1**	**0.3**
Subordinated loans	**0.1**	**0.0**	**0.0**
Eurobonds	**5.2**	**3.8**	**4.7**
Global bonds	**4.0**	**3.9**	**3.9**
Other loans at Royal KPN	**0.4**	**0.3**	**0.3**
Consolidated debt			
E-Plus	*0.1*	*0.1*	*0.0*
Other	*0.1*	*0.1*	*0.1*
Total debt	**11.1**	**9.2**	**9.3**
of which short-term	*1.2*	*0.3*	*0.3*
Cash and cash equivalents	1.7	1.0	1.0
Total net debt	**9.4**	**8.2**	**8.3**

Bond portfolio
Overview changes during life of bonds

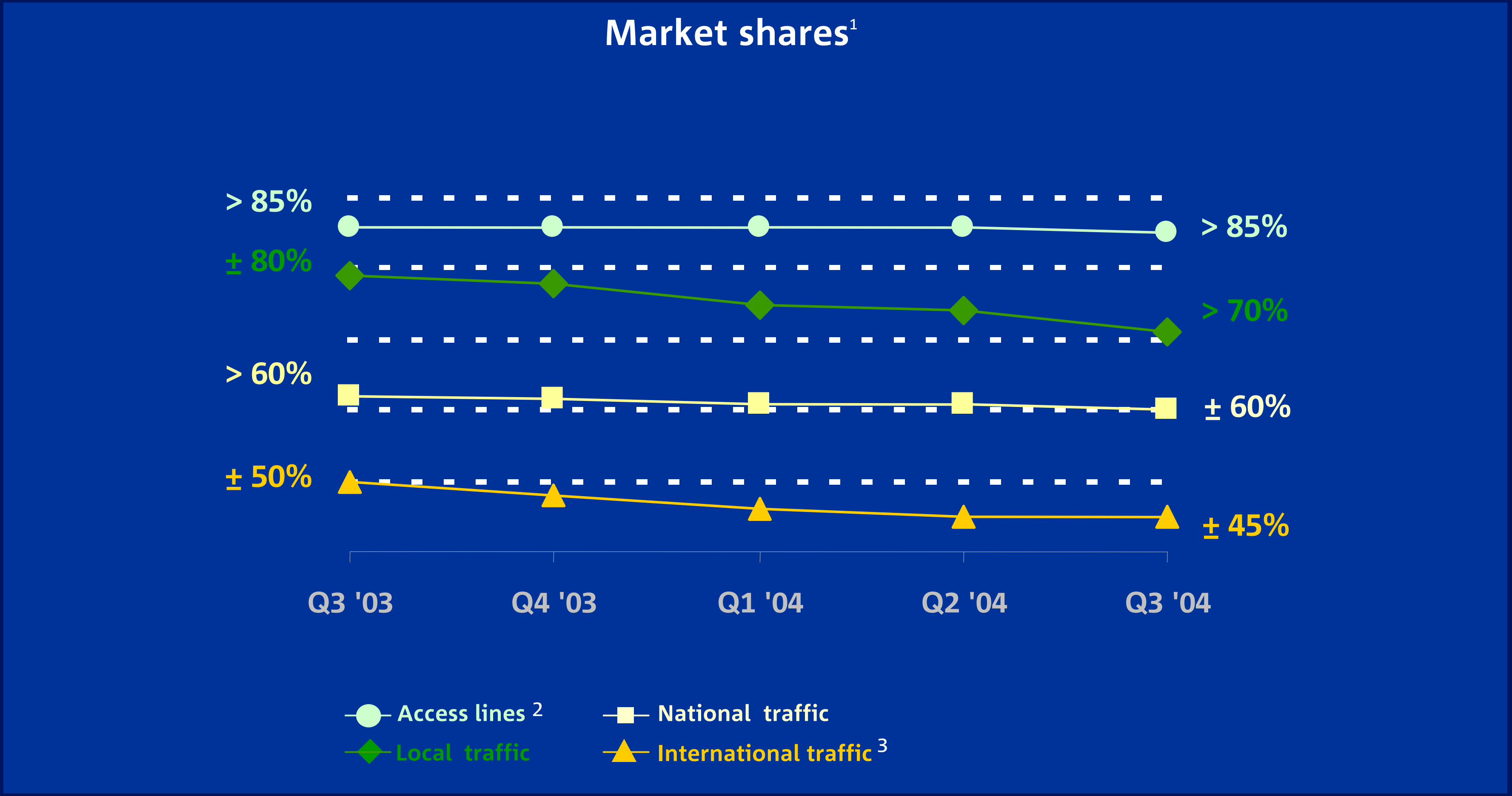
mn	Principal in GBP / USD	Principal in €	Early redemptions 2002 in €	Early redemptions 2003 in €	(Early) redemptions 2004 in €	Rehedge currency risk '03 + '04 YTD in €	Outstanding principal Q3 '04 in GBP / USD	Outstanding principal Q3 '04 in €
Sub. convertible bond 2000 - 2005	-	1,500	-	-373	-800	-	-	327
Eurobond 1996 - 2006	-	590	-	-155	-156	-	-	279
Eurobond 1998 - 2008	-	1,500	-	-	-	-	-	1,500
Eurobond 1999 - 2004	-	1,250	-375	-	-875	-	-	0
Eurobond 2001 - 2006	-	2,000	-	-431	-1,005	-	-	564
Eurobond 2001 - 2008 GBP	175	280	-	-	-	-22	175	258
Eurobond 2004 - 2009	-	700	-	-	-	-	-	700
Eurobond 2004 - 2011	-	1,425	-	-	-	-	-	1,425
Global bond 2000 - 2005 USD	750	875	-542	-	-	-	285	333
Global bond 2000 - 2010 USD	1,750	2,002	-	-	-	-	1,750	2,002
Global bond 2000 - 2030 USD	1,000	1,132	-	-	-	-241	1,000	891
Global bond 2000 - 2005 EUR	-	1,000	-195	-146	-	-	-	659
Total bonds outstanding		**14,254**	**-1,112**	**-1,105**	**-2,836**	**-263**		**8,938**

