



# Third Quarter Results 2008

22 October 2008



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## Safe harbor

Certain statements contained in this presentation constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, its and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto, and statements preceded by, followed by or including the words "believes", "expects", "anticipates" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside our control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the 2007 Annual Report.

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 KPN's GAAP figures.

All market share information in this presentation is based on management estimates based on externally available information, unless indicated otherwise.

## Disclaimer

We define EBITDA as operating result before depreciation and impairments of PP&E and amortization and impairments of intangible assets. Note that our definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS. In all cases, a reconciliation of EBITDA and the nearest GAAP measure (operating result) is provided. In the net debt/EBITDA ratio, we define EBITDA as a 12 month rolling average excluding book gains, release of pension provisions and restructuring costs, all over EUR 20m. For 2008 and subsequent years, free cash flow is defined as cash flow from operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software, and excluding tax recapture at E-Plus.

# Agenda

<b>Chairman's review</b>	<b>Ad Scheepbouwer, Chairman and CEO</b>
Financial review	Marcel Smits, CFO
Operating review The Netherlands	Ad Scheepbouwer, Chairman and CEO
Operating review Mobile Int'l	Ad Scheepbouwer, Chairman and CEO
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



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## Highlights Q3

- Solid third quarter results
- The Netherlands comfortably delivering on upgraded EBITDA guidance for 2008
- Mobile International showing continued profitable growth
- Confirming 2010 objectives as stated in 'Back to Growth' strategy
- Solid liquidity profile after Q3 bond issue, announcing € 1 bn share buyback for 2009

## Economic impact

- Solid third quarter results, no impact from economic downturn on ongoing operations
  - Early warning indicators are being tracked
- KPN well prepared to deal with various economic scenarios
- Economic downturn providing both risks and opportunities to KPN
  - Risk of customers saving on telecom services and churning to lower prices
  - Opportunity with strongholds in value-for-money segments in consumer markets
  - Risk of business customers delaying or reducing investments
  - Potential upside from increased ICT outsourcing to KPN/Getronics
  - Potential impact in 2009 from pension position
  - Impact on timing of disposals of subsidiaries or real estate
- Contingency plans in place, aimed at preserving cash flow generation

## Financial highlights Q3

- Solid financial performance in Q3 '08
  - Revenues and other income of € 3.7 bn, up 20%
  - EBITDA of € 1.3 bn, up 4.8%
  - Capex of € 0.5 bn, up 34%
- Free cash flow<sup>1</sup> of € 0.5 bn in Q3, € 1.6 bn YTD
  - Confirming full-year FCF guidance of at least € 2.4 bn for 2008
- € 2 bn of shareholder returns delivered in first three quarters of 2008
  - Interim dividend of € 0.20 per share paid in August, € 0.3 bn in total
  - € 1 bn share repurchase program completed on 17 September, following acceleration since June

<sup>1</sup> Defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture at E-Plus

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# Group results

## Solid third quarter results

€ mn	Q3 '08	Q3 '07	%	YTD '08	YTD '07	%
<b>Revenues and other income</b>	<b>3,652</b>	<b>3,037</b>	<b>20%</b>	<b>10,884</b>	<b>8,973</b>	<b>21%</b>
– of which Revenues	3,626	3,007	21%	10,812	8,882	22%
<b>Operating expenses</b>	<b>2,951</b>	<b>2,357</b>	<b>25%</b>	<b>8,879</b>	<b>7,107</b>	<b>25%</b>
– of which Depreciation <sup>1</sup>	401	380	5.5%	1,217	1,235	-1.5%
– of which Amortization <sup>1</sup>	177	160	11%	555	583	-4.8%
<b>Operating result</b>	<b>701</b>	<b>680</b>	<b>3.1%</b>	<b>2,005</b>	<b>1,866</b>	<b>7.4%</b>
Financial income/(expense)	-176	-142	24%	-516	-407	27%
Share of profit of associates	-	-1	-	-6	2	-
<b>Profit/(Loss) before taxes</b>	<b>525</b>	<b>537</b>	<b>-2.2%</b>	<b>1,483</b>	<b>1,461</b>	<b>1.5%</b>
Taxes	-172	-182	-5.5%	-443	-393	13%
<b>Profit/(Loss) after taxes</b>	<b>353</b>	<b>355</b>	<b>-0.6%</b>	<b>1,040</b>	<b>1,068</b>	<b>-2.6%</b>
<b>Earnings per share<sup>2</sup></b>	<b>0.20</b>	<b>0.19</b>	<b>5.3%</b>	<b>0.59</b>	<b>0.57</b>	<b>3.5%</b>
<b>EBITDA<sup>3</sup></b>	<b>1,279</b>	<b>1,220</b>	<b>4.8%</b>	<b>3,777</b>	<b>3,684</b>	<b>2.5%</b>

- Interest costs up 24% in Q3 '08 from higher debt levels, limited impact from higher interest rates
- EBITDA up 4.8% y-on-y as result of acquisitions, continued cost savings and absence of 2007 VoIP costs

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

Confirming full-year FCF guidance of at least € 2.4 bn for 2008

€ mn	Q3 '08	Q3 '07	%
<b>Operating result</b>	<b>701</b>	<b>680</b>	<b>3.1%</b>
Depreciation and amortization <sup>1</sup>	578	540	7.0%
Interest paid/received	-106	-95	12%
Tax paid/received	-138	-38	>200%
Change in provisions	-48	-66	-27%
Change in working capital <sup>2</sup>	-101	-30	>200%
Other movements	-10	-29	-66%
<b>Net cash flow from operating activities</b>	<b>876</b>	<b>962</b>	<b>-8.9%</b>
<b>Capex<sup>3</sup></b>	<b>-505</b>	<b>-378</b>	<b>34%</b>
Proceeds from real estate	26	42	-38%
Tax recapture E-Plus	68	-	-
<b>Free cash flow<sup>4</sup></b>	<b>465</b>	<b>626</b>	<b>-26%</b>
Cash return to shareholders	771	1,003	-23%
€ mn	YTD '08	YTD '07	%
<b>Free cash flow<sup>4</sup></b>	<b>1,614</b>	<b>1,821</b>	<b>-11%</b>
Cash return to shareholders	1,981	2,156	-8.1%

- Free cash flow of € 0.5 bn in Q3 '08
  - Increase in Capex, tax and interest
  - Working capital outflow € 71 mn higher
  - EBITDA improvement of € 59 mn
- Confirming full-year FCF guidance of at least € 2.4 bn for 2008
  - Significant working capital inflow expected in Q4, due to seasonality and working capital program
  - Expecting real estate proceeds of ~€ 150 mn in FY 2008
- Capex up 34% to € 0.5 bn in Q3 '08
  - € 1.3 bn YTD, vs. guidance of ~€ 2 bn
- € 2 bn shareholder returns YTD
  - € 1 bn dividend
  - € 1 bn share repurchase program, completed in September

1 Including impairments, if any

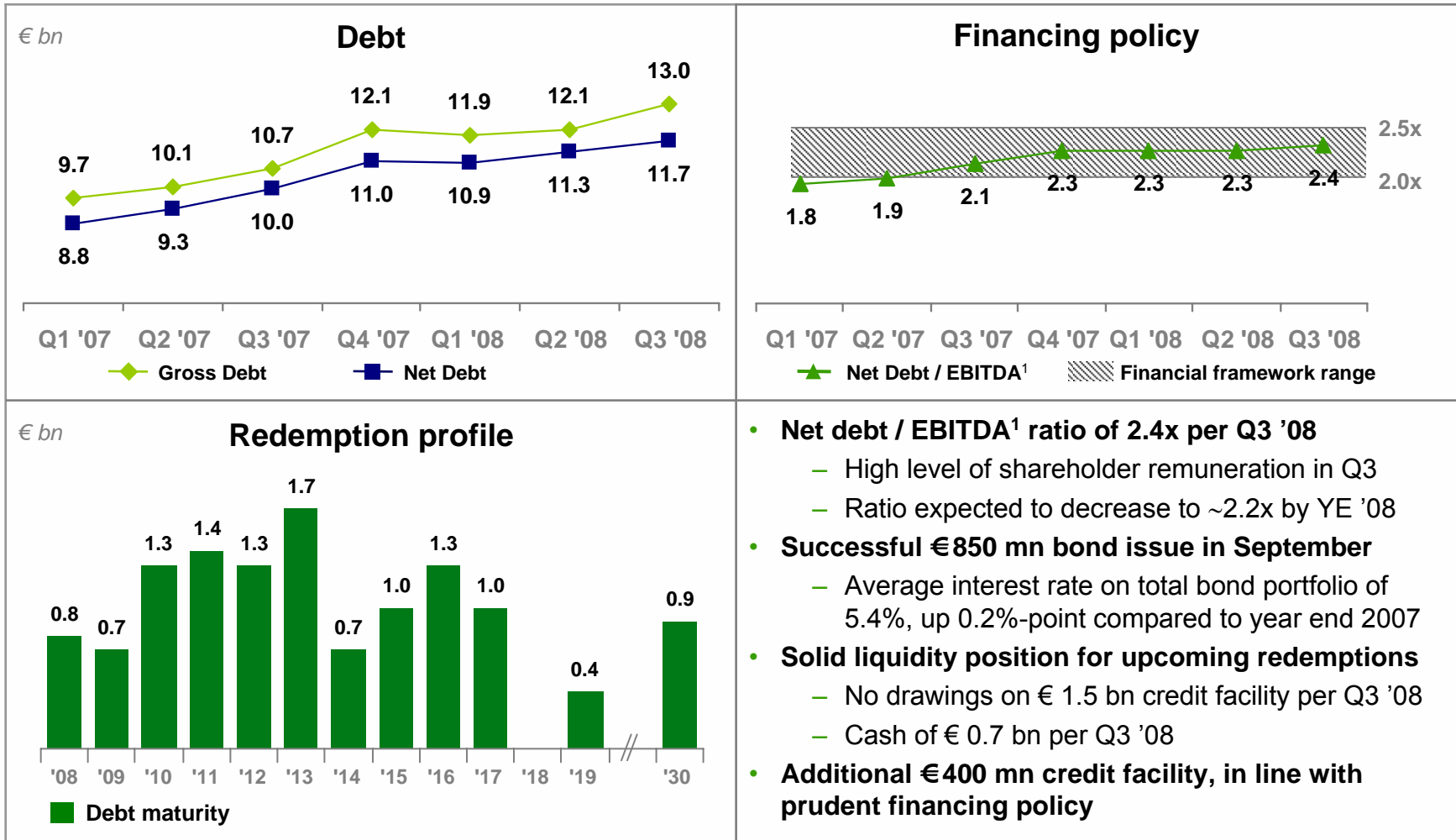
2 Excluding changes in deferred taxes

3 Including Property, Plant & Equipment and software

4 Defined as cash flow from operating activities plus proceeds from real estate minus Capital expenditures and excluding tax recapture at E-Plus

# Group financial profile

Solid liquidity position following € 850 mn bond issue in September



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

# Pension plans

Volatile financial markets impacting pension plans at most Dutch companies

## Q2 2008

- Solid pension position going forward
  - Based on independent audit
  - Lower obligations from phase-out of early retirement schemes
- Limited impact from more volatile financial markets on pension liabilities
  - P&L effect if value of pension gains and losses exceed corridor of +/-10% of obligations or assets
  - KPN's change in pension liabilities in H1 '08 still within corridor
- No additional cash funding expected due to solid coverage ratio
  - 132% per Q2 '08 vs. minimum of 105%

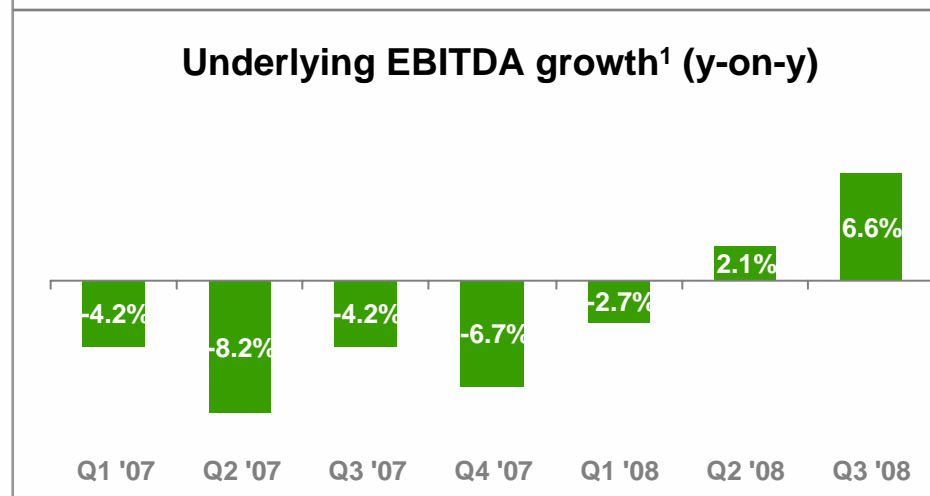
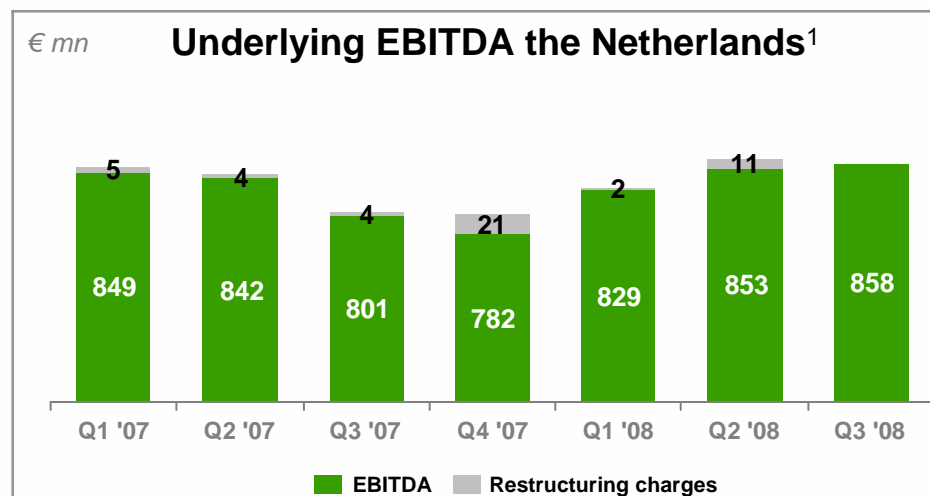
## Current situation

- Volatile financial markets impacting defined benefit pension plans at Dutch companies
- Coverage ratio decreased to 116% per Q3 2008
  - No additional cash funding needed in 2008
  - No P&L impact in 2008
  - Coverage ratio of KPN's main pension plan is circa 105% per 17 October 2008, around the minimum of 105%
- Estimated<sup>1</sup> impacts on cash in 2009
  - ~€ 60 mn additional cash funding
- Estimated<sup>1</sup> impact on IFRS in 2009
  - About ~€ 60 mn additional P&L charge

<sup>1</sup> Estimate based on the assumption that the situation on 17 October would be representative for the situation as per 31 December 2008

# EBITDA<sup>1</sup> trend improving in the Netherlands

On track to comfortably achieve the upgraded EBITDA guidance for 2008



- Further improvement in EBITDA trends for the Netherlands excluding acquisitions
  - EBITDA Q3 up € 53 mn or 6.6% y-on-y, of which about half is positively influenced by one-offs
- On track to comfortably achieve upgraded EBITDA guidance of 'flat' for FY '08
  - EBITDA YTD up € 48 mn, or 1.9% y-on-y
  - Partly attributable to lower management fee charges
  - Relative to EBITDA base figure of € 3,308 mn<sup>2</sup> for 2007
  - € 55 mn additional VoIP costs in 2007

<sup>1</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring charges (until Q2 2008) and book gains on sale of real estate

<sup>2</sup> Revised base figure announced in Q2 '08, restructuring provision in Q2 '08 accounts for future restructuring charges in the Netherlands

# Performance vs. guidance

Guiding for group level EBITDA of around € 5 bn for 2008

	Guidance 2008
<b>KPN Group</b>	Around € 5 bn of EBITDA, incl. ~€ 100 mn book gains on real estate
<b>Mobile International</b>	High single digit growth
<b>The Netherlands</b> (excl. acquisitions & real estate)	Comfortably achieving 'flat' EBITDA guidance <sup>1</sup>
<b>Getronics</b>	Zero EBITDA for Q4 '08 due to higher restructuring costs
<b>Other</b>	Loss of approximately € 100 mn, in line with previous guidance
<b>Free cash flow</b>	At least € 2.4 bn
<b>Capex</b>	~ € 2 bn

