Third Quarter Results 2006

31 October 2006

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, 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 2005 Annual Report and Form 20-F.

All figures in this presentation are unaudited and based on IFRS as endorsed by the EU. 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.

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

Disclaimer

We define EBITDA as operating profit before depreciation and impairments of PP&E and amortization and impairments of intangible assets. The measure is used by financial institutions and credit-rating agencies as one of the key indicators of borrowing potential. Many analysts use EBITDA as a component for their (cash flow) projections. Note that our definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization. Either definition of EBITDA has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our results as reported under IFRS or US GAAP.

We use EBITDA as a component of our guidance. In view of the possible volatility of impairments under IFRS, 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) is provided.

We define Free cash flow as 'Cash flow from operating activities' minus 'Capital expenditures', being expenditures on PP&E and software.

Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Marcel Smits, CFO
Operating review	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO

Highlights

- Mobile outperforming the market
  - E-Plus and BASE continuing to deliver profitable growth
  - KPN Mobile the Netherlands gaining market share
- Future proofing Fixed division on track
  - Battle for market share in the Consumer segment leading to increased investment in customer base and line loss to competition
  - KPN now firmly established as market leader in VoIP additions, turnaround in net line loss trend
  - National roll-out DVB-T and continued growth in customer base
- All-IP program on track, directional support from regulator

Financial highlights Q3

- Continued strong financial performance
  - Revenues and other income up 3.7% (YTD 2.8%, or 2.1% per guidance definition[1])
  - EBITDA up 4.4% (YTD 8.2%, or 6.7% per guidance definition[1])
  - Strong free cash flow of € 728 mn (YTD € 2,139 mn)
  - EPS up 20.0% to € 0.18
- YTD shareholder returns € 2.6 bn, exceeding February announcement
  - € 1.6 bn share repurchases including € 0.8 bn buyback from Dutch State
  - € 0.3 bn interim dividend 2006 or € 0.16 per share
  - € 0.7 bn final dividend 2005 or € 0.32 per share

1 Excluding restructuring charges and book gains/losses over € 20 mn, brand unification costs and Telfort integration

Agenda

Chairman’s review	Ad Scheepbouwer, Chairman and CEO
Financial review	Marcel Smits, CFO
Operating review	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO

Group results Q3

€ mn	Q3 '06	Q3 '05	%
Revenues and other income	**3,037**	**2,930**	***3.7%***
– of which Revenues	3,028	2,926	*3.5%*
Operating expenses	**2,463**	**2,349**	***4.9%***
– of which Depreciation[1]	473	459	*3.1%*
– of which Amortization[1]	151	107	*41.1%*
Operating result	**574**	**581**	***-1.2%***
Financial income/(expense)	-115	-122	*-5.7%*
Share of profit of associates	2	2	-
Profit/(Loss) before taxes	**461**	**461**	**-**
Taxes	-112	-127	*-11.8%*
Profit/(Loss) after taxes	**349**	**334**	***4.5%***
Profit minority shareholders	3	5	*-40.0%*
Profit equity holders of the parent	346	329	*5.2%*
Earnings per share[2]	**0.18**	**0.15**	***20.0%***
EBITDA[3]	**1,198**	**1,147**	***4.4%***

- Revenues up 3.5%
  - Organic growth in Mobile, on top of Telfort consolidation
  - Contraction Fixed revenues due to line loss and price pressure
- Costs up 4.9%
  - Investments in Fixed customer base
  - € 42 mn restructuring / integration costs in Mobile
  - Increase in D&A due to Telfort consolidation and anticipated network integration
  - Partly offset by lower SAC at E-Plus and headcount reduction
- Reported EBITDA up 4.4% as a result of strong margin in Mobile
- EPS up 20%, with support from share repurchases

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 result plus depreciation, amortization & impairments

Group results YTD

€ mn	YTD '06	YTD '05	%
Revenues and other income	**9,018**	**8,770**	***2.8%***
– of which Revenues	8,919	8,737	*2.1%*
Operating expenses	**7,162**	**7,117**	***0.6%***
– of which Depreciation[1]	1,393	1,399	*-0.4%*
– of which Amortization[1]	436	353	*23.5%*
Operating result	**1,856**	**1,653**	***12.3%***
Financial income/(expense)	-307	-387	*-20.7%*
Share of profit of associates	7	9	*-22.2%*
Profit/(Loss) before taxes	**1,556**	**1,275**	***22.0%***
Taxes	-362	-429	*-15.6%*
Profit/(Loss) after taxes	**1,194**	**846**	***41.1%***
Profit minority shareholders	1	13	*-92.3%*
Profit equity holders of the parent	1,193	833	*43.2%*
Earnings per share[2]	**0.59**	**0.37**	***59.5%***
EBITDA[3]	**3,685**	**3,405**	***8.2%***

- Revenues up 2.1%
  - Telfort consolidation
  - Organic growth at all three Mobile operators
  - Contraction Fixed revenues
- Costs nearly stable
  - Investments in Fixed customer base
  - Higher access cost due to change in traffic mix
  - Offset by lower SAC at E-Plus and headcount reduction
- Reported EBITDA up 8.2% as a result of strong margin in Mobile
- EPS supported by share repurchases

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 result plus depreciation, amortization & impairments

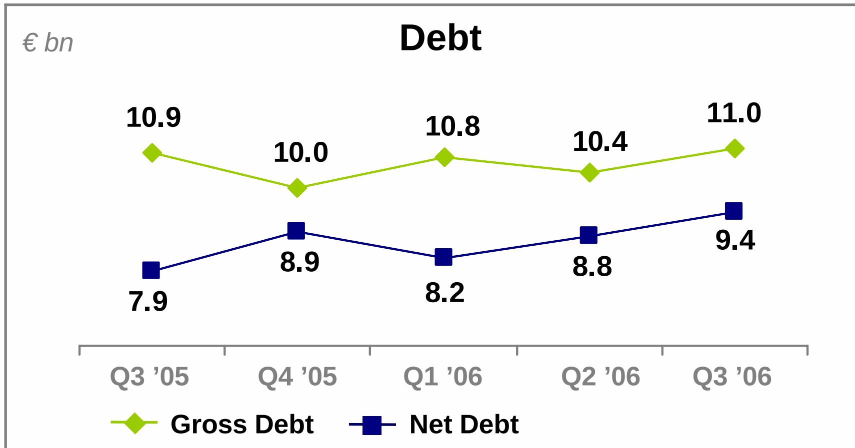
Group cash flow Q3

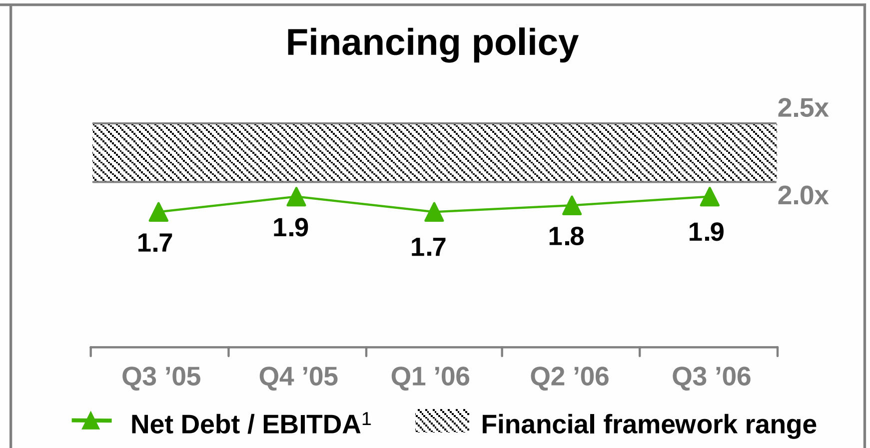
€ mn	Q3 '06	Q3 '05	%
Operating result	**574**	**581**	***-1.2%***
Depreciation and amortization[1]	624	566	*10.2%*
Interest paid/received	-108	-95	*13.7%*
Tax paid/received	-1	2	-
Other income	-9	-4	*>100%*
Change in provisions[2]	-19	-23	*-17.4%*
Change in working capital	92	116	*-20.7%*
Net cash flow from operating activities	**1,153**	**1,143**	***0.9%***
Capex[3]	**425**	**369**	***15.2%***
Free cash flow[4]	**728**	**774**	***-5.9%***
Dividend paid	321	281	*14.2%*
Share repurchases	1,015	261	*> 200%*
Cash return to shareholders	**1,336**	**542**	***> 100%***

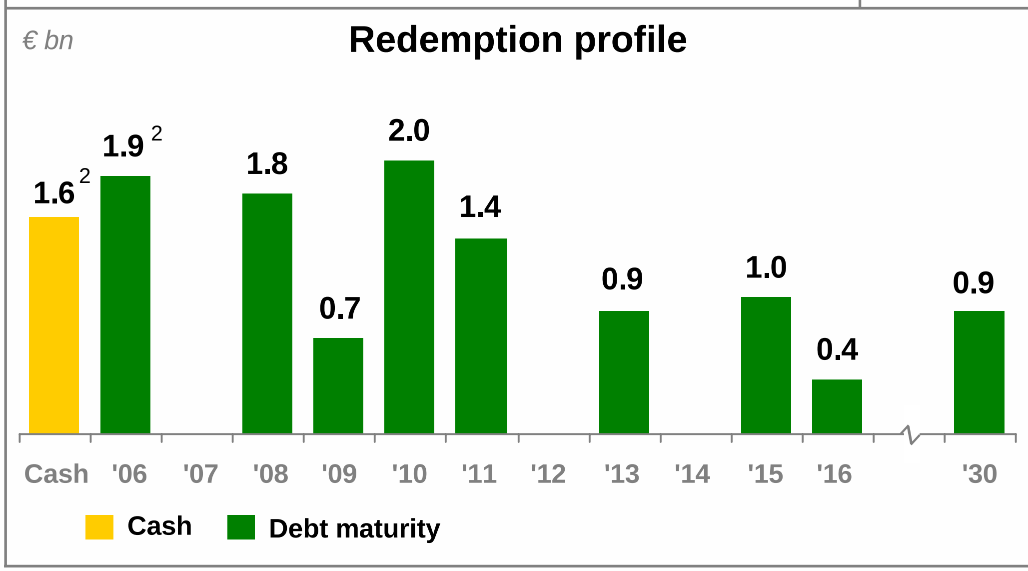
- Free cash flow of € 728 mn
- Capex up 15.2%
  - Continued investment in indoor coverage by E-Plus (E-GSM)
- YTD free cash flow of € 2.1 bn, up € 0.2 bn on prior year
  - € 219 mn one-off tax cash in-flow in Q1
- € 1.3 bn shareholder returns
  - € 1.0 bn share repurchases including € 0.7 bn buyback from Dutch State[5]
  - € 0.3 bn interim dividend 2006 or € 0.16 per share
- YTD shareholder return € 2.5 bn in cash[5]

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 minus Capex
5 Excluding dividend tax of € 101 mn to be paid in Q4 '06

Group financial profile



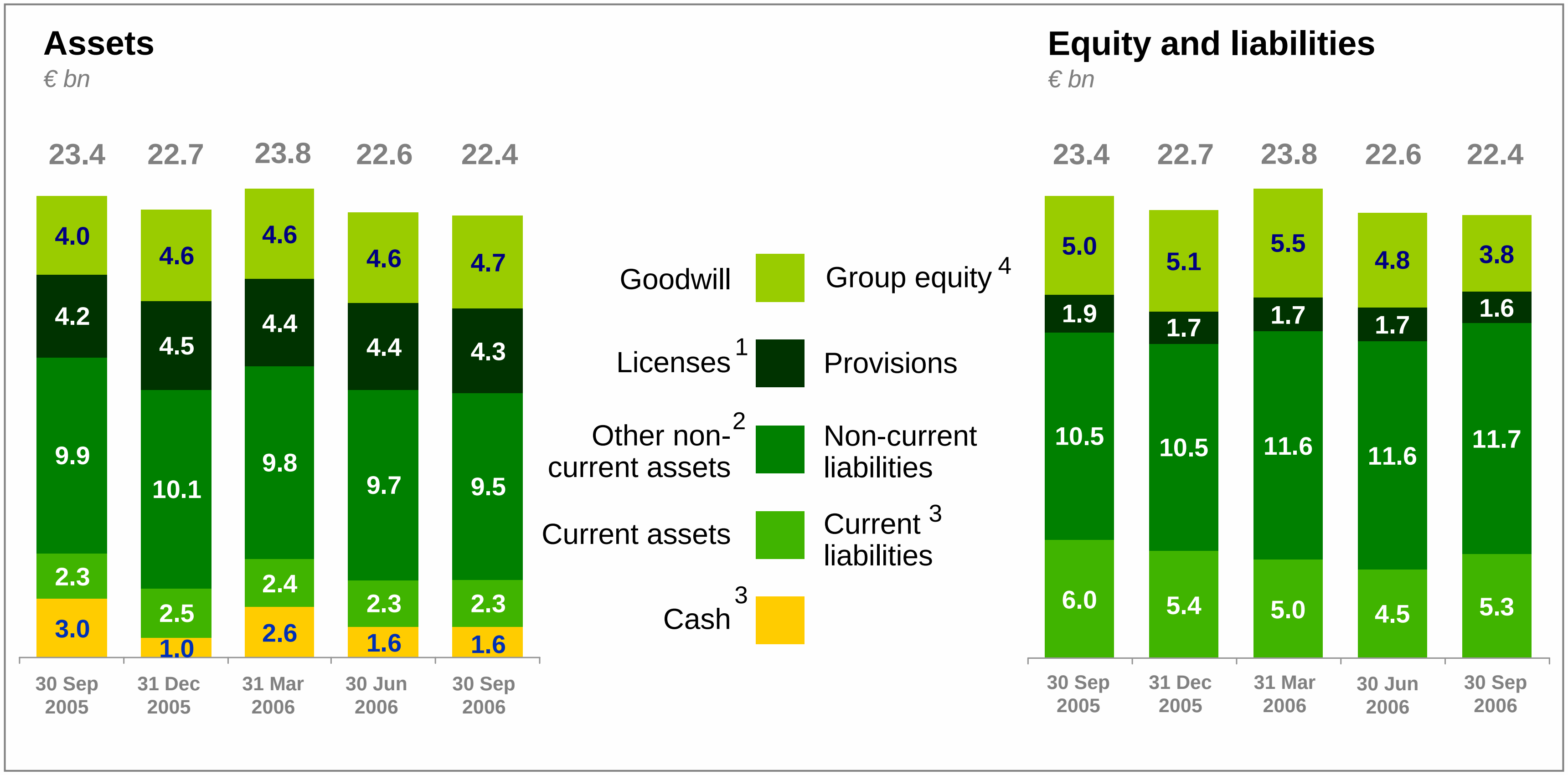




- Gross debt up to € 11.0 bn following temporary draw down on credit facility
- Net debt / EBITDA[1] up to 1.9x partly due to € 1.3 bn shareholder returns in Q3
- Liability management transaction planned for bonds maturing in 2008 to lengthen maturity profile