Debt portfolio
Gross debt at Q3 '04: € 9.3 bn[1]



1 Including money market, other short term funding
2 Foreign currency amounts hedged into Euro

Fixed - Development market shares



1 Traffic in minutes; access in number of lines
2 Market definition includes Mobile only
3 Excluding international traffic from telephone cards

KPIs Fixed

Fixed Networks

	Q3 '03	Q2 '04	Q3 '04	YTD '04
Market shares				
Local	*± 80%*	*± 75%*	*> 70%*	*> 70%*
National	*> 60%*	*> 60%*	*± 60%*	*± 60%*
International	*± 50%*	*± 45%*	*± 45%*	*± 45%*
Fixed to Mobile	*± 65%*	*> 60%*	*± 60%*	*± 60%*
Channels *(x 1,000)*	**9,934**	**9,746**	**9,631**	**9,631**
Lines *(x 1,000)*	***7,721***	***7,570***	**7,503**	**7,503**
PSTN	*6,166*	*6,032*	5,978	5,978
ISDN 2/15/20/30	*1,555*	*1,538*	1,525	1,525
Call rate[1]	**2.63**	**2.44**	**2.23**	**2.43**
Call duration[2]	**265**	**238**	**231**	**246**

	Q3 '03	Q2 '04	Q3 '04	YTD '04
Minutes *(in bn)*				
BU Fixed Telephony	**9.03**	***7.61***	***6.85***	***23.43***
Local/National	*5.02*	*4.65*	*4.34*	*14.22*
Internet	*3.12*	*2.09*	*1.68*	*6.63*
International	*0.28*	*0.25*	*0.24*	*0.76*
Fixed to Mobile	*0.61*	*0.62*	*0.59*	*1.82*
BU Carrier Services	**10.46**	**10.56**	**9.99**	**31.85**
Total Division Fixed	**19.23**	**17.92**	**16.60**	**54.52**

