Third Quarter Results 2005

7 November 2005

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 our operations, the OPTA investigation into discounts given in breach of OPTA regulation, our and our joint ventures' share of new and existing markets, general industry and macro-economic trends and our 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 our control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in our 2004 Annual Report and Form 20-F.

All figures in this presentation are unaudited and based on IFRS. This presentation 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 our GAAP figures. Our non-GAAP measures may not be comparable to non-GAAP measures used by other companies. 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.

For IFRS, we refer to the disclaimer in our press release dated April 18, 2005. Please note that IFRS accounting policies are not yet final and may change as a result of (amongst other things) changes in IFRS standards and interpretations, changes in regulatory requirements, additional review and analyses (including market trends) and audit procedures.

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In the past EBITDA was used as a measurement of certain aspects of operational performance and liquidity. We have used EBITDA as a component of our guidance. In view of the implementation of IFRS, and the resulting volatility of amortization, we believe that this is the most appropriate way of informing the financial markets on certain aspects of future company financial development. We do not view EBITDA as a measure of performance. In all cases a reconciliation of EBITDA and the nearest GAAP measure (operating result) will be provided. Going forward, we will continue to make comparison between guidance and actuals. For the purpose of this comparison, a number of items will be excluded

- Restructuring charges over € 20 million per event
- Impairments over € 20 million per event
- Book gains or losses over € 20 million per event

We define free cash flow as ‘Cash flow from operating activities’ minus ‘Capital expenditures’, both of which are common GAAP measures.

Agenda

Ad Scheepbouwer	◆ Group highlights
Marcel Smits	◆ Financial review
Ad Scheepbouwer	◆ Business review
Ad Scheepbouwer	◆ Outlook and concluding remarks

Group highlights

Year-to-date on track

- Free cash flow[1] € 1,939 mn, up 12.9%; Q3 free cash flow € 774 mn, up 28.8%
- EBITDA down 6.5%; down 3.5% as per guidance definition[2]
- Operating revenues almost flat as guided, including € 195 mn MTA tariff reductions
- Net debt € 7.9 bn, after € 250 mn share repurchase program completed and € 281 mn interim dividend paid in Q3

Post Q3

- Telfort acquisition completed 4 October
- NTT DoCoMo's 2.16% stake in KPN Mobile NV acquired 24 October

1 Defined as Net cash flow from operating activities minus Capex (2004: € 2,271 mn)
2 Excluding restructuring charges, impairments and book gains/losses over € 20 mn (see disclaimer)

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Group results Q3

Earnings per share stable at slightly lower revenue

€ mn	Q3 '05	Q3 '04	%
Operating revenues	**2,930**	**2,957**	***-0.9%***
- of which Net sales	2,900	2,934	*-1.2%*
Operating expenses	**2,349**	**2,296**	***2.3%***
- of which Depreciation[1]	459	479	*-4.2%*
- of which Amortization[1]	107	67	*59.7%*
Operating result	**581**	**661**	***-12.1%***
Financial income/(expense)	-122	-186	*-34.4%*
Share of profit of associates	2	-12	
Profit/(Loss) before taxes	**461**	**463**	***-0.4%***
Taxes	-127	-96	*32.3%*
Profit/(Loss) after taxes	**334**	**367**	***-9.0%***
Profit minority shareholders	5	3	*66.7%*
Profit equity holders of the parent	329	364	*-9.6%*
Earnings per share[2]	**0.15**	**0.15**	**-**
Operating EBITDA[3]	**1,147**	**1,206**	***-4.9%***

- Slight decrease in revenue mainly relates to € 26 mn PanTel deconsolidation
- Excluding D&A, operating expenses up 1.9%, largely due to traffic costs at Mobile
- Lower interest due to € 50 mn one-off costs related to refinancing in Q3 '04
- Higher income taxes due to € 44 mn DTA at BASE last year
- Reported EBITDA down by 4.9%

1 Including impairments
2 Defined as Profit after taxes per ordinary share/ADS on a fully diluted basis (in €)
3 Defined as Operating result plus depreciation, amortization & impairments

Group cash flow Q3

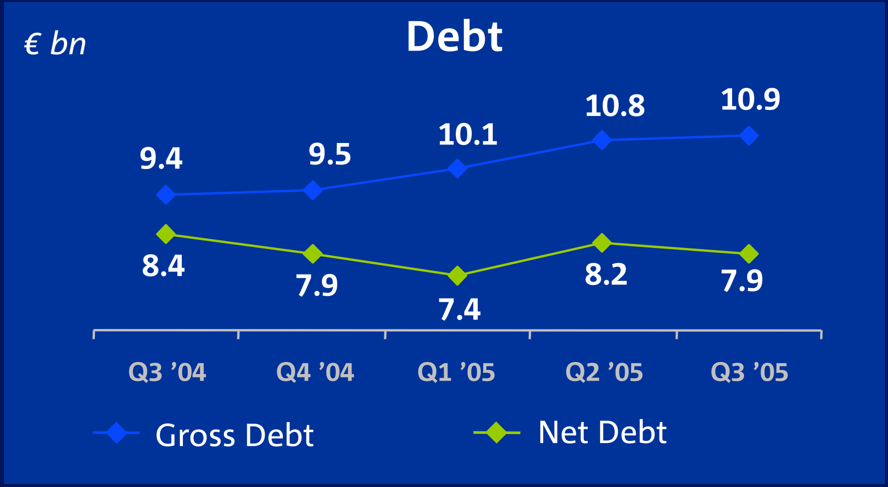
Continued strong cash flow

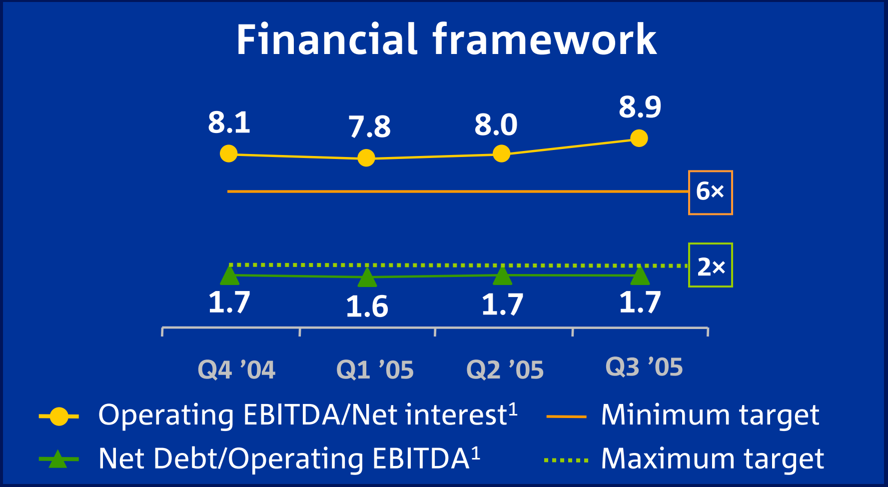
€ mn	Q3 '05	Q3 '04	%
Operating result	**581**	**661**	***-12.1%***
Depreciation and amortization[1]	566	546	*3.7%*
Interest paid/received	-95	-156	*-39.1%*
Tax paid/received	2	-	
Book gains	-4	-	
Change in provisions[2]	-23	-26	*-11.5%*
Change in working capital	116	50	*132.0%*
Net cash flow from operating activities	**1,143**	**1,075**	***6.3%***
Capex[3]	**369**	**474**	***-22.2%***
Free cash flow[4]	**774**	**601**	***28.8%***
Dividend paid	281	190	*47.9%*
Share repurchases	261	507	*-48.5%*
Cash return to shareholders	**542**	**697**	***-22.2%***

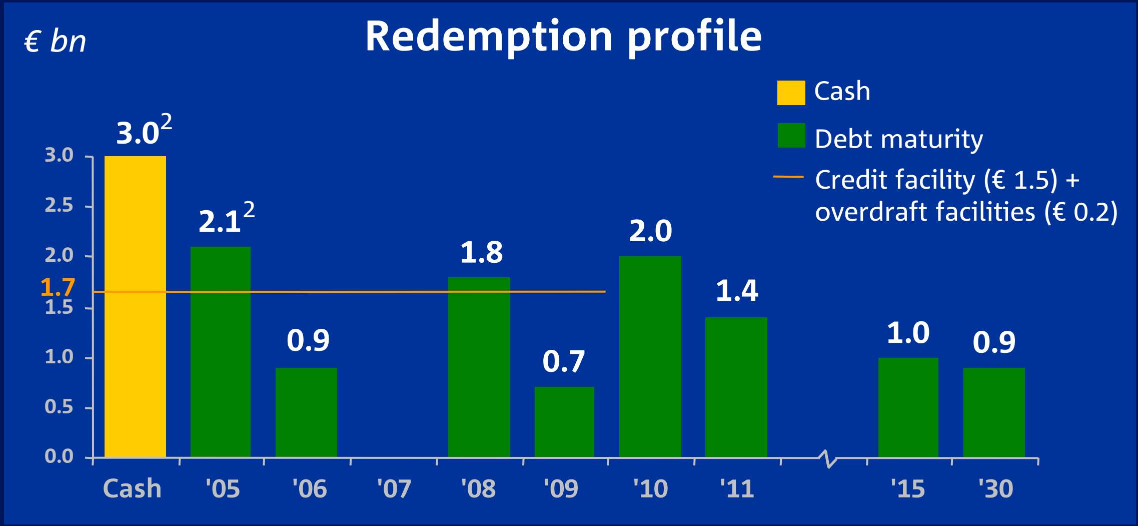
- Substantial free cash flow[4] of € 0.8 bn
- Cash flow from operations up 6.3%
  - Decrease in paid interest due to bond refinancing in Q3 '04
  - Higher working capital inflow
- Completion € 250 mn share repurchase program
- Interim dividend 2005 of € 0.13 per share paid

1 Including impairments
2 Excluding changes in deferred taxes
3 Including Property, Plant & Equipment and all software
4 Defined as Net cash flow from operating activities minus Capex

Group financial profile



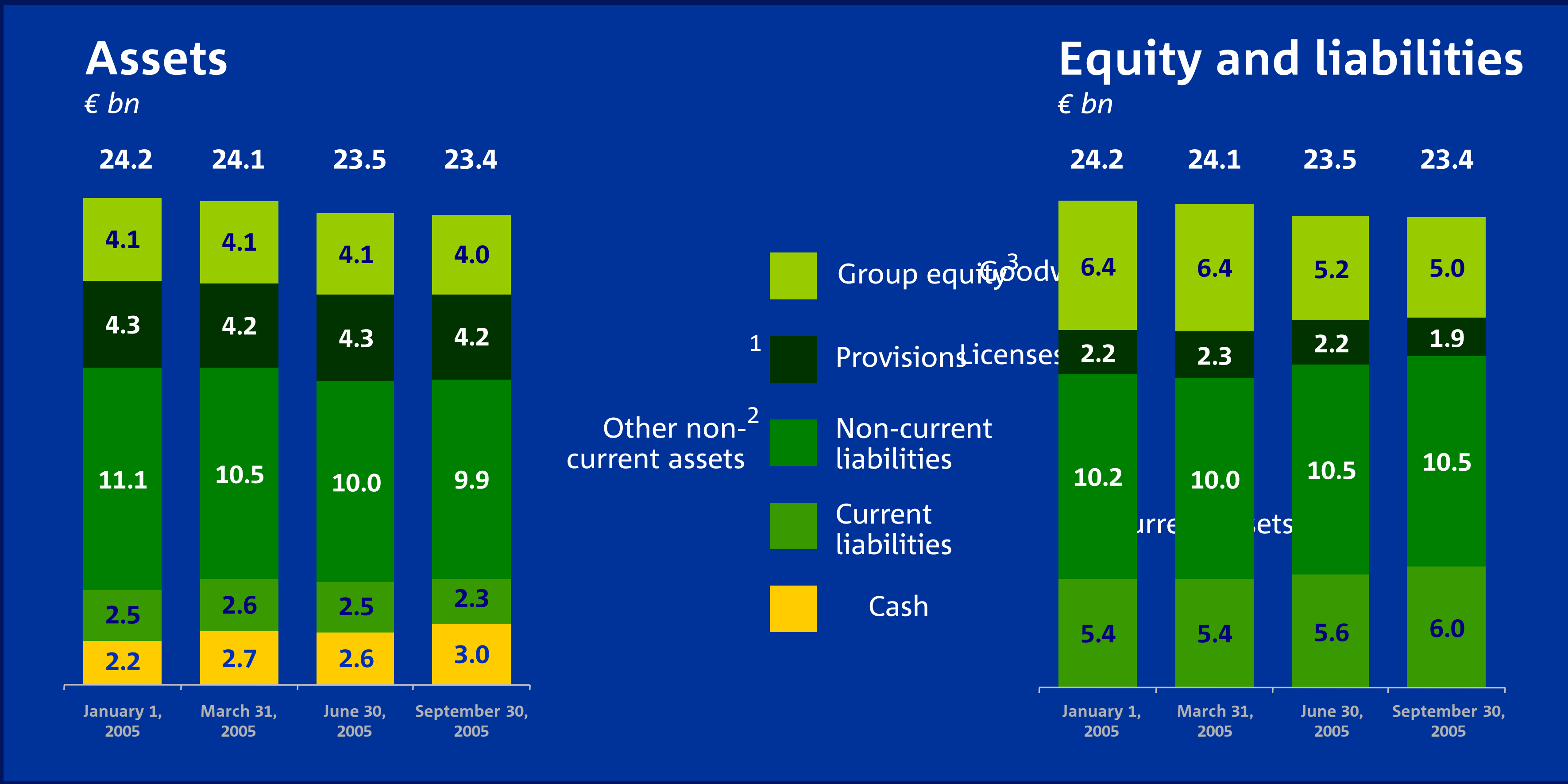




- € 2.3 bn commitments in Q4
  - € 1.3 bn bond redemptions
  - € 1.0 bn Telfort acquisition
- Gross debt will be reduced by € 1.3 bn, while net debt increases by € 1.0 bn
- Net debt/Operating EBITDA[1] impacted by approximately 0.2x