1 Based on 12 month rolling calculation excluding restructuring charges and book gains/losses over € 20 mn, brand unification costs and Telfort integration
2 Both cash and gross debt include approximately € 1.2 bn of non-netted cash balances per Q3 '06

Balance sheet



1 Including other intangibles
2 Including Property, Plant & Equipment and software
3 Both cash and gross debt include approximately € 1.2 bn of non-netted cash balances per Q3 ’06
4 Including minority interest

Financial highlights Fixed

Line loss and price pressure impact

€ mn	Q3 '06	Q3 '05	YTD '06	YTD '05
Revenues and other income	1,630	1,694	4,967	5,149
% change	*-3.8%*		*-3.5%*	
Operating expenses	1,309	1,298	3,877	3,976
– of which D&A	303	306	879	965
Operating result	321	396	1,090	1,173
EBITDA	623	702	1.968	2,138
% change	*-11.3%*		*-8.0%*	
EBITDA margin	**38.2%**	**41.4%**	**39.6%**	**41.5%**

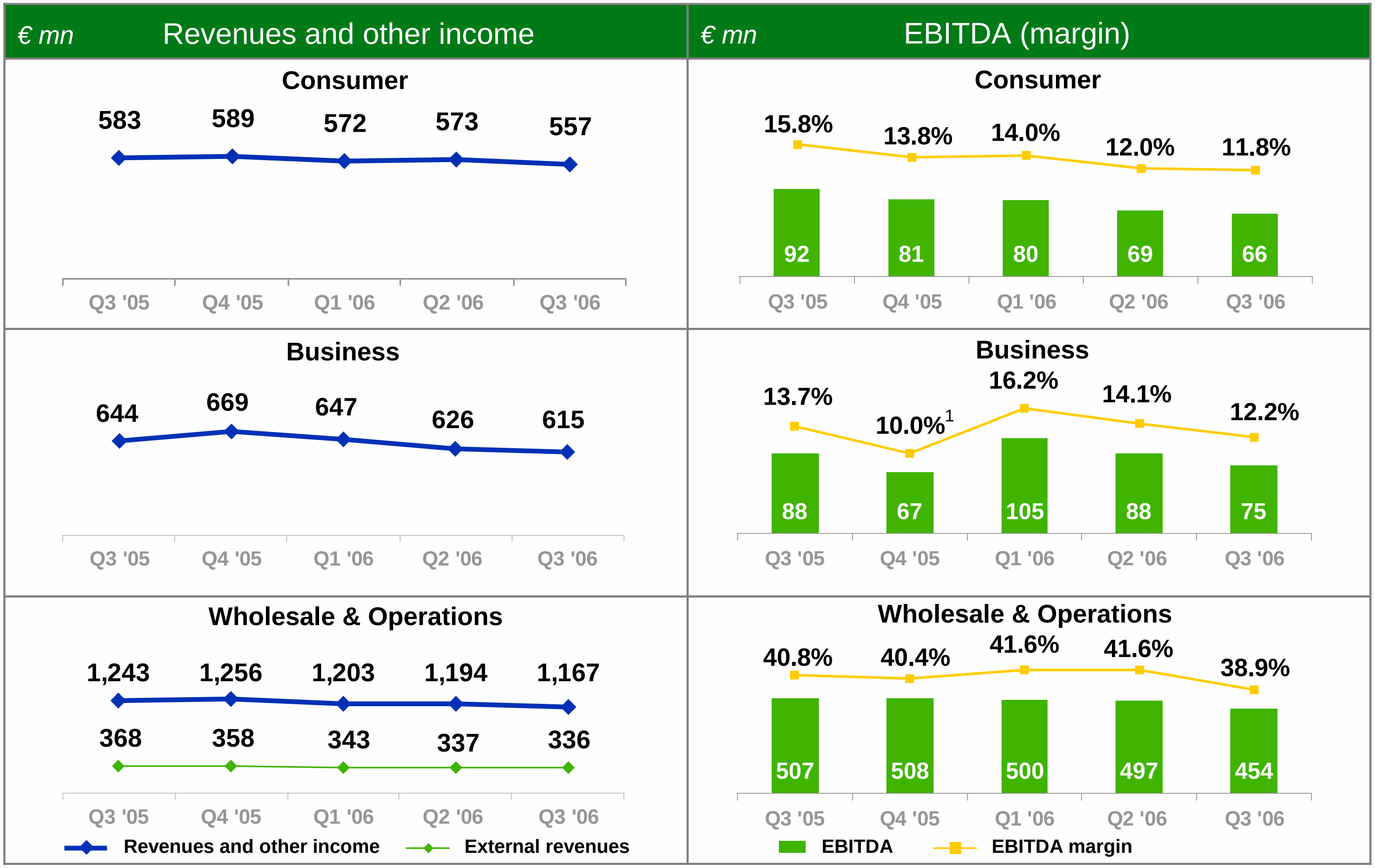
- Revenues and other income down by 3.8% and EBITDA margin of 38.2%
  - MTA impact of € 42 mn, or 2.5% of revenues
  - Investments in new business for VoIP, TV and IP-VPN / E-VPN
  - Impact of Consumer line loss and price pressure in Business

EBITDA analysis Fixed[1]

EBITDA decline traditional business partly offset by new business and efficiency

1 Breakdown based on management estimates
2 Includes headcount reduction, FTE effects from acquisitions and salary increases

Operating review Fixed by segment



1 Excluding € 35 mn OPTA fine and settlement with competitors: 15.2%

Financial highlights Mobile

Revenues and margin up in all three countries

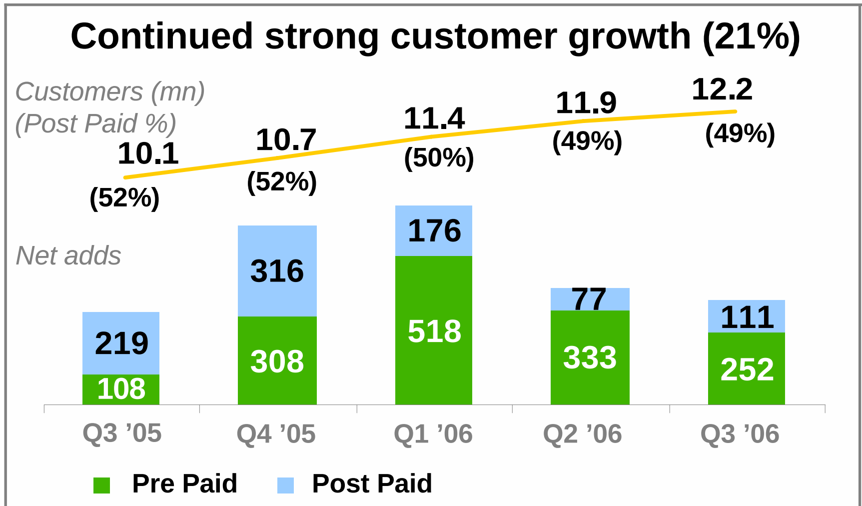
€ mn	Q3 '06	Q3 '05	YTD '06	YTD '05
Revenues and other income	1,689	1,448	4,789	4,177
% change	*16.6%*		*14.7%*	
– of which Service revenues[1]	1,610	1,358	4,548	3,873
% change	*18.6%*		*17.4%*	
Operating expenses	1,425	1,252	4,063	3,692
– of which D&A	319	256	943	767
Operating result	264	196	726	485
EBITDA	583	452	1,669	1,252
% change	*29.0%*		*33.3%*	
EBITDA margin	**34.5%**	**31.2%**	**34.9%**	**30.0%**

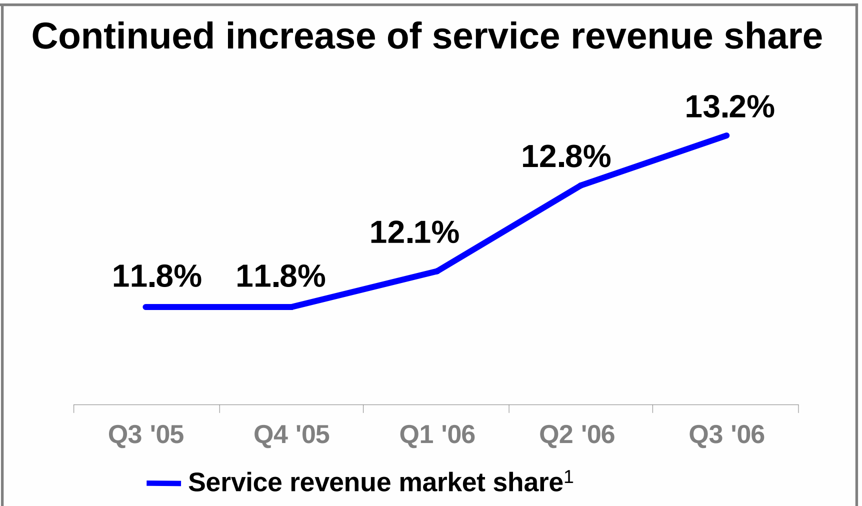
- **E-Plus:** Continues to deliver profitable growth
  - Acceleration of service revenue growth to 11%
  - 32.6% EBITDA margin; 35.7% margin excluding € 23 mn restructuring costs
- **KPN Mobile NL:** Outperforming the market following strong focus on Post Paid
  - All brands contributing to service revenue growth
  - Over 50% share of Post Paid gross adds at lower SAC
- **BASE:** Continued growth due to successful wholesale partnerships
  - 15% service revenue growth and strong uptake in net adds

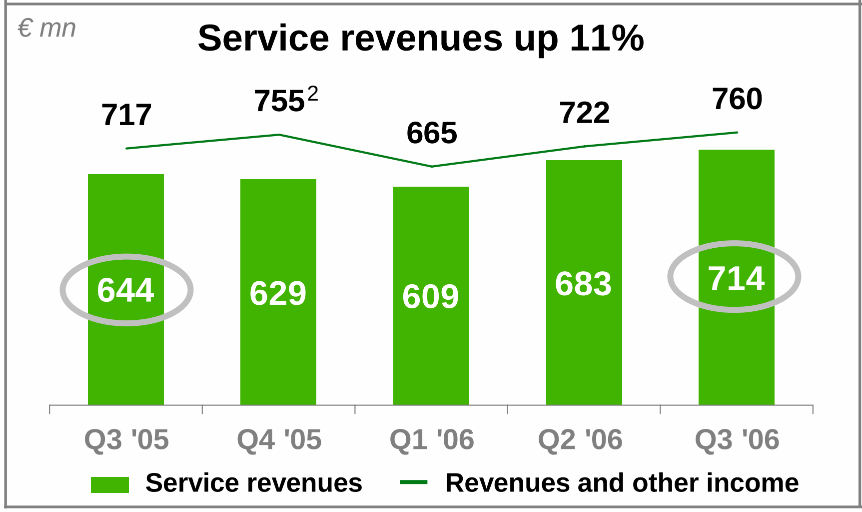
1 Revenues and other income minus equipment sales and other income

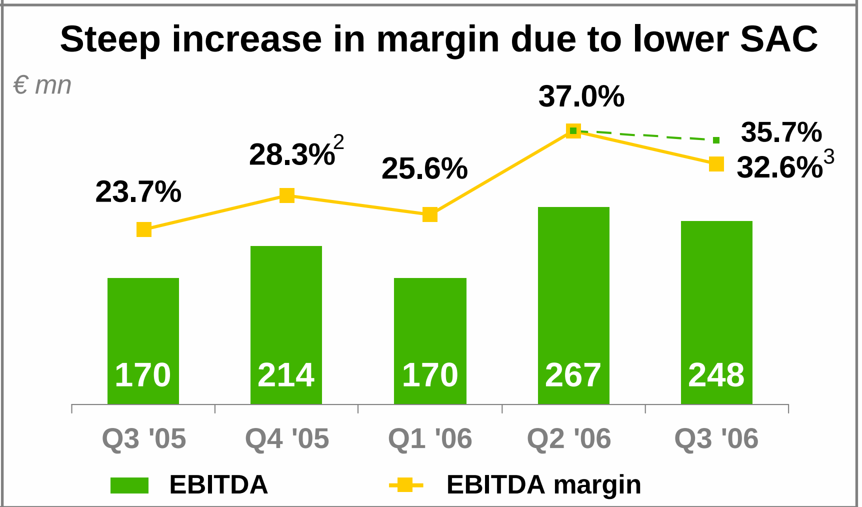
Operating review E-Plus

Continuing to deliver profitable growth







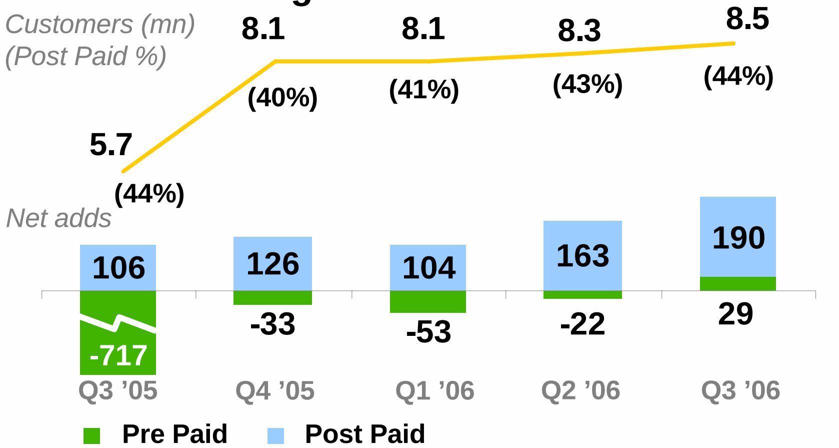


1 Management estimates, based on revenues
2 Including € 38 mn from NTT DoCoMo settlement
3 Including € 23 mn restructuring costs