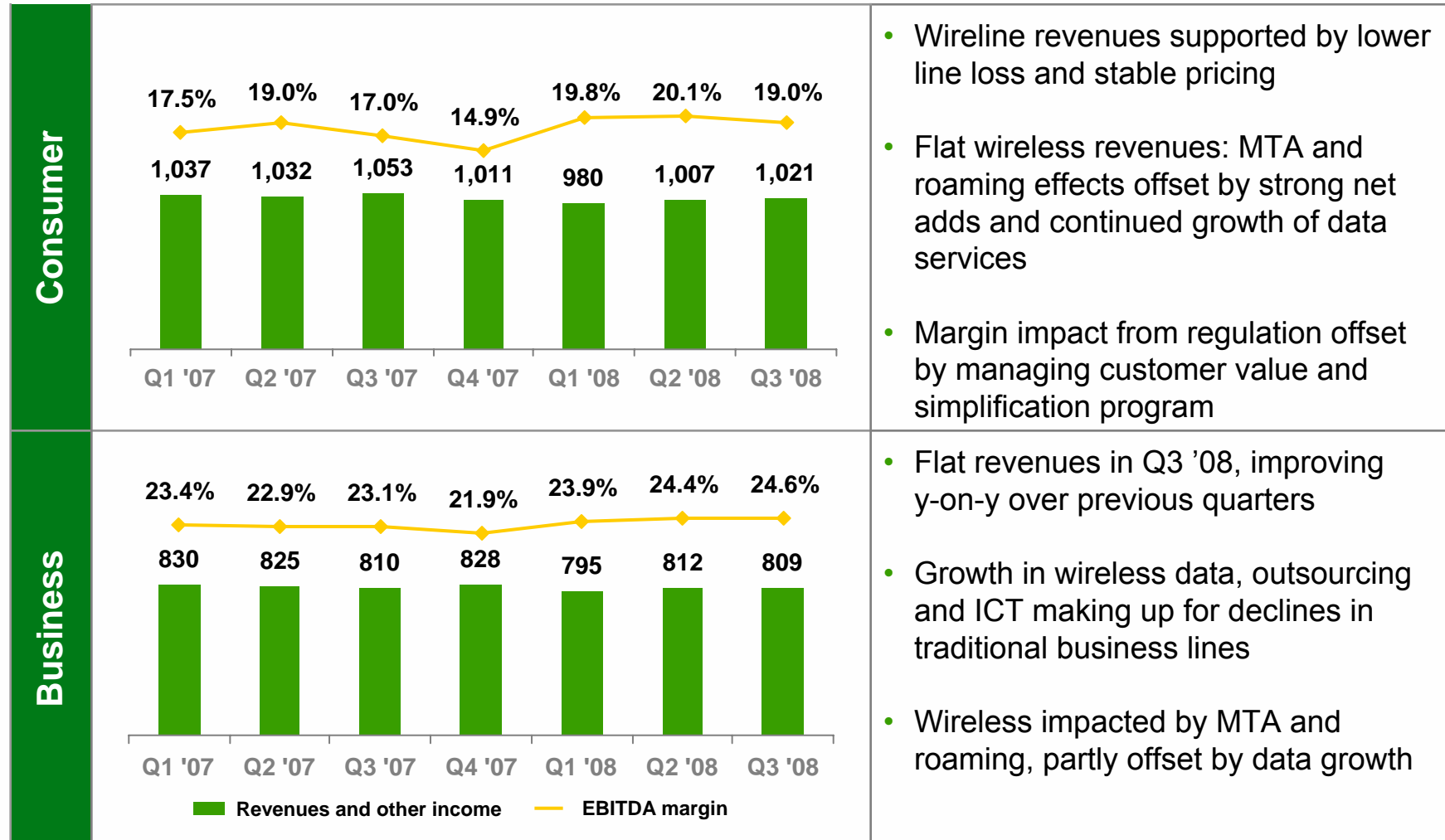
- Guiding for Group level EBITDA of ~€ 5 bn for 2008
- Free cash flow of at least € 2.4 bn
- Also confirming 2010 objectives of amongst others
  - > € 5.5 bn EBITDA
  - > € 2.4 bn FCF
  - € 0.80 dividend per share

<sup>1</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring charges (until Q2 2008) and book gains on sale of real estate, EBITDA base figure € 3,308 mn for 2007

Please note that it is too early to assess the impact of possible EU regulatory initiatives, representing both opportunities and risks

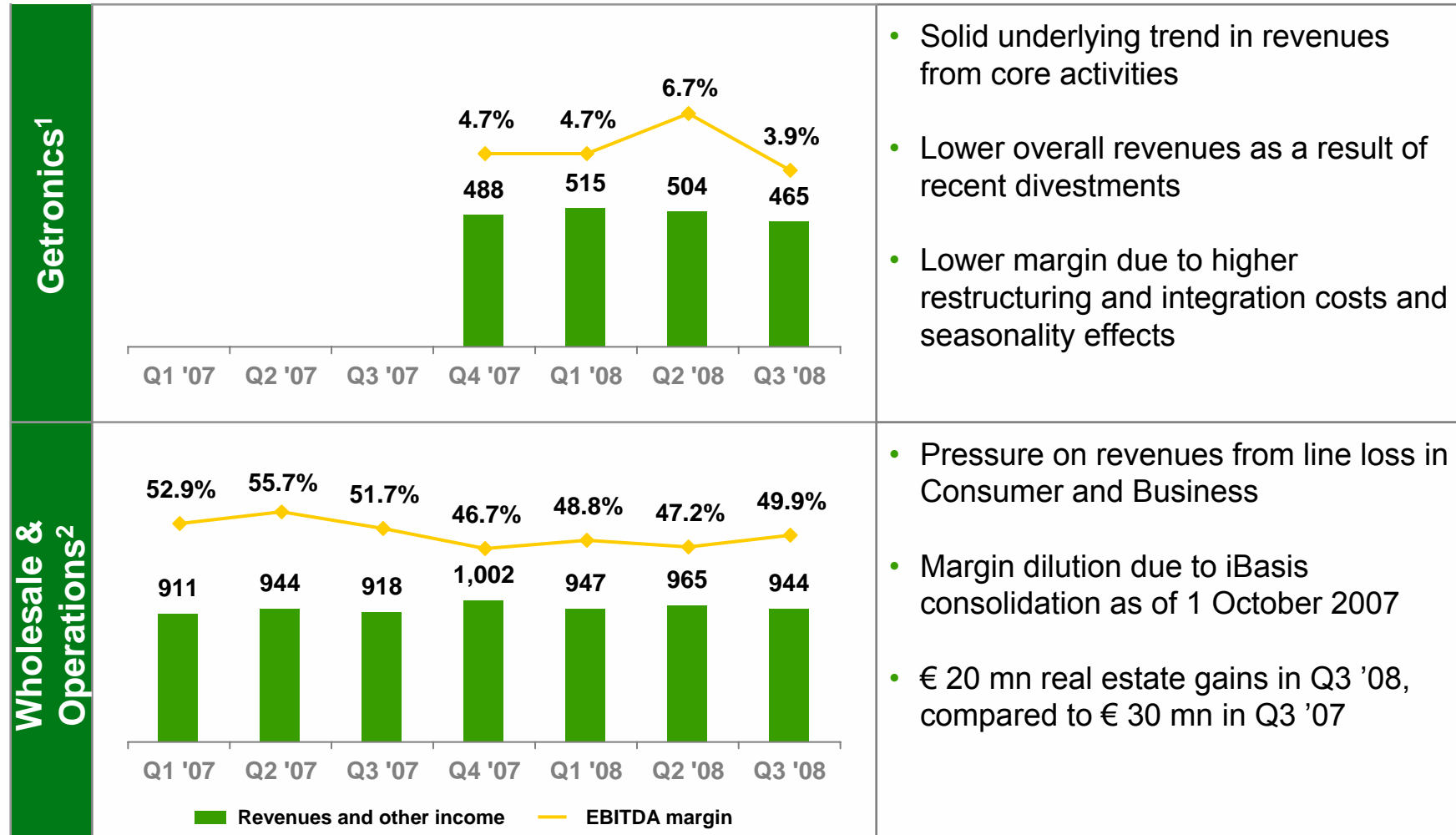
# Financial review the Netherlands by segment

Solid revenue and EBITDA trends in Consumer and Business



# Financial review the Netherlands by segment (cont'd)

Lower margins at Getronics due to integration costs, W&O resilient



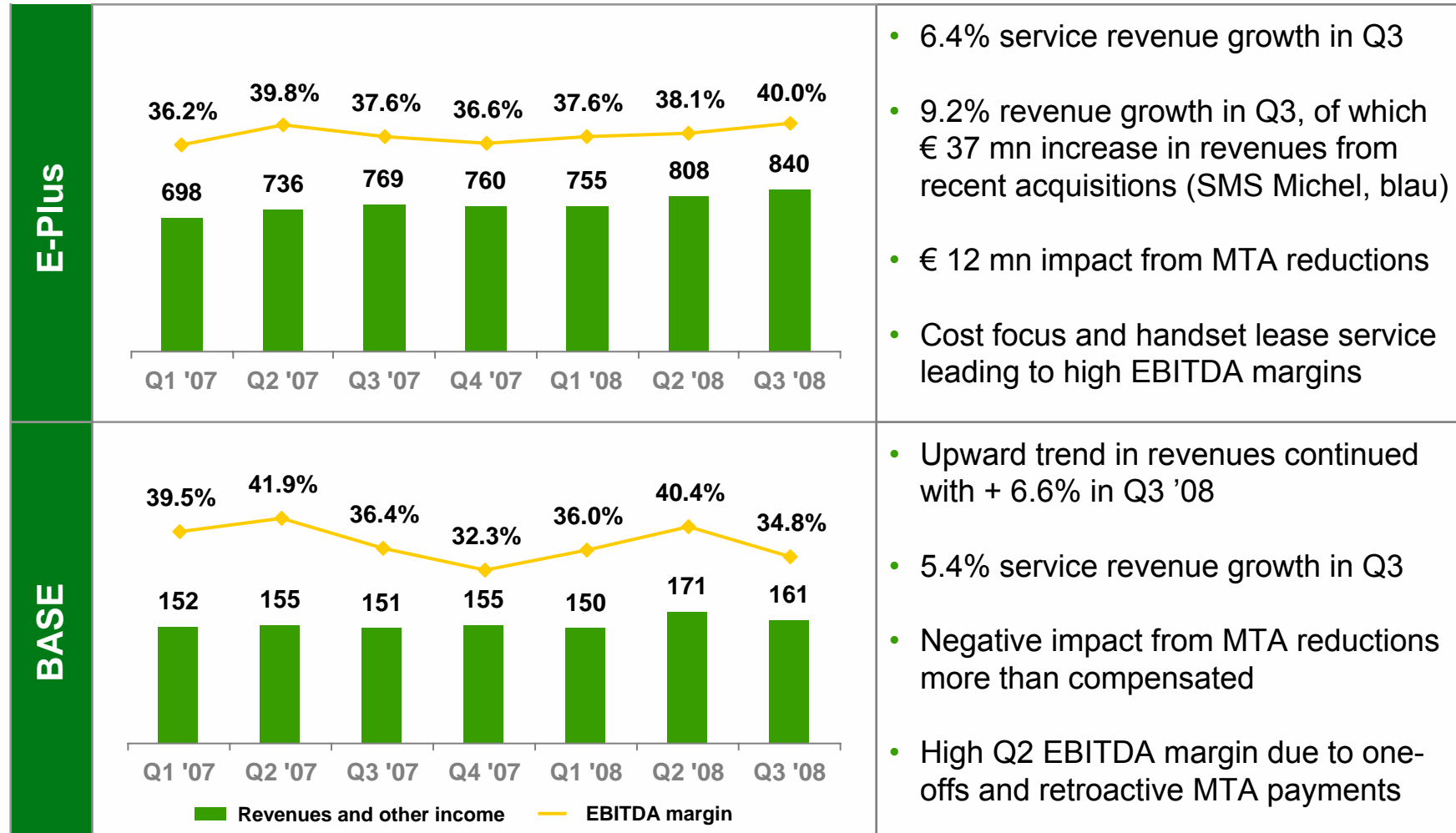
1 Consolidated as of 23 October 2007

2 Including revenues and EBITDA from iBasis/iBasis the Netherlands as from Q4 '07, excluding book gain on KGCS of € 66 mn in Q4 '07 and € 6 mn in Q1 '08



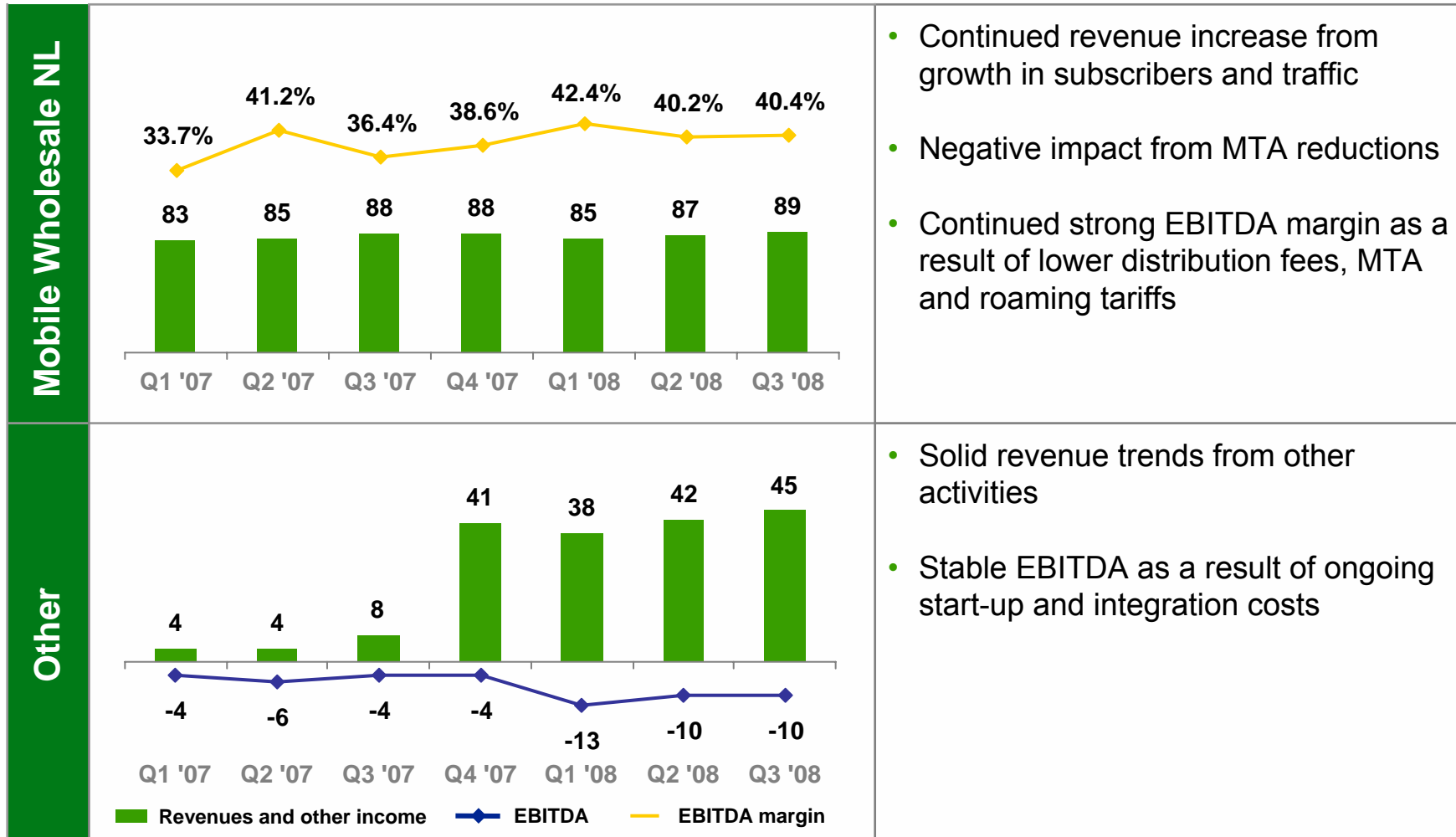
# Financial review Mobile International by segment

E-Plus growth partly driven by acquisitions, BASE continuing growth path



# Financial review Mobile International by segment (cont'd)

Further growth from mobile wholesale and recent acquisitions



# Regulation the Netherlands

As of 2009, deregulation of retail voice and regulation for several other areas

## Fixed telephony

- KPN welcomes deregulation for fixed telephony
  - Opportunity to use broader range of pricing instruments to meet customer demands
- Wholesale regulation (mainly) on tariffs for a 3-year period
  - Tariffs stable during 3-year period from 2005-2008
  - In discussions with OPTA and other operators for new 3-year period as of 2009

## Copper access

- MoU with unbundlers on alternatives for MDF Access signed in July 2007
- MDF / SDF Access is also regulated by a 3 year wholesale price cap system
- Regulation will be extended to wholesale access for business market

## Broadband

- OPTA announced regulation of Wholesale Broadband Access on copper in 2009
- Wholesale Broadband Access on fiber will not be regulated, according to OPTA's announcements

## FttH

- OPTA announced regulation of unbundled access to Fiber-to-the-Home on infrastructure level
- Waiting for regulatory clarity on fiber access for the coming years

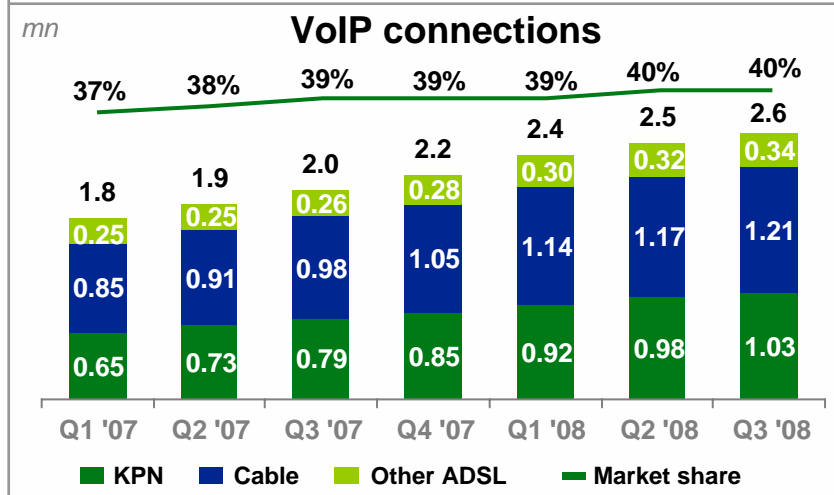
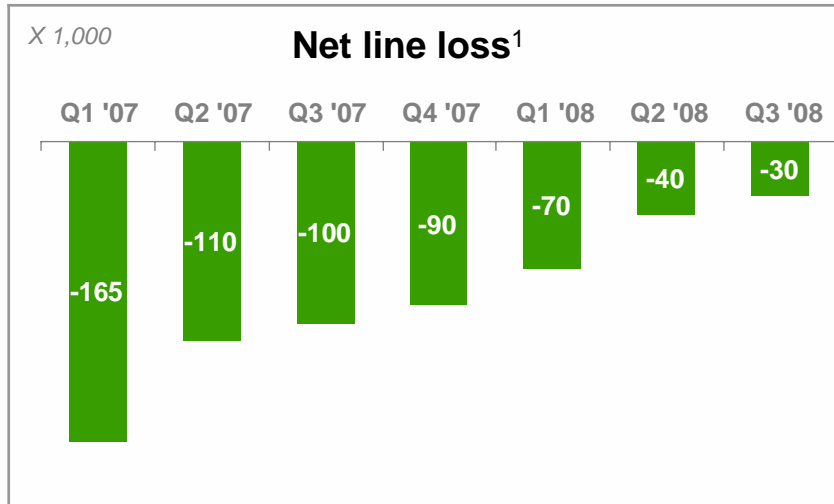
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# Consumer wireline voice