1 Number of calls per channel per day
2 Average duration per call in seconds

KPIs Fixed
Internet and ADSL (1)

	Q3 '03	Q2 '04	Q3 '04
Market shares			
Consumer broadband	*37%*	*42%*	*43%*
DSL	*81%*	*76%*	*75%*

	Q3 '03	Q2 '04	Q3 '04
ISP customers *(X 1,000)*			
Planet Internet	*751*	*738*	*748*
Het Net	*587*	*601*	*604*
XS4ALL	*191*	*231*	*244*
Total	**1,529**	**1,570**	**1,596**

	Q3 '03	Q2 '04	Q3 '04
Broadband subscriptions ISP's *(X 1,000)*			
Planet Internet	*260*	*341*	*376*
Het Net	*39*	*138*	*204*
XS4ALL	*104*	*147*	*160*
Direct ADSL	*-*	*37*	*61*
Total	**403**	**663**	**801**

KPIs Fixed
Internet and ADSL (2)

X 1,000	**Q3 '03**	**Q2 '04**	**Q3 '04**
Local exchanges			
Number DSL enabled	*736*	*1,361*	*1,361*
ADSL coverage NL[1]	*87%*	*99%*	*99%*
# MDF access lines	*770*	*1,450*	*1,664*
of which # line sharing[2,3]	*736*	*1,397*	*1,602*

ADSL			
Installed	*609*	*1,057*	*1,217*
% Go *(416/160 kbit/s)*	-	*18%*	*25%*
% Lite (1,120/352 kbit/s)	*52%*	*52%*	*49%*
% Basic (2,240/416 kbit/s)	*43%*	*27%*	*23%*
% Extra (4,480/704 kbit/s)	*6%*	*4%*	*3%*

1 % of central offices that is ADSL enabled
2 Restated in Q3 '04 to include Bitstream
3 Includes KPN ADSL connections (installed), line sharing other telco's and KPN Bitstream

KPIs Fixed
Business Solutions

	Q3 '03	Q2 '04	Q3 '04
Leased lines *(x 1,000)* [1]	**78**	**62**	**61**
Analogue	*64%*	*71%*	*73%*
Digital	*36%*	*29%*	*27%*

VAS			
Frame Relay *(# ports)*	9,410	6,736	5,592
MVPN-routers[2]	6,581	8,648	9,503
IP-VPN connections	12,868	23,746	27,595
VPN's *(# customers)*	628	1,141	1,257

1 As from Q1 2003, only leased lines with external revenues are stated. Figures 2002 are restated accordingly
2 Restated as from Q1 2003

KPIs Mobile
E-Plus

	Q3 '03	Q2 '04	Q3 '04	YTD '04
Market share base[1]	**12.7%**	**12.9%**	**13.1%**	**13.1%**
Customers *(x 1,000)*	**7,964**	**8,716**	**9,065**	**9,065**
Postpaid	3,707	*4,185*	*4,426*	*4,426*
Of which i-mode	*265*	*582*	*653*	*653*
Prepaid	4,257	*4,531*	*4,639*	*4,639*
Of which i-mode	*8*	*273*	*349*	*349*
MoU *(minutes)*	**79**	**76**	**77**	**76**
Postpaid	*140*	*135*	*135*	*134*
Prepaid	*26*	*23*	*22*	*23*
ARPU *(€)*	**25**	**24**	**24**	**24**
Postpaid	*43*	*41*	*42*	*41*
Prepaid	*9*	*8*	*8*	*8*
Non-voice as % of ARPU	*14%*	*16%*	*16%*	*16%*
SAC *(€)*	**152**	**174**	**198**	**171**
Postpaid	*239*	*258*	*300*	*260*
Prepaid	*67*	*73*	*72*	*70*
SRC *(€)*	**181**	**170**	**169**	**171**