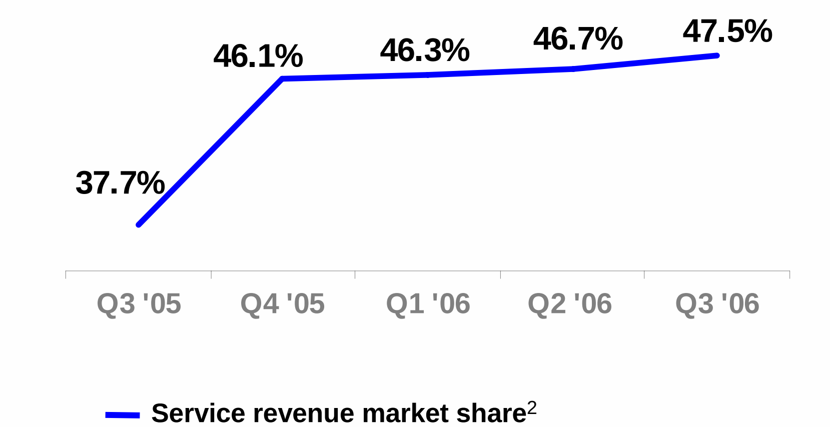
Operating review KPN Mobile the Netherlands[1]

Outperforming the market following strong focus on Post Paid

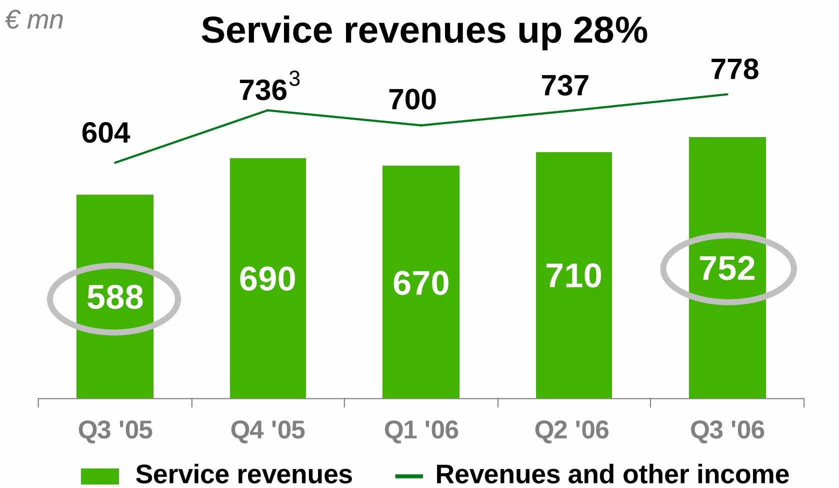
Strong focus on Post Paid



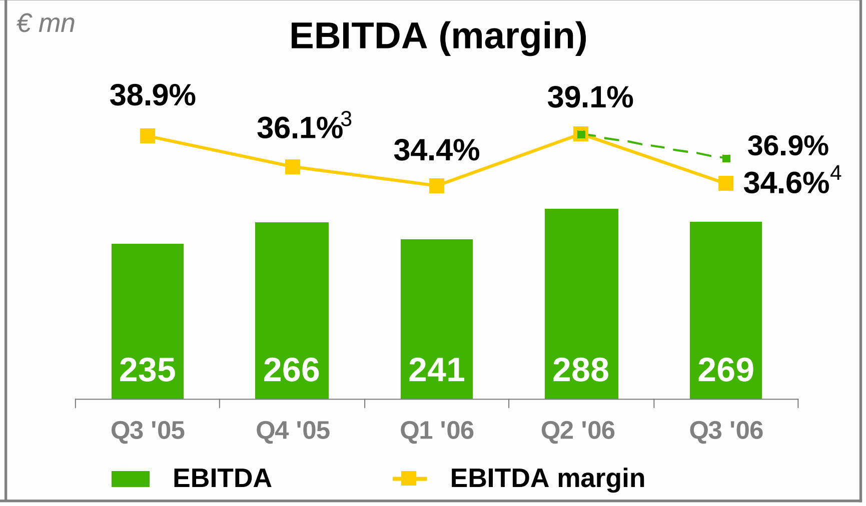
Outperformance on service revenue growth



Service revenues up 28%



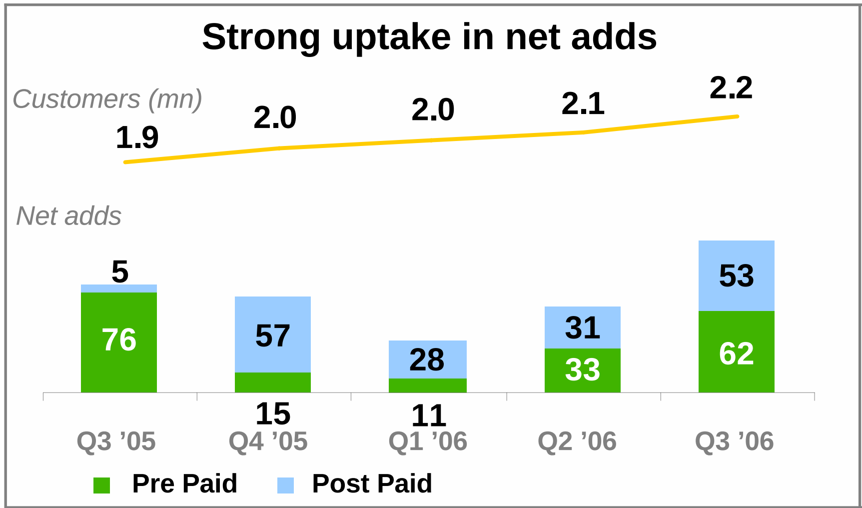
EBITDA (margin)

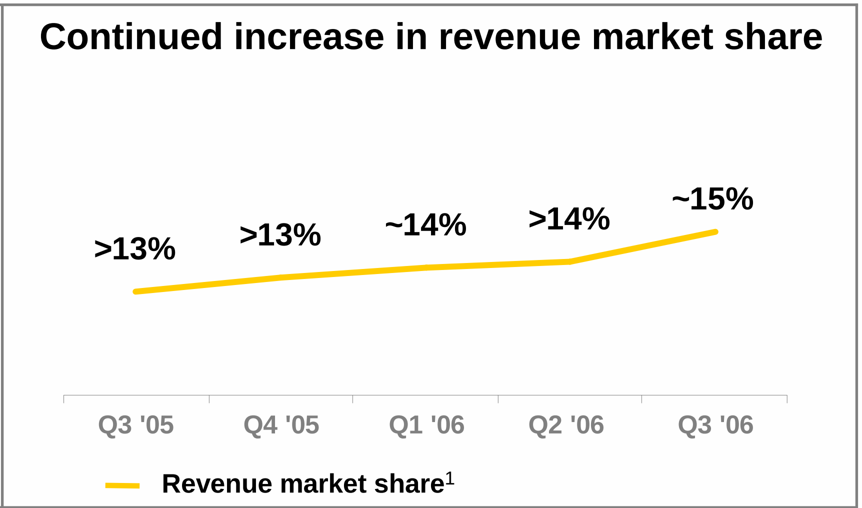


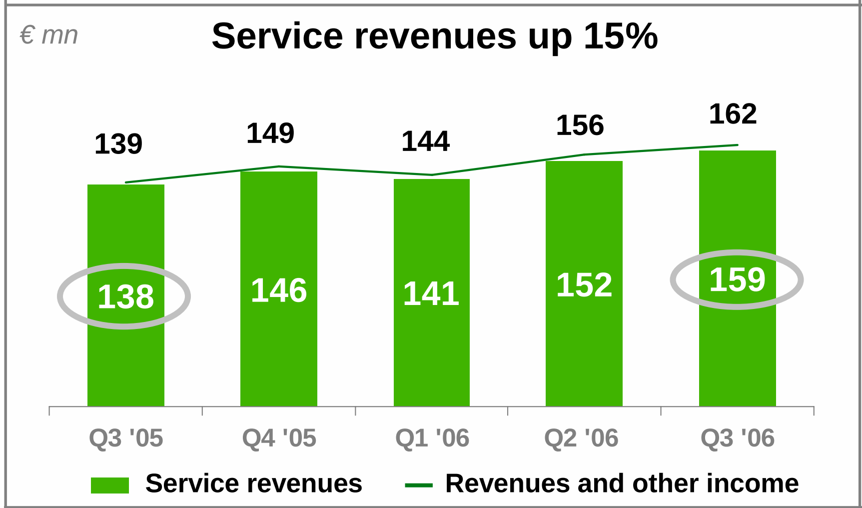
1 Telfort included as of Q4 ‘05
2 Management estimates, among others based on revenues as per industry filings
3 Including € 13 mn from NTT DoCoMo settlement
4 Including € 18 mn Telfort integration costs

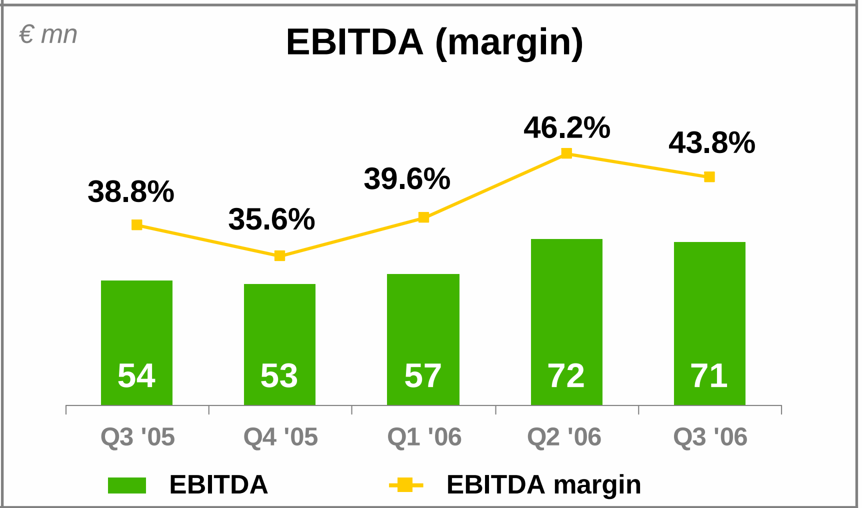
Operating review BASE

Continued growth due to successful wholesale partnerships



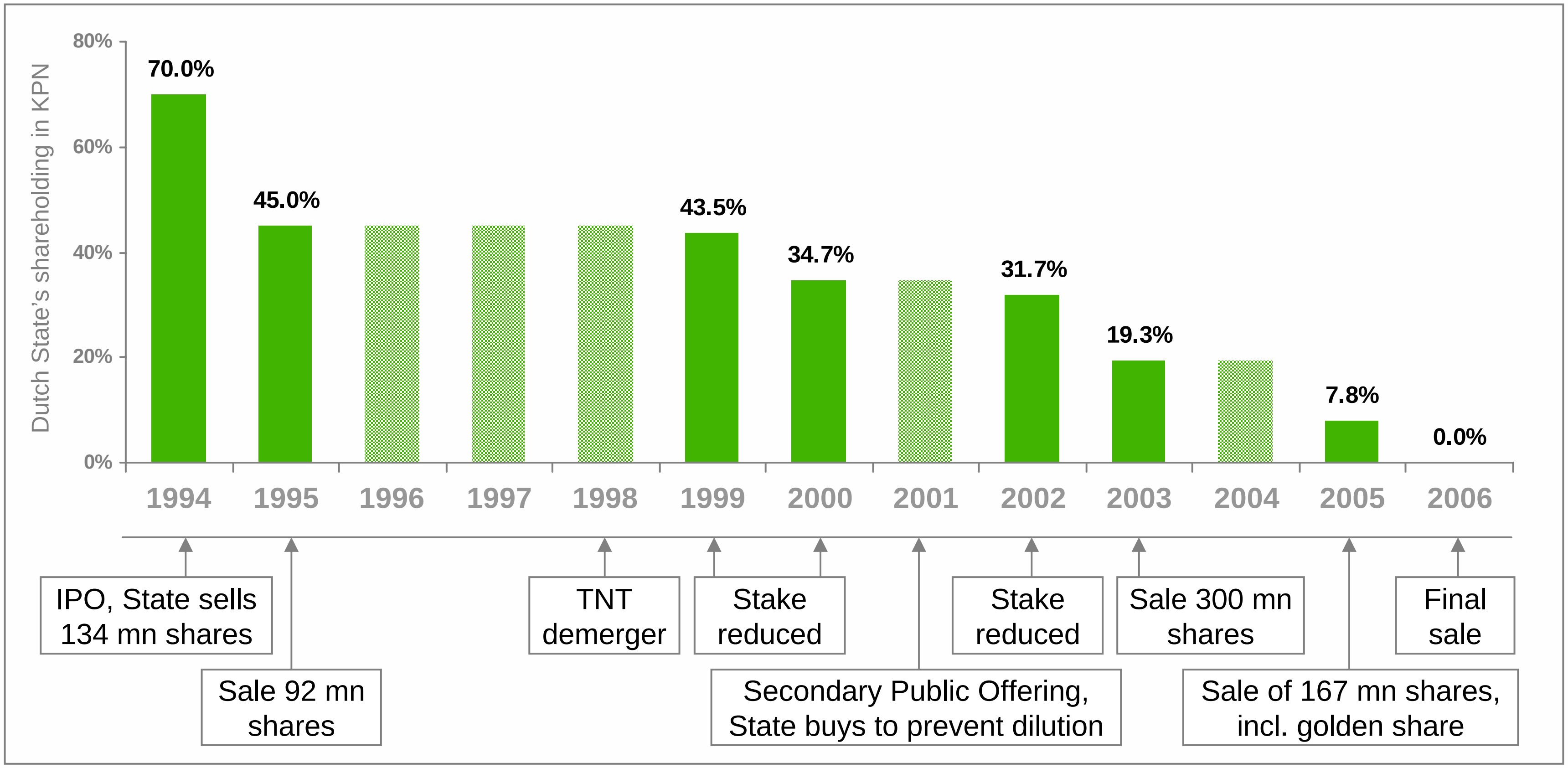






1 Management estimates, based on revenues

Dutch State



Dutch State has since long been a declared seller

Performance versus Guidance[1]