Net line loss further down to 30k

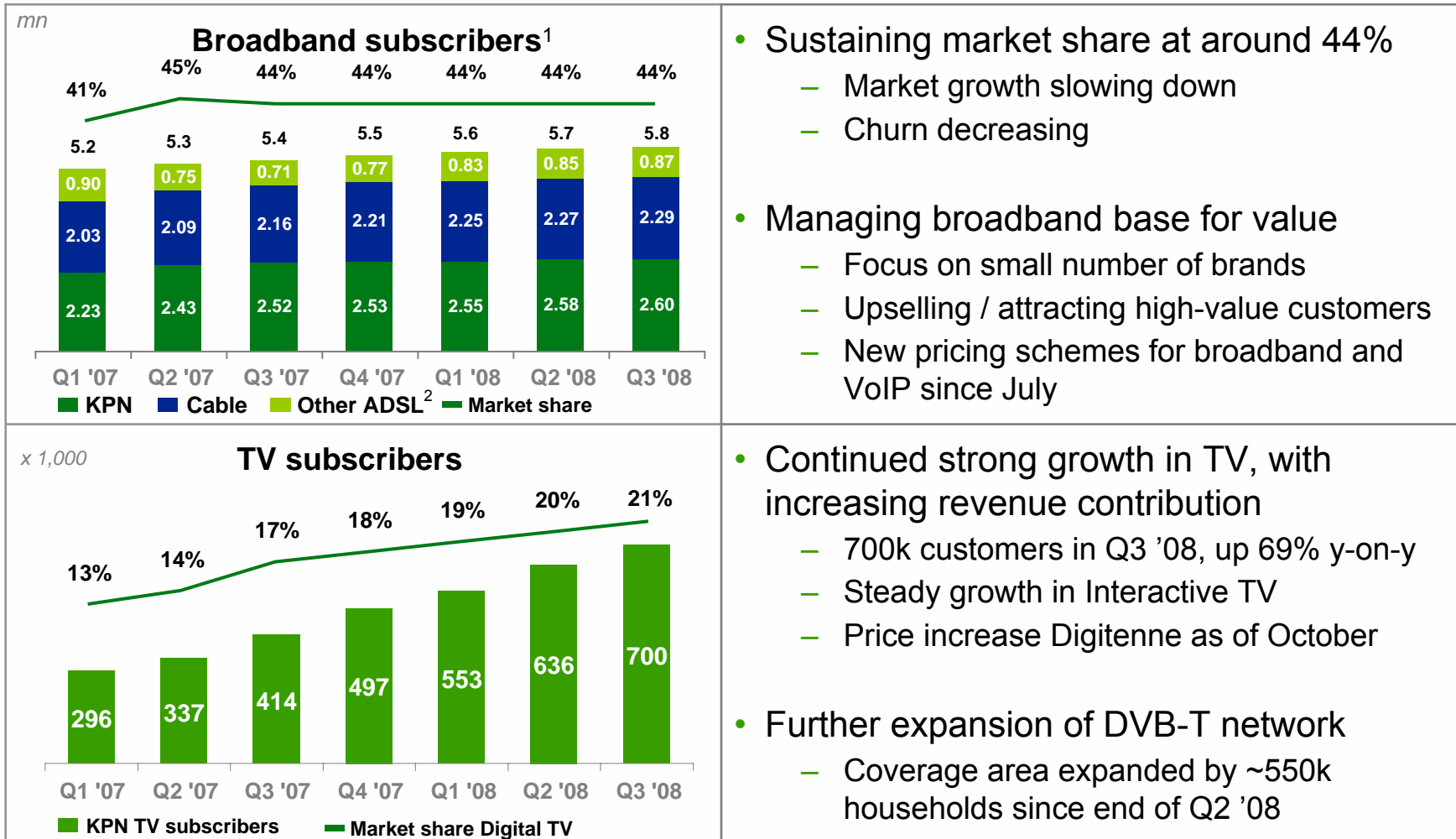


- Net line loss of 30k in Q3 '08
  - ~45k loss in KPN retail subscribers and ~15k change in Consumer WLR
- Decline in traditional telephony in Q2 and Q3 '08 at lowest level in three years
  - Installed base PSTN / ISDN down -110k in Q3 '08
  - Result of successful retention offers
- Market leadership in VoIP confirmed
  - Over 1 million customers as of Q3 '08
  - Capturing more than fair share of market growth
- Actions in place to maintain customer satisfaction during simplification initiatives

<sup>1</sup> PSTN / ISDN line loss + growth VoIP Consumer + growth ADSL only + growth WLR; management estimates

# Consumer broadband and TV

Steady growth in broadband, continued strong growth in TV

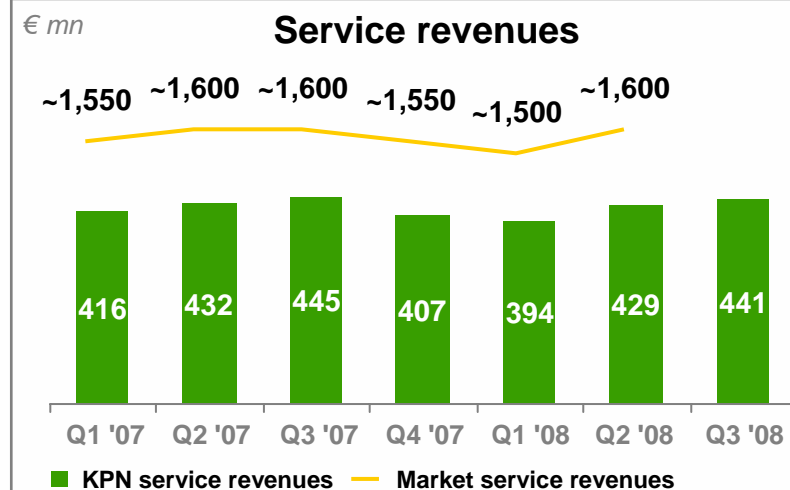
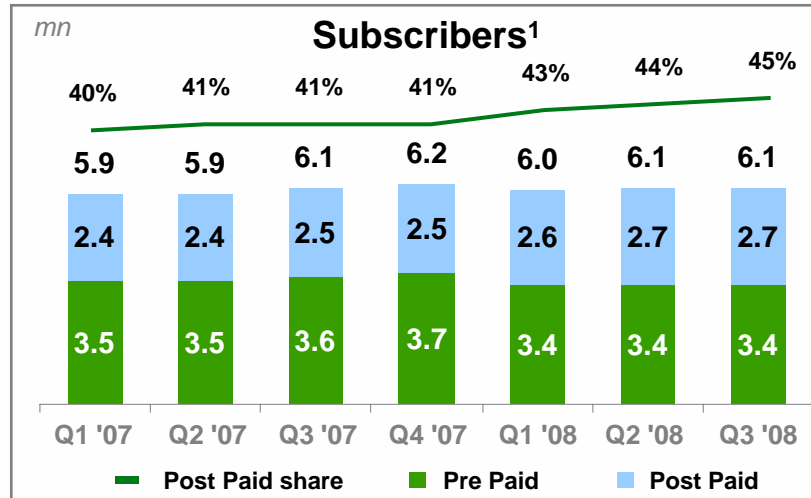


- Sustaining market share at around 44%
  - Market growth slowing down
  - Churn decreasing
- Managing broadband base for value
  - Focus on small number of brands
  - Upselling / attracting high-value customers
  - New pricing schemes for broadband and VoIP since July
- Continued strong growth in TV, with increasing revenue contribution
  - 700k customers in Q3 '08, up 69% y-on-y
  - Steady growth in Interactive TV
  - Price increase Digitenne as of October
- Further expansion of DVB-T network
  - Coverage area expanded by ~550k households since end of Q2 '08

1 Based on management estimates, approximately 80% consumers and 20% businesses  
 2 Excluding Bitstream

# Consumer wireless

Solid revenues and Post Paid net adds in Q3, further growth in wireless data



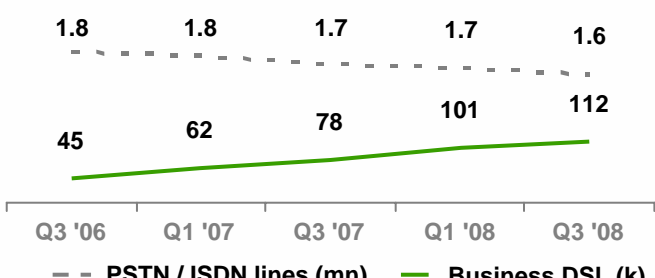
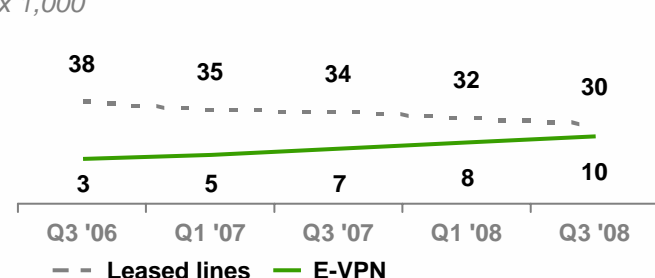
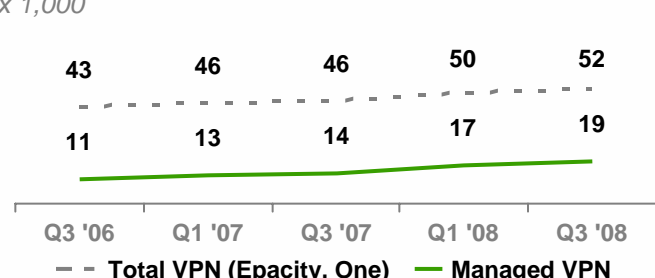
- Post Paid share further increased
  - Solid Post Paid net adds of 70k, through targeted acquisition
  - Post Paid share of 45% in Q3 '08, vs. 41% in Q3 '07
- Service revenues down 0.9% in Q3 '08
  - Service revenues impacted by MTA and roaming cuts, mainly until August
  - Underlying growth<sup>2</sup> increased based on improved customer mix and growth in base
- Wireless data continues to gain traction
  - Revenues from wireless data (excluding SMS / MMS) up 25%, compared to Q2 '08
  - Mobile broadband users increased by ~70% compared to Q2 '08
  - Non-voice as % of ARPU increased from 20% in Q3 '07 to 24% in Q3 '08

<sup>1</sup> Correction for ~220k inactive Pre Paid accounts in Q1 '08

<sup>2</sup> Based on service revenues excluding impact from MTA and roaming

# Business – wireline services

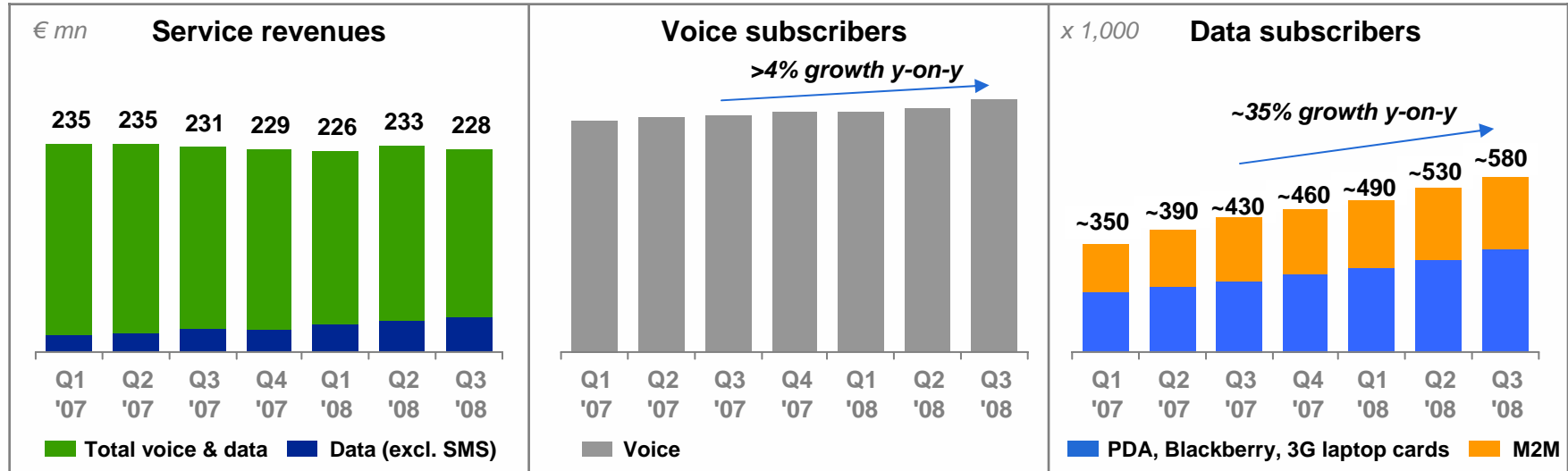
Managed migration to IP-based services

<p><b>Voice &amp; Internet connections</b></p>	<ul style="list-style-type: none"> <li>• Gradual decline in PSTN/ISDN</li> <li>• Replaced by IP-based voice and internet services, e.g. VoIP, Business DSL, hosted IP-PBX</li> </ul>	 <table border="1"> <thead> <tr> <th>Quarter</th> <th>PSTN / ISDN lines (mn)</th> <th>Business DSL (k)</th> </tr> </thead> <tbody> <tr> <td>Q3 '06</td> <td>1.8</td> <td>45</td> </tr> <tr> <td>Q1 '07</td> <td>1.8</td> <td>62</td> </tr> <tr> <td>Q3 '07</td> <td>1.7</td> <td>78</td> </tr> <tr> <td>Q1 '08</td> <td>1.7</td> <td>101</td> </tr> <tr> <td>Q3 '08</td> <td>1.6</td> <td>112</td> </tr> </tbody> </table>	Quarter	PSTN / ISDN lines (mn)	Business DSL (k)	Q3 '06	1.8	45	Q1 '07	1.8	62	Q3 '07	1.7	78	Q1 '08	1.7	101	Q3 '08	1.6	112
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<p><b>Data connections</b></p>	<ul style="list-style-type: none"> <li>• Decline in traditional services, e.g. leased lines, ATM</li> <li>• Transition to IP and Ethernet based services, e.g. E-VPN</li> <li>• Market leader in IP connectivity</li> </ul>	 <table border="1"> <thead> <tr> <th>Quarter</th> <th>Leased lines (x 1,000)</th> <th>E-VPN (x 1,000)</th> </tr> </thead> <tbody> <tr> <td>Q3 '06</td> <td>38</td> <td>3</td> </tr> <tr> <td>Q1 '07</td> <td>35</td> <td>5</td> </tr> <tr> <td>Q3 '07</td> <td>34</td> <td>7</td> </tr> <tr> <td>Q1 '08</td> <td>32</td> <td>8</td> </tr> <tr> <td>Q3 '08</td> <td>30</td> <td>10</td> </tr> </tbody> </table>	Quarter	Leased lines (x 1,000)	E-VPN (x 1,000)	Q3 '06	38	3	Q1 '07	35	5	Q3 '07	34	7	Q1 '08	32	8	Q3 '08	30	10
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<p><b>Managed data services</b></p>	<ul style="list-style-type: none"> <li>• Growing demand for end-to-end managed solutions for wireline and wireless services</li> <li>• Cross- and upselling based on strong position in connectivity and distribution</li> </ul>	 <table border="1"> <thead> <tr> <th>Quarter</th> <th>Total VPN (Ecapacity, One) (x 1,000)</th> <th>Managed VPN (x 1,000)</th> </tr> </thead> <tbody> <tr> <td>Q3 '06</td> <td>43</td> <td>11</td> </tr> <tr> <td>Q1 '07</td> <td>46</td> <td>13</td> </tr> <tr> <td>Q3 '07</td> <td>46</td> <td>14</td> </tr> <tr> <td>Q1 '08</td> <td>50</td> <td>17</td> </tr> <tr> <td>Q3 '08</td> <td>52</td> <td>19</td> </tr> </tbody> </table>	Quarter	Total VPN (Ecapacity, One) (x 1,000)	Managed VPN (x 1,000)	Q3 '06	43	11	Q1 '07	46	13	Q3 '07	46	14	Q1 '08	50	17	Q3 '08	52	19
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# Business – wireless services