1 Management estimates, based on numbers of customers

Operating review E-Plus
Increasing appeal postpaid & business propositions

Attractive and innovative offerings

- Approx. 50% of new customers chooses:
  - 3 cents[1] tariffs (since March): high usage profile
  - Time & More (relaunched Q3): best bundle offer in market
- Also launched in Q3: SIM only

Corporate customers

Increasing attractiveness as business brand

- 20% business customer growth in one year
- 1.4 mn business customers (15% total base)
- Best-in-class customer satisfaction[2] on tariffs/value for money, helpdesk/ complaint handling, contract renewal, invoice

Competitive network coverage

- Network quality in line with best- in- class operator
- 13,340 2G base stations (+ 26% Y-on-Y)

1 For calls to the fixed network
2 Source: Emnid, Interview- NSS, March 2004

KPIs Mobile
KPN Mobile (NL)

	Q3 '03	Q2 '04	Q3 '04	YTD '04
Market share base[1]	**40.6%**	**39.3%**	**39.9%**	**39.9%**
Customers *(x 1,000)*	**5,038**	**5,406**	**5,773**	**5,773**
Postpaid	1,953	1,977	2,094	2,094
Of which i-mode	*197*	*247*	*234*	*234*
Prepaid	3,085	3,429	3,679	3,679
Of which i-mode	*51*	*320*	*378*	*378*
MoU *(minutes)*	**131**	**127**	**117**	**123**
Postpaid	*259*	*277*	*261*	*270*
Prepaid	*48*	*39*	*36*	*37*
ARPU *(€)*	**40**	**35**	**34**	**34**
Postpaid	*76*	*73*	*73*	*73*
Prepaid	*16*	*12*	*11*	*11*
Non-voice as % of ARPU	*9%*	*11%*	*12%*	*11%*
SAC *(€)*	**102**	**117**	**169**	**143**
Postpaid	*304*	*365*	*323*	*357*
Prepaid[1]	*27*	*57*	*63*	*60*
SRC *(€)*	**226**	**318**	**260**	**253**