Item	Outlook FY 2006, 1 August update	Q1 '06	Q2 '06	Q3 '06	YTD '06
Revenues and other income[2]	Low single digit increase	1.6%	0.9%	3.7%	2.1%
EBITDA[2,3]	Low single digit increase	3.7%	9.4%	7.0%	6.7%
Capex	€ 1.7 - € 1.8 bn	€ 0.3 bn	€ 0.4 bn	€ 0.4 bn	€ 1.1 bn
Free cash flow[4]	> € 2.2 bn	€ 0.8 bn	€ 0.6 bn	€ 0.7 bn	€ 2.1 bn

- Notable items YTD
  - Telfort consolidation as of Q4 '05
  - € 219 mn one-off tax cash inflow in Q1
- Notable items for Q4
  - Capex increase compared to previous quarters
  - Relatively high interest payments due

1 Please refer to Annex for detailed reconciliation
2 Excluding restructuring charges and book gains / losses over € 20 mn, brand unification costs and Telfort integration
3 Defined as Operating result plus depreciation, amortization & impairments
4 Defined as Net cash flow from operating activities minus Capex

Agenda

Chairman’s review	Ad Scheepbouwer, Chairman and CEO
Financial review	Marcel Smits, CFO
Operating review	**Ad Scheepbouwer, Chairman and CEO**
	Fixed
	Mobile
Concluding remarks	Ad Scheepbouwer, Chairman and CEO

Investing in our future

KPN very well prepared to deal with challenging market

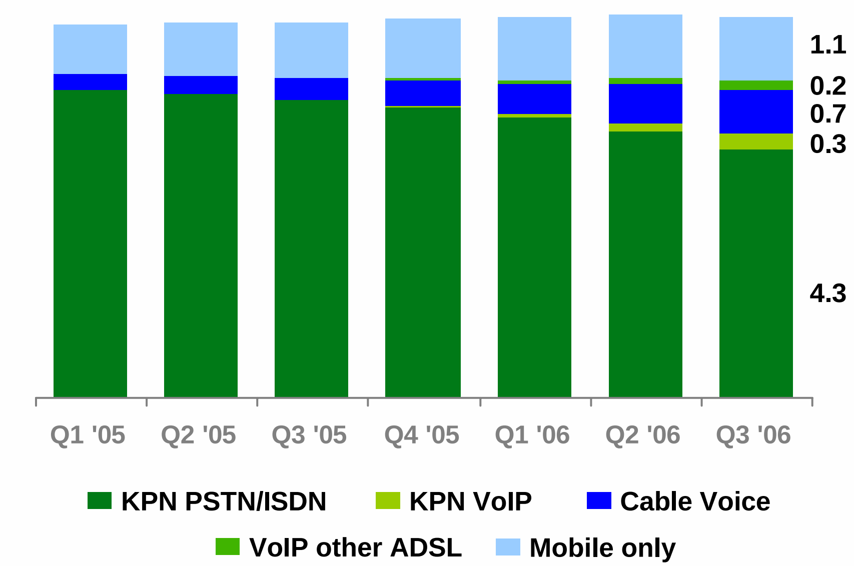
Attack	• Multi-brand strategy, leveraging brands and distribution channels • VoIP roll-out at full speed, share in gross adds approximately 45% • DVB-T roll-out on track, analogue switch-off in December • In-country consolidation via acquisitions, e.g. CSS and Enertel
Defend	• Regaining share in traditional consumer telephony, CPS losing out • Market share loss in Business countered by new contract wins and differentiated pricing schemes • Distribution further strengthened by adding new stores and retail concepts
Exploit	• Headcount reductions progressing as planned • Directional support from OPTA for All-IP program • At the forefront of European telecom operators in efficiency and network capabilities; long-term competitive cost structure

Consumer market

Increasing share of VoIP

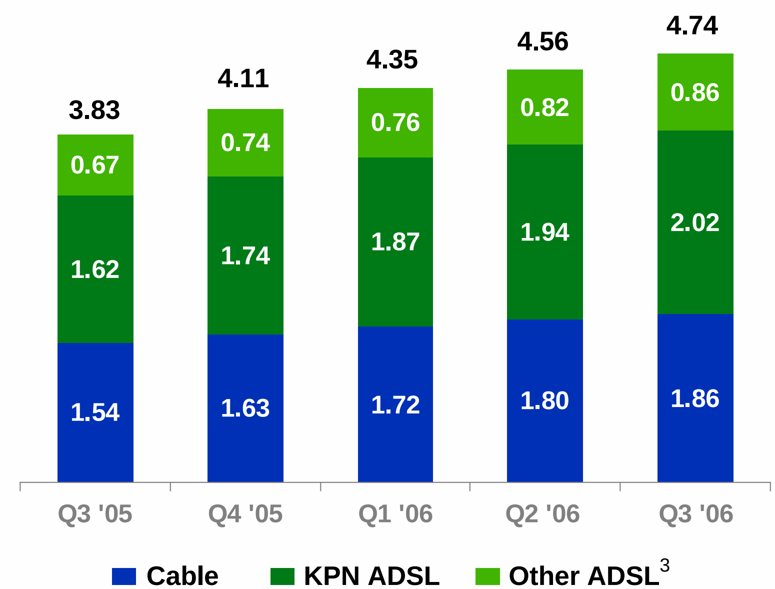
mn

Voice subscribers[1]

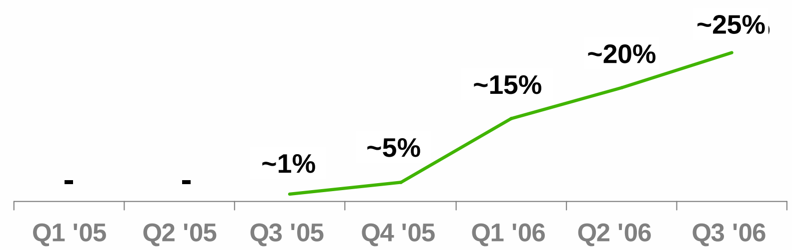


mn

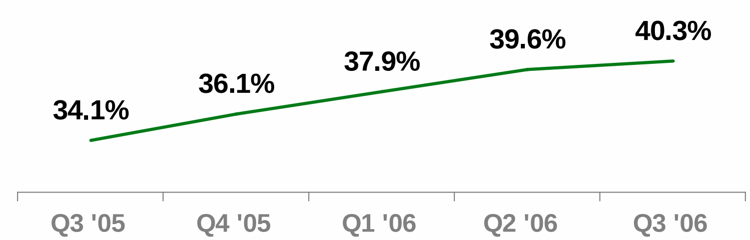
Broadband connections[1,2]



Market share KPN VoIP[1]



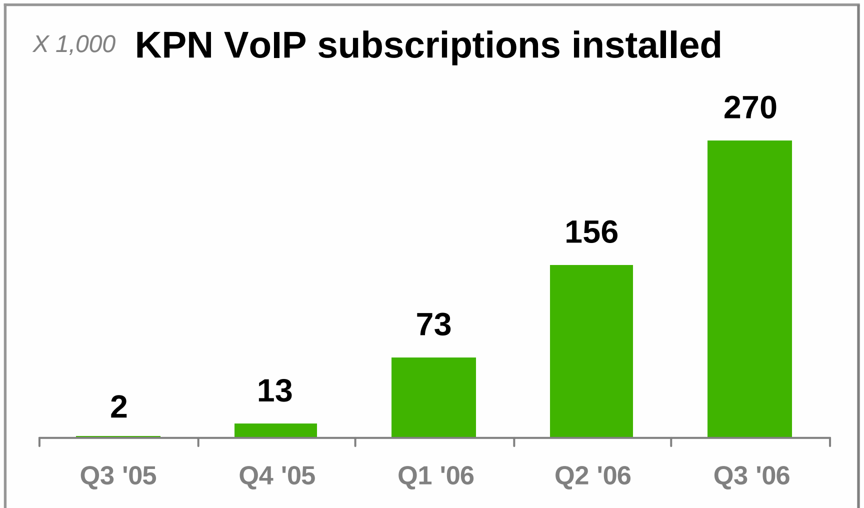
Market share KPN retail broadband (ISPs)[1,2]

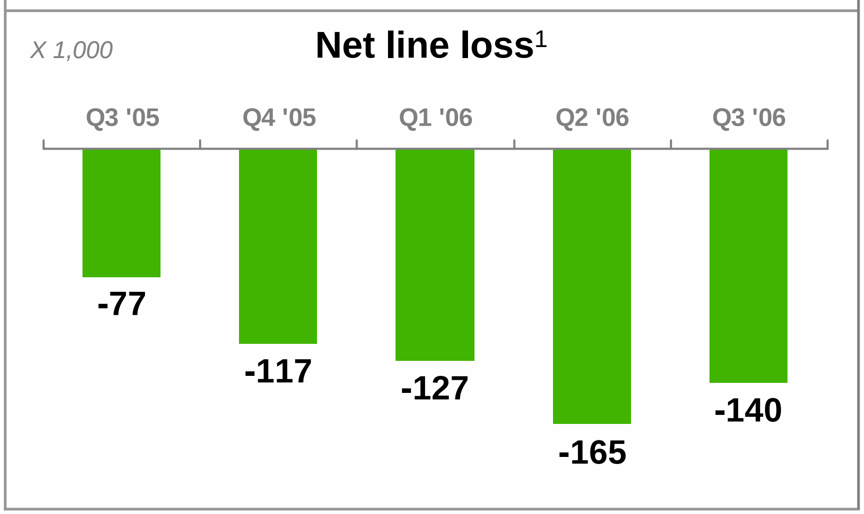


1 Management estimates
2 Of which approximately 80% consumers and 20% small businesses
3 Excluding Bitstream

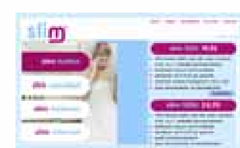
VoIP

Market leader in gross additions in Q3 and turnaround in net line loss trend





- Taking approximately 45% share of VoIP gross additions in Q3
- KPN, Planet, Het Net and Slim covering different segments on a single technological platform
  - Mass marketing by KPN, Planet and Het Net
  - Micro marketing by Slim
- Meanwhile in traditional telephony, market share in voice minutes now 66%, up from 61% at the lowest point in Q1 '05



1 PSTN / ISDN line loss -/- growth VoIP -/- growth ADSL only; management estimates

tiscali.

Tiscali acquisition further strengthens position in broadband

Rationale	• Strengthening KPN's position with 276k broadband subscribers – ~4% retail broadband market share – ~6% broadband market share • Significant cost and network synergies • Potential for cross-selling and up-selling
Financial impact	• Total consideration of € 255 mn, paid in cash • Tiscali reported revenues of € 52 mn and an EBITDA of approximately € 23 mn over the first half year • Tax asset with NPV of approximately € 25 mn • Integration with KPN scheduled for 2007 to capture synergies
Timeline	• Deal announced on 15 September 2006 • Subject to regulatory approval by NMa and works council advice • Expected closing by the end of 2006

TV

Growing subscriber base and continuous addition of new content

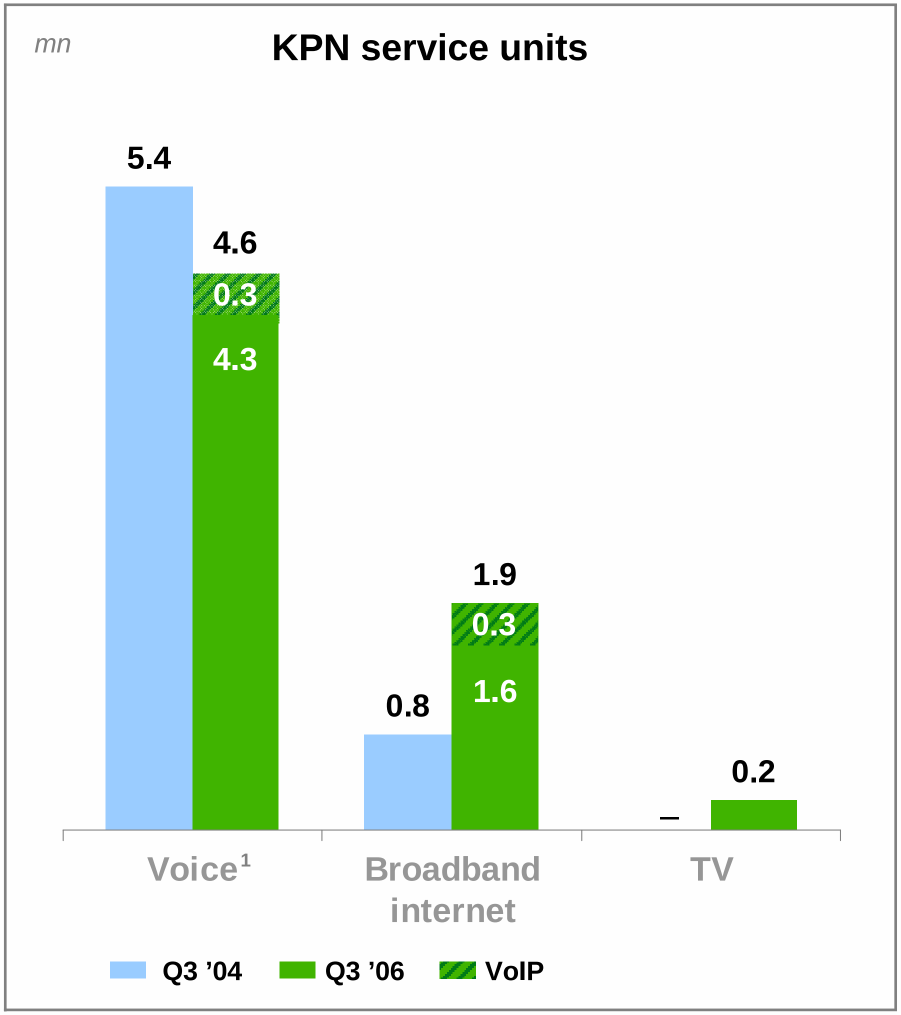
DVB-T	IPTV
• Digitenne positioned as value-for-money proposition • Subscriber base of 245k by end of Q3 • Opportunity for Digitenne when analogue frequencies will be switched off on 11 December 2006 • Further network investments in 2007 for national indoor coverage	• Mine positioned as premium proposition • Full commercial roll-out starting as of January 2007 • Every quarter new functionality will be added • Continuous build-out of content portfolio, already more than 60 TV channels and more than 500 films available