Customer growth driven by wireless data



## Voice

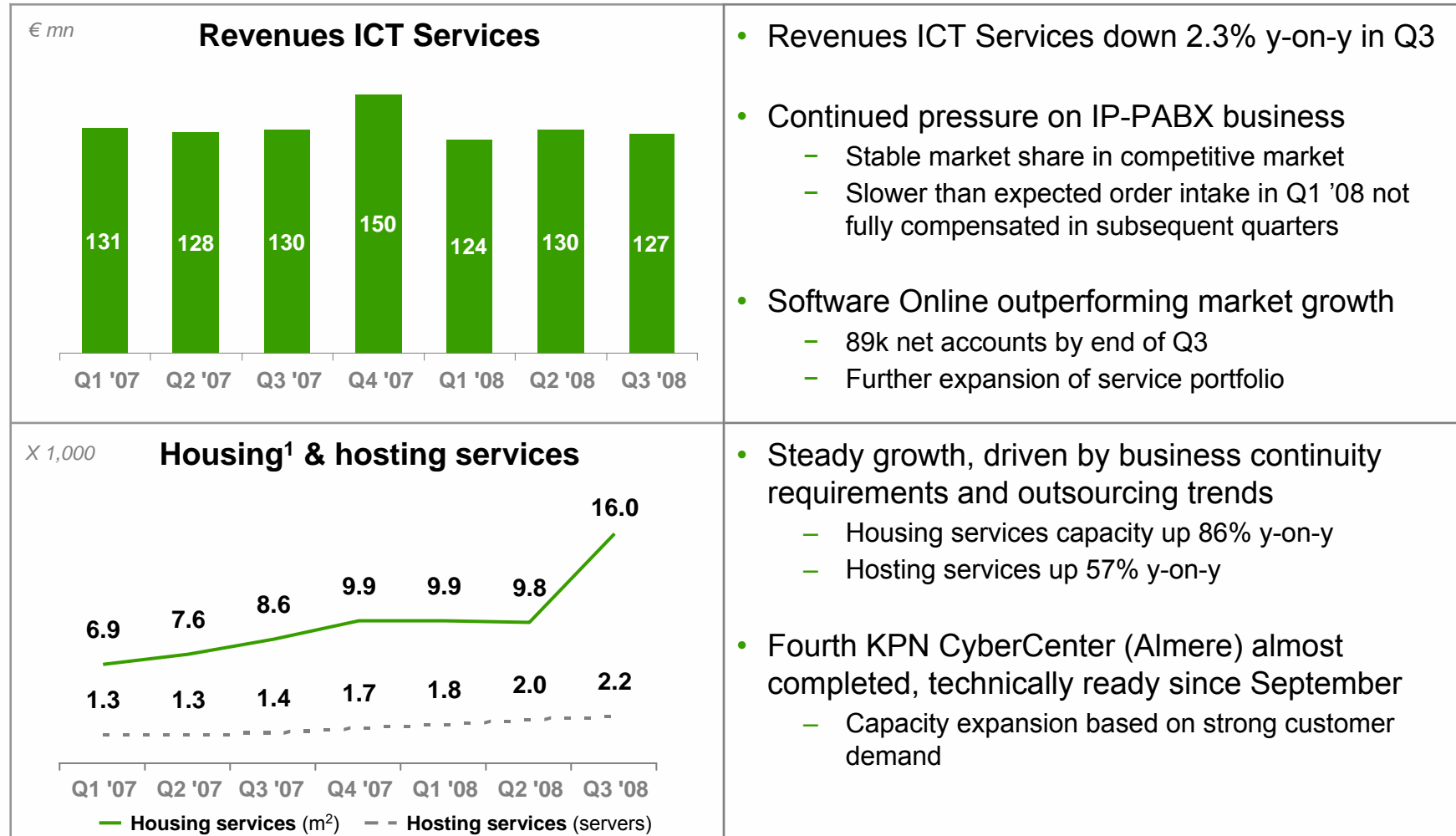
- Over 1 mn voice subscribers, up >4% y-on-y
- Focus on maintaining market share and retaining high value customers
- Service revenues down 1.3% y-on-y
  - Impact from MTA of € 8 mn
  - Actions take to improve ARPU trends
- Focus on mitigating pressure on SAC / SRC

## Data

- Strong revenues growth in wireless data, up ~50% y-on-y
  - Data users representing 41% of customer base
  - Growth in M2M, PDAs and laptop data cards
- Best positioned to capture data market potential due to superior network quality and bandwidth
- Network upgrade to HSDPA 7.2 ready by end of October 2008

# Business – ICT Services

Pressure on IP-PABX business, substantial growth in new services

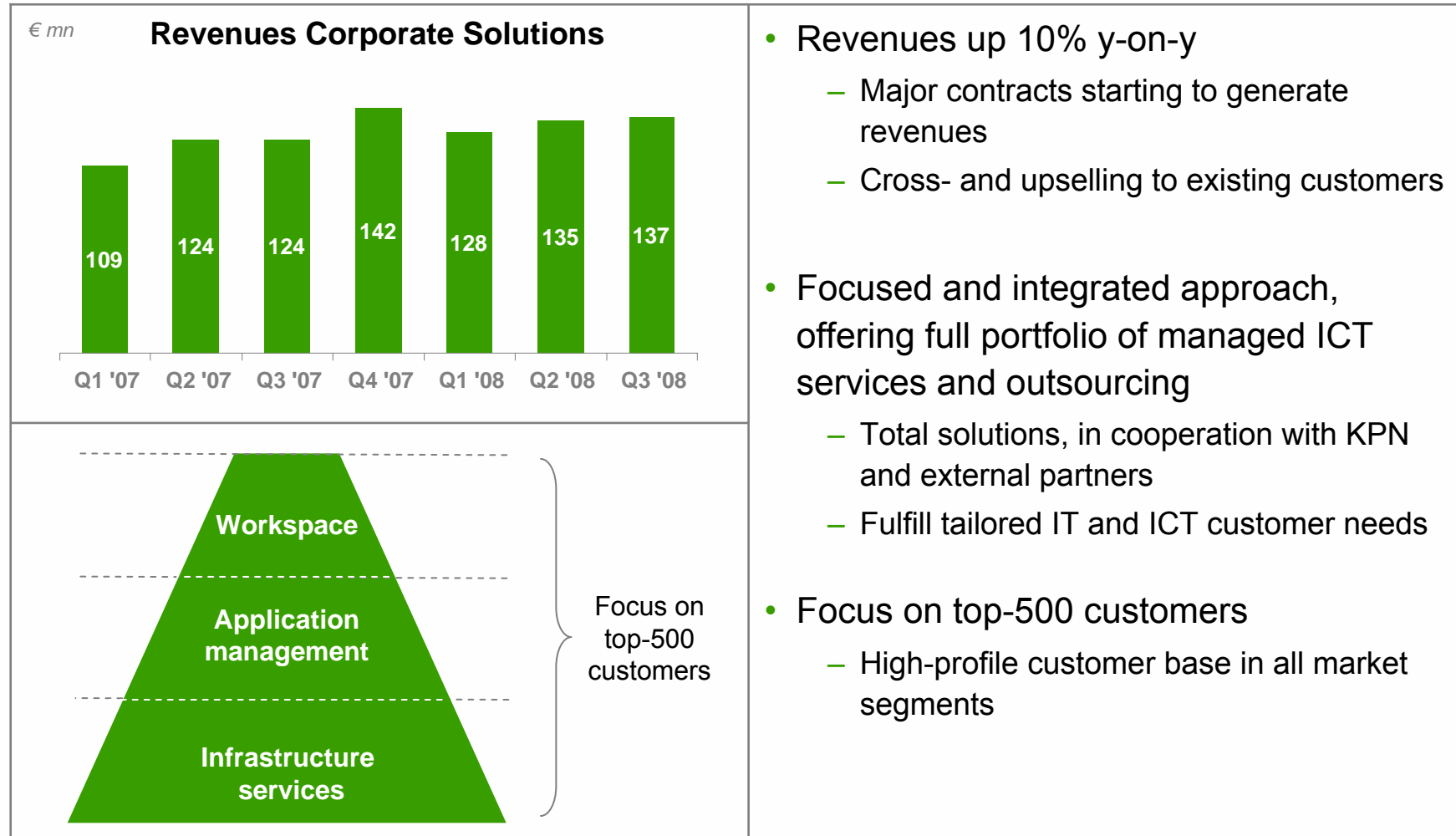


- Revenues ICT Services down 2.3% y-on-y in Q3
- Continued pressure on IP-PABX business
  - Stable market share in competitive market
  - Slower than expected order intake in Q1 '08 not fully compensated in subsequent quarters
- Software Online outperforming market growth
  - 89k net accounts by end of Q3
  - Further expansion of service portfolio
- Steady growth, driven by business continuity requirements and outsourcing trends
  - Housing services capacity up 86% y-on-y
  - Hosting services up 57% y-on-y
- Fourth KPN CyberCenter (Almere) almost completed, technically ready since September
  - Capacity expansion based on strong customer demand

1 Housing services available capacity in m<sup>2</sup>



# Business – Corporate Solutions

Growth in integrated ICT services and outsourcing for large enterprises



# Positioning KPN-Getronics

KPN and Getronics focusing on different segments following integration

	Focus	Services
	<ul style="list-style-type: none"> <li>• Corporate clients (Top-500)</li> <li>• Client-specific services based on standard modules</li> </ul>	<p><b>Market leader in managed workspace services</b></p> <ul style="list-style-type: none"> <li>• Workspace management services</li> <li>• Integration / delivery</li> <li>• Datacenter housing / hosting</li> <li>• Getronics Consulting</li> </ul>
	<ul style="list-style-type: none"> <li>• Large enterprises / SME / SoHo</li> <li>• Standardized services in large quantities</li> </ul>	<p><b>Market leader in telecommunications services</b></p> <ul style="list-style-type: none"> <li>• Wireline and wireless services, both voice and data</li> <li>• Online applications</li> </ul>

# Getronics

Solid operational performance, restructuring and integration on track

## Operational performance Q3 '08

- Solid operational performance from core Benelux operations
  - Q3 impacted by normal seasonality effects, especially in consulting and global services business
  - Impact from divestments, e.g. North America
- Major contract wins in Q3 '08
  - **GOLD**: standardized workspaces for 21,000 civil servants (value € 40 mn)
  - **NXP Semiconductors**: workspaces for 15,000 employees (value € 15 mn)
  - **Martinair**: joint contract with IBM (value € 23 mn)

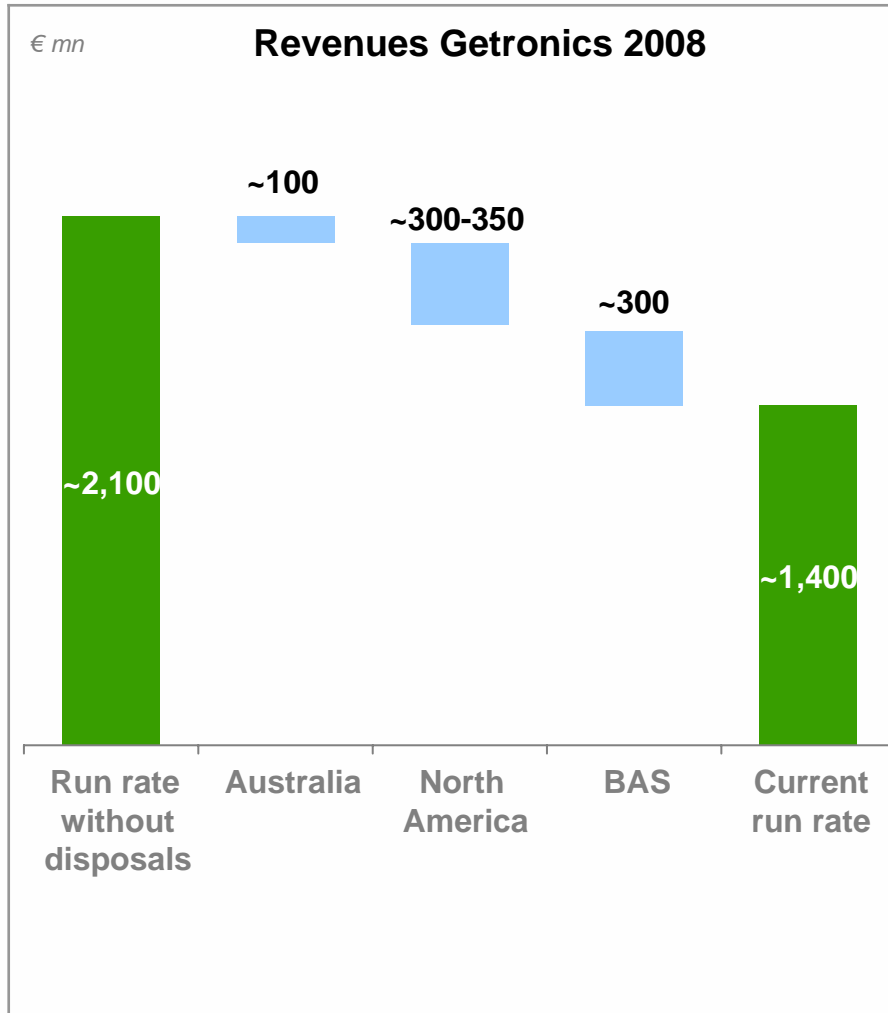
## Integration and restructuring

- € 15 mn integration and restructuring costs in Q3 '08
  - Restructuring and integration costs expected to increase further in Q4
- Integration with KPN Business Market on track
  - Implementation plans in preparation
- New brand strategy and Getronics logo presented on 13 October



# Getronics divestments






Good progress in asset disposal programme



- Business Application Services (BAS) agreed to sell to Capgemini in July
  - Equity value of ~€ 255 mn
- Divestments to date representing € 700-750 mn in annual revenues
  - Total transaction value >€ 500 mn
  - Global delivery capability maintained through partnerships
- Other disposals in the Benelux
  - Business Solutions for local governments and healthcare
  - Document Services

# All-IP achievements to date

Substantial progress in establishing fiber rollout capability

<b>Platforms</b>	<ul style="list-style-type: none"> <li>• Platforms for IP services operational and ready for scaling up             <ul style="list-style-type: none"> <li>– &gt; 1 mn customers on VoIP (15% of Dutch households)</li> <li>– &gt;30k customers on IPTV, without advertising and promotion</li> </ul> </li> </ul>	
<b>Backbone</b>	<ul style="list-style-type: none"> <li>• Ethernet backbone entirely migrated to fiber (38,000 km)</li> <li>• Capacity increase at substantially lower transmission costs</li> </ul>	
<b>IT</b>	<ul style="list-style-type: none"> <li>• New IT infrastructure developed from scratch during 2008             <ul style="list-style-type: none"> <li>– Integrated IT across Consumer and W&amp;O</li> <li>– New customer-facing website live for fiber (<a href="http://www.kpnglasvezel.nl">www.kpnglasvezel.nl</a>)</li> </ul> </li> </ul>	
<b>Reggefiber</b>	<ul style="list-style-type: none"> <li>• Option to expand position in Fiber-to-the-Home (FttH)</li> <li>• Joint venture pending approval from competition authorities</li> </ul>	
<b>MoU's with unbundlers</b>	<ul style="list-style-type: none"> <li>• MoU's with largest unbundlers for migration to All-IP infrastructure</li> <li>• Agreements on tariffs and migration conditions</li> </ul>	

## Key learnings All-IP

Optimizing value creation through managed migration to IP

<b>Change in competitive landscape</b>	<ul style="list-style-type: none"><li>• Several alternative DSL operators acquired by KPN, e.g. Tiscali</li><li>• KPN creating credible presence in TV market with ~10% market share</li><li>• Cable sector consolidating, creating two large players</li><li>• All operators targeting increase in customer value</li></ul>
<b>Focus on operational excellence</b>	<ul style="list-style-type: none"><li>• VoIP issues in 2007 providing key learning points for fiber rollout</li><li>• Establishing fiber rollout capability with focus on operational excellence<ul style="list-style-type: none"><li>– Taking more time to fine tune delivery processes and IT</li></ul></li></ul>
<b>More value from traditional services</b>	<ul style="list-style-type: none"><li>• Value from traditional services higher than initially expected</li><li>• Proactively maintaining traditional services, e.g. with retention offers</li><li>• Cost savings from simplification in brands, customer processes and IT, rather than savings in networks only</li></ul>
<b>Managed migration to IP</b>	<ul style="list-style-type: none"><li>• Managed migration to IP-based services to maximize customer value<ul style="list-style-type: none"><li>– Too quick migration leading to market share loss and ARPU dilution</li><li>– Too slow migration harming competitive position vs. cable</li></ul></li></ul>



# Fiber rollout

Ramp-up as from 2009 following demonstrated commercial success

## Demonstrate commercial success

*Until H1 '09*

## Ramp-up and full-scale rollout

*H2 '09 and beyond*

<b>Objective</b>	<ul style="list-style-type: none"> <li>• Demonstrate commercial success in 5 cities for FttC and FttH each</li> </ul>	<ul style="list-style-type: none"> <li>• Decision on rate of ramp-up based on evaluation in H1 '09</li> </ul>
<b>FttC</b>	<ul style="list-style-type: none"> <li>• Targeting 450k homes passed in FttC per YE '08               <ul style="list-style-type: none"> <li>– Fiber rings and street cabinets installed</li> </ul> </li> <li>• Getting delivery capability in place before mass customer migration               <ul style="list-style-type: none"> <li>– Limited number of activations in 2008</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 700-800k homes passed by YE '09, assuming positive ramp-up decision               <ul style="list-style-type: none"> <li>– In line with commercial migration in Consumer, in order to maximize asset utilization</li> </ul> </li> <li>• Starting sales in ~25 cities as of H2 '09               <ul style="list-style-type: none"> <li>– On top of 2x5 cities started in 2008</li> </ul> </li> </ul>
<b>FttH</b>	<ul style="list-style-type: none"> <li>• FttH projects in Almere, Enschede and several other cities</li> <li>• Upside from Reggefiber joint venture</li> </ul>	<ul style="list-style-type: none"> <li>• Scale dependent on success of current FttH projects, approval Reggefiber JV and regulation</li> </ul>
<b>FttO</b>	<ul style="list-style-type: none"> <li>• Rollout completed in 92 business parks per Q3 '08</li> </ul>	<ul style="list-style-type: none"> <li>• Further rollout driven by customer demand</li> </ul>
<b>Capex</b>	<ul style="list-style-type: none"> <li>• ~€ 300 mn invested in fiber rings, street cabinets, platforms and IT in 2007-2008</li> </ul>	