1 Based on a 12 month rolling calculation excluding restructuring charges, impairments and book gains/losses over € 20 mn (see disclaimer)
2 Both cash and gross debt contain approximately € 0.7 bn due to no longer netting of cash balances

Balance sheet



1 Including other intangibles
2 Including Property, Plant & Equipment and all software
3 Including minority interest

Performance versus Guidance

Analysis for outlook[1] purposes

		Status			
	Outlook FY 2005, August update	Q1 '05	Q2 '05	Q3 '05	YTD '05
Operating revenues[1]	Flat, including MTA reduction	-0.6%	2.1%	-0.9%	0.2%
Operating EBITDA[1,2]	Decline by mid single digit figure	-6.3%	-1.3%	-2.7%	-3.5%
Capex	~ € 1.7 bn	€ 0.2 bn	€ 0.3 bn	€ 0.4 bn	€ 0.9 bn
Free cash flow[3]	> € 2 bn	€ 0.6 bn	€ 0.6 bn	€ 0.8 bn	€ 1.9 bn

YTD reconciliation[1]	Operating revenues		EBITDA[2]	
	2005	2004	2005	2004
Reported	**8,770**	**8,811**	**3,405**	**3,643**
Disposal Eutelsat	-	-36	-	-36
Disposal PTC	-	-20	-	-20
Restructuring charges	-	-	58	-
Comparison with guidance	**8,770**	**8,755**	**3,463**	**3,587**
	0.2%		***-3.5%***	

1 Excluding restructuring charges, impairments and book gains/losses over € 20 mn (see disclaimer)
2 Defined as Operating result plus depreciation, amortization & impairments
3 Defined as Net cash flow from operating activities minus Capex (2004: € 2,271 mn)

Non operating P&L items

Interest cost

- Current interest rate on outstanding bonds (€ 9.9 bn[1]) amounts to nearly 5.5%
- Following maturity of higher coupon bonds in 2005 and 2006, group interest rate will come down to approximately 5%

Depreciation

- Due to lower Capex spending in prior years depreciation continous to trend down

Amortization

- Linear amortization will result in fairly stable amortization charges at just over € 400 mn in 2005 (excluding impact Telfort and impairments, if any)

1 Nominal amounts, excluding approximately € 0.7 bn debt related due to no longer netting of cash balances

Minority interest & non-core assets

NTT DoCoMo

- NTT DoCoMo's 2.16% stake in KPN Mobile NV acquired on 24 October
- Together with renegotiation of i-mode contract, total consideration of € 5 mn paid
- Book value of obligation amounts to € 111 mn (30 June '05)

Xantic

- Letter of intent signed on 15 August to sell our 65% stake in Xantic
- Total consideration USD 191 mn (100%) in cash
- Transaction expected to close in next months
- Expected book gain amounts to € 50 mn
- Deconsolidation effect based on FY 2004 (100% consolidation)
  - Revenue € 169 mn
  - EBITDA € 20 mn

All major non-core businesses sold

- Going forward marginal contribution from division "Other"

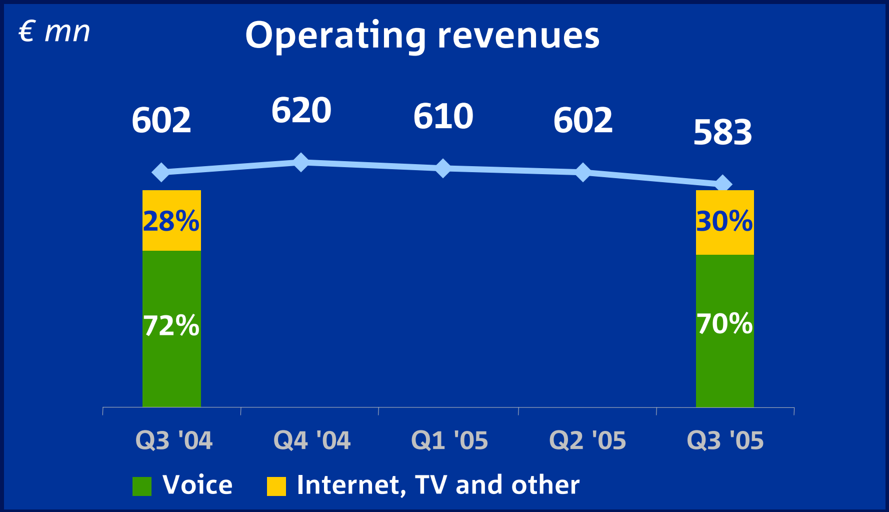
Financial highlights - KPN Fixed

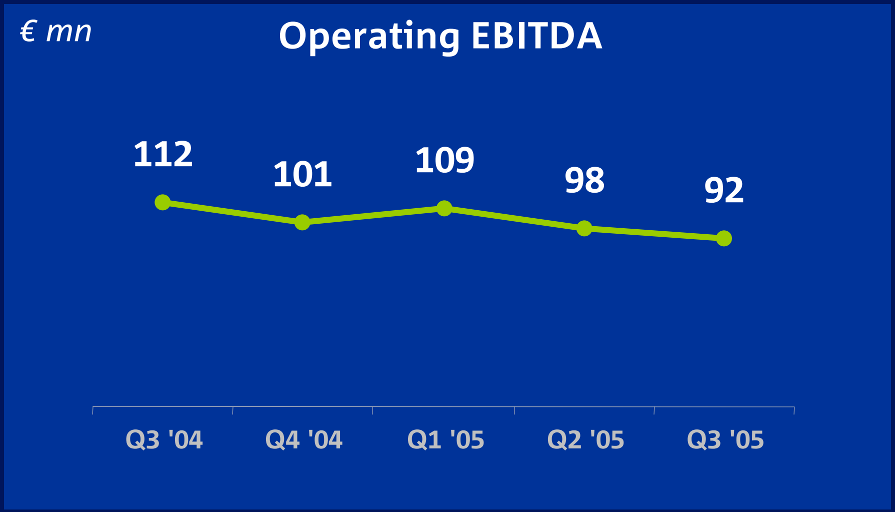
€ mn	Q3 '05	Q3 '04	YTD '05	YTD '04
Operating revenues	1,694	1,788	5,149	5,435
% change	*-5.3%*		*-5.3%*	
Operating expenses	1,298	1,348	3,976	4,097
- of which D&A	306	328	965	1,002
Operating result	396	440	1,173	1,338
EBITDA	702	768	2,138	2,340
% change	*-8.6%*		*-8.6%*	
EBITDA margin	**41.4%**	**43.0%**	**41.5%**	**43.1%**

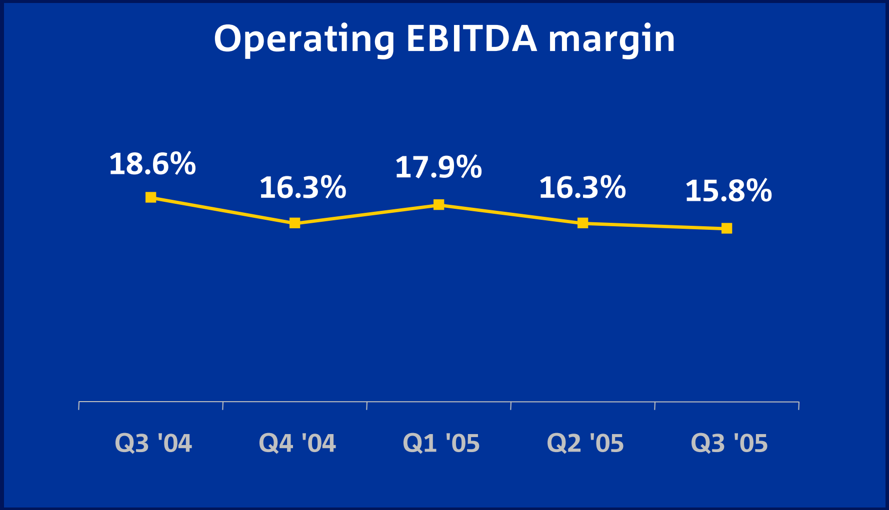
- Q3 operating revenues down 5.3% Y-on-Y
  - Of which 2.7% due to MTA reduction
- Q3 operating expenses down 3.7% Y-on-Y
  - Mainly due to reduced workforce and MTA reduction
- EBITDA margin down Y-on-Y from 43.0% to 41.4% due to a higher proportion of new market revenues at lower margin
- Further growth KPN retail broadband market share to 34.1%, up 6% Y-on-Y
- FTE reduction in the Netherlands[1] 1,263 YTD, down 7%

1 Includes KPN Sales

Operating review Consumer



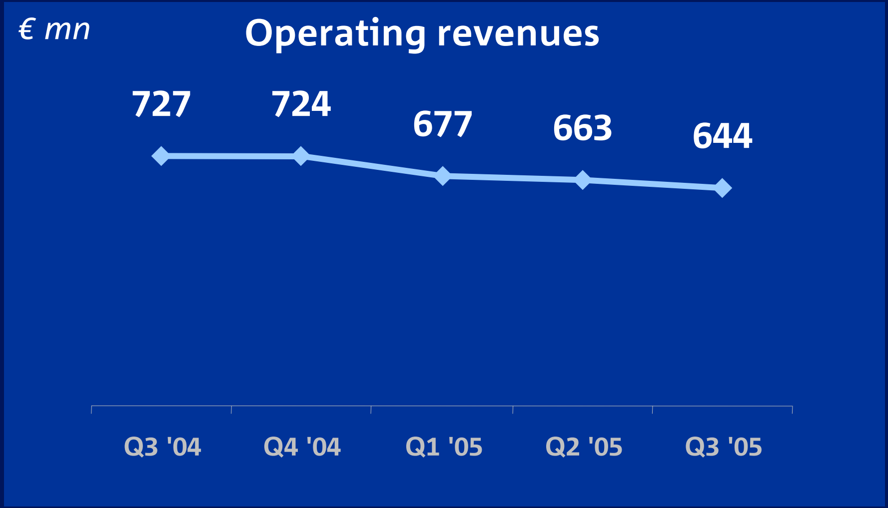


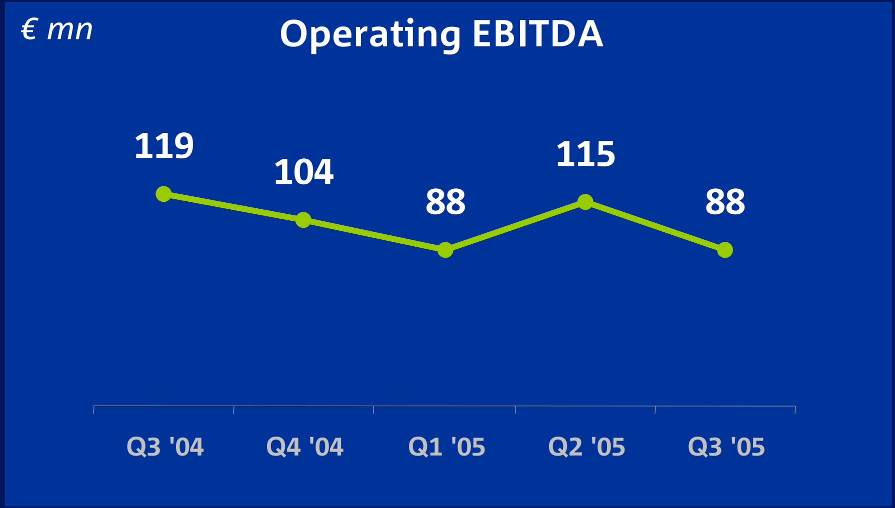


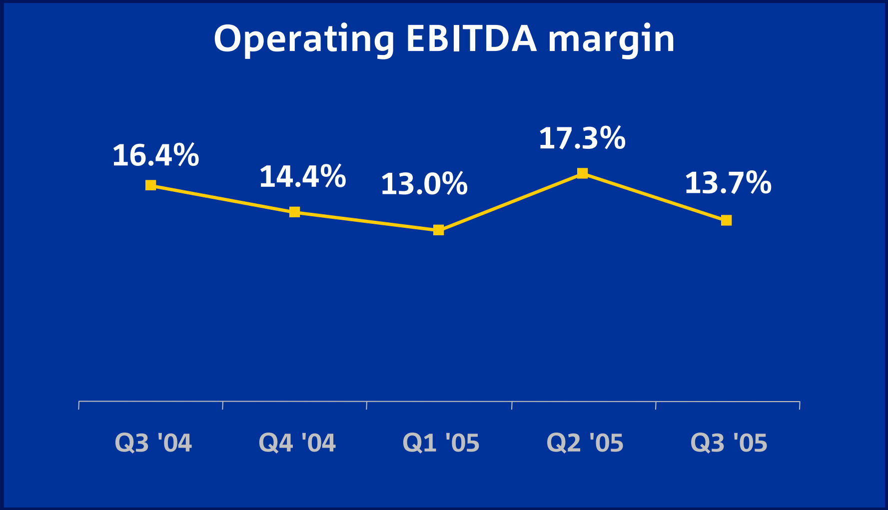
Key trends

- Operating revenues decrease
  - Declining voice and dial up internet revenues
  - MTA reduction
  - In part compensated by increasing ADSL and ISP revenues
- EBITDA (margin) trending down
  - Shift towards lower margin (Internet) business
  - Customer acquisition and retention costs

Operating review Business







Key trends

- Operating revenues decreasing mainly due to
  - Pro-active migration from traditional leased lines to IP-VPNs and E-VPN to gain share in new markets, causing declining voice volumes
  - MTA reduction
  - IP-VPN market share increases but price pressure continues
- Pick up in EBITDA (margin) in Q2 was incidental