Content

- KPN offers live Dutch Premier League football following distribution agreement with Tele2 / Versatel
- NostalgieNet: digital platform offering nostalgic look at the Netherlands of yesteryear
- Continuously expanding content portfolio with mass and niche content

Leveraging customer base

Combined offers gaining momentum



- Migration from single play to dual play is gaining momentum as a result of VoIP
- So far, migration of existing voice / broadband customers to VoIP is value accretive from a revenue perspective
  - Higher revenues from VoIP customers who previously used dial-up / voice
  - On average 20% discount on monthly fee for customers who previously used broadband / voice
- Further up and cross-selling potential with Digitenne and Mine offerings

Combined offers gaining momentum due to VoIP

1 PSTN / ISDN access lines, including VoIP

Strengthening distribution

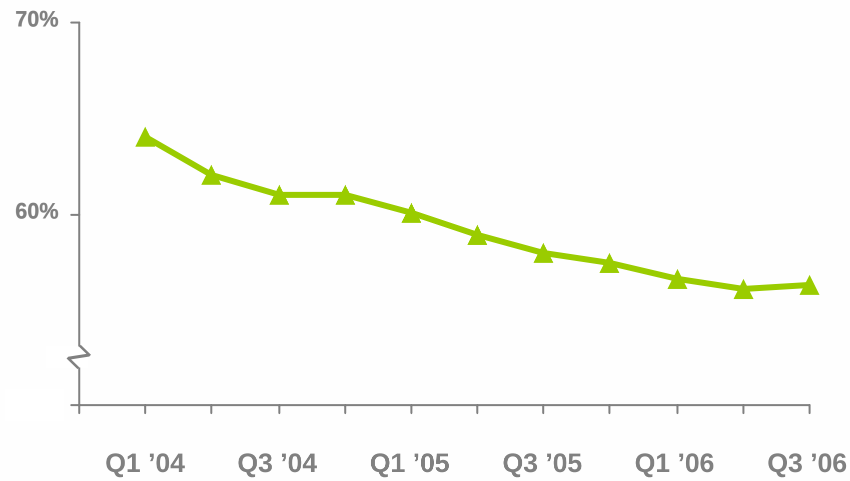
Leading retail position reinforced with new outlets

	Channel	# stores	Examples
Stores (off-line)	• Primafoon (mainstream) • Business Centers (SME) • Telfort (value for money) • KPN Klick (multimedia) • Kral (to be converted to KPN Klick) • 576 (youth)	102 17 15 3 55 2	   
On-line	• www.kpn.com • www.hi.nl • www.telfort.nl • www.simyo.nl • www.slim.nl • www.ayyildiz.nl		  
3rd party channels	• Stores and web sites • Focus on mobile and broadband • Examples: BelCompany, t for telecom, The Phone House		  

Voice in the business market

Market share in traditional voice stabilizing

Market share traditional voice minutes



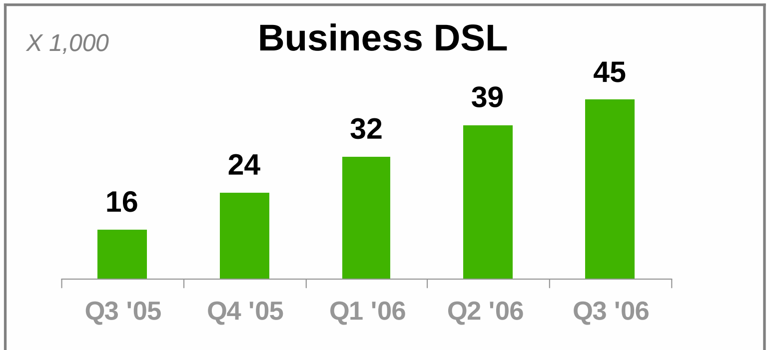
- Increased regulatory flexibility used to introduce new products and services
- New propositions and pricing schemes successful since first start in Q1
- Market share in traditional voice stabilizing, however at lower prices
  - Growth in international
- Penetration of BelZakelijk and Zakelijk Belvrij still growing in SME market
  - 285k contracts at end of Q3

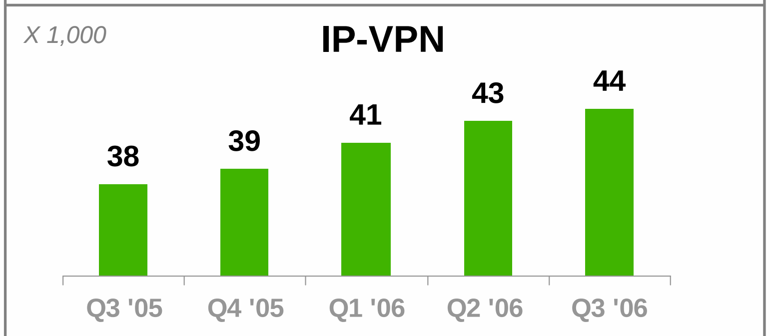
Q3 contract wins

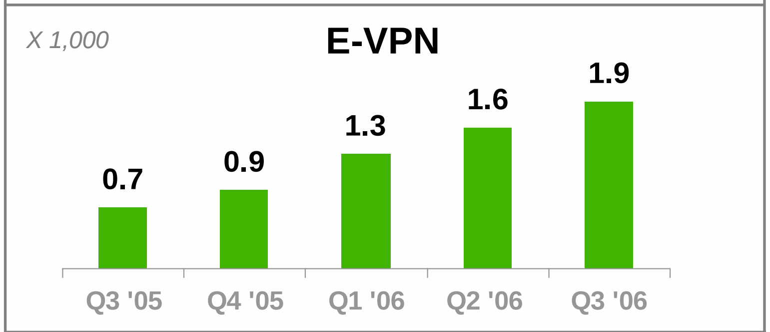
- Gasunie
- SNS Reaal
- Group 4 Securicor
- ING

Data in the Business market

Moving up the value chain







Developments

- Strong growth in business DSL and value-added services
- Up-selling to managed solutions

Acquisitions to strengthen position in integrated ICT solutions

- Newtel Essence; call centers and CRM
- CSS Telecom; SME and health care
- Part of Siemens Enterprise Networks; health care
- Gemnet; public sector

All-IP regulation

Directional support for All-IP from OPTA

Regulator view	• Position paper published to provide regulatory guidance (3 October) • Directional support for KPN's All-IP program: roll out of fiber, phase out traditional switched network and sale of local exchanges

Conditions	• KPN must provide unbundling and co-location in street cabinets
	• Conditional removal at co-locations in current switches
	  – 2 to 2.5 years notice period on phase out
	  – Co-location right for unbundlers set at 5 years from installment date

KPN view	• Tariffs for unbundling and co-location at street cabinet published 11 October (reference offer SLU) • Continued discussion with unbundlers and other service providers on attractive wholesale broadband access offer • Unbundlers interested in wholesale offer outside co-location footprint • Most investments in co-locations made 2 or 3 years ago
Next steps	• Subject to consultation: market parties can react until 7 November • OPTA's industry group to discuss reference offer SLU • Further market analyses on ULL and wholesale broadband access will be conducted by OPTA

Status All-IP

Project on track

Portfolio	• IP-based products available and successful, e.g. Fast Internet Access, IP-VPN and E-VPN • InternetPlusBellen (VoIP) and Mine (IPTV) available, new services VoIP Connect and Wholesale Broadband Access planned
Network	• Backbone Ethernet network covering ~80% of NL • Roll-out market driven, regulation does not interfere with roll-out plan • Implementation converged Fixed-Mobile IP services platform (IMS) • Pilots with VDSL broadband technology in Q4
Scope	• Roll-out of 15,000 km fiber up to 28,000 street cabinets • Dismantling ~1,350 buildings for local exchanges, 400 co-locations • Full replacement of >20 networks and >50 legacy services
Finance	• All-IP plan within investment range of € 1.0-1.5 bn • Advisor mandated to explore options for sale of locations, value estimated at € 1 bn, to partially fund capital outlay

Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Marcel Smits, CFO
Operating review	**Ad Scheepbouwer, Chairman and CEO**
	Fixed
	Mobile
Concluding remarks	Ad Scheepbouwer, Chairman and CEO

E-Plus

Successful challenger strategy delivering profitable growth

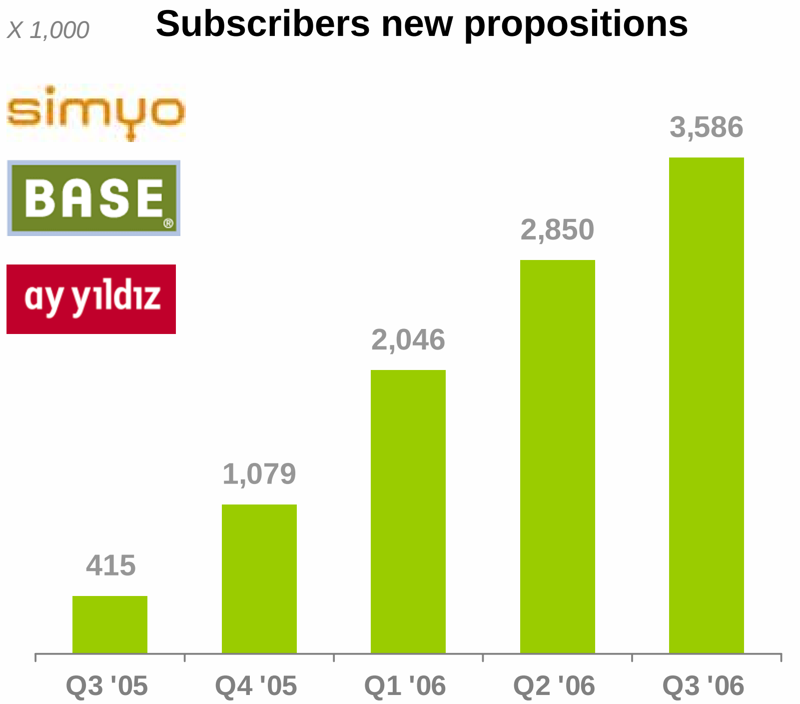
Multi-brands	• Strengthening E-Plus brand, launch of "CleverOne" proposition • Youth brand "Vybemobile" launched with Universal Music
Wholesale	• 10 MVNOs with strong and new distribution channels to address previously untapped individual segments • Pay back of wholesale 3x faster, predominantly due to lower SAC
Customer pull	• Strong awareness of new brands: BASE, Simyo and Ay Yildiz with lower acquisition costs
Fixed-Mobile Substitution	• MoU BASE significantly higher, ~30% has no fixed-line anymore • Network upgrade to E-GSM to improve coverage
Operational excellence	• Refocusing by reallocating staff and evaluate outsourcing • Pursue a smart follower strategy for advanced services
Profitable growth	• 11% service revenue growth with 32.6% EBITDA margin[1] • 35% reduction in blended SAC/SRC

1 Excluding € 23 mn restructuring costs: 35.7%

E-Plus: impact of new strategy

3.6 mn subscribers in new segments and acceleration of service revenue growth

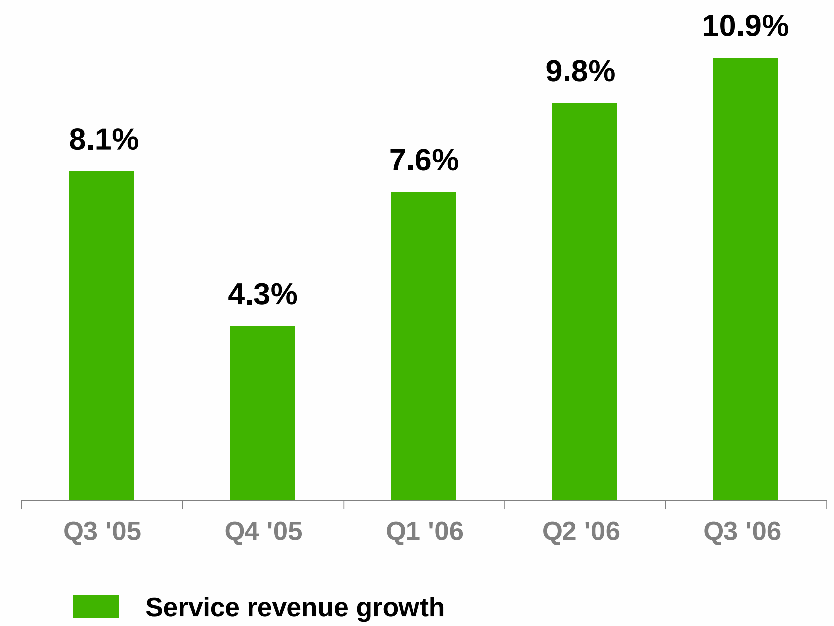
Subscribers new propositions



New propositions as % of E-Plus subscriber base

4.1%	10.1%	17.9%	24.0%	29.4%

Acceleration of service revenue growth



Attractive new propositions with ARPU significantly higher than E-Plus brand

E-Plus going forward

Execution ‘Be Best Challenger’ strategy

Multi-brands	• Further up-scaling of new brands: BASE, Simyo and strengthening of E-Plus brand • In addition, addressing individual segments directly and / or through wholesale partners
Focus on voice, SMS and price	• Continue to develop innovative products and attractive propositions • Invest in network to increase voice capacity and indoor coverage where customer demand is for Fixed-Mobile Substitution
Operational excellence	• Refocus the company by reallocating staff, reducing management layers and evaluate outsourcing • Increase number of shops to strengthen distribution • Pursue a smart follower strategy for advanced services
Targets	• Pay back of restructuring within approximately 12-18 months • Double digit growth rate for service revenues • EBITDA margin >30%

KPN Mobile the Netherlands

Continued build-out of our market leadership

Multi-brands	• Outperforming the market with strong focus on Post Paid and multi-brands • Hi has successfully claimed MMS in youth market, as it did previously with SMS • Ay Yildiz launched to serve specific needs of Turkish community • Continuing to invest in MVNO partnerships, e.g. Ortel
Operational excellence	• Market trend indicates further reduction of KPN SAC • Telfort network integration on track – 2G integration by Q2 '07 and full integration by 2008 – Successful pilot with Telfort customers using KPN network • HSDPA services commercially launched, available in full UMTS coverage area (90%) by year-end