## Real estate proceeds of ~ €150 mn expected in 2008

Focus on optimization of value rather than timing of proceeds

### Status disposals

- Expecting proceeds of ~€ 150 mn in 2008 from real estate disposals
- Focus on optimizing value rather than timing of disposals
  - State of financial markets affecting speed of real estate disposal program
- Expecting to conclude negotiations on sale of more properties in Q4 '08
- Total portfolio value is estimated at around € 1 bn as announced in 2005

### Real estate optimization

- Real estate disposals largely independent from network rollout
  - After disposal, buildings continue to be used with temporary lease-back agreements until vacated
  - Allowing for redevelopment of premises
  - Buildings to be vacated completely or partially
- Asset optimization leading to lower floor space usage in exchanges
  - Reduction in amount of equipment used, ahead of vacating buildings
  - Lower costs for using real estate

# Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
Financial review	Marcel Smits, CFO
Operating review The Netherlands	Ad Scheepbouwer, Chairman and CEO
<b>Operating review Mobile Int'l</b>	<b>Ad Scheepbouwer, Chairman and CEO</b>
Concluding remarks	Ad Scheepbouwer, Chairman and CEO



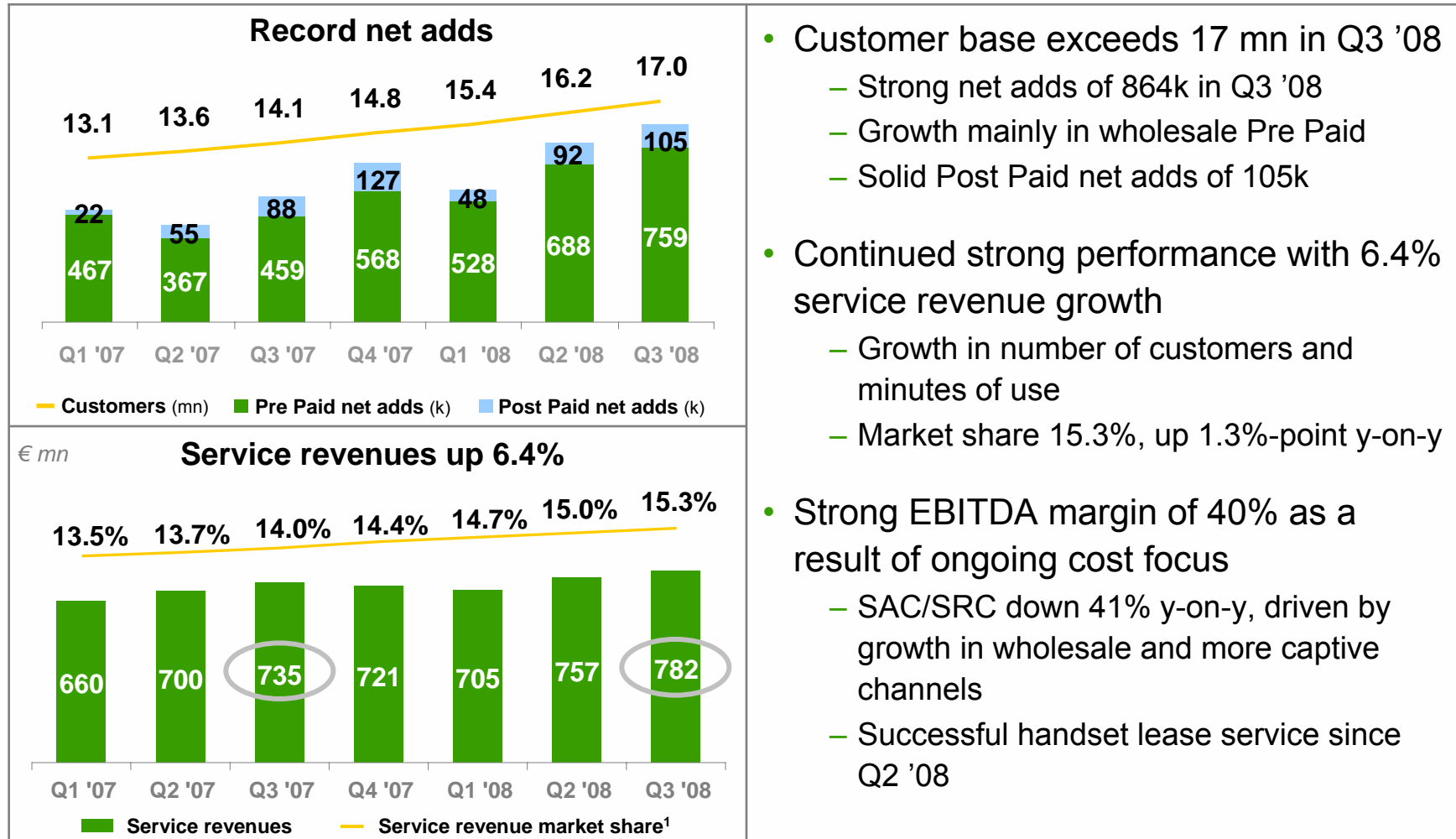
# Market trends Germany

Challenger strategy continues to unlock value from German market

	German market	E-Plus
General	<ul style="list-style-type: none"> <li>Market growth flat over past two quarters               <ul style="list-style-type: none"> <li>Impact from regulatory tariff cuts</li> <li>Rotational churn to lower prices</li> <li>Partly offset by wireless traffic growth</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Consistent outperformance of the market in service revenue growth by ~8%-points</li> </ul>
Voice	<ul style="list-style-type: none"> <li>Gradual Fixed-Mobile substitution               <ul style="list-style-type: none"> <li>~25% of total minutes are wireless (vs. European average of ~45%)</li> <li>~10% of households mobile-only (up from ~5% in 2006)</li> </ul> </li> <li>Decrease in minute pricing slowing down</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in minute pricing slowing down</li> <li>Minutes of use up ~10% y-on-y</li> </ul>
Data	<ul style="list-style-type: none"> <li>Growth in (3G) wireless data traffic and investments</li> <li>Competitors offering own DSL services combined with wireless</li> </ul>	<ul style="list-style-type: none"> <li>Selective in 3G and data</li> <li>Focus on target areas / segments with proven demand</li> </ul>

# Operating review E-Plus

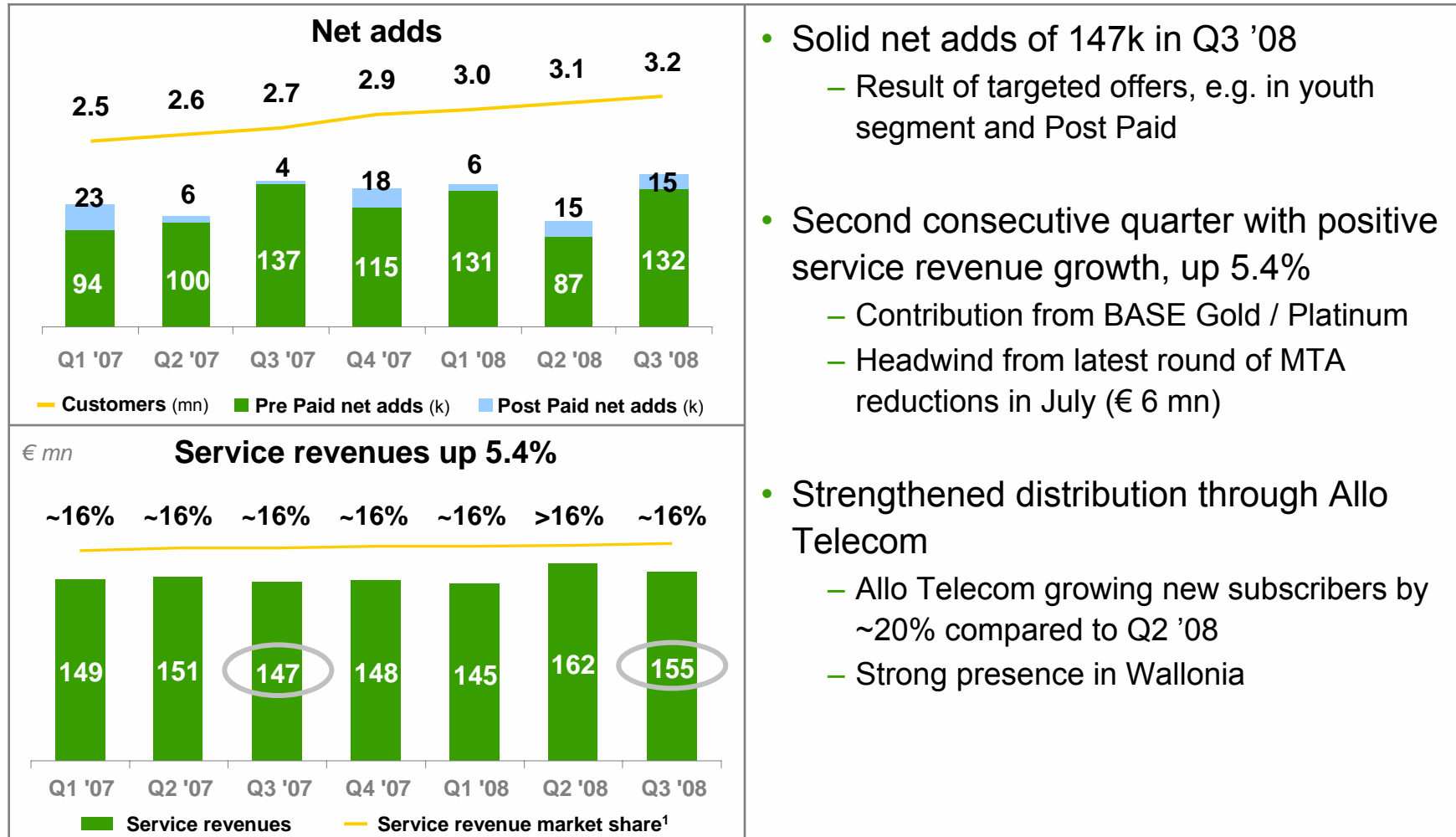
Continued strong performance with 6.4% service revenue growth



<sup>1</sup> Management estimates, based on service revenues

# Operating review BASE

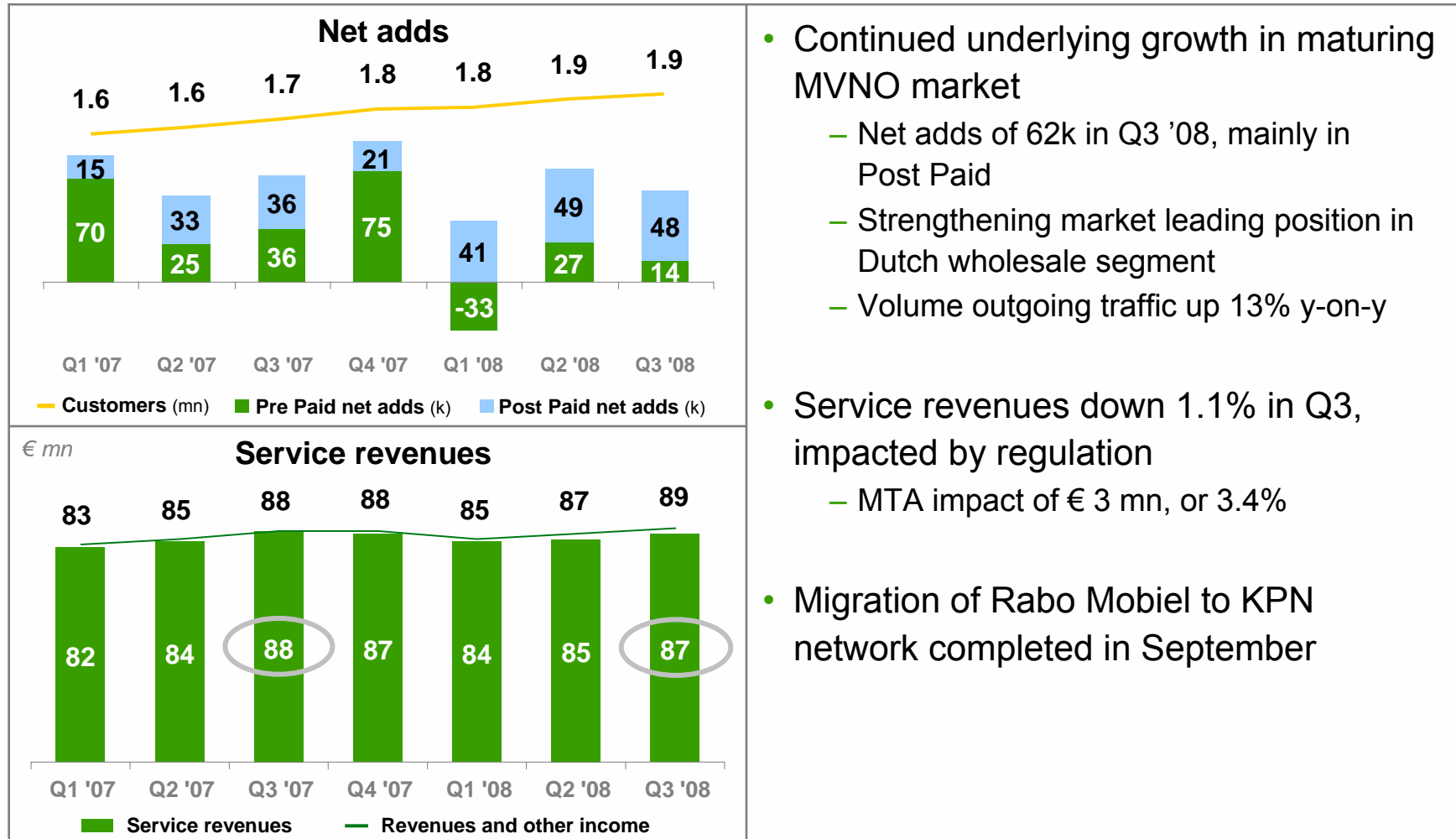
Solid service revenue growth of 5.4% in Q3 '08



<sup>1</sup> Management estimates, based on revenues

# Operating review Mobile Wholesale NL

Further strengthening market leading position



## International wholesale

Further growth from international wholesale activities

MVNO Spain



- Still in start-up phase
- Ongoing growth in customer base through own brands and partners
- New wholesale partners added in Q3
  - Introduction of 'blau', leveraging successful 'no-frills' brand

MVNO France

- Intention to launch MVNO in France on Bouygues network
- Leveraging expertise in executing MVNOs and multi-brand strategies outside current footprint

Ortel Mobile



- Outperforming the market in the ethnic segment in the Netherlands, Belgium and Germany
- Introduction of 'Roam-Like-Home' offering calls within KPN's footprint (Netherlands, Germany, Belgium) for attractive on-net rates



# Agenda

Chairman's review	Ad Scheepbouwer, Chairman and CEO
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Operating review Mobile Int'l	Ad Scheepbouwer, Chairman and CEO
<b>Concluding remarks</b>	<b>Ad Scheepbouwer, Chairman and CEO</b>



A large green decorative shape in the top-left corner, resembling a curved arrow pointing right.

## Concluding remarks

- Solid third quarter results
- The Netherlands comfortably delivering on upgraded EBITDA guidance for 2008
- Mobile International showing continued profitable growth
- Confirming 2010 objectives as stated in 'Back to Growth' strategy
- Solid liquidity profile after Q3 bond issue, announcing € 1 bn share buyback for 2009



# Q & A





# Annex

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## Analysis of results

Key items worth mentioning in results interpretation

€ mn		Q3 '08	Q3 '07	YTD '08	YTD '07
Revenue effect MTA tariff reduction	Group	-45	-47	-124	-113
EBITDA effect MTA tariff reduction	Group	-22	-27	-65	-60
Book gain on sale of subsidiaries	Other/W&O	2		8	4
Book gain on sale of real estate	W&O	20	30	38	86
Additional costs to solve VoIP issues	NL		-10		-55
Restructuring charges	Group	-21	-12	-251	-26
Depreciation effect Telfort network integration	W&O				-32
Amortization effect Telfort network integration	W&O				-116
Accelerated depreciation copper network	W&O	-17		-54	
Release pension provisions	Other			199	
Goodwill impairment	Getronics			-22	

# MTA regulation

## The Netherlands

€ cents per minute	15 Aug '07	1 July '08	1 April '09	1 July '09
KPN	10.0	9.0	8.0	7.0
Vodafone	10.0	9.0	9.0	7.0
T-Mobile	11.4	10.4	10.4	8.1
Avg. asymmetry	1.4	1.4	2.4	1.1

## Germany

- MTA tariffs valid from 1 December 2007 until 31 March 2009
  - T-Mobile / Vodafone lowered from € 8.78 to € 7.92 cents per minute
  - E-Plus / O<sub>2</sub> lowered from € 9.94 to € 8.80 cents per minute

## Belgium

- BIPT proposal for less asymmetry suspended
- Former glide path with more asymmetry remains in place for now and has been implemented retrospectively as of 1 February

€ cents per minute	1 May '08	1 July '08
BASE	11.82	10.41
Proximus	7.48	6.56
Mobistar	9.38	8.21
Avg. asymmetry	3.39	3.03

# Impact MTA reduction<sup>1</sup>

€ mn	Q3 '08		YTD '08	
	Revenues	EBITDA <sup>2</sup>	Revenues	EBITDA <sup>2</sup>
E-Plus	-12	-7	-35	-20
BASE	-6	-4	-20	-14
Mobile Wholesale NL	-3	-2	-8	-6
<b>Mobile International</b>	<b>-21</b>	<b>-13</b>	<b>-63</b>	<b>-40</b>
Consumer	-15	-7	-41	-21
Business	-8	-2	-20	-4
Wholesale & Operations	-7	-	-16	-
<b>The Netherlands</b>	<b>-30</b>	<b>-9</b>	<b>-77</b>	<b>-25</b>
Intercompany	6		16	
<b>KPN Group</b>	<b>-45</b>	<b>-22</b>	<b>-124</b>	<b>-65</b>