1 Management estimates, based on numbers of customers

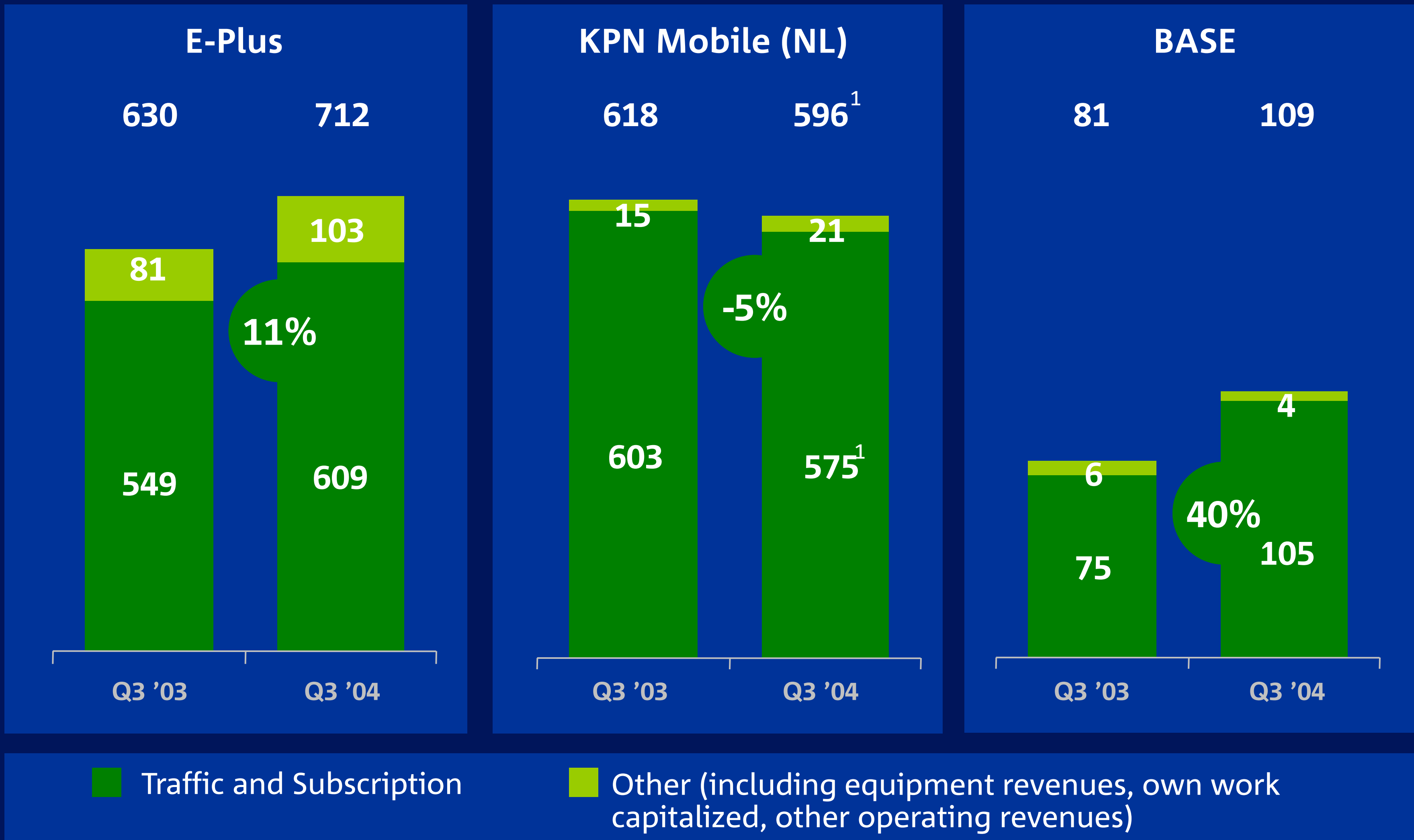
KPIs Mobile

BASE

	Q3 '03	Q2 '04	Q3 '04	YTD '04
Market share base[1]	**14%**	**>16%**	**17%**	**17%**
Customers *(x 1,000)*	**1,162**	**1,437**	**1,517**	**1,517**
Postpaid	269	*290*	*299*	*299*
Of which i-mode	*20*	*27*	*26*	*26*
Prepaid	893	*1,147*	*1,218*	*1,218*
Of which i-mode	*0*	*3*	*3*	*3*
MoU *(minutes)*	**92**	**108**	**104**	**104**
Postpaid	*205*	*213*	*205*	*209*
Prepaid	*57*	*81*	*79*	*77*
ARPU *(€)*	**22**	**24**	**24**	**24**
Postpaid[1]	*59*	*66*	*67*	*66*
Prepaid[1]	*11*	*13*	*13*	*13*
Non-voice as % of ARPU	*15%*	*15%*	*15%*	*15%*
SAC *(€)*	**20**	**20**	**16**	**15**
Postpaid	*32*	*64*	*32*	*21*
Prepaid	*18*	*13*	*13*	*14*
SRC *(€)*	**n.a.**	**n.a.**	**n.a.**	**n.a.**