BASE

Profitable growth in competitive market

Customer pull	• "Member Gets Member" campaign launched at the beginning of September targeted at Post Paid customers • Further segment-targeted offerings such as professionals tariffs • Leverage on wholesale partnerships for specific market segments or strong distribution • Build-out and refurbish own shops to drive customer pull
Operational excellence	• Focus on key external retailers, rewarding loyal and productive dealers • Solved network capacity issues caused by Unlimited tariff • Rolling out EDGE for nationwide data coverage, including indoor • Smart follower approach towards UMTS

Status update MTA

Many issues still under debate, limited visibility on further timing

	Regulatory proposal	Current status
The Netherlands	• Lowering in 3 linear steps by July '08 – KPN, Vodafone: from 11.0 to 5.50 cents – Orange, T-Mobile: from 12.4 to 7.09 cents • Tariff asymmetry relates to difference in frequencies used	• Dutch court[1] annulled OPTA's decision to regulate MTA • OPTA's next step is not clear yet
Belgium	• Lowering in 4 steps by July '08 – Proximus: from 12.66 to 6.56 cents – Mobistar: from 15.98 to 8.21 cents – BASE: from 19.60 to 10.41 cents • First step as of 1 November	• EU Commission advises less asymmetry • BIPT will review 2008 asymmetry
Germany	• Ex-ante regulation based on cost information according to German telecoms act • Preliminary tariff set at 12.4 cents for E-Plus – Currently 11.0 cents for T-Mobile, Vodafone and 12.4 cents for E-Plus and O_2	• All mobile operators have provided cost information, except Vodafone • MTA decision at the latest on 8 November

1 CBb: Dutch Trade and Industry Appeals Tribunal

Sympac

Attractive mobile portfolio for corporates via partners

International customers

ABN·AMRO
American Express
JohnsonDiversey
Atos Origin
CVS mobile
Imtech
bruynzeel

Partners

Netherlands	KPN
Germany	E-Plus
Belgium	BASE
UK	O_2
France	Bouygues
Portugal	Optimus
Luxembourg	Tango
Czech Republic	Mobitel

- 1st European Mobile Service Provider, services since August 2005
- Multi-country deals with long-term contracts of up to 5 years
- Continuous footprint expansion via partnerships

Agenda

Chairman’s review	Ad Scheepbouwer, Chairman and CEO
Financial review	Marcel Smits, CFO
Operating review	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	**Ad Scheepbouwer, Chairman and CEO**

Revised outlook

EBITDA and free cash flow for 2006 revised upward

Outlook FY 2006	As given 7 February	1 August update	October update
Revenues and other income[1]	Low single digit increase	Unchanged	Unchanged
EBITDA[1,2]	Flat	Low single digit increase	Mid single digit increase
Capex	€ 1.6 - € 1.8 bn	€ 1.7 - € 1.8 bn	Unchanged
Free cash flow[3]	> € 2 bn	> € 2.2 bn	> € 2.4 bn

- Revenues and other income outlook confirmed at low-single digit increase
- EBITDA outlook upgraded from low to mid single digit increase
- Capex range confirmed at € 1.7 – € 1.8 bn
- Free cash flow outlook upgraded from more than € 2.2 bn to more than € 2.4 bn

1 Excluding restructuring charges and book gains / losses over € 20 mn, brand unification costs and Telfort integration
2 Defined as Operating result plus depreciation, amortization & impairments
3 Defined as Net cash flow from operating activities minus Capex

Concluding remarks

- Strong performance in challenging markets
- Mobile continuing to outperform and deliver profitable growth
- Future proofing Fixed business on track
- EBITDA and free cash flow outlook for 2006 further revised upward
- € 2.6 bn shareholder returns year-to-date

Q & A

Annex

For further information please contact

KPN Investor Relations

Tel: +31 70 44 61583
Fax: +31 70 44 60593
ir@kpn.com

www.kpn.com

Guidance reconciliation

Revenues and other income[1]	Q3		YTD	
€ mn	2006	2005	2006	2005
Reported	**3,037**	**2,930**	**9,018**	**8,770**
Book gains	-	-	-68	-
Restructuring charges	-	-	-	-
Telfort integration costs	-	-	-	-
Brand unification costs	-	-	-	-
Comparison with guidance	**3,037**	**2,930**	**8,950**	**8,770**
	3.7%		***2.1%***	

EBITDA[1,2]	Q3		YTD	
€ mn	2006	2005	2006	2005
Reported	**1,198**	**1,147**	**3,685**	**3,405**
Book gains	-	-	-68	-
Restructuring charges	35	26	47	58
Telfort integration costs	18	-	18	-
Brand unification costs	4	-	14	-
Comparison with guidance	**1,255**	**1,173**	**3,696**	**3,463**
	7.0%		***6.7%***	

1 Excluding restructuring charges and book gains / losses over € 20 mn, brand unification costs and Telfort integration
2 Defined as Operating result plus depreciation, amortization & impairments

Analysis of results

Key items worth mentioning in results interpretation

€ mn		Q3 '06	Q3 '05	YTD '06	YTD '05
Revenue effect MTA tariff reduction	Group	-72	-66	-195	-195
EBITDA effect MTA tariff reduction	Mobile	-30	-31	-69	-91
Book gain on sale of subsidiaries	Group			76	21
Book gain on sale of real estate	Fixed	9		23	12
Restructuring charges	Group	-35	-26	-47	-58
Brand unification costs	Other	-4		-14	
Telfort network integration	KPN M NL	-18		-18	
Energy tax reimbursement	Fixed	7		20	
Release NMa claims	KPN M NL			11	
Goodwill impairment at SNT	Fixed				-40
Depreciation effect Telfort network integration	KPN M NL	-22		-54	
Interest effect Telfort network integration	KPN M NL			-4	
Impairment on Vitalicom loans	Group				-11

Impact MTA reduction[1]

€ mn	Q3 '06		YTD '06	
	Revenues	EBITDA[2]	Revenues	EBITDA[2]
KPN Mobile NL	-17	-9	-64	-28
E-Plus	-36	-21	-83	-41
Total Mobile	**-53**	**-30**	**-147**	**-69**
Consumer	-5		-17	
Business	-6		-19	
Wholesale & Operations	-31		-92	
Total Fixed	**-42**		**-128**	
Intercompany	23		80	
KPN Group	**-72**	**-30**	**-195**	**-69**

MTA tariff reductions

- KPN Mobile the Netherlands (excl. Telfort): lowered from 13.0 to 11.0 cents as of 1 December '05
- E-Plus: lowered from 14.9 to 12.4 cents as of 15 December '05

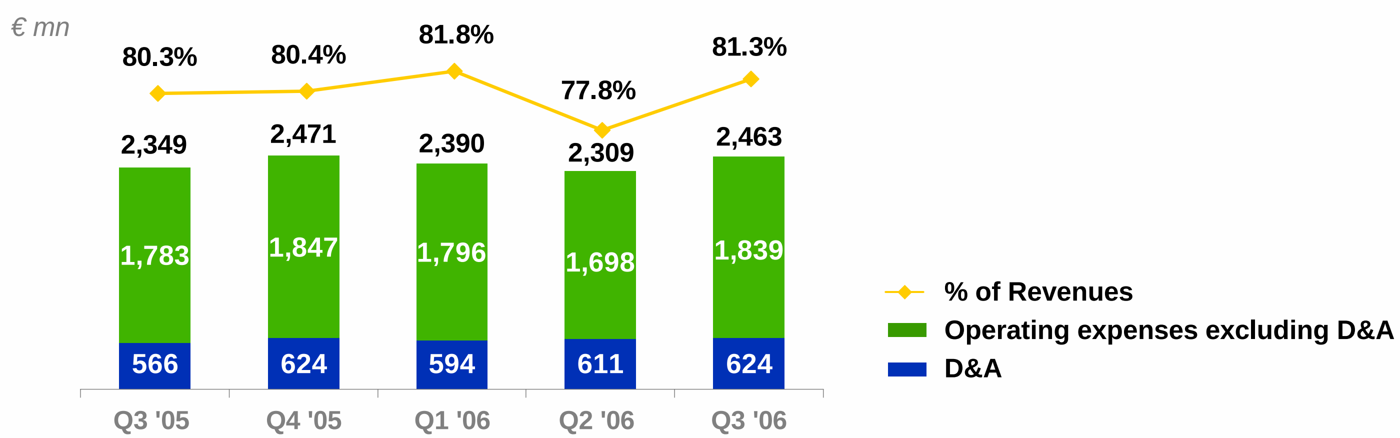
1 Additional decline compared to 2005
2 Defined as Operating result plus depreciation, amortization & impairments

Restructuring charges

€ mn	Q3 '06	YTD '06
E-Plus	-23	-23
KPN Mobile NL	-1	-1
BASE	-	-
Total Mobile	**-24**	**-24**
Consumer	-1	-2
Business	-1	-2
Wholesale & Operations	-4	-7
Total Fixed	**-6**	**-11**
Other	-5	-12
KPN Group	**-35**	**-47**

Operating expenses

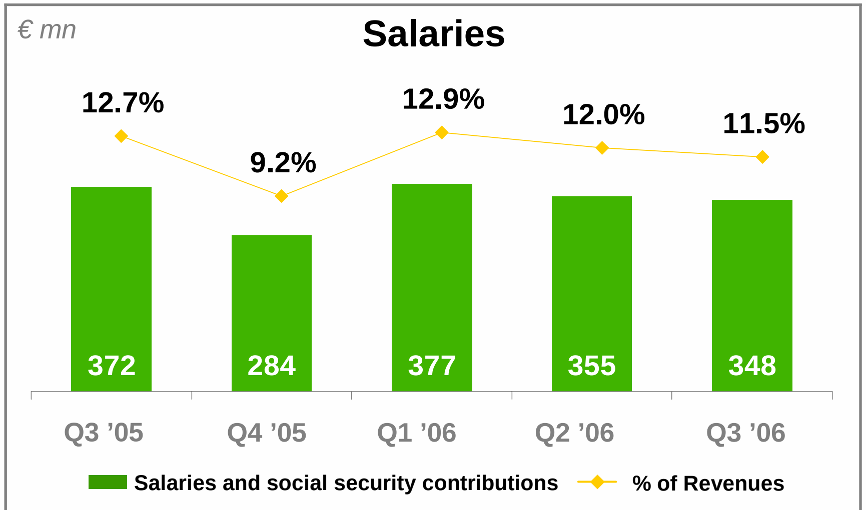
€ mn	Q3 '06	Q3 '05	%
Salaries and social security contributions	348	372	*-6.5%*
Cost of materials	206	227	*-9.3%*
Work contracted out and other expenses	1,143	1,020	*12.1%*
Own work capitalized	-26	-25	*4.0%*
Other operating expenses	168	189	*-11.1%*
Depreciation[1]	473	459	*3.1%*
Amortization[1]	151	107	*41.1%*
Total	**2,463**	**2,349**	***4.9%***

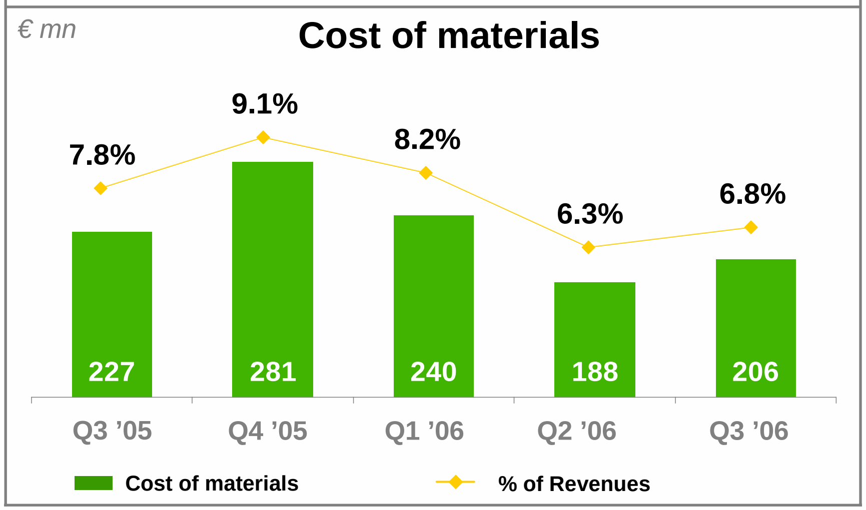


1 Including impairments, if any

Analysis operating expenses

Salaries & Cost of materials





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

- Lower FTE due to ongoing headcount reduction, predominantly at Fixed
- Partly offset by acquisition effects

Y-on-Y decrease

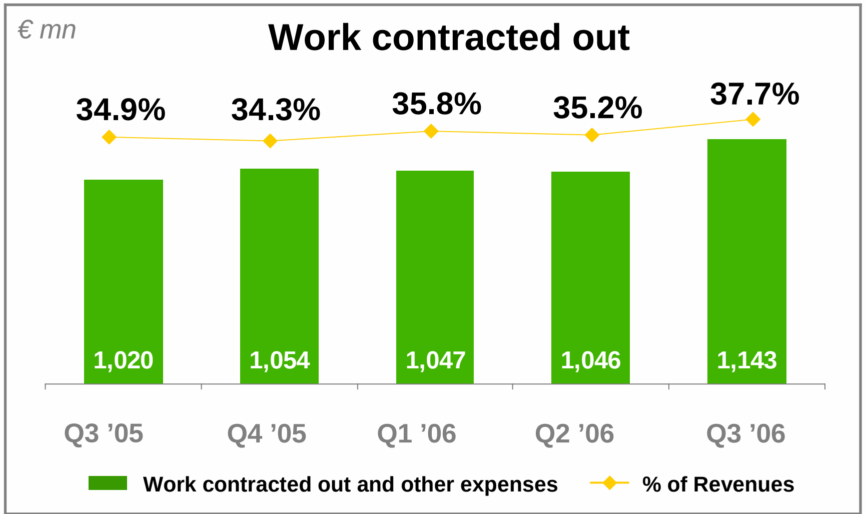
- Less handset sales due to SIM-only offers (Simyo, BASE) and branded reseller agreements at E-Plus