1 Additional decline compared to 2007

2 Defined as Operating result plus depreciation, amortization and impairments

## Restructuring charges

€ mn	Q3 '08	YTD '08
E-Plus BASE Mobile Wholesale NL	-3	-3
<b>Mobile International</b>	<b>-3</b>	<b>-3</b>
Consumer Business Getronics Wholesale & Operations	-6 -1 -3 -2	-9 -1 -5 -12
<b>The Netherlands</b>	<b>-12</b>	<b>-27</b>
Other	-6	-221
<b>KPN Group</b>	<b>-21</b>	<b>-251</b>



# Revenues in the Netherlands

Per guidance definition<sup>1</sup>

Revenues and other income				
	YTD '08	Q3 '08	Q2 '08	Q1 '08
<b>Reported</b>	<b>7,828</b>	<b>2,597</b>	<b>2,637</b>	<b>2,594</b>
Getronics	1,484	465	504	515
iBasis / KGCS	680	227	234	219
Other gains and losses, eliminations	-178	-68	-61	-49
<b>The Netherlands</b>	<b>5,842</b>	<b>1,973</b>	<b>1,960</b>	<b>1,909</b>
<i>Of which:</i>				
Consumer	3,008	1,021	1,007	980
Business	2,416	809	812	795
Wholesale & Operations	2,306	763	776	767
Other	-1,888	-620	-635	-633

Y-on-Y growth			
YTD '08	Q3 '08	Q2 '08	Q1 '08
<b>25%</b>	<b>23%</b>	<b>25%</b>	<b>26%</b>

<b>0.5%</b>	<b>1.8%</b>	<b>1.3%</b>	<b>-1.5%</b>
-------------	-------------	-------------	--------------

-3.7%	-3.0%	-2.4%	-5.5%
-2.0%	-0.1%	-1.6%	-4.2%
1.0%	2.8%	2.4%	-2.0%
-8.3%	-6.9%	-6.8%	-11%

External revenues and other income				
	YTD '08	Q3 '08	Q2 '08	Q1 '08
<b>Reported</b>	<b>7,659</b>	<b>2,537</b>	<b>2,580</b>	<b>2,542</b>
Getronics	1,445	449	492	504
iBasis / KGCS	544	177	188	179
Other gains and losses, eliminations	31	7	7	17
<b>The Netherlands</b>	<b>5,639</b>	<b>1,904</b>	<b>1,893</b>	<b>1,842</b>
<i>Of which:</i>				
Consumer	2,823	960	947	916
Business	2,294	767	772	755
Wholesale & Operations	520	176	174	170
Other	2	1	0	1

<b>25%</b>	<b>24%</b>	<b>26%</b>	<b>27%</b>
------------	------------	------------	------------

<b>-0.9%</b>	<b>0.5%</b>	<b>-0.1%</b>	<b>-3.1%</b>
--------------	-------------	--------------	--------------

-2.8%	-2.2%	-1.0%	-5.0%
-1.6%	-0.1%	-1.2%	-3.8%
15%	21%	11%	12%

<sup>1</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring costs (until Q2 2008) and book gains on sale of real estate

# EBITDA in the Netherlands

Per guidance definition<sup>1</sup>

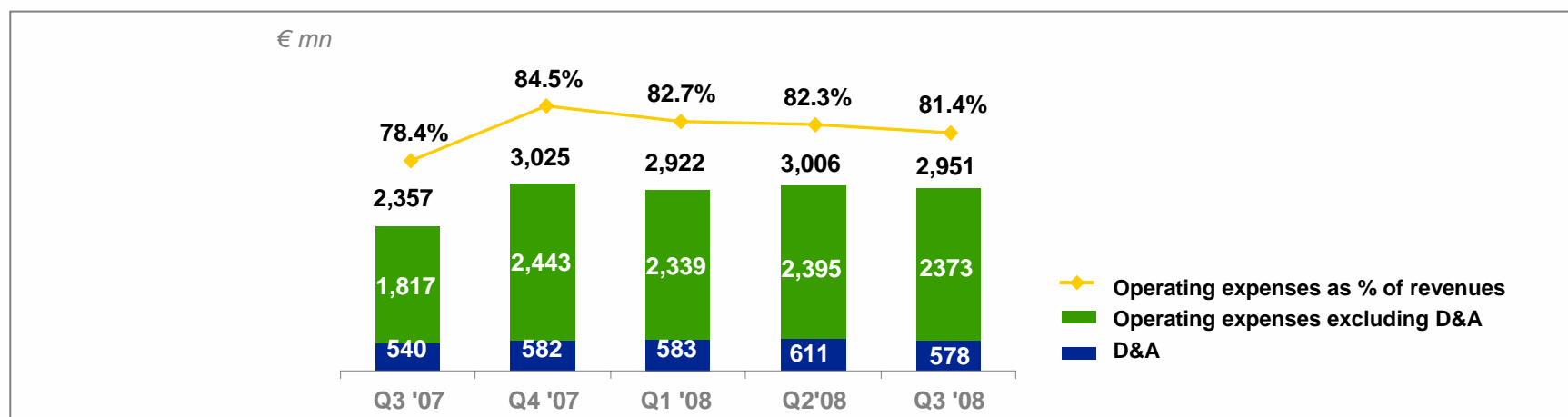
EBITDA				
	YTD '08	Q3 '08	Q2 '08	Q1 '08
<b>Reported</b>	<b>2,667</b>	<b>890</b>	<b>900</b>	<b>877</b>
Getronics	76	18	34	24
iBasis / KGCS	20	7	7	6
Restructuring costs	-13	n.a.	-11	-2
Other gains and losses, eliminations	31	7	6	18
<b>The Netherlands</b>	<b>2,553</b>	<b>858</b>	<b>864</b>	<b>831</b>
<i>Of which:</i>				
Consumer	590	194	202	194
Business	587	199	198	190
Wholesale & Operations	1,343	457	442	444
Other	33	8	22	3

Y-on-Y growth			
YTD '08	Q3 '08	Q2 '08	Q1 '08
<b>2.4%</b>	<b>6.0%</b>	<b>-0.7%</b>	<b>2.1%</b>
<b>1.9%</b>	<b>6.6%</b>	<b>2.1%</b>	<b>-2.7%</b>
6.1%	8.4%	3.1%	7.2%
3.0%	6.4%	4.8%	-2.1%
-1.9%	5.1%	-4.3%	-5.9%

<sup>1</sup> The Netherlands excluding Getronics, iBasis/iBasis the Netherlands, restructuring costs (until Q2 2008) and book gains on sale of real estate

# Operating expenses

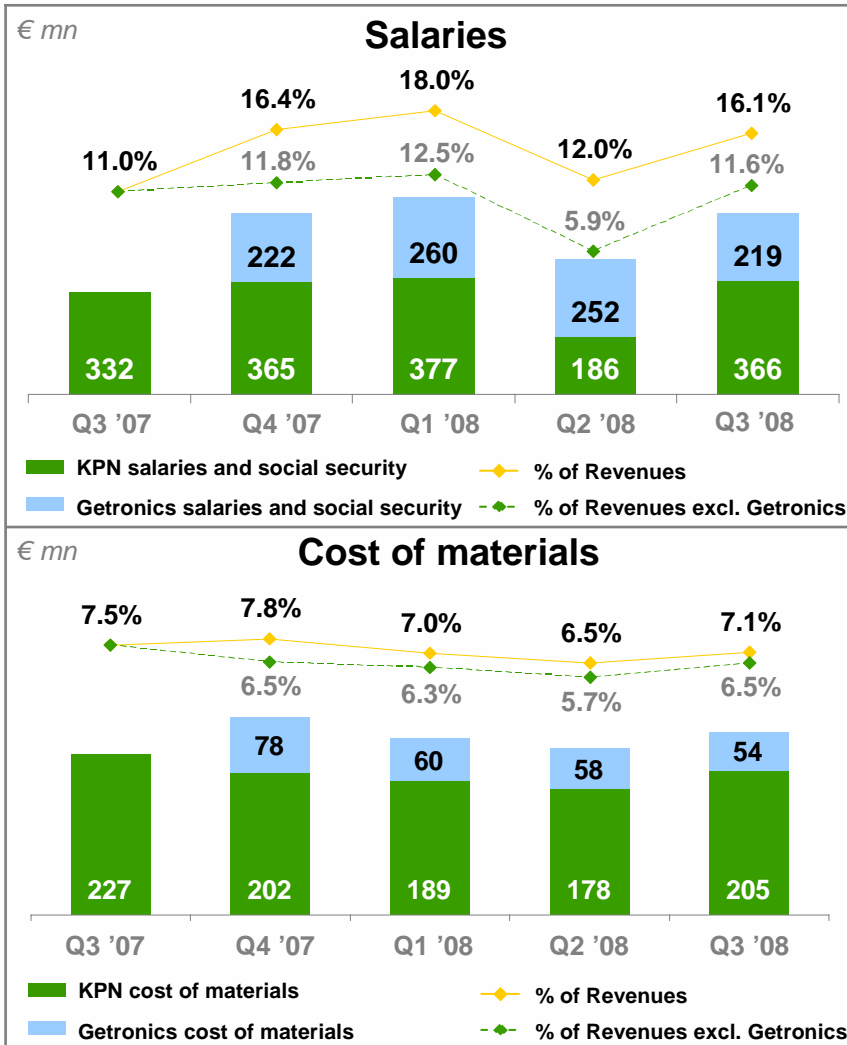
€ mn	Q3 '08	Q3 '07	%
Salaries and social security contributions	585	332	76.2%
Cost of materials	259	227	14.1%
Work contracted out and other expenses	1,332	1,126	18.3%
Own work capitalized	-30	-30	0.0%
Other operating expenses	227	162	40.1%
Depreciation <sup>1</sup>	401	380	5.5%
Amortization <sup>1</sup>	177	160	10.6%
<b>Total</b>	<b>2,951</b>	<b>2,357</b>	<b>25.2%</b>



<sup>1</sup> Including impairments, if any

# Analysis operating expenses<sup>1</sup>

## Salaries & Cost of materials



### Y-on-Y increase

- Impact of acquisitions, partly offset by headcount reductions

### Q-on-Q increase

- Release of € 199 mn pension provision in Q2
- Partly offset by Getronics North America divestment

### Y-on-Y decrease

- Less handset sales due to SIM-only and wholesale offers

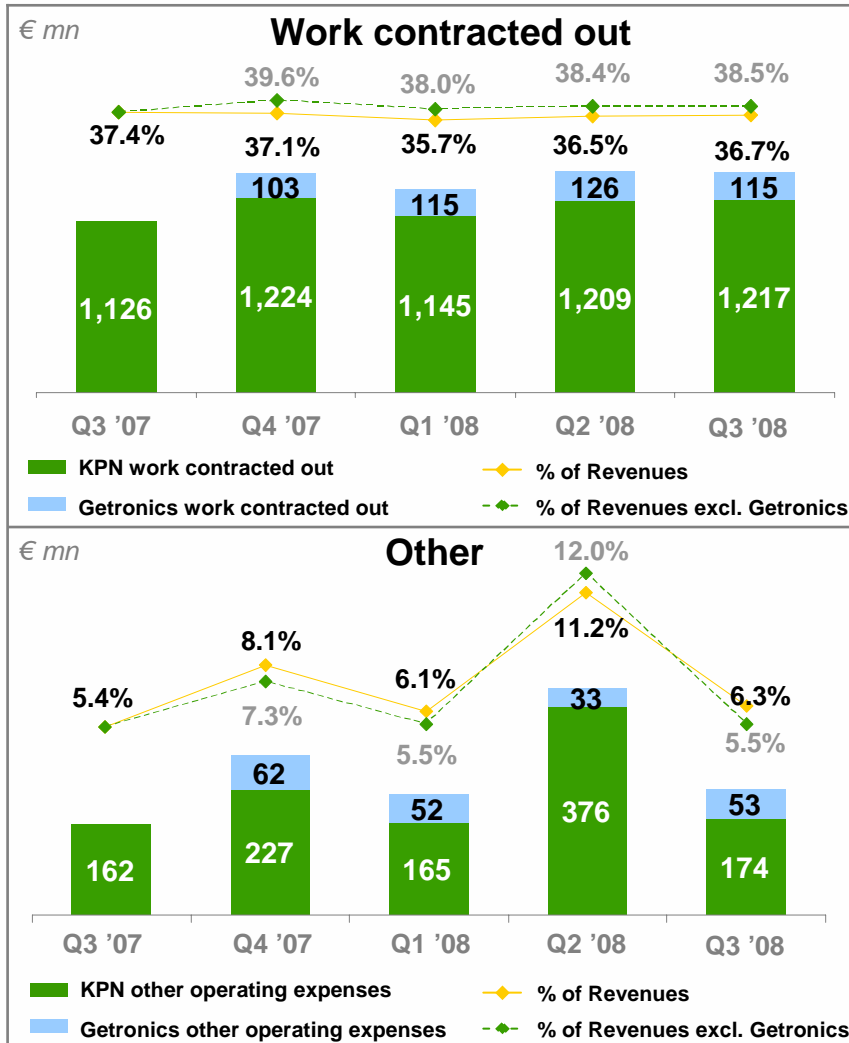
### Q-on-Q increase

- More expensive handsets / smartphones sold

<sup>1</sup> Year-on-year and quarter-on-quarter analysis excluding Getronics acquisition

# Analysis operating expenses<sup>1</sup>

## Work contracted out & Other



### Y-on-Y increase

- Higher wireless traffic volumes
- Partly offset by lower wireline volumes

### Q-on-Q increase

- Higher wireless traffic volumes
- Higher distribution costs at E-Plus and Consumer

### Y-on-Y increase

- Fiscal release in Q3 2007 of € 13 mn

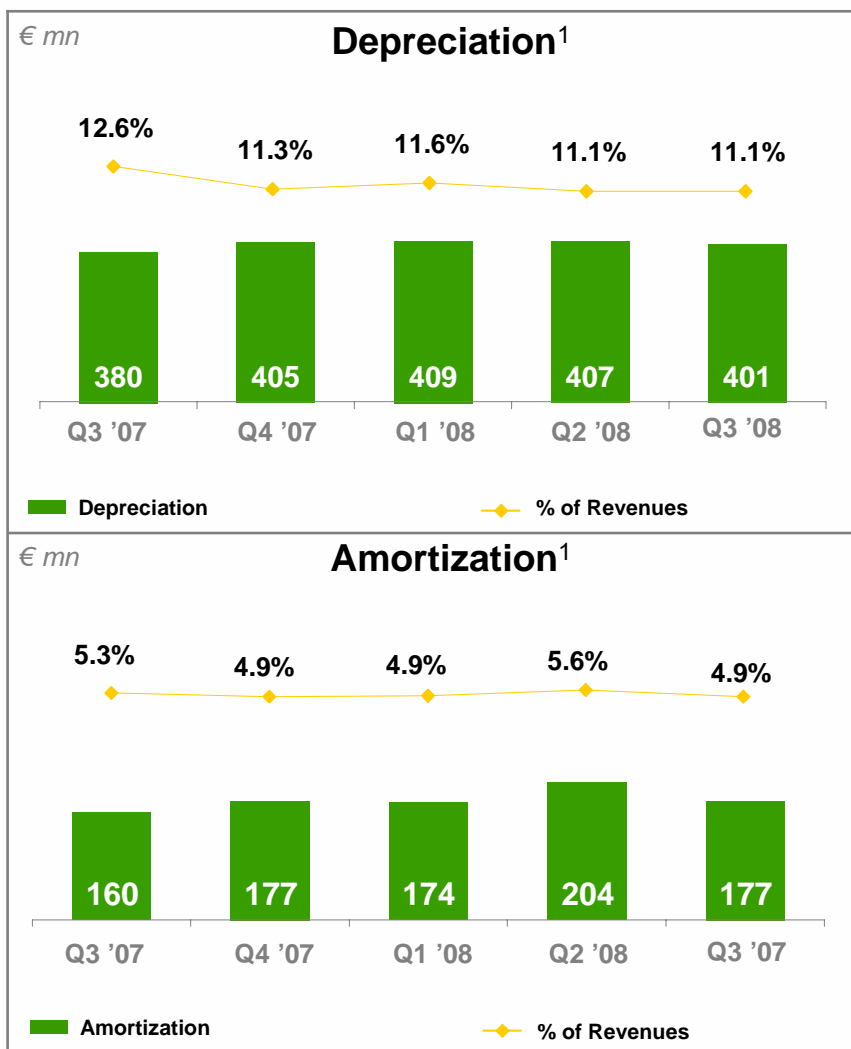
### Q-on-Q decrease

- Restructuring provision of € 207 mn in Q2
- Release of provision at Getronics of € 9 mn in Q2

<sup>1</sup> Year-on-year and quarter-on-quarter analysis excluding Getronics acquisition

# Analysis operating expenses

## Depreciation & Amortization



### Y-on-Y decrease

- Lower asset base due to less CAPEX spending in prior years
- Accelerated depreciation of € 17 mn on the copper network in Q3 '08
- Consolidation Getronics and iBasis