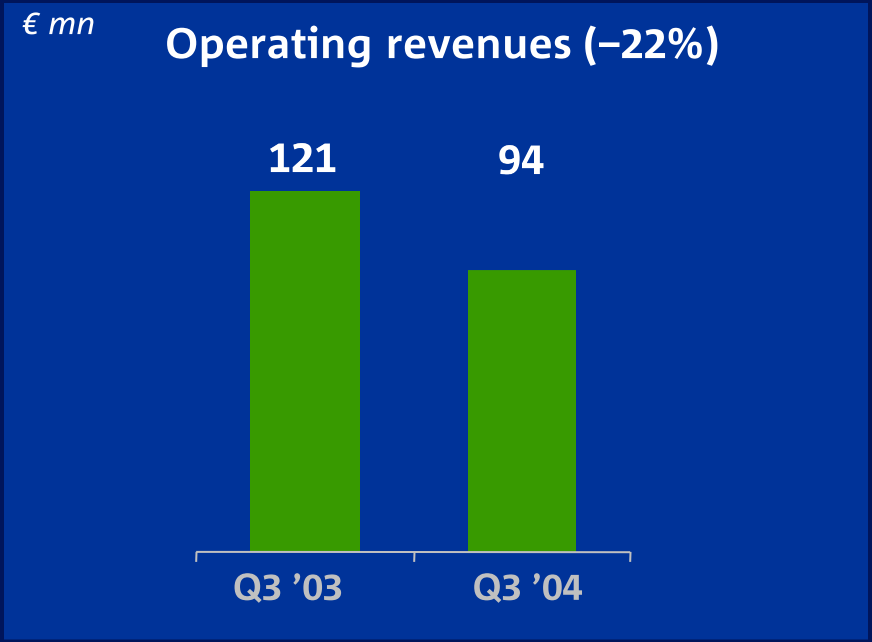
1 Management estimates (only rounded figures available) , based on numbers of customers

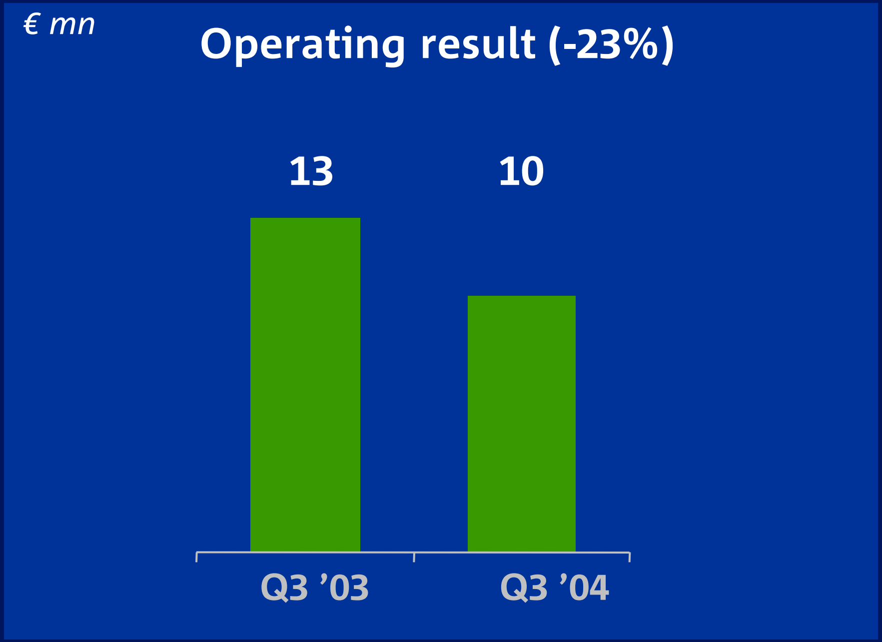
Mobile traffic and subscription revenues in Q3



1 Including € 23 mn decline due to MTA reduction

Other in Q3





Lower revenues and costs following due to

- Deconsolidation Logistics and Repair
- Partial termination of activities at Xantic

EU New Regulatory Framework (NRF)

- New law has come into force in The Netherlands on May 19, 2004 and in Germany on June 26, 2004
- Implementation in Belgium delayed
- Market definitions and dominancy tests will be based on general competition law instead of current sector specific criteria

The Netherlands

- Dutch NRA OPTA must substantiate its decisions by means of an assessment of the foreseeable relevant consequences, which provides KPN with a certain sense of comfort
- Dutch Minister of Economic Affairs is requested by Parliament to propose a policy framework on telecommunication with subsequent general guidelines for OPTA
- Market definition of Broadband, Wholesale line rental (both March 2005) and Mobile call termination (probably December 2005) will be important issues in the application of the NRF
- Draft decisions OPTA on market analyses expected as of Q1 2005. Implementation expected second half 2005