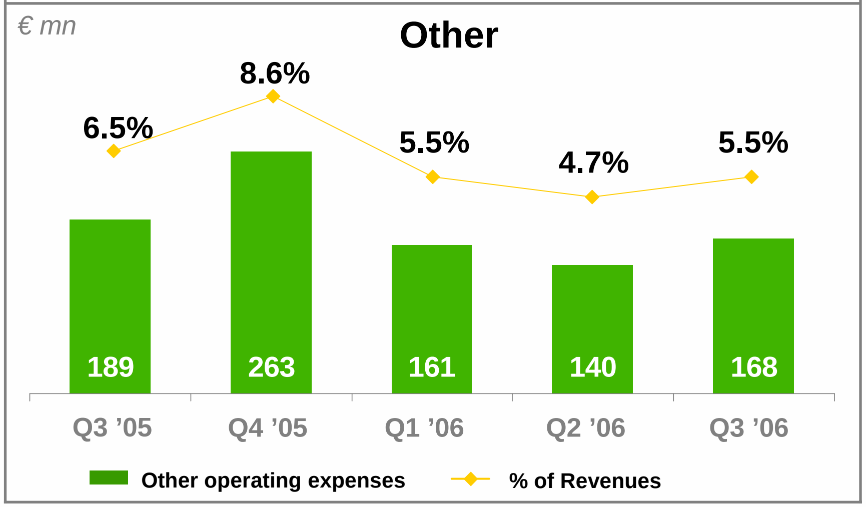
Q-on-Q increase

- Higher Post Paid gross ads at Mobile the Netherlands
- Q2 '06 contains € 13 mn energy tax reimbursement at Wholesale & Operations

Analysis operating expenses

Work contracted out & other





Y-on-Y increase

- Telfort consolidation as of Q4 ’05
- Higher traffic volumes at Mobile
- Higher terminating cost at Fixed due to more international and mobile terminating traffic
- Partly offset by MTA and lower traffic volumes at Fixed

Q-on-Q increase

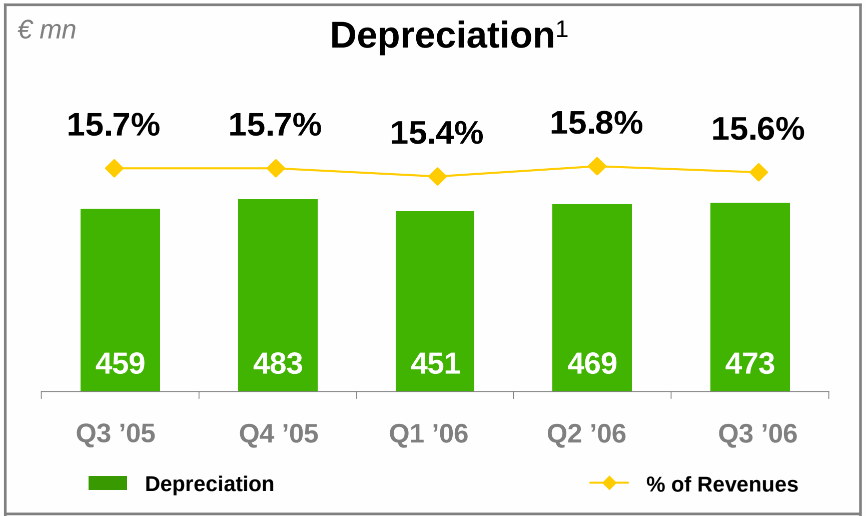
- Higher traffic volumes at Mobile
- Higher acquisition costs at Fixed Consumer

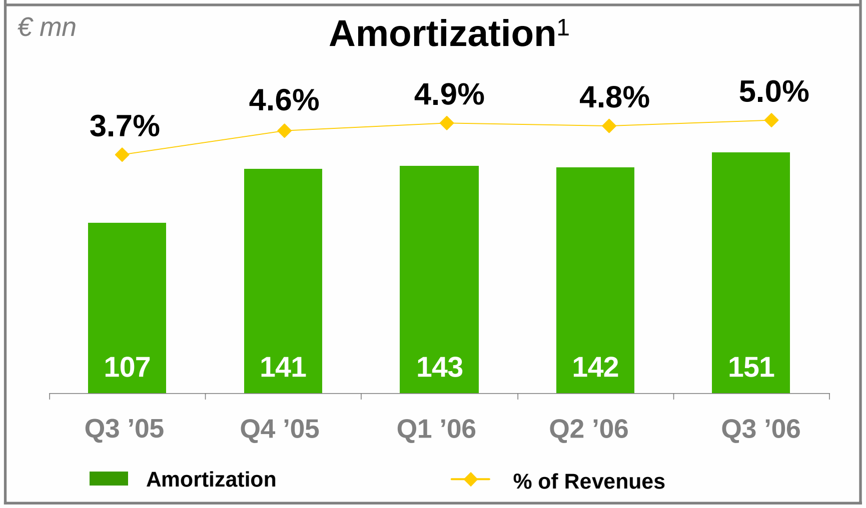
Q-on-Q increase

- € 35 mn restructuring costs in Q3 ’06
- Lower marketing costs at E-Plus during Football World Cup in Q2

Analysis operating expenses

Depreciation & Amortization





Y-on-Y increase

- Telfort consolidation as of Q4 '05
- Partly offset by Fixed depreciation which is trending down due to lower Capex spending in prior years

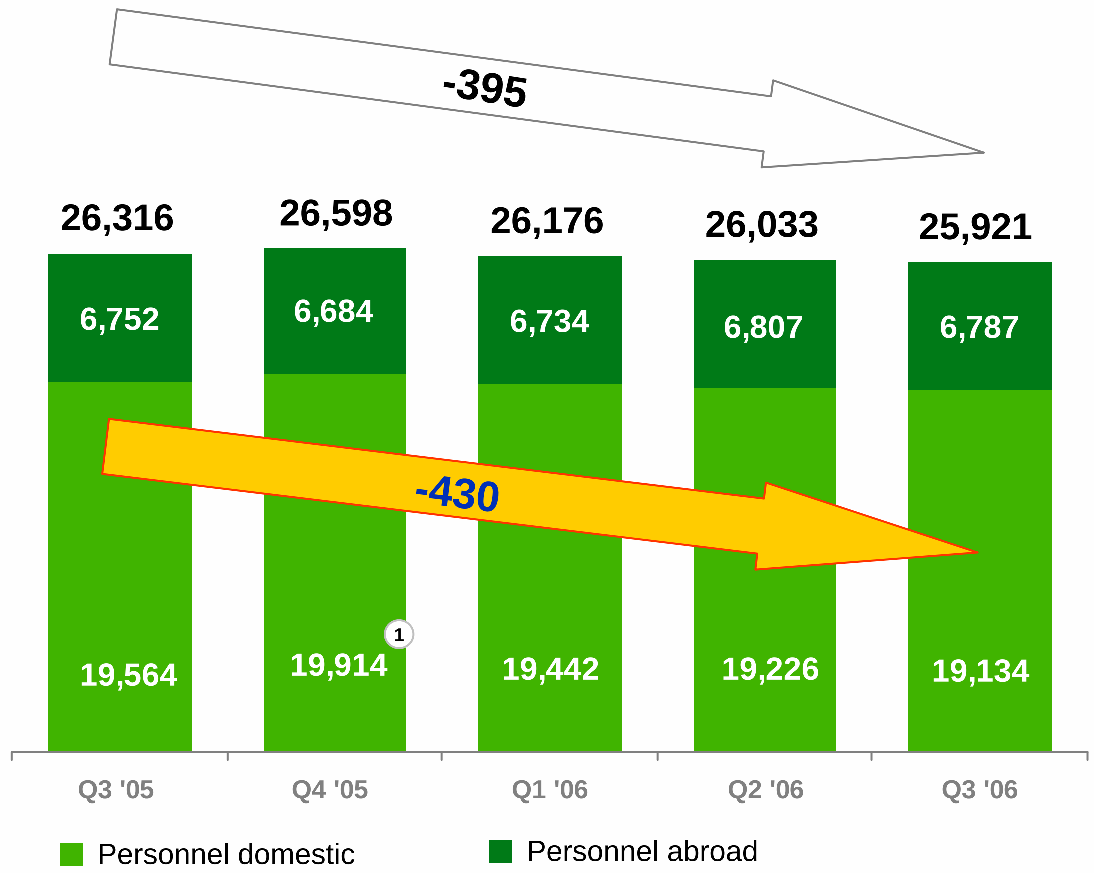
Y-on-Y increase

- Telfort consolidation as of Q4 '05

1 Including impairments, if any

Personnel

Continuing decline, predominantly in the Netherlands



1 Consolidation effect of 755 FTE; Predominantly Telfort (574)

- Personnel reduction Y-on-Y about 400 FTE, of which 430 in the Netherlands
- Y-on-Y acquisition effects in the Netherlands of 1,342 FTE
- Excluding acquisition effects, Y-on-Y reduction in the Netherlands of nearly 1,800 FTE
- Q3 ’06 acquisition effects 334 FTE: e.g. Enertel, CSS Telecom and Newtel Essence

Tax

€ mn	Q3 '06		Q3 '05	
Fiscal units	P&L charge	Payments (–) Receipts (+)	P&L charge	Payments (–) Receipts (+)
Fixed division & Other activities	-75	-1	-89	2
German Mobile activities	-	-	-	-
Dutch Mobile activities	-38	-	-41	-
– Mobile NV	-42	-	-41	-
– Telfort BV	4	-	-	-
Belgian Mobile activities	1	-	3	-
Total	**-112**	**-1**	**-127**	**2**

Net cash flow from operating activities

€ mn	Q3 '06	Q3 '05	YTD '06	YTD '05
Operating Result	**574**	**581**	**1,856**	**1,653**
Depreciation, amortization and impairments	624	566	1,829	1,752
Interest paid	-108	-95	-251	-226
Income tax paid	-1	2	213	-19
Other income	-9	-4	-99	-33
Change in provisions	-19	-23	-122	-128
Net cash flow from operating activities *before changes in working capital*	**1,061**	**1,027**	**3,426**	**2,999**
Inventory	-1	15	10	69
Trade receivables	32	41	-6	-24
Other current assets	-21	69	-200	14
Current liabilities	82	-9	26	-194
Change in working capital	**92**	**116**	**-170**	**-135**
Net cash flow from operating activities	**1,153**	**1,143**	**3,256**	**2,864**
Capex[1]	425	369	1,117	925
Free cash flow[2]	**728**	**774**	**2,139**	**1,939**

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

Total cash flow

€ mn	Q3 '06	Q3 '05	YTD '06	YTD '05
Net cash flow from operating activities	**1,153**	**1,143**	**3,256**	**2,864**
Capex[1]	-425	-369	-1,117	-925
Acquisitions	-52	-	-360	-10
Disposals	23	-1	107	192
Other	-5	6	9	20
Net cash flow from investing activities	**-459**	**-364**	**-1,361**	**-723**
Dividends paid	-321	-281	-982	-890
Share repurchases[2]	-1,015	-261	-1,514	-1,229
Debt financing	342	-20	664	669
Other	8	22	5	-7
Net cash flow used in financing activities	**-986**	**-540**	**-1,827**	**-1,457**
Changes in cash and cash equivalents	**-292**	**239**	**68**	**684**

1 Including Property, Plant & Equipment and software
2 Excluding dividend tax of € 101 mn to be paid in Q4 '06

Capex[1]

€ mn	Q3 '06	Q3 '05	%	YTD '06	YTD '05	%
Mobile	**242**	**166**	***45.8%***	**597**	**443**	***34.8%***
% Revenues Mobile	*14%*	*11%*		*12%*	*11%*	
E-Plus	151	96	*57.3%*	367	263	*39.5%*
% Revenues E-Plus	*20%*	*13%*		*17%*	*13%*	
KPN Mobile NL	59	43	*37.2%*	137	110	*24.5%*
% Revenues KPN Mobile NL	*8%*	*7%*		*6%*	*6%*	
BASE	32	27	*18.5%*	94	70	*34.3%*
% Revenues BASE	*20%*	*19%*		*20%*	*18%*	
Fixed	**178**	**199**	***-10.6%***	**508**	**474**	***7.2%***
% Revenues Fixed	*11%*	*12%*		*10%*	*9%*	
Consumer	34	3	*>200%*	116	15	*>200%*
% Revenues Consumer	*6%*	*1%*		*7%*	*1%*	
Business	24	9	*>100%*	53	27	*96.3%*
% Revenues Business	*4%*	*1%*		*3%*	*1%*	
Wholesale & Operations	117	187	*-37.4%*	335	432	*-22.5%*
% Revenues Wholesale & Operations	*10%*	*15%*		*9%*	*12%*	
Other	**5**	**4**		**12**	**8**	***50.0%***
Total	**425**	**369**	***15.2%***	**1,117**	**925**	***20.8%***
% Revenues	*14%*	*13%*		*13%*	*11%*	

1 Including Property, Plant & Equipment and software

Share buyback progress

€ 1.6 bn share repurchases including share repurchases from Dutch State

- € 1.6 bn share repurchases, exceeding announcement in February
  - € 0.8 bn share repurchases from Dutch State in September
  - € 1 bn program finalized at € 759 mn upon transaction with Dutch State

Date[1]	value (€ mn)	shares (mn)	Avg. share price (€)
Q1	**37.1**	**4.0**	**9.27**
Q2	**422.6**	**46.6**	**9.07**
July	90.0	10.3	8.74
August	143.4	15.2	9.43
September[2]	870.2	86.7	10.04
Q3	**1,103.6**	**112.2**	**9.84**
Total	**1,563.3**	**162.8**	**9.60**

- 55.2 mn shares of the € 1 bn share repurchase program cancelled in October
- Cancellation process for remaining 107.6 mn shares finalized before YE 2006
- After cancellation number of outstanding shares will amount to 1,928,551,326