Operating review Wholesale & Operations

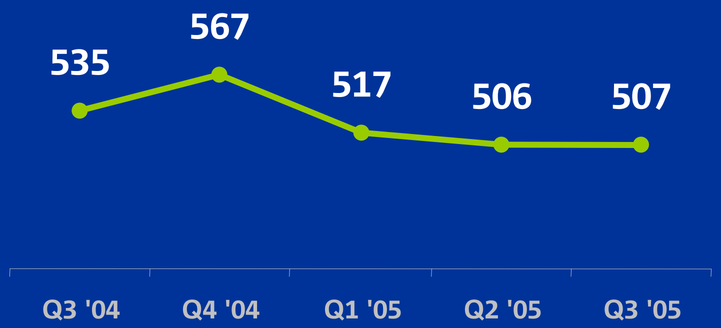
Operating EBITDA margin stable

Operating revenues

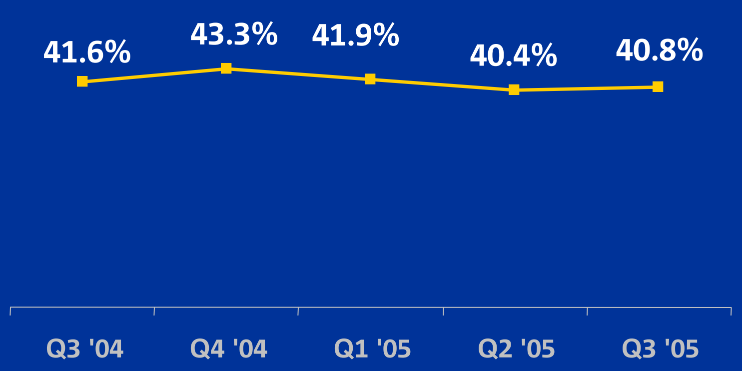
€ mn

Operating EBITDA

€ mn



Operating EBITDA margin



Key trends

- Operating revenues decreasing due to
  - Lower voice and internal dial-in traffic
  - Lower internal revenues from leased lines
  - MTA reduction
  - Partly compensated by higher international transit volumes and broadband
- Continued focus on cost efficiency and FTE reduction
- EBITDA (margin) remains stable

Financial highlights - Mobile

€ mn	Q3 ’05	Q3 ’04	YTD ’05	YTD ’04
Operating revenues	1,448	1,358	4,177	3,890
% change	*6.6%*		*7.4%*	
– of which Service revenues[1]	1,370	1,253	3,905	3,598
% change	*9.3%*		*8.5%*	
Operating expenses	1,252	1,137	3,692	3,205
– of which D&A	256	200	767	582
Operating result	196	221	485	685
EBITDA	452	421	1,252	1,267
% change	*7.4%*		*-1.2%*	
EBITDA margin	**31.2%**	**31.0%**	**30.0%**	**32.6%**

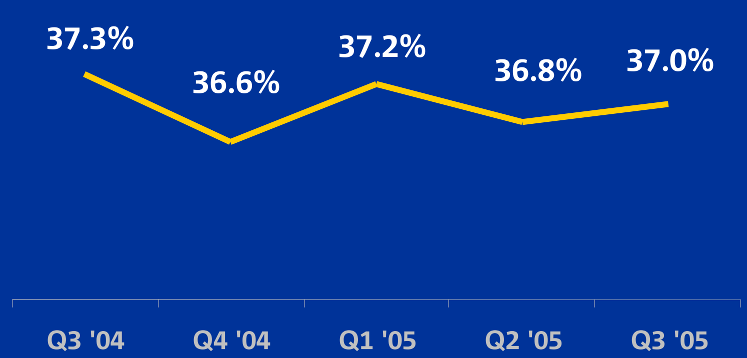
- Highest quarter service revenue since Q1 2004
- Highest EBITDA growth so far this year
- The Netherlands firmly on track
  - Post Paid net adds and revenue market share up
- Germany off to a good start following strategy revision
  - Net adds growing again
- Belgium continues to deliver
  - Revenue market share and EBITDA margin up

1 Total operating revenues minus equipment sales and other operating revenues

Revenue market share the Netherlands

Increased focus on value is gathering momentum

Revenue market share[1]

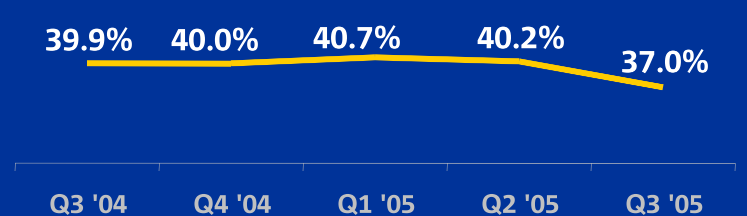


Intention
- From volume to value
  - Focus on Post Paid
  - Revenue market share is main focus

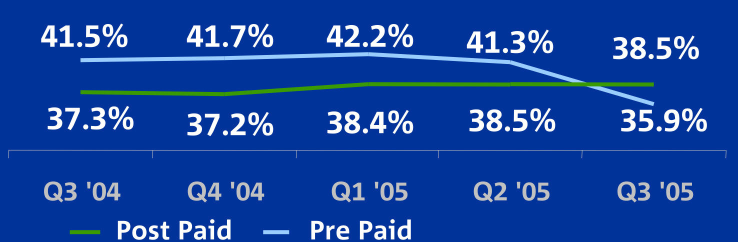
Actions
- No handset subsidies for low value Pre Paid customers
- Clean-up subscriber portfolio in the Netherlands
  - Actively migrating inactive customers out

Results
- Higher ARPU
- Lower SAC/SRC Pre Paid
- Market share Pre Paid down and Post Paid up

Blended subscriber market share[2]



Pre and Post Paid subscriber market share[2]

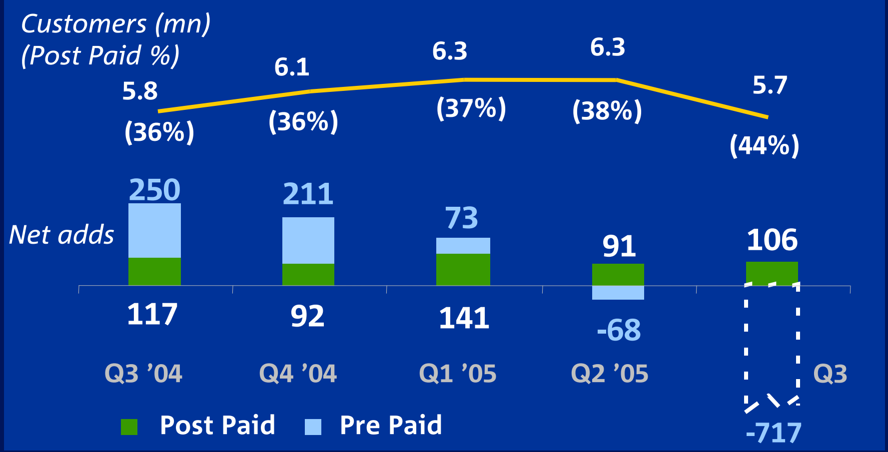


1 Management estimates, based on revenues as per industry filings
2 Management estimates, based on number of customers

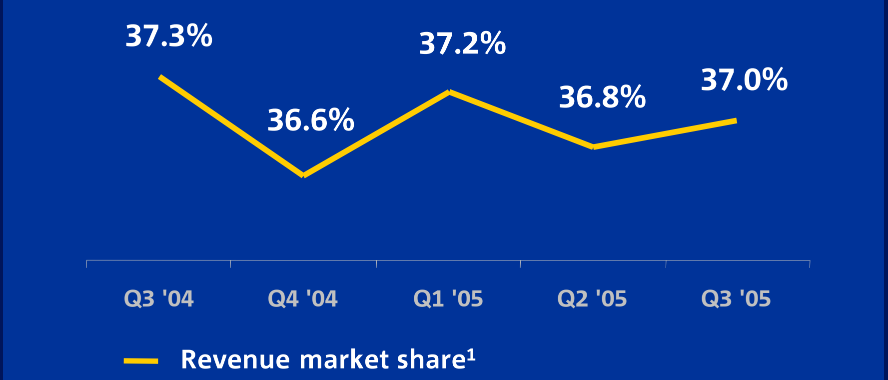
Operating review KPN Mobile the Netherlands

Sales driven by Post Paid on the way up

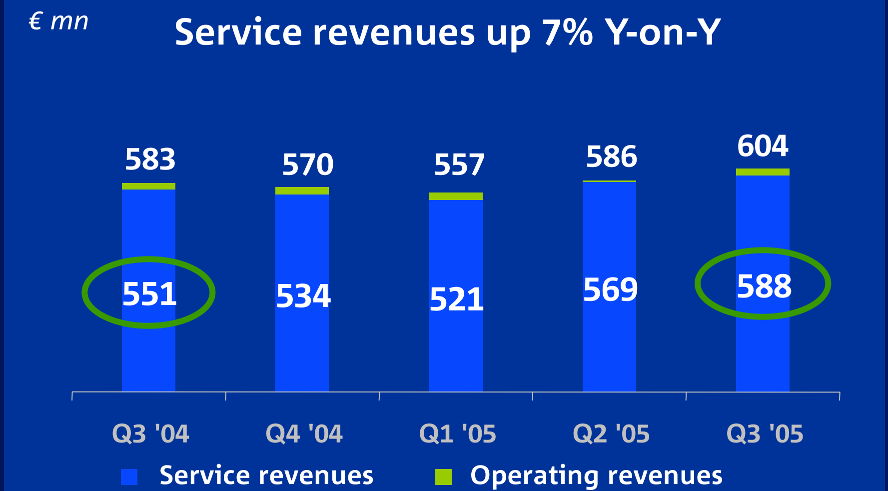
Post Paid customer base growing



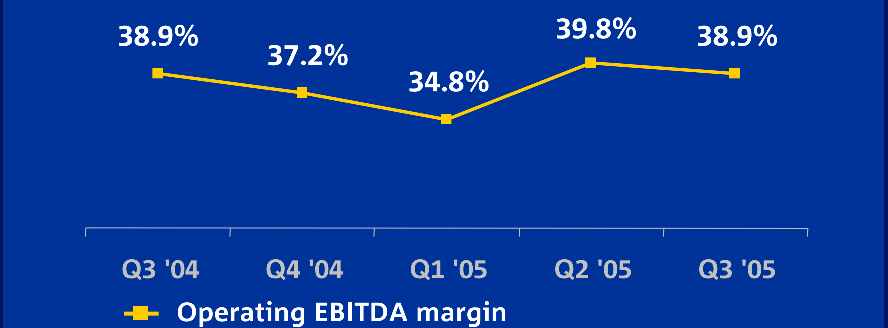
Revenue market share



Service revenues up 7% Y-on-Y



Margin down slightly, better than anticipated



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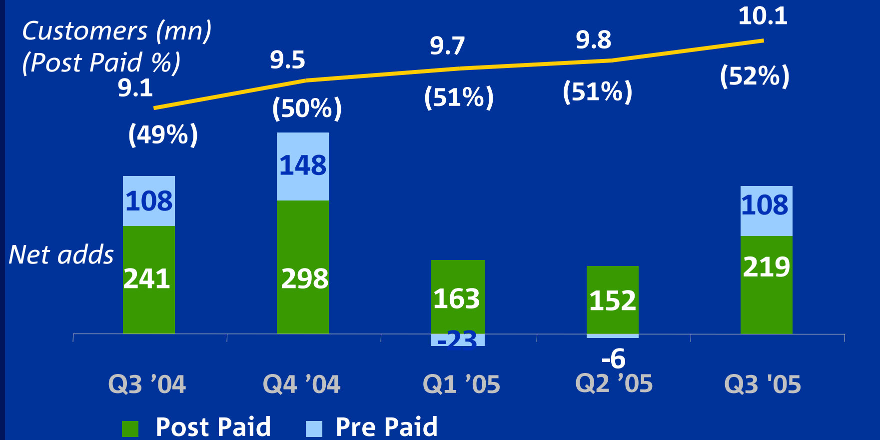
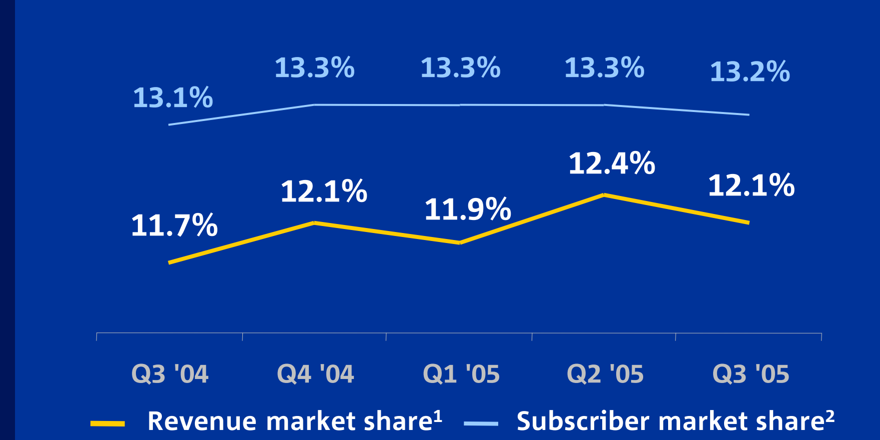
Operating review E-Plus