### Y-on-Y increase

- Amortization from Getronics and iBasis

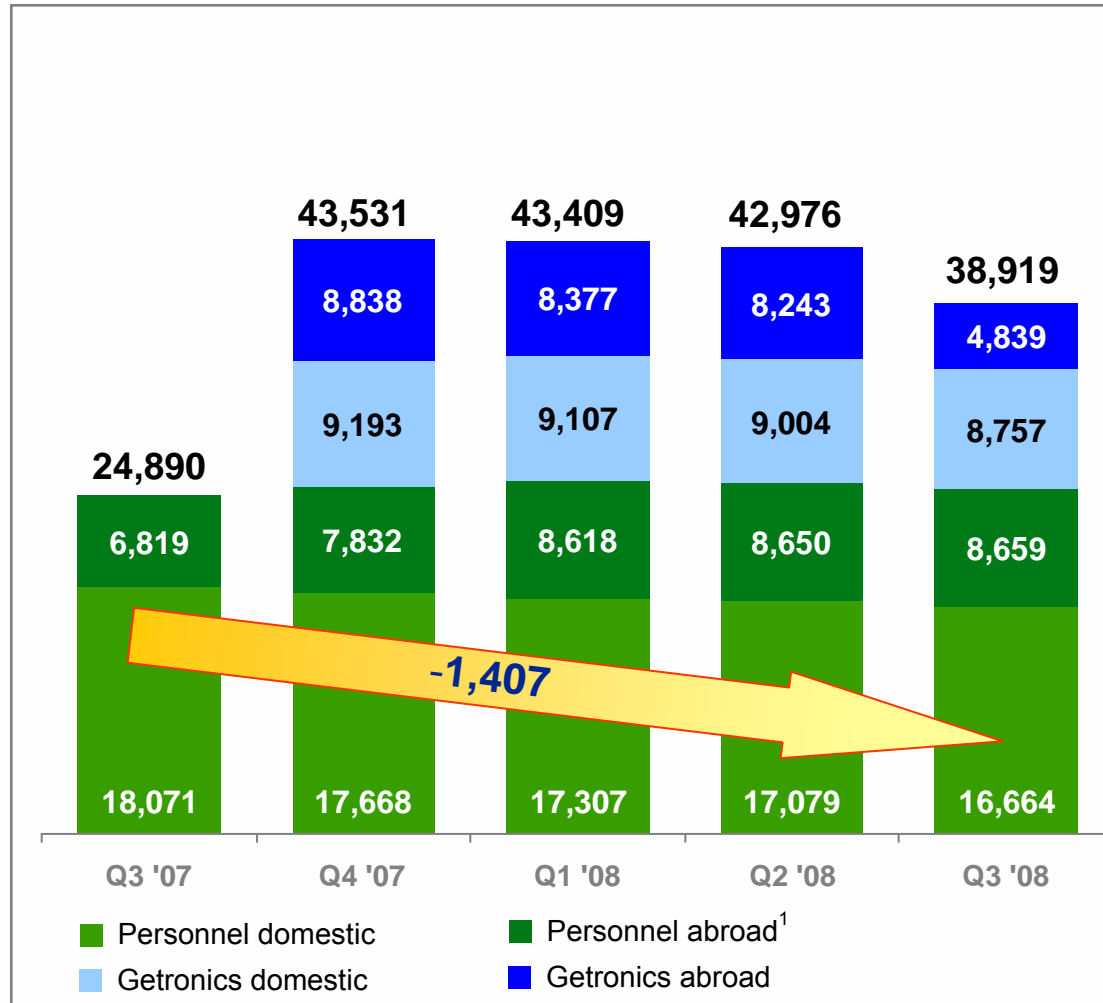
### Q-on-Q increase

- Impairment of goodwill at Getronics in Q2

<sup>1</sup> Including impairments, if any

# Personnel

Divestments at Getronics and continued underlying decline in the Netherlands



- Personnel increase Y-on-Y of 14,029 FTE
  - 13,596 FTE increase from Getronics
  - 1,407 FTE reduction in the Netherlands (excl. Getronics)
  - Reduction of 1,458 FTE in the Netherlands excluding acquisitions
- FTE decrease of 4,057 FTE compared to Q2
  - Decrease of 3,651 FTE at Getronics due divestment of North America and continued restructuring
  - Reduction of 415 FTE in the Netherlands<sup>2</sup>, no acquisitions

<sup>1</sup> Including ~4,400 FTE in call center activities abroad, reported under Consumer the Netherlands

<sup>2</sup> Including Station to Station, consolidated as of 1 May (65 FTE)

# Tax

Fiscal units (€ mn)	P&L		Cash flow	
	Q3 '08	Q3 '07	Q3 '08	Q3 '07
Dutch activities	-88	-167	-137	-38
Getronics	6	-	-	-
German Mobile activities	-81	-6	-1	-
Belgian Mobile activities	-9	-9	-	-
Other activities	-	-	-	-
<b>Total</b>	<b>-172</b>	<b>-182</b>	<b>-138</b>	<b>-38</b>

- € 138 mn net corporate tax paid
  - Tax recapture on E-Plus EBITDA of € 68 mn paid to Dutch fiscal authorities
  - NOLs at KPN Mobile the Netherlands exhausted as of Q3 '07
- Tax expense in the Netherlands in Q3 '07 includes additional tax charges for previous years
- Higher tax expense in Germany due to recognition of deferred tax asset at E-Plus in Q4 '07



## Net cash flow from operating activities

€ mn	Q3 '08	Q3 '07	YTD '08	YTD '07
<b>Operating Result</b>	<b>701</b>	<b>680</b>	<b>2,005</b>	<b>1,866</b>
Depreciation, amortization and impairments	578	540	1,772	1,818
Interest paid	-106	-95	-380	-348
Income tax paid	-138	-38	-329	-80
Other income	-24	-31	-47	-91
Share based compensation	14	2	15	7
Change in provisions	-48	-66	-150	-198
<b>Net cash flow from operating activities <i>before changes in working capital</i></b>	<b>977</b>	<b>992</b>	<b>2,886</b>	<b>2,974</b>
Inventory	-5	3	-9	-5
Trade receivables	25	32	111	-3
Other current assets	45	28	-136	-98
Current liabilities	-166	-93	-151	-190
<b>Change in working capital</b>	<b>-101</b>	<b>-30</b>	<b>-185</b>	<b>-296</b>
<b>Net cash flow from operating activities</b>	<b>876</b>	<b>962</b>	<b>2,701</b>	<b>2,678</b>
Capex <sup>1</sup>	-505	-378	-1,312	-981
Proceeds from real estate	26	42	40	124
Tax recapture E-Plus	68		185	
<b>Free cash flow<sup>2</sup></b>	<b>465</b>	<b>626</b>	<b>1,614</b>	<b>1,821</b>

1 Including Property, Plant & Equipment and software

2 Defined as Net cash flow from operating activities plus proceeds from real estate minus Capex, excluding tax recapture at E-Plus

## Total cash flow

€ mn	Q3 '08	Q3 '07	YTD '08	YTD '07
<b>Net cash flow from operating activities</b>	<b>876</b>	<b>962</b>	<b>2,701</b>	<b>2,678</b>
Capex <sup>1</sup>	-505	-378	-1,312	-981
Acquisitions	-9	-300	-171	-533
Disposals real estate	26	42	40	124
Disposals other	117	16	115	31
Other	-5	1	-18	-7
<b>Net cash flow from investing activities</b>	<b>-376</b>	<b>-619</b>	<b>-1,346</b>	<b>-1,366</b>
Dividends paid	-344	-337	-981	-982
Share repurchases	-427	-666	-1,000	-1,174
Debt financing <sup>2</sup>	848	698	1,517	708
Other	-65	2	-56	25
<b>Net cash flow used in financing activities</b>	<b>12</b>	<b>-303</b>	<b>-520</b>	<b>-1,423</b>
<b>Changes in cash and cash equivalents</b>	<b>512</b>	<b>40</b>	<b>835</b>	<b>-111</b>

1 Including Property, Plant & Equipment and software

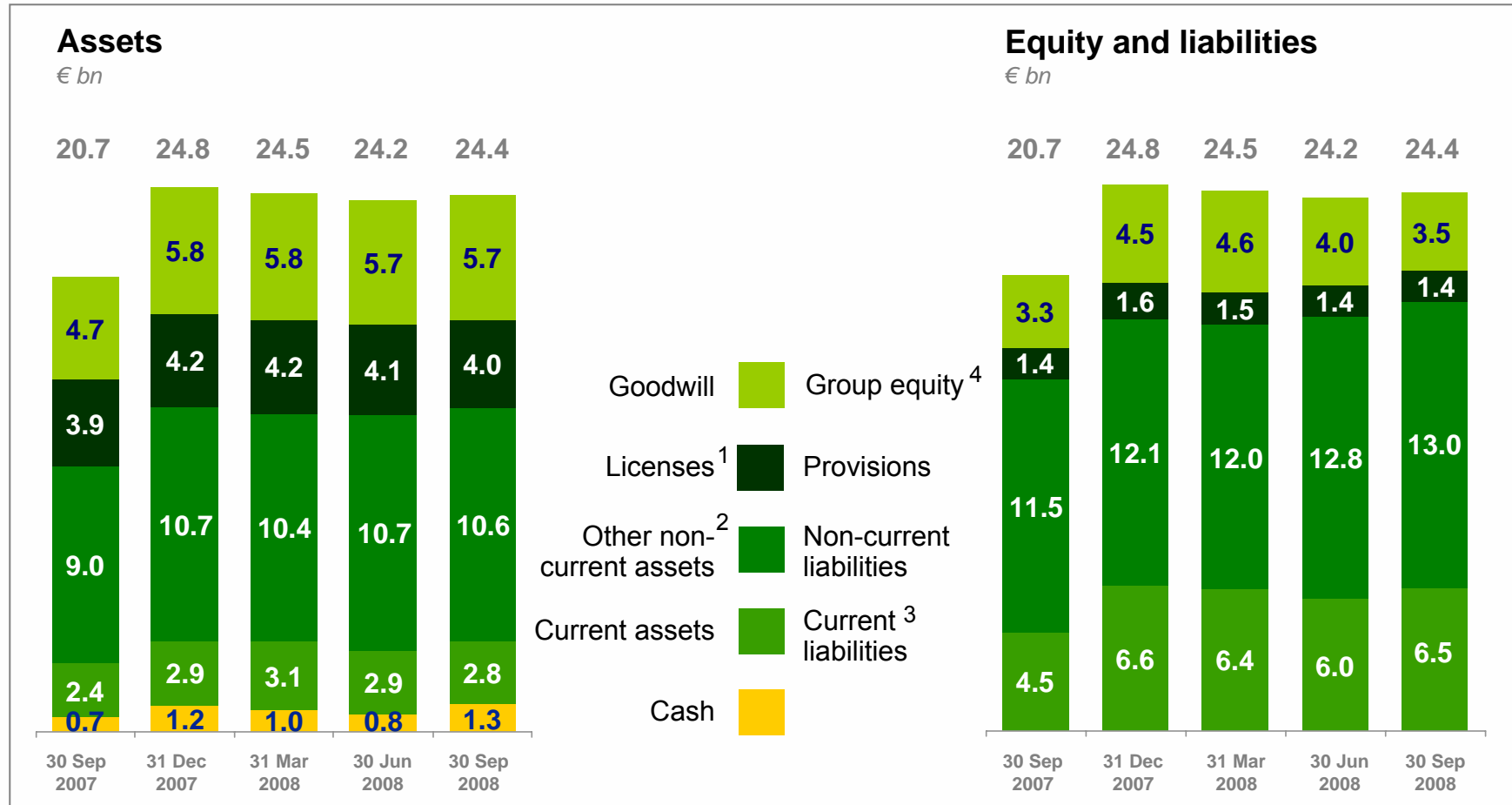
2 Reclassification of credit facility as it is used as bank overdraft and therefore included in net cash and cash equivalents as of 2008. Restated numbers for Q1 2008 following reclassification

# Capex<sup>1</sup>

€ mn	Q3 '08	Q3 '07	%	YTD '08	YTD '07	%
<b>Mobile International</b>	<b>188</b>	<b>132</b>	<b>42.4%</b>	<b>412</b>	<b>370</b>	<b>11.4%</b>
<i>% Revenues Mobile International</i>	<i>16.6%</i>	<i>13.0%</i>		<i>12.6%</i>	<i>12.6%</i>	
E-Plus	145	95	52.6%	332	286	16.1%
<i>% Revenues E-Plus</i>	<i>17.3%</i>	<i>12.4%</i>		<i>13.8%</i>	<i>13.0%</i>	
BASE	33	36	-8.3%	58	81	-28.4%
<i>% Revenues BASE</i>	<i>20.5%</i>	<i>23.8%</i>		<i>12.0%</i>	<i>17.7%</i>	
Mobile Wholesale NL	1	1	0.0%	2	2	0.0%
<i>% Revenues Mobile Wholesale NL</i>	<i>1.1%</i>	<i>1.1%</i>		<i>0.8%</i>	<i>0.8%</i>	
<b>The Netherlands</b>	<b>320</b>	<b>245</b>	<b>30.6%</b>	<b>899</b>	<b>610</b>	<b>47.4%</b>
<i>% Revenues the Netherlands</i>	<i>12.4%</i>	<i>11.8%</i>		<i>11.6%</i>	<i>9.8%</i>	
Consumer	56	36	55.6%	156	121	28.9%
<i>% Revenues Consumer</i>	<i>5.5%</i>	<i>3.4%</i>		<i>5.2%</i>	<i>3.9%</i>	
Business	56	49	14.3%	170	104	63.5%
<i>% Revenues Business</i>	<i>6.9%</i>	<i>6.0%</i>		<i>7.0%</i>	<i>4.2%</i>	
Getronics	13			38		
<i>% Revenues Getronics</i>	<i>2.8%</i>			<i>2.6%</i>		
Wholesale & Operations	181	145	24.8%	503	371	35.6%
<i>% Revenues Wholesale &amp; Operations</i>	<i>19.6%</i>	<i>16.3%</i>		<i>17.9%</i>	<i>13.8%</i>	
<b>Other</b>	<b>-3</b>	<b>1</b>	<i>n/a</i>	<b>1</b>	<b>1</b>	<i>0.0%</i>
<b>Total</b>	<b>505</b>	<b>378</b>	<b>33.6%</b>	<b>1,312</b>	<b>981</b>	<b>33.7%</b>
<i>% Revenues</i>	<i>13.9%</i>	<i>12.6%</i>		<i>12.1%</i>	<i>11.0%</i>	

<sup>1</sup> Including Property, Plant & Equipment and software

# Balance sheet



- 1 Including other intangibles
- 2 Including Property, Plant & Equipment and software
- 3 Current liabilities include approximately € 0.64 bn of non-netted cash balances per Q3 '08
- 4 Including minority interest

## Share repurchase progress

Date <sup>1</sup>	Value (€ mn)	mn shares	Avg. share price (€)
Q1 '08	212.5	18.1	11.75
Q2 '08	423.7	37.5	11.28
July	166.6	15.4	10.82
August	105.2	9.4	11.19
September	92.3	8.1	11.37
Q3 '08	364.1	32.9	11.06
<b>Total</b>	<b>1,000</b>	<b>88.5</b>	<b>11.30</b>

- € 1 bn share repurchase program commenced on 22 February 2008
  - 100% completed on 17 September
  - 88.5 mn shares repurchased
- € 6.8 bn in shares repurchased between start in 2004 and Q3 '08
  - Average price of € 8.75
- Number of outstanding shares amounting to 1,745,066,080 as of 17 september 2008
  - 57,836,433 shares cancelled on 17 September
  - 30.1% of outstanding shares cancelled since 2004

<sup>1</sup> Figures based on transaction date of share repurchases

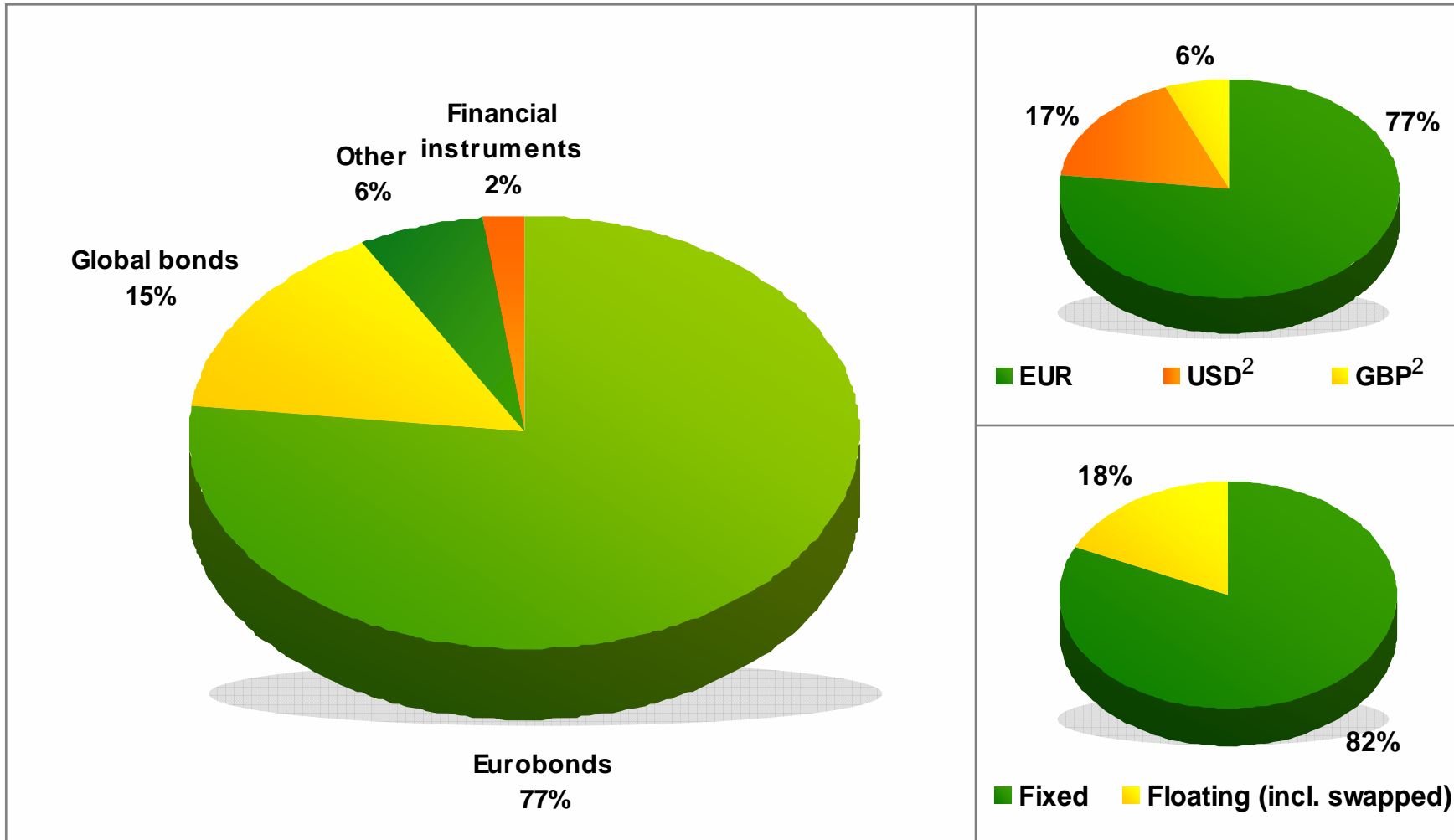
## Debt summary

€ bn	Q3 '08	Q2 '08	Q3 '07
<b>Bonds</b>	<b>11.99</b>	<b>10.89</b>	<b>9.21</b>
Eurobonds	9.99	9.13	7.29
Global bonds	2.00	1.76	1.92
<b>Other debt</b>	<b>0.79</b>	<b>0.71</b>	<b>1.14</b>
Other loans at Royal KPN <sup>1</sup>	0.12	0.06	1.06
Consolidated debt	0.67	0.65	0.08
<b>Fair value financial instruments</b>	<b>0.26</b>	<b>0.50</b>	<b>0.31</b>
<b>Total debt</b>	<b>13.04</b>	<b>12.10</b>	<b>10.66</b>
– of which short-term <sup>1</sup>	2.11	1.40	1.08
Cash and cash equivalents	1.33	0.80	0.67
<b>Total net debt</b>	<b>11.71</b>	<b>11.31</b>	<b>9.99</b>