1 Figures based on transaction date of share repurchases
2 Including dividend tax of € 101 mn to be paid in Q4 ’06

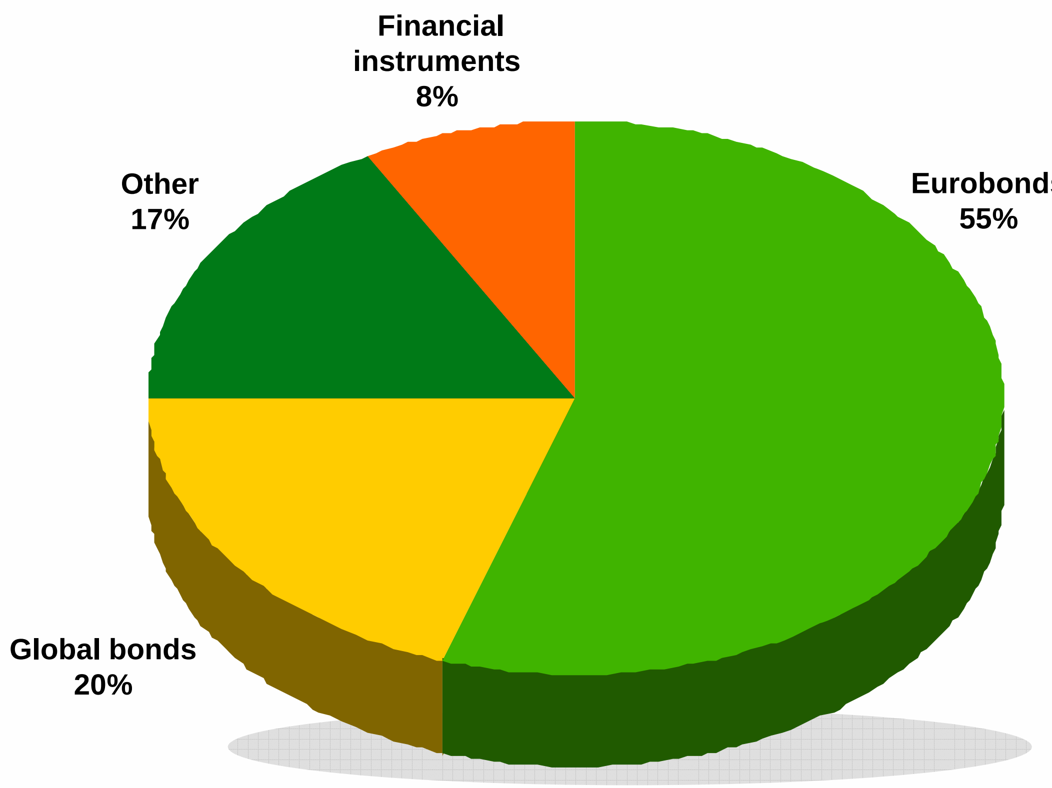
Debt summary

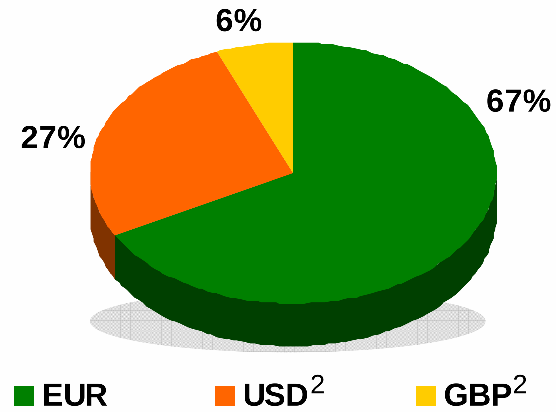
€ bn	Q3 '06	Q2 '06	Q3 '05
Bonds	**8.19**	**8.38**	**9.18**
Subordinated convertible bonds	-	-	0.32
Eurobonds	6.02	6.28	5.65
Global bonds	2.17	2.10	3.21
Other debt	**1.91**	**1.05**	**0. 85**
Other loans at Royal KPN[1]	1.86	1.00	0.74
Consolidated debt	0.05	0.05	0.11
Fair value financial instruments	**0.86**	**0.95**	**0.87**
Total debt	**10.96**	**10.38**	**10.90**
– *of which short-term*	*1.87*	*1.29*	*2.91*
Cash and cash equivalents[1]	1.56	1.62	2.96
Total net debt	**9.40**	**8.76**	**7.94**

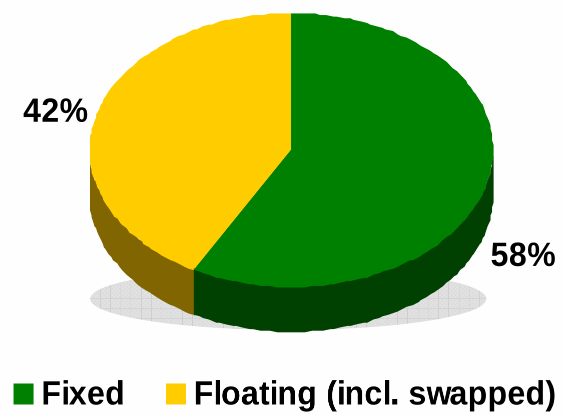
1 Both cash and gross debt include approximately € 1.2 bn of non-netted cash balances per Q3 '06

Debt portfolio

Breakdown of € 11.0 bn[1] gross debt







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

KPIs Fixed

Consumer Voice

	Q3 '06	Q2 '06	Q3 '05
Market share traditional voice[1]	**> 65%**	**> 65%**	**> 60%**
– *Local*	*~ 70%*	*~ 70%*	*> 65%*
– *National*	*> 60%*	*> 60%*	*~ 60%*
– *Fixed to Mobile*	*> 65%*	*> 65%*	*~ 65%*
– *International*	*> 40%*	*> 40%*	*> 40%*
Market share voice[2]	**~ 60%**	**> 55%**	**~ 60%**
Lines *(x 1,000)*	**4,285**	**4,552**	**5,137**
– *PSTN*	*3,872*	*4,121*	*4,638*
– *ISDN*	*413*	*431*	*499*
VoIP			
VoIP penetration[3]	22%	17%	6%
VoIP packages installed *(x 1,000)*	270	156	2
Minutes *(bn)*	**2.17**	**2.37**	**2.55**
– *Local*	*1.29*	*1.42*	*1.52*
– *National*	*0.56*	*0.60*	*0.66*
– *Fixed to Mobile*	*0.25*	*0.27*	*0.28*
– *International*	*0.07*	*0.08*	*0.09*

1 Share in traditional voice (excluding VoIP)
2 Share in total consumer voice (including VoIP)
3 VoIP lines in % broadband connections, excluding peer-to-peer applications

KPIs Fixed

Consumer Internet & TV

	Q3 '06	Q2 '06	Q3 '05
KPN ISP customers *(x 1,000)*	**1,997**	**1,951**	**1,827**
– Planet Internet	*739*	*749*	*761*
– Het Net	*737*	*732*	*643*
– XS4ALL	*390*	*365*	*290*
– Other[1]	*131*	*105*	*133*
Internet dial-up minutes *(bn)*	**0.21**	**0.25**	**0.57**
Broadband market share			
KPN (ISP) retail[2]	40.3%	39.6%	34.1%
Broadband connections[2]	42.7%	42.4%	42.4%
DSL connections	70.3%	70.1%	70.8%
ADSL connections installed *(x 1,000)*	**2,023**	**1,936**	**1,623**
KPN Broadband ISP customers *(x 1,000)*	**1,911**	**1,806**	**1.305**
– Planet Internet	*589*	*587*	*505*
– Het Net	*534*	*510*	*364*
– XS4ALL	*262*	*264*	*199*
– Direct ADSL	*401*	*340*	*162*
– Other[1]	*125*	*105*	*75*
KPN TV subscribers *(x 1,000)*	**245**	**230**	**150**

1 Including acquired customers which will be migrated to one of KPN's multibrands over time
2 Including DSL and Cable, based on company estimate

KPIs Fixed

Business

	Q3 '06	Q2 '06	Q3 '05
Market share Business	**> 55%**	**> 55%**	**> 55%**
– *Local*	*~ 60%*	*~ 60%*	*> 60%*
– *National*	*> 55%*	*> 55%*	*> 55%*
– *Fixed to Mobile*	*> 55%*	*> 55%*	*> 55%*
– *International*	*~ 45%*	*~ 45%*	*~ 45%*
Lines *(x 1,000)*	**1,840**	**1,863**	**1,930**
– *PSTN*	*915*	*931*	*982*
– *ISDN*	*925*	*932*	*948*
Minutes *(bn)*	**1.91**	**2.08**	**2.34**
– *Local*	*0.70*	*0.77*	*0.83*
– *National*	*0.63*	*0.69*	*0.77*
– *Fixed to Mobile*	*0.30*	*0.32*	*0.31*
– *Internet*	*0.17*	*0.19*	*0.30*
– *International*	*0.11*	*0.11*	*0.13*
Leased lines *(x 1,000)*	**42,406**	**43,440**	**49,983**
– *Analogue*	*82%*	*82%*	*79%*
– *Digital*	*18%*	*18%*	*21%*
VAS			
Frame Relay *(# ports)*	2,935	3,005	3,668
M-VPN routers	11,199	11,192	12,051
IP-VPN connections	44,001	42,909	37,671
E-VPN connections	1,902	1,613	747

KPIs Fixed

Wholesale & Operations

	Q3 '06	Q2 '06	Q3 '05
Local loop *(x 1,000)*			
MDF access lines[1]	2,973	2,844	2,348
– *of which line sharing*[1,2]	*2,258*	*2,325*	*2,247*
ADSL coverage			
– *ADSL*	*99%*	*99%*	*99%*
– *ADSL 2+*	*57%*	*57%*	
Minutes *(bn)*	**9.69**	**10.11**	**9.86**
– *Terminating services*	*3.03*	*3.24*	*3.13*
– *Originating voice*	*2.03*	*2.29*	*2.53*
– *Originating internet*	*0.20*	*0.24*	*0.43*
– *Transit services*	*2.07*	*2.11*	*1.65*
– *International wholesale services*	*2.36*	*2.23*	*2.12*
Other / intercompany minutes *(bn)*	0.18	0.19	0.22

1 Including Bitstream
2 Includes KPN ADSL connections (installed), line sharing other telcos and KPN Bitstream

KPIs Mobile

E-Plus

	Q3 '06	Q2 '06	Q3 '05
Market share[1]			
Service revenue	13.2%	12.8%	11.8%
Revenue	12.7%	12.5%	12.1%
Base	14.8%	14.5%	13.2%
Customers *(x 1,000)*	**12,215**	**11,852**	**10,124**
– *Post Paid*	*5,938*	*5,827*	*5,258*
– *Pre Paid*	*6,277*	*6,025*	*4,866*
Service revenues *(€ mn)*	**714**	**683**	**644**
ARPU *(€)*	**20**	**20**	**21**
– *Post Paid*	*33*	*33*	*36*
– *Pre Paid*	*7*	*6*	*6*
Non-voice as % of ARPU	***17%***	***16%***	***15%***
MoU *(minutes)*	**114**	**107**	**78**
– *Post Paid*	*200*	*186*	*133*
– *Pre Paid*	*34*	*30*	*20*
SAC/SRC *(€)*	**88**	**83**	**136**
– *Post Paid*	*159*	*165*	*217*
– *Pre Paid*	*14*	*12*	*22*

1 Management estimates

KPIs Mobile

KPN Mobile NL[1]

	Q3 '06	Q2 '06	Q3 '05
Market share[2]			
Service revenue	47.5%	46.7%	37.7%
Revenue	47.3%	46.4%	37.3%
Base	50.3%	50.0%	37.0%
Customers *(x 1,000)*	**8,483**	**8,264**	**5,701**
– Post Paid	*3,717*	*3,527*	*2,524*
– Pre Paid	*4,766*	*4,737*	*3,177*
Service revenues *(€ mn)*	**752**	**710**	**588**
ARPU *(€)*	**30**	**29**	**32**
– Post Paid	*57*	*56*	*66*
– Pre Paid	*9*	*9*	*9*
Non-voice as % of ARPU	**17%**	**15%**	**15%**
MoU *(minutes)*	**128**	**136**	**122**
– Post Paid	*251*	*275*	*256*
– Pre Paid	*35*	*35*	*30*
SAC/SRC *(€)*	**188**	**191**	**226**
– Post Paid	*265*	*305*	*349*
– Pre Paid	*18*	*16*	*18*

1 Telfort consolidated as of Q4 '05
2 Management estimates, amongst others based on industry filings

KPIs Mobile

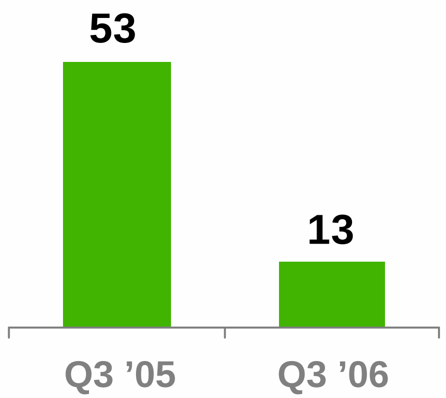
BASE

	Q3 '06	Q2 '06	Q3 '05
Market share[1]			
Revenue	~15%	> 14%	> 13%
Base	~21%	~ 21%	19%
Customers *(x 1,000)*	**2,219**	**2,104**	**1,929**
– *Post Paid*	*541*	*488*	*372*
– *Pre Paid*	*1,678*	*1,616*	*1,557*
Service revenues *(€ mn)*	**159**	**152**	**138**
ARPU *(€)*	**25**	**24**	**24**
– *Post Paid*	*56*	*58*	*63*
– *Pre Paid*	*15*	*15*	*15*
Non-voice as % of ARPU	**14%**	**13%**	**14%**
MoU *(minutes)*	**129**	**145**	**106**
– *Post Paid*	*315*	*386*	*240*
– *Pre Paid*	*71*	*74*	*73*
SAC/SRC *(€)*	**17**	**22**	**27**
– *Post Paid*	*16*	*19*	*49*
– *Pre Paid*	*18*	*23*	*20*

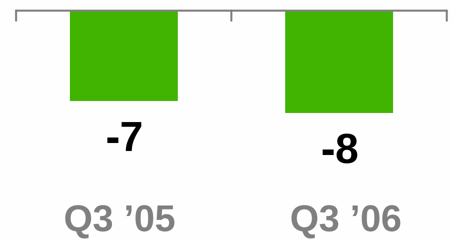
1 Management estimates

Other in Q3

€ mn **Revenues and other income**



€ mn **EBITDA**[1]



- Deconsolidation effect Xantic
  - Revenues € 40 mn
  - EBITDA € 9 mn
- € 10 mn decrease in restructuring cost (Q3 ’06 € 5 mn)

1 Defined as Operating result plus depreciation, amortization & impairments