Continued growth in more competitive market

Customer base growing

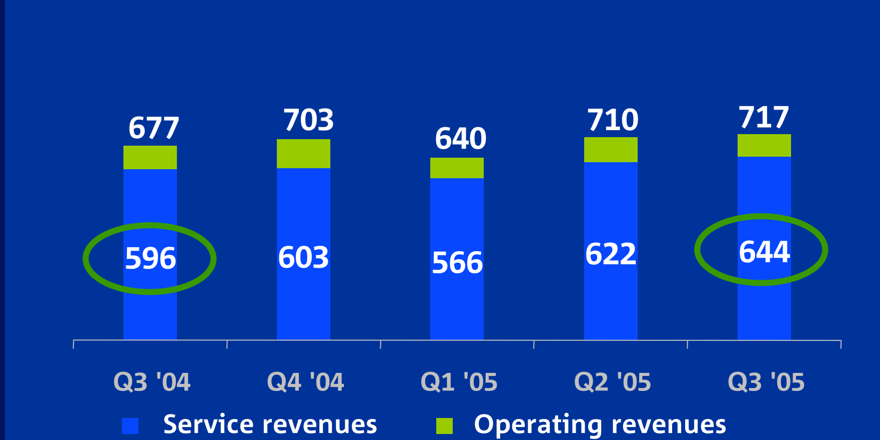


Market share stable

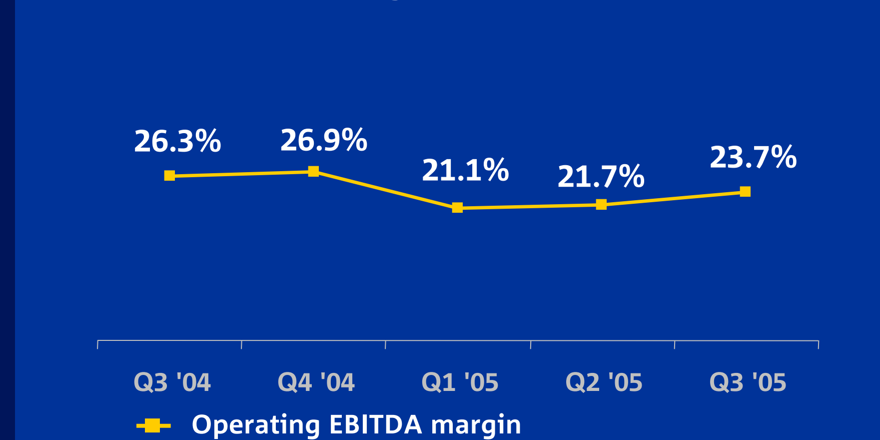


€ mn

Service revenues up 8% Y-on-Y



Margin picks up

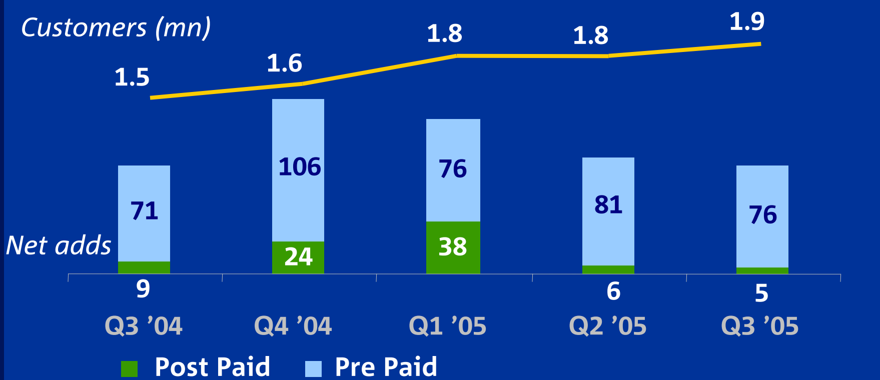


1 Management estimates, based on revenues
2 Management estimates, based on number of customers

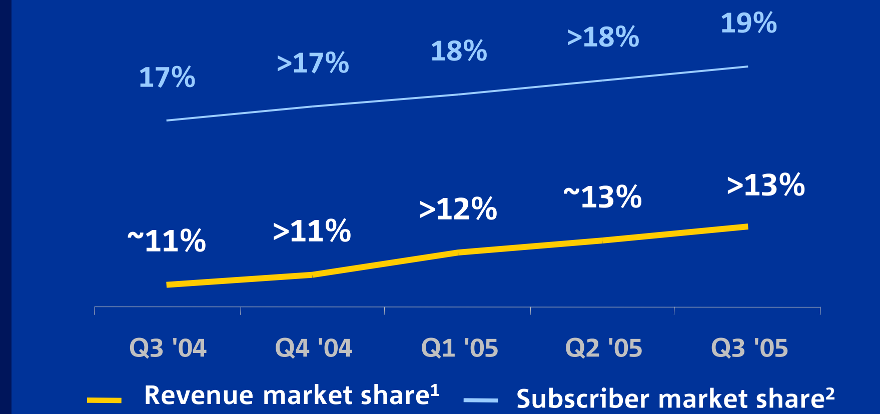
Operating review BASE

Strong momentum continues

27% growth of customer base

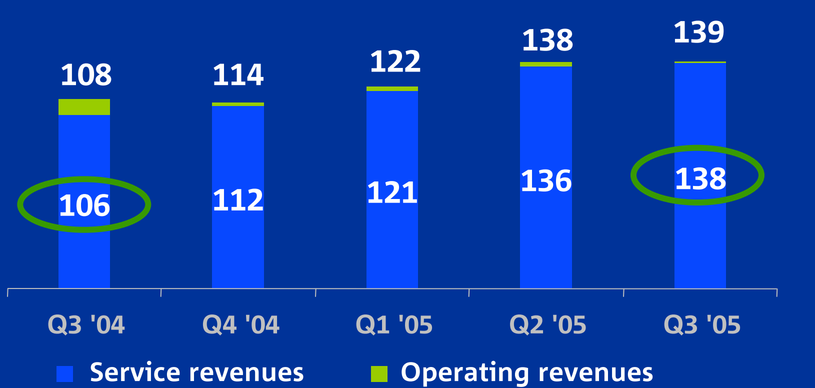


Increase in market share

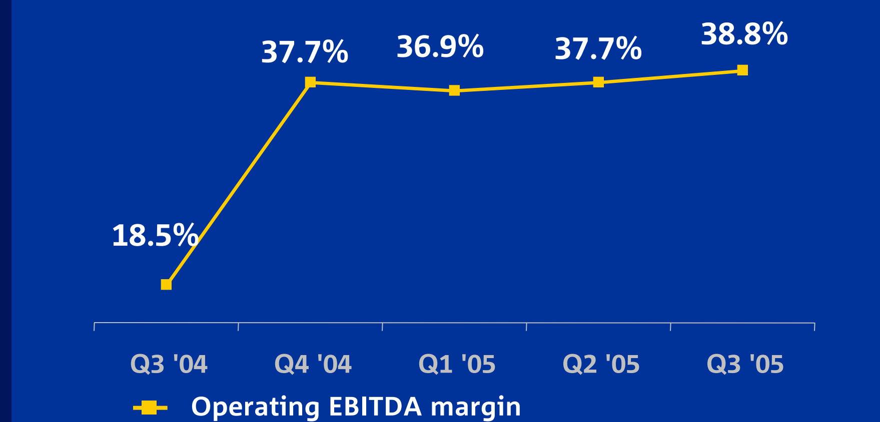


€ mn

Service revenues up 30% Y-on-Y



Solid margin performance continues



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2 Management estimates, based on number of customers

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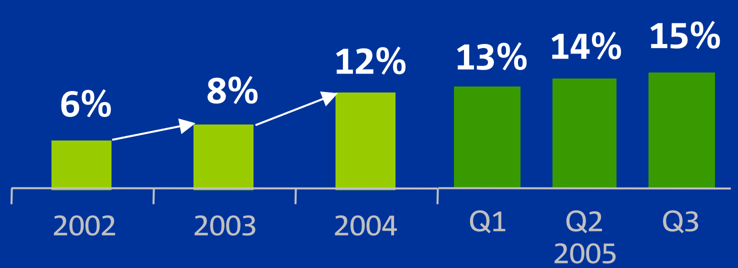
Ad Scheepbouwer	◆ Outlook and concluding remarks

Structure and shape Dutch market

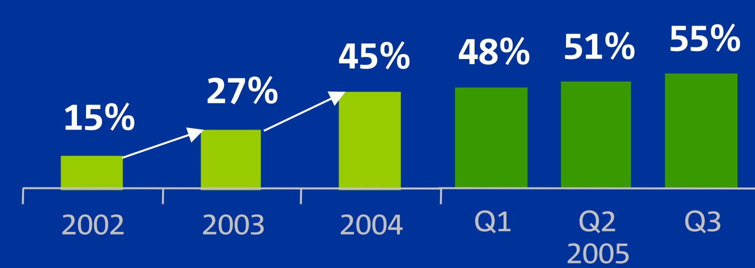
Market develops as anticipated

Trends impacting revenue in Dutch telecom market

Mobile-only households[1]



Broadband penetration[2]



A battle on several fronts

Voice

- Continued contraction traditional voice market
- Penetration VoIP starts to accelerate
- CPS operators lose market share
- Approximately 0.4 million users of VoIP-like products

Broadband

- Dutch broadband acceleration unrivalled
- Market is consolidating into hands of DSL network operators and cable
- A variety of value added services emerges

Regulatory

- OPTA published draft decisions on market analysis
- In some areas more freedom is allowed
- However in certain areas KPN remains restricted

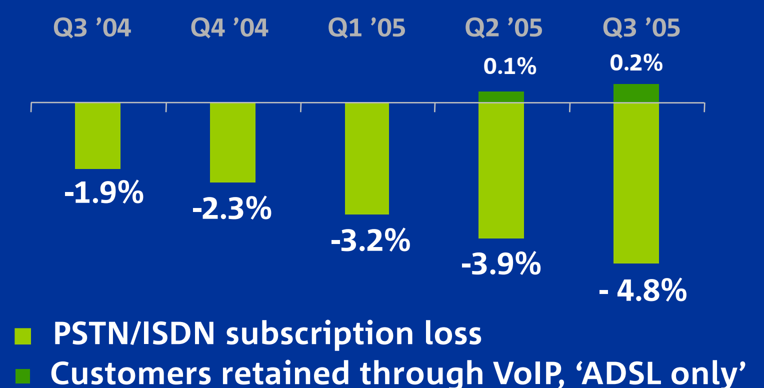
1 Penetration in number of households; management estimates
2 Percentage of households with a broadband connection; management estimates

Attack | **Defend** | Exploit

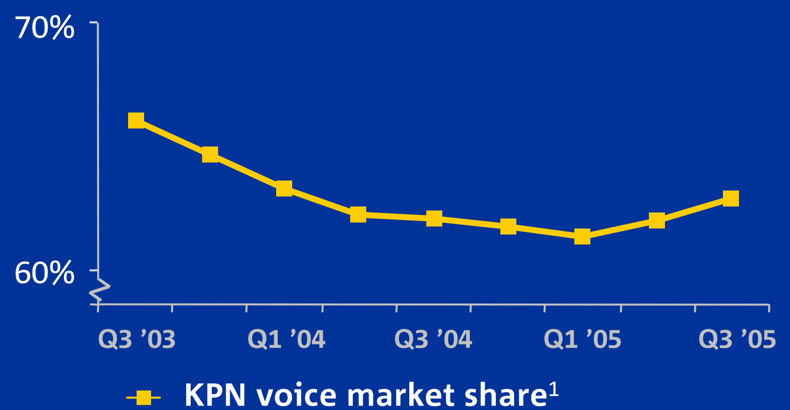
Consumer Voice market

KPN market share growing due to continued innovative service offerings

Y-on-Y subscription loss accelerates…



…but market share voice minutes increases



Fighting the erosion

Retention measures

- Introduction of flat fee tariff
  - Flat fee calls to fixed line during off peak hours
  - More flat fee tariffs to come in 2006
- "Dect – BelPlus" program[2]
  - Significant ARPU increase through "Dect-BelPlus"
- Prevent migration from ISDN2 to PSTN
  - New ISDN1 product as an innovative and cost-effective solution

Compelling new products

- VoIP
- 'ADSL only' to retain broadband
- Multi-play packages

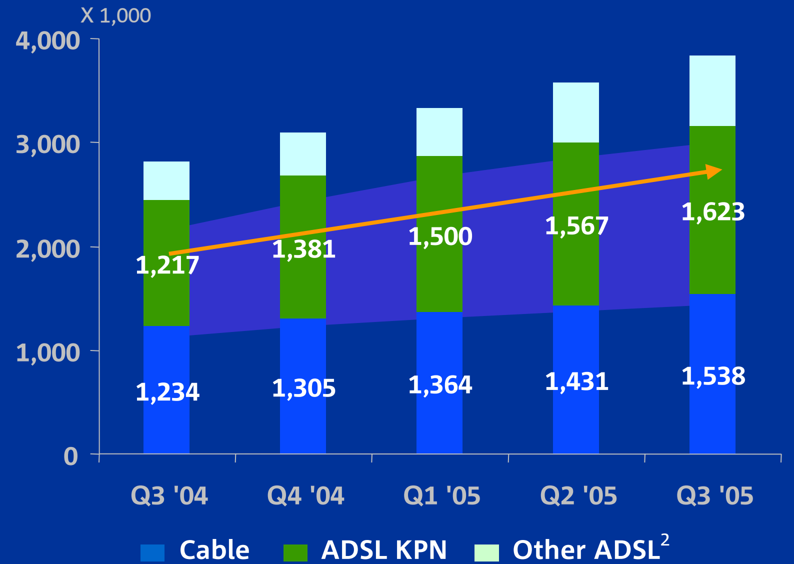
1 Excluding VoIP
2 KPN's Friends & Family type of program

Attack Defend Exploit

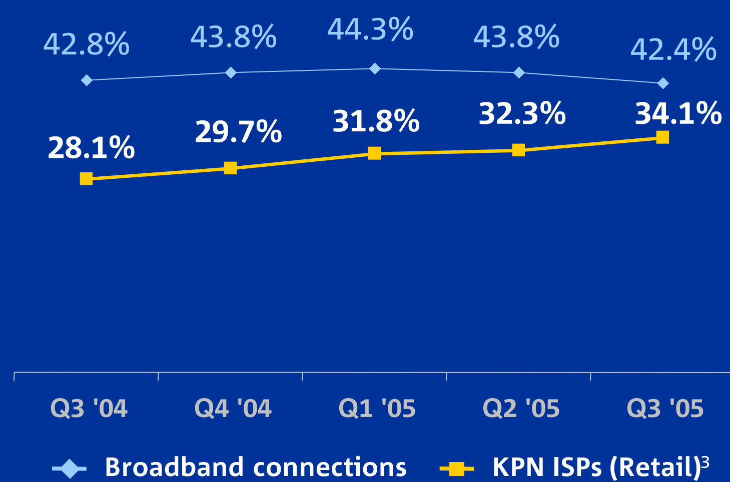
Broadband market

Entering new phase: focus on retail market share

Dutch broadband connections[1]



Market share[1]



Strategic developments

- Increasing market share KPN ISPs
- Emphasis on simple and attractive propositions for selected customer groups
- KPN maintains ARPU premium through
  - High quality (XS4ALL chosen best ISP)
  - Value added services (e.g. music stream)

Year to date acquisitions

- Execution pro-active acquisition policy
  - 5k ADSL customers of CistroN as per 10 January
  - 145k customers of Freeler as per 18 February
  - 60k KPN ADSL customers of Tiscali as per 6 July
  - 77k customers of Hcc!net as per 1 November

1 Of which currently approximately 80% consumers and 20% (small) businesses (management estimates)
2 Excluding Bitstream
3 Including Direct ADSL

Attack › Defend › Exploit

KPN TV

Initiatives on track to deliver

Steady growth in Digital TV

- 100k customers 1 year after launch
- > 90% customers also bought voice and/or DSL; > 65% discontinues cable subscription
- KPN is #1 player associated with digital television[1]

IP TV

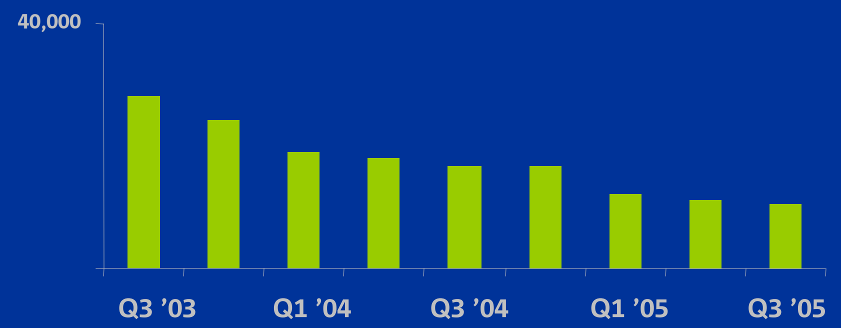
Attractive content portfolio	• Contracts signed for already over 40 channels • Extensive Video On Demand Catalogue is being secured with key players in movie industry and much more…
Services	• EPG, Easy recording, pause live TV and missed episode
ADSL 2+ network	• On schedule to be finalised end 2005
Launch planning	• Customers currently using KPN IP TV in live home environment • Commercial pilot starting December 2005 • Controlled introduction with full product Q1 ’06 • Full availability Q2 2006

1 Interview-NSS research

Business

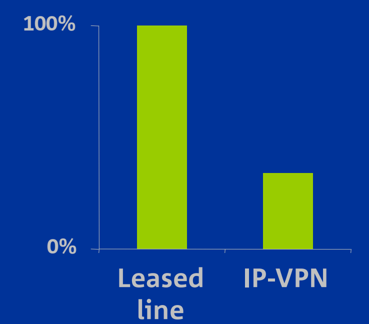
The transition from traditional to new data solutions

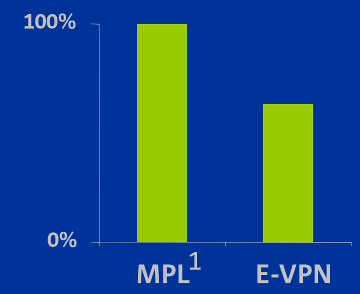
Digital leased lines



Price

ARPU differences between traditional and new products

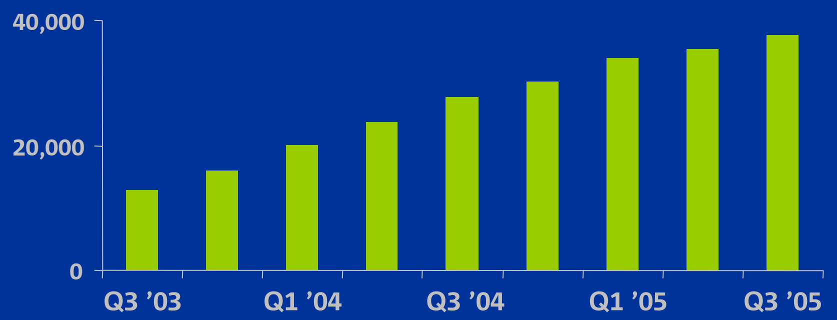




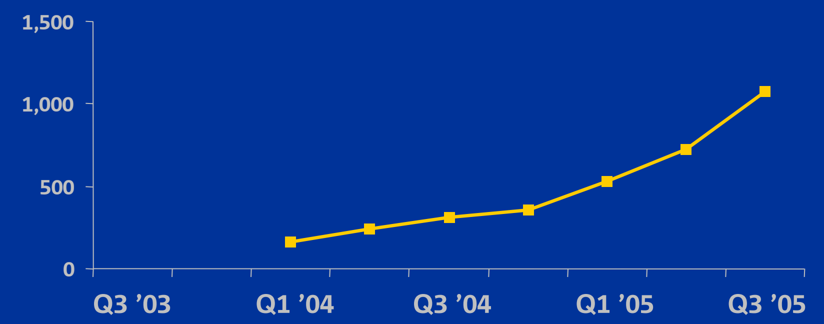
Quantity

Continued strong growth IP-VPN and E-VPN connections

IP-VPN connections



E-VPN connections



1 Managed Private Lines

Update All IP network

Done so far

- Infrastructure
  - ADSL (2+), Ethernet, VoIP and IP-TV platform
- Services
  - IP-data and managed services
  - VoIP and Value Added Services for ISPs

Timeline

- In 2006
  - Planning, start implementation and testing of IP access network
- Period 2007-2010
  - Further roll-out Ethernet, New Access (VDSL2)
  - Decommisioning voice and data legacy networks

Impact

- No impact on revenue and EBITDA in 2006
- Additional Capex € 1.0 - € 1.5 bn during 2007-2009 (current estimate)
- Possibly financed by proceeds from sale of technical buildings with an estimated market value[1] of approximately € 1.0 bn

1 Book value approximately € 600 mn

Conclusions Fixed

Attack

- Market shares broadband (DSL, IP-VPN, E-VPN) developing positively
- Introduction of a variety of new services (VoIP, ADSL only, DVB-H)
- Roll-out enabling infrastructure on track (ADSL 2+, Ethernet)

Defend

- Successful loyalty programs executed
- Numerous win back programs implemented
- Leading to favorable market share development

Exploit

- FTE reduction well on track
- Cost reduction well on track

Agenda

Ad Scheepbouwer	Group highlights
Marcel Smits	Financial review
Ad Scheepbouwer	Business review – Fixed – Mobile
Ad Scheepbouwer	Outlook and concluding remarks

Attack · Defend · Exploit

Telfort.

Strengthening our Dutch mobile position through Telfort

Wholesale	Integration of wholesale activities effective 1 January 2006 Leading wholesale client Tele2 has extended contract to 2009 Other wholesale contracts will be respected by all parties
Tax loss	Fiscal optimalisation under review
Spectrum licence	Until full integration both licenses will co-exist Allows for more freedom regarding network design
Management	New Managing Director: Stephanie Harmsen New Financial Director: Huib Dekker Both appointees from within Telfort management ranks

Multi-brand strategy

Five new brands introduced this year

- Aim is to strengthen market leadership in the Netherlands and aggressively grow market share in Belgium and Germany
- Multi-brand strategy to cover differentiated consumer segments
- Significant experience and positive multi-brand track record in Belgium and The Netherlands
- Compelling customer propositions and creating brand preferences enables business model with reduced SACs and SRCs

	kpn Premium	e·plus Value	simyo SIM Only	BASE Challenger	ay yıldız Ethnic	Telfort. Value	Youth	hi Youth	TMF Youth
E-Plus		✓	✓	✓	✓		✓		
Mobile NL	✓		✓			✓		✓	
BASE			✓	✓	✓				✓

Status update Germany

Off to a good start

Customer targeting

- We have introduced Simyo, BASE and Ay Yildiz

→ Early indications are positive both on subscriber take-up and ARPU generated

New business model

- Move away from handset subsidies
- Focus on brand preference
- Increased regionally focused marketing efforts (e.g., Berlin)

→ Reduced blended SAC/SRC whilst not sacrificing net adds growth

MVNO strategy

- Natural advantage for MVNO partnerships
- Introduction of Jamba

→ Confident that we can make more headway in the MVNO arena

Distribution

- We have signed an agreement with The Phone House
- We will have 170 stores by year- end

→ Making up ground between us and the other operators

Agenda

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Ad Scheepbouwer	Outlook and concluding remarks

Revised outlook[1]

Outlook FY 2005	As given March 1	August update	November update
Operating revenues[1]	Flat, including MTA reduction	Unchanged	Unchanged
Operating EBITDA[1,2]	Decline by high single digit figure with greatest impact in Q1	Decline by mid single digit figure	Decline by less than 5%
Capex	~ € 1.7 bn	Unchanged	~ € 1.4 bn
Free cash flow[3]	> € 2 bn	Unchanged	> € 2.3 bn

1 Excluding restructuring charges, impairments and book gains/losses over € 20 mn, see disclaimer
2 Defined as Operating result plus depreciation, amortization & impairments
3 Defined as net cash flow from operating activities minus Capex (2004: € 2,271 mn)

Concluding remarks

- Execution of March 2005 restructuring initiatives well on track
  - Restructuring of the Group and the Fixed division completed
  - Progress towards fulfilling our commitment to move to an All IP network
  - Launch of our Attack-Defend-Exploit strategy
  - Expansion of the multi-brand portfolio in the Netherlands
  - Launch of a multi-brand strategy in Germany

- Improved outlook 2005
  - EBITDA guidance changed from decline by mid-single digit to decline by less than 5%
  - Capex guidance reduced to ~ € 1.4 bn from ~ € 1.7 bn
  - Free cash flow guidance changed from exceeding € 2.0 bn to exceeding € 2.3 bn

Q & A

Annex

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Analysis of results

Key items worth mentioning in results interpretation

		Q3 '05	Q3 '04	YTD '05	YTD '04
Revenue effect MTA tariff reduction	Group	-66	-55	-195	-170
EBITDA effect MTA tariff reduction	Group	-31	-11	-91	-38
Book gain on sale of Intelsat / Infonet	Other			21	
Book gain on sale of PTC	Other				20
Book gain on sale of Eutelsat	Other				36
Intellectual property rights	KPN M NL			4	15
Restructuring charges	Group	-26	-9	-58	-13
UMTS license amortization	Mobile	-64	-16	-192	-16
Impairment on certain assets of SNT	Fixed			-40	
Impairment on Vitalicom loans	Group			-11	
Reversal of impairment on PTC loan	Group				7

Group results YTD

€ mn	YTD '05	YTD '04	%
Operating revenues - of which Net sales	**8,770** 8,652	**8,811** 8,670	***-0.5%*** *-0.2%*
Operating expenses - of which Depreciation[1] - of which Amortization[1]	**7,117** 1,399 353	**6,795** 1,468 160	***4.7%*** *-4.7%* *120.6%*
Operating result	**1,653**	**2,016**	***-18.0%***
Financial income/(expense) Share of profit of associates	-387 9	-454 -3	*-14.8%*
Profit/(Loss) before taxes	**1,275**	**1,559**	***-18.2%***
Taxes	-429	-380	*12.9%*
Profit/(Loss) after taxes	**846**	**1,179**	***-28.2%***
Profit minority shareholders	13	11	*18.2%*
Profit equity holders of the parent	833	1,168	*-28.7%*
Earnings per share[2]	**0.37**	**0.48**	***-22.9%***
Operating EBITDA[3]	**3,405**	**3,643**	***-6.5%***

- Net sales maintained at € 8.7 bn, despite MTA reduction and deconsolidation effects
- Decrease in operating result
  - Investment in customer base
  - Increased amortization
  - MTA cuts
- Reported EBITDA down by 6.5%

1 Including impairments
2 Defined as Profit after taxes per ordinary share/ADS on a fully diluted basis (in €)
3 Defined as Operating result plus depreciation, amortization & impairments

Group cash flow YTD

€ mn	YTD '05	YTD '04	%
Operating result	**1,653**	**2,016**	***-18.0%***
Depreciation and amortization[1]	1,752	1,628	*7.6%*
Interest paid/received	-226	-352	*-35.8%*
Tax paid/received	-19	-11	*72.7%*
Book gains	-33	-56	*-41.1%*
Change in provisions[2]	-128	-13	*>200%*
Change in working capital	-135	-336	*-59.8%*
Net cash flow from operating activities	**2,864**	**2,876**	***-0.4%***
Capex[3]	**925**	**1,158**	***-20.1%***
Free cash flow[4]	**1,939**	**1,718**	***12.9%***
Dividend paid	890	796	*11.8%*
Share repurchases	1,229	974	*26.2%*
Cash return to shareholders	**2,119**	**1,770**	***19.7%***

- Free cash flow[4] up 12.9% at € 1.9 bn
- Cash flow from operations maintained at € 2.9 bn
  - No significant cash taxes
  - Lower interest paid
- Lower Capex spendings, primarily UMTS in Germany
- € 2.1 bn of cash returned to shareholders
  - € 0.9 bn dividend
  - € 1.2 bn share repurchases

1 Including impairments
2 Excluding changes in deferred taxes
3 Including Property, Plant & Equipment and all software
4 Defined as Net cash flow from operating activities minus Capex

Impact MTA reduction[1]

€ mn	Q3 '05		YTD '05	
	Net sales	EBITDA[2]	Net sales	EBITDA[2]
KPN Mobile (NL)	-22	-12	-62	-35
E-Plus	-25	-19	-72	-56
Total Mobile	**-47**	**-31**	**-134**	**-91**
Consumer	-6	-	-20	-
Business	-7	-	-21	-
Wholesale & Operations	-35	-	-104	-
Total Fixed	**-48**	**-**	**-145**	**-**
Intercompany	29	-	84	-
KPN Group	**-66**	**-31**	**-195**	**-91**

MTA tariff reductions

- KPN Mobile (NL): from 15.5 to 13.0 cents (1 December '04)
- E-Plus: from 17.9 to 14.9 cents (15 December '04)

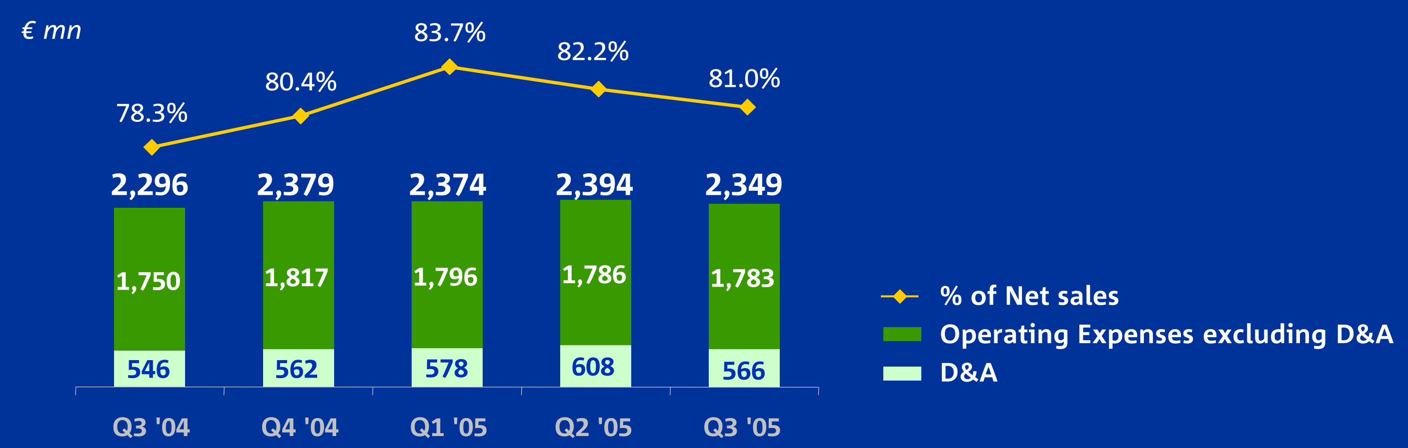
1 Additional decline compared to 2004
2 Defined as Operating result plus depreciation, amortization & impairments

Restructuring charges

€ mn	Q3 '05	YTD '05
E-Plus	-	-
KPN Mobile (NL)	-1	-2
BASE	-	-
Total Mobile	**-1**	**-2**
Consumer	-1	-1
Business	-3	-4
Wholesale & Operations	-6	-22
Total Fixed	**-10**	**-27**
Other	-15	-29
KPN Group	**-26**	**-58**

Operating expenses

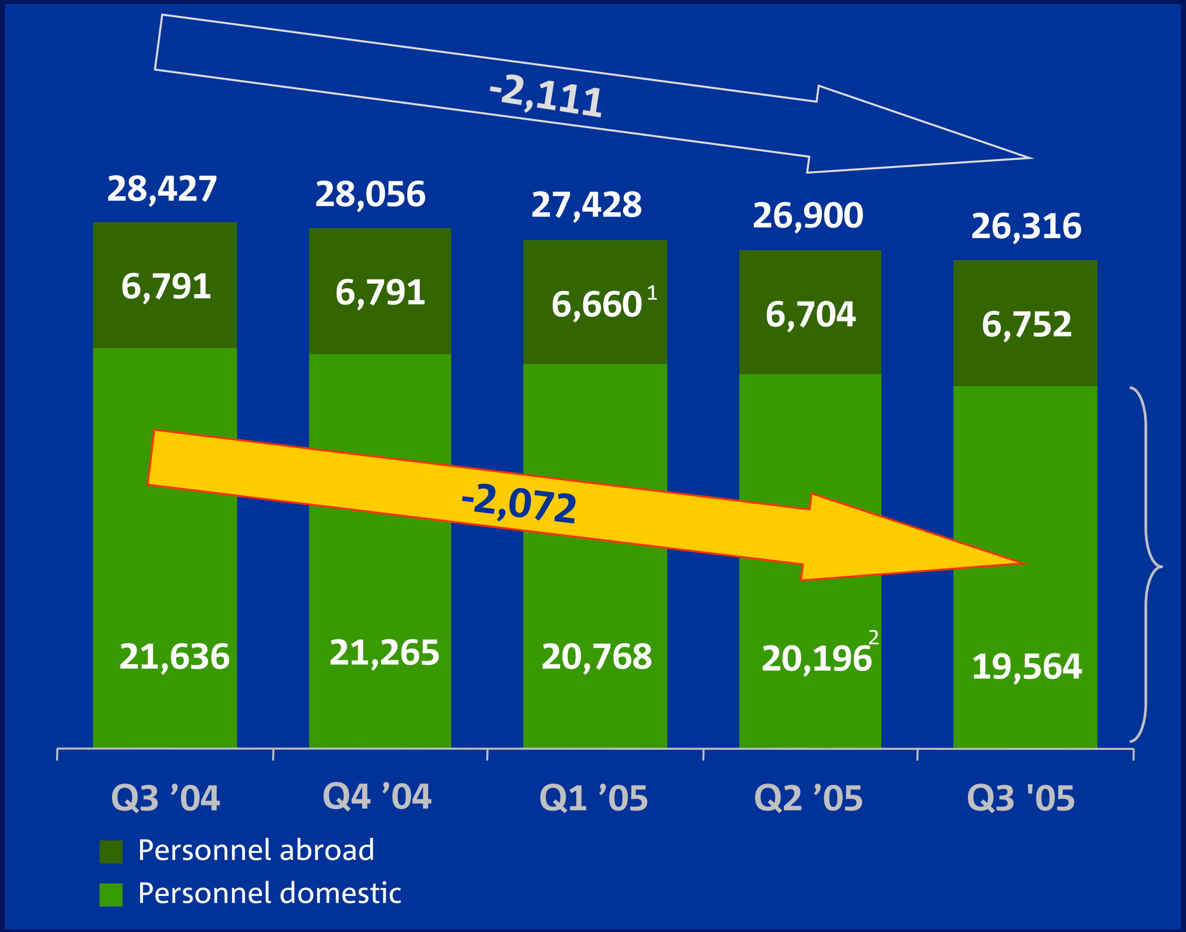
€ mn	Q3 '05	Q3 '04	%
Salaries and social security contributions	372	415	*-10.4%*
Cost of materials	227	273	*-16.8%*
Work contracted out and other expenses	1,020	995	*2.5%*
Own work capitalized	-25	-37	*-32.4%*
Other	189	104	*81.7%*
Depreciation[1]	459	479	*-4.2%*
Amortization[1]	107	67	*59.7%*
Total	**2,349**	**2,296**	***2.3%***



1 Including impairments

Personnel

Continuing decline

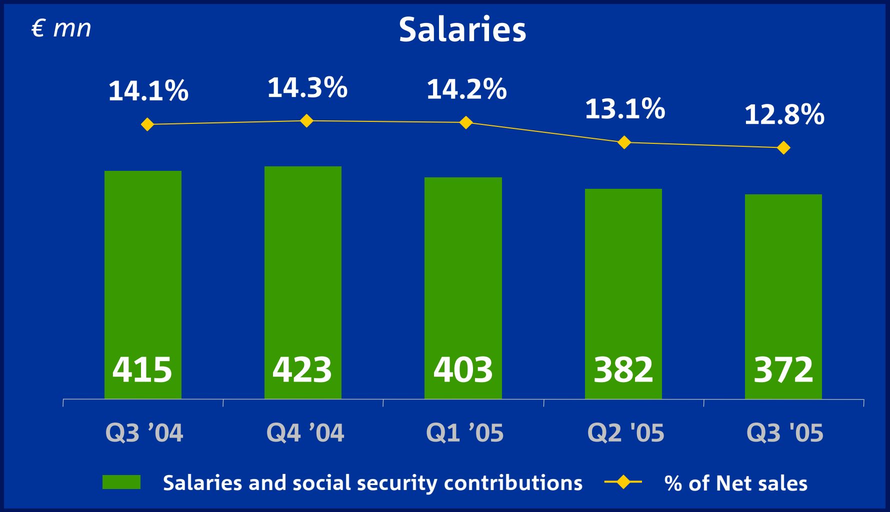


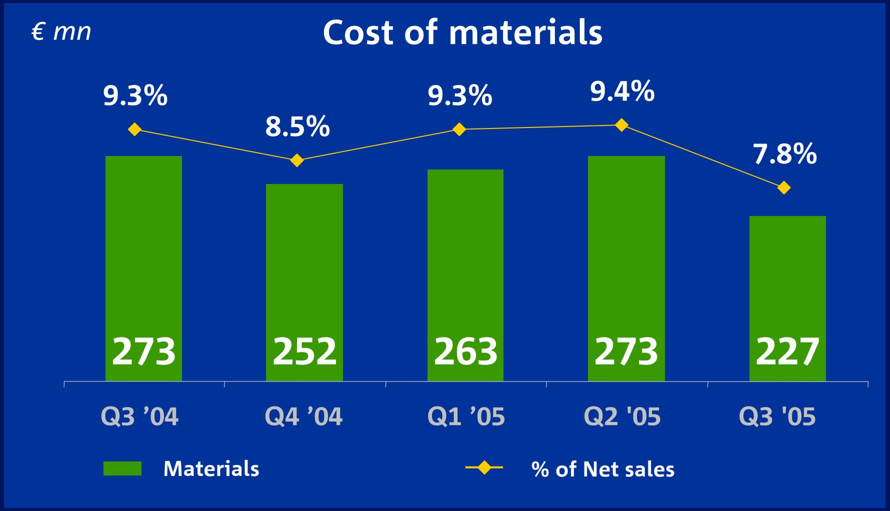
Deconsolidation effect of 388 FTE

1,684 FTE via social plan and natural attrition

1 Q-on-Q decrease due to sale of PanTel, partly offset by increase SNT
2 Q-on-Q decrease mainly relates to sale of Interview NSS

Analysis operating expenses
Salaries & Cost of materials





Y-on-Y decrease

- Lower FTE due to ongoing restructuring and deconsolidation of non-core assets

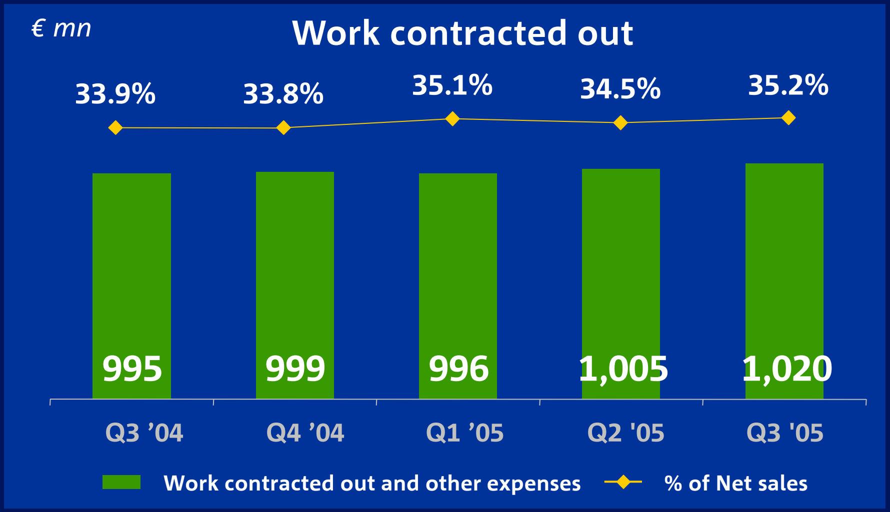
Q-on-Q decrease

- Lower # FTE, predominantly at Fixed and Other due to restructuring

Y-on-Y & Q-on-Q decrease

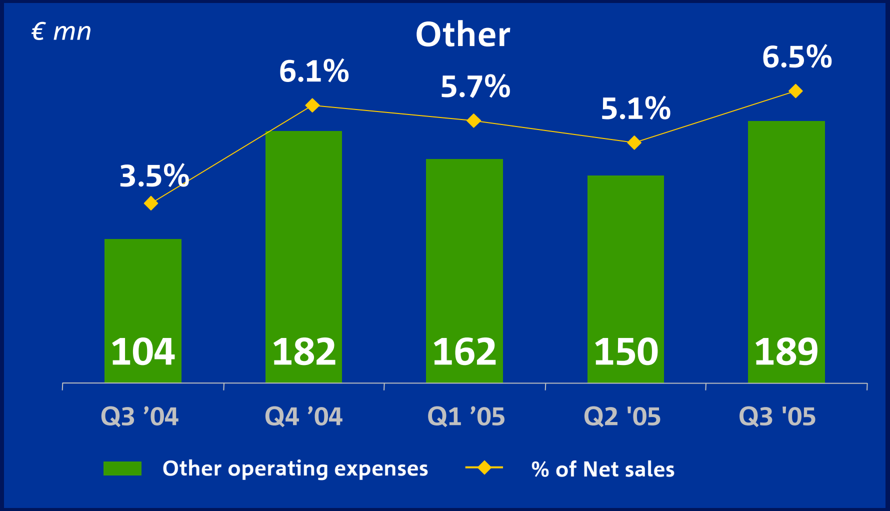
- Lower handset sales in Germany, following sim-only offers (Simyo, BASE)
- Lower handset sales in The Netherlands due to reduction of Pre Paid handset subsidies

Analysis operating expenses
Work contracted out & other



Y-on-Y increase

- Higher Post Paid distribution fees (KPN M NL) and increased traffic volumes at Mobile
- In part offset by lower traffic volumes and MTA tariffs at Fixed



Y-on-Y increase

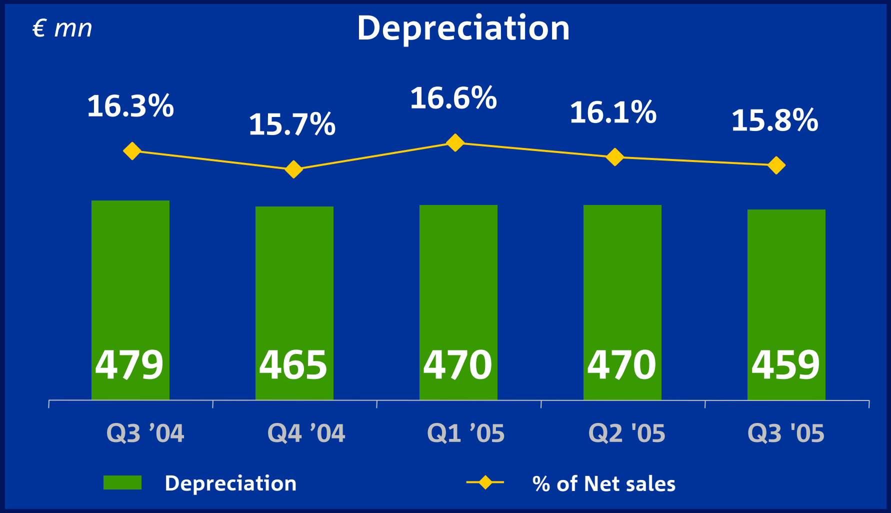
- Step-up in marketing expenses at E-Plus, following multi-brand strategy with focus on customer pull
- Q3 ’04 contains partial release of NMa provision

Q-on-Q increase

- Step-up in marketing expenses at E-Plus, following multi-brand strategy with focus on customer pull
- € 17 mn increase in restructuring charges

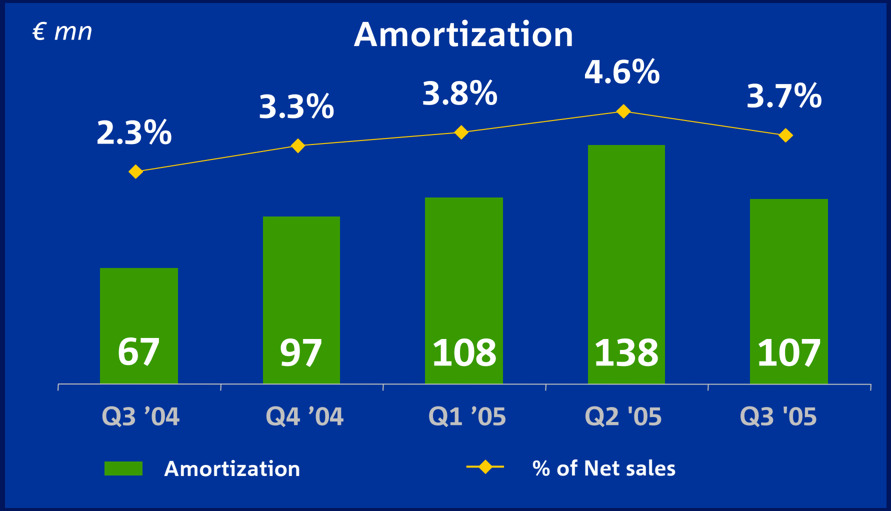
Analysis operating expenses

Depreciation & Amortization



Y-on-Y decrease

- Lower Capex spendings during prior years



Y-on-Y increase

- Amortization of UMTS licenses in Germany and The Netherlands

Q-on-Q decrease

- Q2 '05 contains € 40 mn impairment of certain assets of SNT

Tax

€ mn	Q3 '05		Q3 '04	
Fiscal unities	**P&L charge**	**Payments (–) Receipts (+)**	**P&L charge**	**Payments (–) Receipts (+)**
Fixed division & Other activities	-89	2	-97	-
German Mobile activities	-	-	-17	-
Dutch Mobile activities	-41	-	-26	-
Belgian Mobile activities	3	-	44	-
Total	**-127**	**2**	**-96**	**–**

- Q3 '04 contains deferred tax asset Belgium due to further conversion of debt into equity and improvement of business plan

Share buyback progression

€ 1.2 bn returned to shareholders in YTD 2005

- € 250 mn share repurchase program completed on 12 September
- 32.8 mn shares repurchased at an average price of 7.62 per share
- All purchased via secondary trading line
- 181 mn shares (7.8% of outstanding capital) cancelled before end of 2005

Q3 '05 [1]	value € mn	mn shares	avg. share price
Second trading line	250.0	32.8	7.62
Open market	-	-	-
Total	**250.0**	**32.8**	**7.62**

YTD '05 [1]	value € mn	mn shares	avg. share price
Second trading line	1,057.0	152.4	6.93
Open market	178.0	26.4	6.74
Total	**1,235.0**	**178.8**	**6.91**

1 Figures based on transaction date of share repurchases

Total cash flow

€ mn	Q3 ’05	Q3 ’04	YTD ’05	YTD ’04
Net cash flow from operating activities	**1,143**	**1,075**	**2,864**	**2,876**
Capex[1]	-369	-474	-925	-1,158
Disposals	-1	-	192	4
Other	6	8	10	79
Net cash flow from investing activities	**-364**	**-466**	**-723**	**-1,075**
Dividends paid	-281	-190	-890	-796
Share repurchases	-261	-507	-1,229	-974
Option plans	12	-4	-21	-33
Debt financing	-20	134	669	-809
Other	86	-4	126	1
Net cash flow used in financing activities	**-464**	**-571**	**-1,345**	**-2,611**
Changes in cash and cash equivalents	**315**	**38**	**796**	**-810**

1 Including Property, Plant & Equipment and all software

Net cash flow from operating activities

€ mn	Q3 '05	Q3 '04	YTD '05	YTD '04
Operating Result	**581**	**661**	**1,653**	**2,016**
Depreciation, amortization and impairments	566	546	1,752	1,628
Interest paid/received	-95	-156	-226	-352
Income tax paid/received	2	-	-19	-11
Book gains	-4	-	-33	-56
Change in provisions	-23	-26	-128	-13
Net cash flow from operating activities *before changes in working capital*	**1,027**	**1,025**	**2,999**	**3,212**
Inventory	15	-41	69	-73
Trade receivables	41	-2	-24	12
Other current assets	69	79	13	31
Current liabilities	-9	14	-193	-306
Change in working capital	**116**	**50**	**-135**	**-336**
Net cash flow from operating activities	**1,143**	**1,075**	**2,864**	**2,876**
Capex[1]	369	474	925	1,158
Free cash flow[2]	**774**	**601**	**1,939**	**1,718**

1 Including Property, Plant & Equipment and all software
2 Defined as net cash flow from operating activities minus Capex

Capex[1]

€ mn	Q3 '05	Q3 '04	*%*	YTD '05	YTD '04	*%*
Mobile	**166**	**326**	***-49%***	**443**	**734**	***-40%***
% net sales Mobile	*12%*	*24%*		*11%*	*19%*	
E-Plus	96	248	*-61%*	263	541	*-51%*
% net sales E-Plus	*14%*	*37%*		*13%*	*29%*	
KPN Mobile (NL)	43	67	*-36%*	110	159	*-31%*
% net sales KPN Mobile (NL)	*7%*	*12%*		*6%*	*9%*	
BASE	27	11	*145%*	70	34	*106%*
% net sales BASE	*20%*	*10%*		*18%*	*11%*	
Fixed	**199**	**144**	***38%***	**474**	**406**	***17%***
% net sales Fixed	*12%*	*8%*		*9%*	*8%*	
Consumer	3	12	*-75%*	15	21	*-29%*
% net sales Consumer	*1%*	*2%*		*1%*	*1%*	
Business	9	24	*-63%*	27	44	*-39%*
% net sales Business	*1%*	*3%*		*1%*	*2%*	
Wholesale & Operations	187	108	*73%*	432	341	*27%*
% net sales Wholesale & Operations	*15%*	*8%*		*12%*	*9%*	
Other	**4**	**4**		**8**	**18**	***-56%***
Total	**369**	**474**	***-22%***	**925**	**1.158**	***-20%***
% net sales	*13%*	*16%*		*11%*	*13%*	

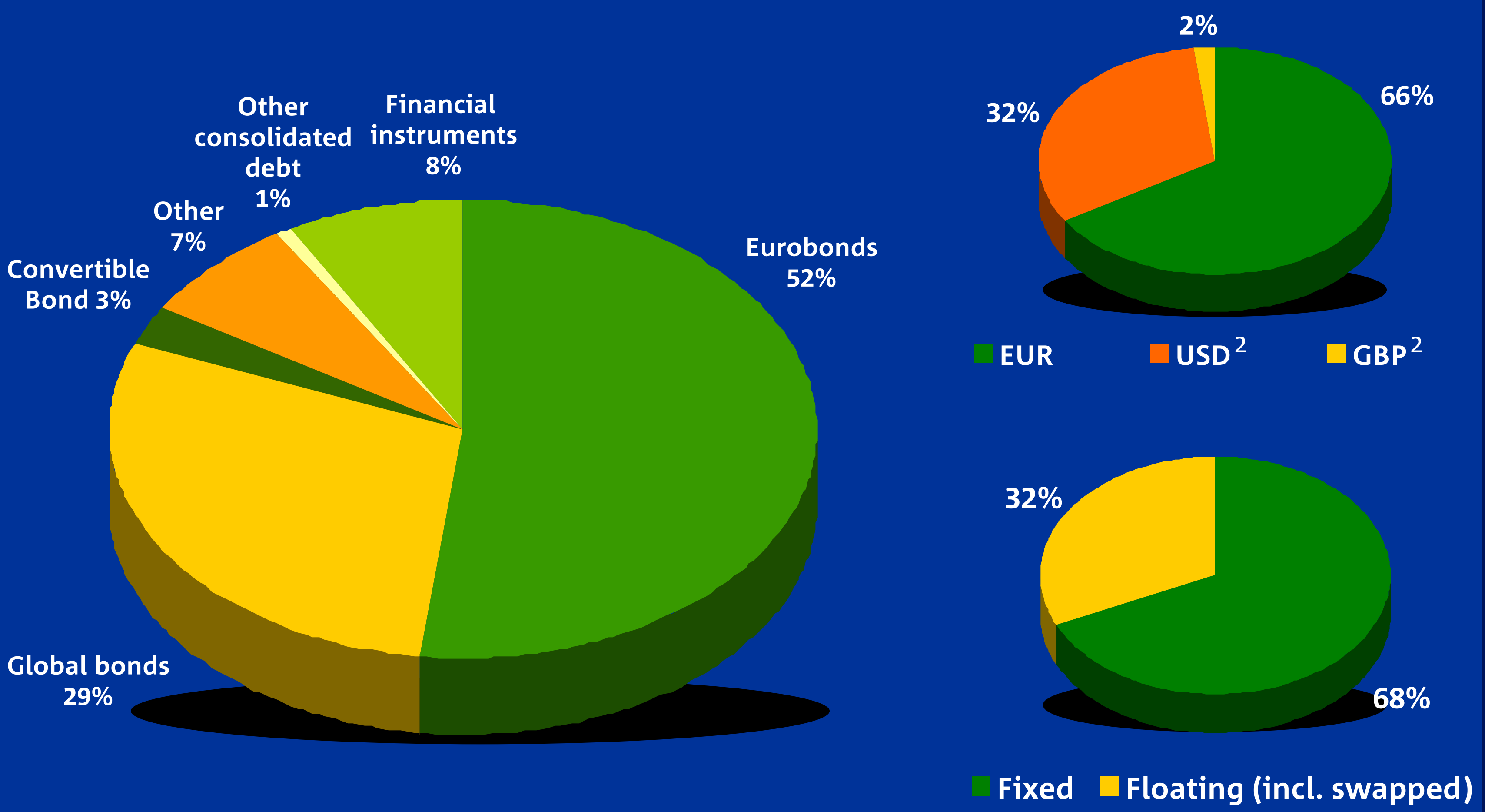
1 Including Property, Plant & Equipment and all software

Debt summary

€ bn	Q3 '05	Q2 '05
Subordinated convertible bonds	**0.32**	**0.32**
Eurobonds	**5.65**	**5.67**
Global bonds	**3.21**	**3.26**
Other loans at Royal KPN	**0.74**	**0.67**
Consolidated debt	**0.11**	**0.12**
E-Plus	*0.05*	*0.06*
Other	*0.06*	*0.06*
Fair value financial instruments	**0.87**	**0.79**
Total debt	**10.90**	**10.83**
of which short-term	*2.91*	*2.58*
Cash and cash equivalents	2.96	2.65
Total net debt	**7.94**	**8.18**

Debt portfolio

Gross debt at Q3 '05: € 10.9 bn[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

Attack Defend Exploit

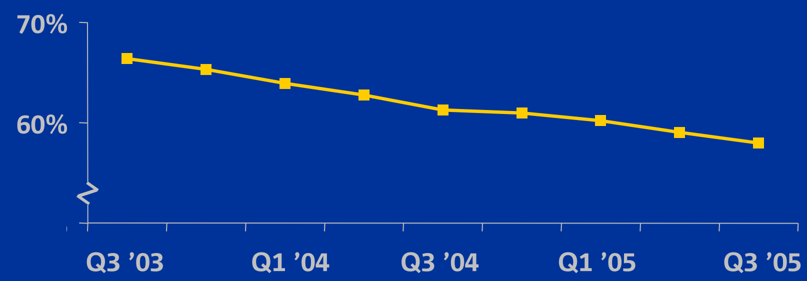
Business

Implementing commercial initiatives in traditional and new markets

Traditional markets

- Major price difference in corporate voice market due to strict regulation
- Gradually rising penetration of loyalty package “Bel Zakelijk”
- Personal advice discount package by “Best offer” campaign
- “ZekerWeten”, first Fixed-Mobile integrated campaign aimed at SME

Market share voice minutes[1]



New markets

- Growing demand for managed IP-VPN services
- Customers install new applications on new and existing IP-VPN networks
- Controlled introduction “Zakelijk InternetPlusBellen” (VoIP) in SOHO in Q4

Major new corporate contracts

- Dutch tax authority – migrate ATM based connections between 150 locations to E-VPN
- Intergamma – connect 350 DIY stores in the Benelux to IP-VPN based W-LAN
- Post Office – connect 800 locations in the Netherlands to a managed VPN

1 Excluding VoIP

Attack | Defend | Exploit

VoIP in consumer market

Now ready for upscaling

Developments in Dutch VoIP market

- Consumer VoIP adoption accelerating (~ 200k users at end Q3 ’05)
  - Cable VoIP available throughout the Netherlands
  - All major DSL operators offer VoIP propositions
- Current market leaves room for KPN to excel with reliable/innovative VoIP offer

KPN’s VoIP offering “InternetPlusBellen”

- Achieved quality of service that customer expects from KPN
- High positive response from target group on product concept
- Emphasis on value-added services beyond pure voice
- Upscaling started
  - Multi channel sales from December
  - Full scale roll-out in January

Services

Q4 ’05
- Secure wireless network
- Flat fee calling
- Voice mail/e-mail

From Q1 ’06
- Additional phone numbers
- Video calls
- WiFi videophone
- Nomadic use
- Security services

KPIs Fixed

Consumer Voice

	Q3 '05	Q2 '05	Q3 '04
Market share Consumer	**> 60%**	**> 60%**	**± 60%**
- Local	*> 65%*	*± 65%*	*± 65%*
- National	*± 60%*	*> 55%*	*> 55%*
- Fixed to Mobile	*± 65%*	*> 60%*	*± 60%*
- International	*> 40%*	*± 40%*	*± 40%*
Lines *(x 1,000)*	**5,137**	**5,221**	**5,398**
PSTN	*4,638*	*4,713*	*4,867*
ISDN	*499*	*508*	*531*
Minutes *(bn)*	**2.55**	**2.74**	**2.78**
- Local	*1.52*	*1.66*	*1.67*
- National	*0.66*	*0.70*	*0.73*
- Fixed to Mobile	*0.28*	*0.29*	*0.28*
- International	*0.09*	*0.09*	*0.10*

KPIs Fixed

Consumer Internet

	Q3 '05	Q2 '05	Q3 '04
KPN ISP customers *(x 1,000)*			
Planet Internet	761	759	748
Het Net	643	627	604
XS4ALL	290	286	244
Other[1]	133	95	-
Total	**1,827**	**1,767**	**1,596**
Broadband market share			
–*Retail (ISP) consumer broadband*	34.1%	32.3%	28.1%
–*Consumer broadband connections*	42.4%	43.8%	42.8%
–*DSL connections*	70.8%	73.0%	75.5%
KPN Broadband ISP customers *(x 1,000)*			
Planet Internet	505	491	376
Het Net	364	313	204
XS4ALL	199	192	160
Direct ADSL	162	129	61
Other[1]	75	27	-
Total	**1,305**	**1,152**	**801**
Internet dial-up minutes *(bn)*	**0.57**	**0.67**	**1.07**

1 Includes acquired customers from Freeler, Tiscali and CistroN

KPIs Fixed

Business

	Q3 '05	Q2 '05	Q3 '04
Market share Business	**> 55%**	**± 60%**	**± 60%**
- Local	*> 60%*	*> 60%*	*± 65%*
- National	*> 55%*	*> 55%*	*± 60%*
- Fixed to Mobile	*> 55%*	*> 55%*	*± 60%*
- International	*± 45%*	*> 45%*	*> 45%*
Lines *(x 1,000)*	**1,930**	**1,952**	**2,011**
PSTN	*982*	*996*	*1,042*
ISDN	*948*	*956*	*969*
Minutes *(bn)*	**2.34**	**2.61**	**3.01**
- Local	*0.83*	*0.94*	*1.03*
- National	*0.77*	*0.84*	*0.92*
- Fixed to Mobile	*0.31*	*0.34*	*0.31*
- Internet	*0.30*	*0.36*	*0.61*
- International	*0.13*	*0.13*	*0.14*
Leased lines *(x 1,000)*	**49,983**	**51,968**	**60,638**
Analogue	*79%*	*78%*	*73%*
Digital	*21%*	*22%*	*27%*
VAS			
Frame Relay *(# ports)*	3,668	3,880	5,592
MVPN-routers	12,051	11,526	9,503
IP-VPN connections	37,671	35,466	27,595
VPNs *(# customers)*	1,684	1,607	1,257

KPIs Fixed
Wholesale & Operations

X 1,000	**Q3 '05**	**Q2 '05**	**Q3 '04**
Local exchanges			
DSL enabled	*1,361*	*1,361*	*1,361*
ADSL coverage NL[1]	*99%*	*99%*	*99%*
MDF access lines[2]	*2,348*	*2,204*	*1,664*
of which line sharing[2,3]	*2,247*	*2,118*	*1,602*
Minutes *(bn)*	**9.86**	**10.39**	**9.99**
–Terminating services	*3.13*	*3.39*	*3.16*
–Originating voice	*2.53*	*2.76*	*2.79*
–Originating internet	*0.43*	*0.49*	*0.80*
–Transit services	*1.65*	*1.72*	*1.48*
–International wholesale services	*2.12*	*2.03*	*1.76*
Other/intercompany minutes *(bn)*	0.22	0.22	0.24

1 % of central offices that is ADSL enabled
2 Including Bitstream
3 Includes KPN ADSL connections (installed), line sharing other telcos and KPN Bitstream

KPIs Mobile

E-Plus

	Q3 '05	Q2 '05	Q3 '04
Market share			
–*Market share revenue*[1]	*12.1%*	*12.4%*	*11.7%*
–*Market share base*[2]	*13.2%*	*13.3%*	*13.1%*
Customers *(x 1,000)*	**10,124**	**9,797**	**9,065**
Post Paid	5,258	5,039	4,426
Pre Paid	4,866	4,758	4,639
Service revenues	**644**	**622**	**596**
ARPU *(€)*	**21**	**21**	**22**
Post Paid	*36*	*36*	*38*
Pre Paid	*6*	*6*	*7*
Non-voice as % of ARPU	***15%***	***15%***	***15%***
MoU *(minutes)*	**78**	**78**	**77**
Post Paid	*133*	*134*	*135*
Pre Paid	*20*	*21*	*22*
SAC/SRC *(€)*	**136**	**174**	**186**
Post Paid	*217*	*255*	*253*
Pre Paid	*22*	*53*	*62*

1 Management estimates, based on revenues
2 Management estimates, based on numbers of customers

KPIs Mobile
KPN Mobile (NL)

	Q3 '05	Q2 '05	Q3 '04
Market share			
–*Market share revenue*[1]	*37.0%*	*36.8%*	*37.3%*
–*Market share base*[2]	*37.0%*	*40.2%*	*39.9%*
Customers *(x 1,000)*	**5,701**	**6,313**	**5,773**
Post Paid	2,524	2,418	2,094
Pre Paid	3,177	3,895	3,679
Service revenues	**588**	**569**	**551**
ARPU *(€)*	**32**	**30**	**33**
Post Paid	*66*	*67*	*71*
Pre Paid	*9*	*8*	*11*
Non-voice as % of ARPU	**15%**	**13%**	**12%**
MoU *(minutes)*	**122**	**123**	**117**
Post Paid	*256*	*280*	*261*
Pre Paid	*30*	*28*	*36*
SAC/SRC *(€)*	**278**	**344**	**179**
Post Paid	*424*	*450*	*295*
Pre Paid	*22*	*8*	*55*

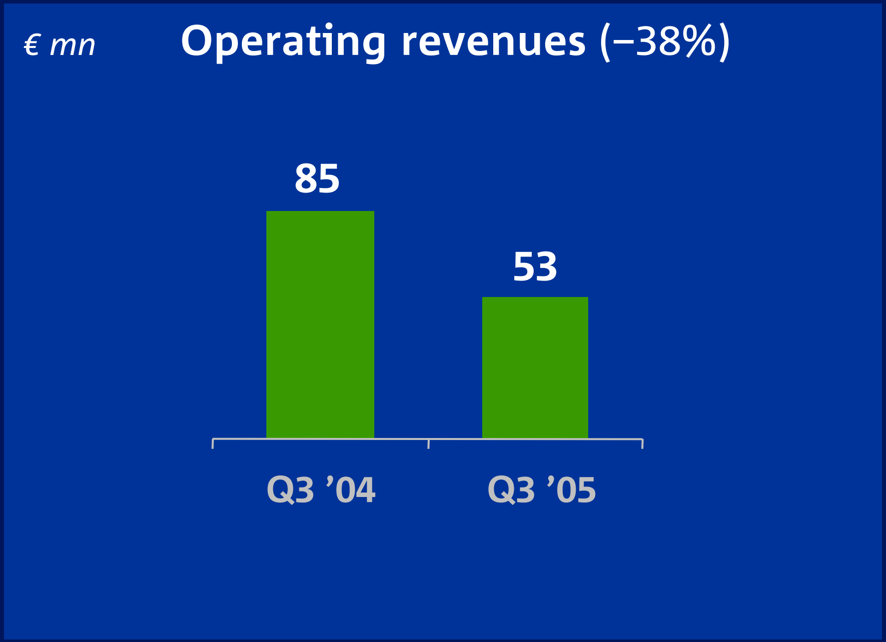
1 Management estimates, based on numbers of customers, as per industry filings
2 Management estimates, based on revenues as per industry filings

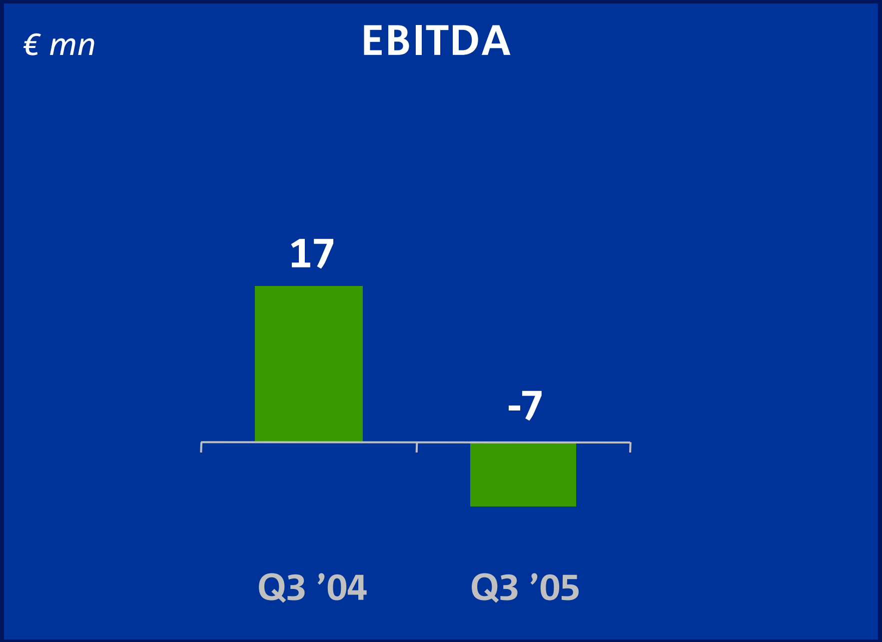
KPIs Mobile
BASE

	Q3 '05	Q2 '05	Q3 '04
Market share			
–*Market share revenue*[1]	*> 13%*	*~ 13%*	*~ 11%*
–*Market share base*[2]	*19%*	*> 18%*	*17%*
Customers *(x 1,000)*	**1,929**	**1,848**	**1,517**
Post Paid	372	367	299
Pre Paid	1,557	1,481	1,218
Service revenues	**138**	**136**	**106**
ARPU *(€)*	**24**	**25**	**24**
Post Paid	*63*	*63*	*67*
Pre Paid	*15*	*15*	*13*
Non-voice as % of ARPU	***14%***	***14%***	***15%***
MoU *(minutes)*	**106**	**117**	**104**
Post Paid	*240*	*250*	*205*
Pre Paid	*73*	*84*	*79*
SAC/SRC *(€)*	**27**	**18**	**16**
Post Paid	*49*	*44*	*31*
Pre Paid	*20*	*12*	*13*

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

Other in Q3





- Deconsolidation effect PanTel
  - Revenue € 26 mn
  - EBITDA € 6 mn
- Letter of intend signed to sell Xantic
- € 15 mn restructuring charges (Q3 ’04 € 3 mn)