<sup>1</sup> Current liabilities include approximately € 0.64 bn of non-netted cash balances per Q3 '08

# Debt portfolio

Breakdown of € 13.04 bn gross debt<sup>1</sup>



<sup>1</sup> Book value of interest bearing financial liabilities plus the fair value of financial instruments related to these financial liabilities

<sup>2</sup> Foreign currency amounts hedged into Euro

# Consumer voice market<sup>1</sup>

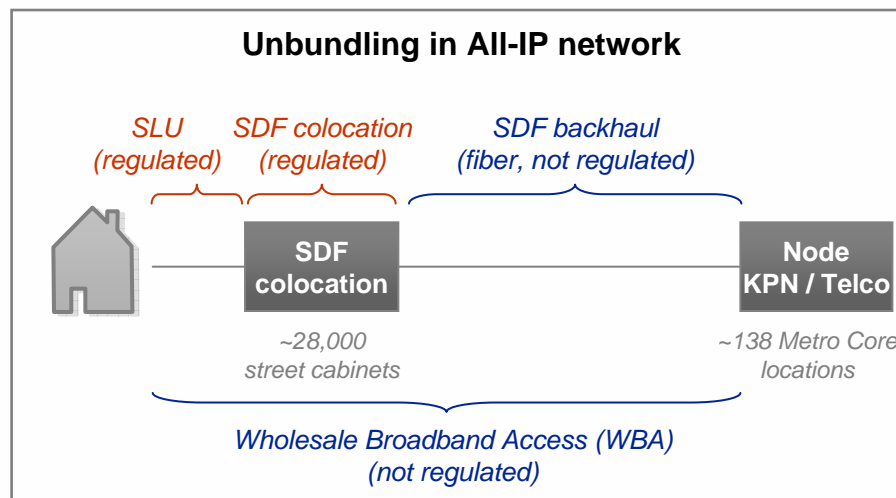
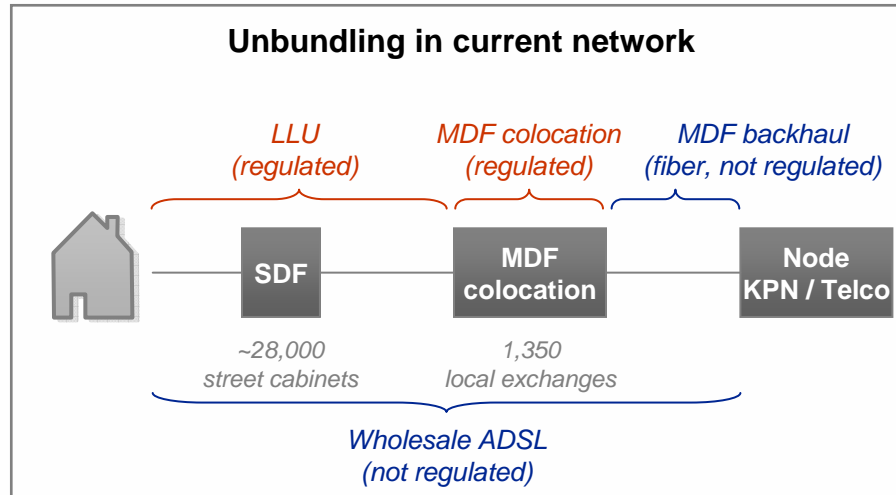
<i>mn</i>	Q3 '08	Q2 '08	Q3 '07
KPN PSTN / ISDN	2.46	2.57	3.04
Wholesale Line Rental (WLR)	0.38	0.36	0.28
<b>Total traditional voice</b>	<b>2.84</b>	<b>2.93</b>	<b>3.31</b>
KPN VoIP	1.03	0.98	0.79
Cable VoIP	1.21	1.17	0.98
Alternative DSL VoIP	0.34	0.32	0.26
<b>Total VoIP</b>	<b>2.58</b>	<b>2.47</b>	<b>2.03</b>
Cable voice analogue	0.06	0.08	0.11
Mobile-only	1.18	1.18	1.17
<b>Total households</b>	<b>6.65</b>	<b>6.64</b>	<b>6.62</b>

<sup>1</sup> Management estimates



# Unbundling tariffs

SLU and colocation set by OPTA, backhaul and WBA based on deal pricing

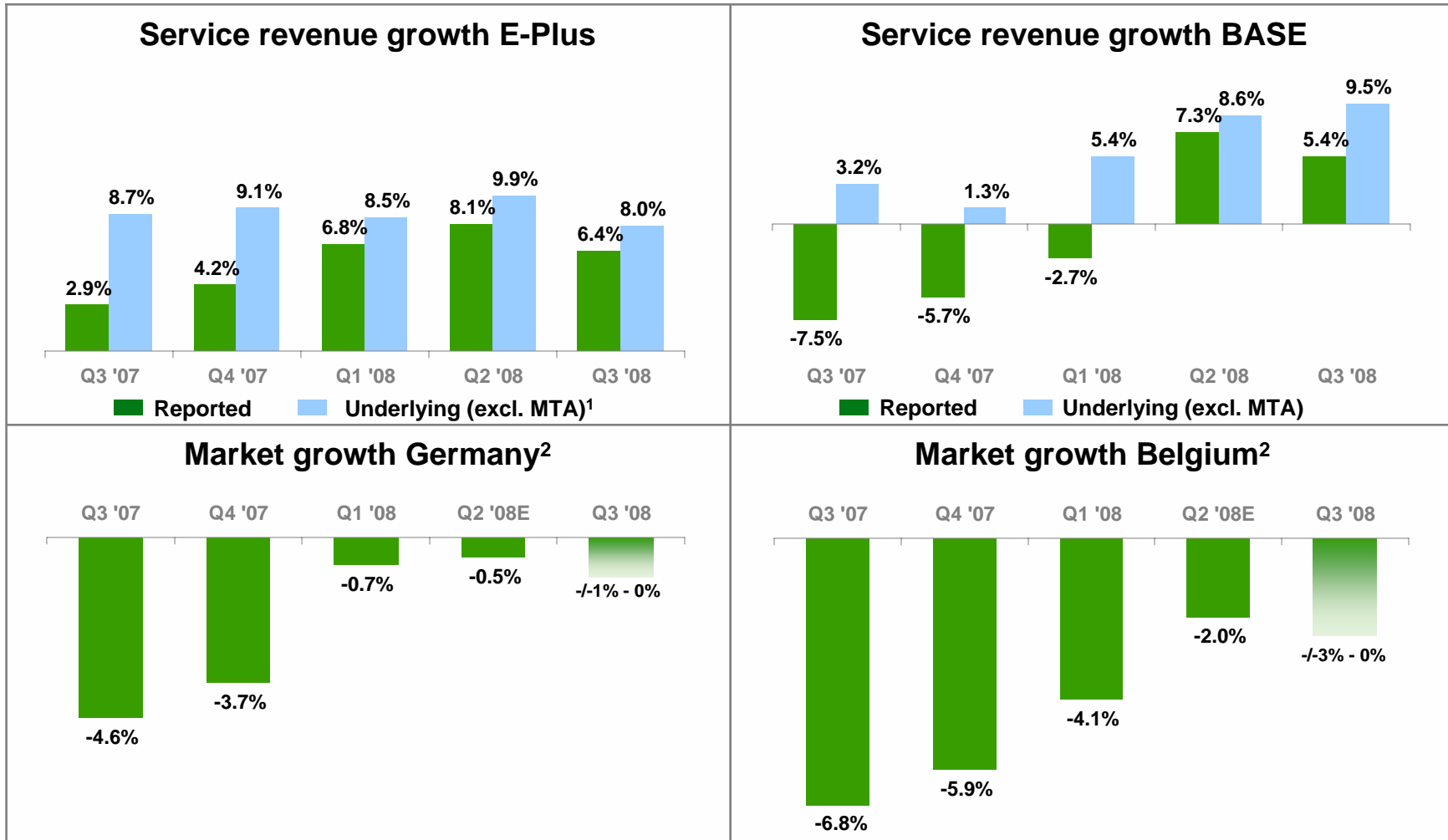


Category	Monthly tariffs
Line sharing (LLU)	€ 0.19 / line
Fully unbundled (LLU)	€ 7.83 / line
MDF colocation	€ 473 / footprint / year
MDF backhaul	Deal pricing
Wholesale ADSL access fee	€ 5.32 shared € 13.00 non-shared

Category	Monthly tariffs
Line sharing (SLU)	€ 6.17 / line
Fully unbundled (SLU)	€ 7.88 / line
SDF colocation	€ 50-100 / cabinet One-off € 3,000-6,000
SDF backhaul	Deal pricing
Wholesale Broadband Access (WBA)	Deal pricing

# Service revenue growth Mobile International

Strong underlying growth outperforming the market



1 Also excluding VAT increase with negative impact of 2.4% on service revenue growth in 2007

2 Service revenue growth, based on equity research

## Dutch wireless services disclosure

	Q3 '08	Q2 '08	Q3 '07
<b>Service revenues (€ mn)</b>	<b>764</b>	<b>756</b>	<b>764</b>
- Consumer	441	429	445
- Business	228	233	231
- Other Dutch activities <sup>1</sup>	95	94	88
<b>SAC / SRC (€)</b>			
- Consumer	159	150	144
- Business	411	354	359

1 Indicates amongst others Mobile Wholesale NL, Simyo and visitor roaming revenues within KPN the Netherlands

# KPIs Consumer

## Voice

Voice	Q3 '08	Q2 '08	Q3 '07
<b>Market penetration<sup>1</sup></b>			
– Broadband	79%	78%	75%
– VoIP penetration	45%	44%	38%
<b>Market share</b>			
– Voice <sup>2</sup>	>55%	>55%	~60%
– Traditional voice <sup>3</sup>	>75%	~75%	>70%
– VoIP	40%	40%	39%
– Broadband <sup>4</sup>	44%	44%	44%
– TV	10%	9%	6%
<b>Access lines (x 1,000)</b>	<b>3,491</b>	<b>3,554</b>	<b>3,823</b>
– PSTN	2,214	2,314	2,733
– ISDN	247	257	304
– VoIP packages (Voice / Broadband)	1,030	983	786
<b>Net line loss<sup>5</sup> (x 1,000)</b>	<b>-30</b>	<b>-40</b>	<b>-100</b>
<b>Traditional voice ARPU (€)</b>	<b>25</b>	<b>25</b>	<b>25</b>
– Access	16	16	16
– Traffic	9	9	9

1 Based on management estimate

2 Share in total consumer voice (including VoIP); management estimates

3 Share in traditional consumer voice (excluding VoIP); management estimates

4 Including DSL and Cable; management estimates

5 Quarterly delta in PSTN/ISDN access lines + delta consumer VoIP, ADSL only and WLR; management estimates

# KPIs Consumer

## Broadband, TV & Wireless

<b>Broadband</b>	<b>Q3 '08</b>	<b>Q2 '08</b>	<b>Q3 '07</b>
<b>Broadband ISP customers</b> (x 1,000)	<b>2,500</b>	<b>2,471</b>	<b>2,382</b>
– KPN (Direct & Planet)	1,111	1,108	1,107
– Het Net	680	672	629
– XS4ALL	288	286	294
– Other	421	405	352
<b>Broadband ARPU (€)</b>	<b>30</b>	<b>29</b>	<b>29</b>
<b>TV</b>	<b>Q3 '08</b>	<b>Q2 '08</b>	<b>Q3 '07</b>
– Subscribers (x 1,000)	700	636	414
– ARPU (€)	6	7	4
<b>Wireless</b>	<b>Q3 '08</b>	<b>Q2 '08</b>	<b>Q3 '07</b>
– Customers (x 1,000)	6,089	6,055	6,072
– Service revenues (€ mn)	441	429	445
– ARPU (€)	24	24	25
– MoU (originating, terminating)	110	117	107
– SAC/SRC (€)	159	150	144

# KPIs Business

## Infrastructure Services

Wireline	Q3 '08	Q2 '08	Q3 '07
<b>Market share voice<sup>1</sup></b>	<b>&gt;50%</b>	<b>&gt;50%</b>	<b>~55%</b>
<b>Access lines (x 1,000)</b>	<b>1,605</b>	<b>1,632</b>	<b>1,710</b>
– PSTN	761	774	825
– ISDN	821	837	874
– VoIP	23	21	11
<b>Traditional voice ARPU (€)</b>	<b>49</b>	<b>52</b>	<b>50</b>
– Access	26	26	25
– Traffic	23	26	25
<b>Network services (x 1,000)</b>			
– Leased lines	29.5	30.5	33.9
– E-VPN connections	9.9	9.1	6.6
– Business DSL	112.3	107.6	77.7
<b>Managed network services (x 1,000)</b>			
– IP-VPN connections	32.2	32.4	32.0
– M-VPN routers	19.3	18.6	14.0
Wireless	Q3 '08	Q2 '08	Q3 '07
– Customers (x 1,000)	1,429	1,364	1,276
– of which data users	41%	38%	33%
– Service revenues (€ mn)	228	233	231
– ARPU (€)	55	58	61
– MoU (originating, terminating)	224	253	242
– SAC/SRC (€)	411	354	359

1 Share in traditional voice (including VoIP and internet dial-up); management estimates

# KPIs Business

## ICT Services & Corporate Solutions

ICT Services	Q3 '08	Q3 '08	Q3 '07
<b>Applications online</b> (x 1,000)			
- Customers	89	79	13
<b>Housing &amp; Hosting</b> (x 1,000)			
- Housing services (# m <sup>2</sup> )	16.0	9.8	8.6
- Hosting services (# servers)	2.16	2.04	1.38
Corporate Solutions	Q3 '08	Q2 '08	Q3 '07
<b>Managed workspaces</b> (x 1,000)			
- Data	2	2	2
- Voice	346	321	262
- Mobile	173	162	143

# KPIs Getronics<sup>1</sup>

Getronics	Q3 '08	Q2 '08	Q1 '08
Revenue and other income (€ mn)	465	504	515
Service revenues (€ mn)	416	462	472
<b>Margin</b>			
- Gross profit <sup>2</sup>	21%	18%	19%
- Service profit <sup>3</sup>	22%	19%	20%
Number of FTEs	13,596	17,247	17,484

1 Consolidated as of 23 October 2007

2 Defined as total gross profit divided by total revenue. Gross profit defined as revenue minus revenue related direct costs

3 Defined as service gross profit divided by service revenue. Gross profit defined as revenue minus revenue related direct costs



# KPIs Wholesale & Operations

Wholesale & Operations	Q3 '08	Q2 '08	Q3 '07
<b>Retail voice</b> (without ADSL)	<b>4,043</b>	<b>4,182</b>	<b>4,736</b>
<b>Local loop</b> (x 1,000)			
MDF access lines <sup>1</sup>	3,632	3,580	3,389
– of which line sharing <sup>2</sup>	1,670	1,726	1,932
<b>Unbundling<sup>3</sup></b> (mn)	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>
– Shared unbundled lines	0.3	0.3	0.3
– Fully unbundled lines	0.7	0.7	0.6
<b>Minutes<sup>4</sup></b> (bn)	<b>4.5</b>	<b>4.7</b>	<b>4.7</b>
– Originating	1.1	1.2	1.4
– Terminating	2.1	2.1	2.1
– Transit	1.3	1.4	1.2
<b>Population coverage</b>			
– ADSL 2+	57%	57%	57%
– UMTS / HSDPA	99%	98%	94%
<b>iBasis<sup>5</sup></b> (international wholesale)	<b>Q3 '08</b>	<b>Q2 '08</b>	<b>Q3 '07</b>
Minutes (bn)	5.8	6.2	N/a
Average revenue per minute (€ cents)	3.7	3.7	

1 Including Bitstream

2 Includes KPN ADSL connections, line sharing other telcos and KPN Bitstream

3 External lines based on management estimates

4 Restated numbers for 2007 due to refined methodology; internal voice minutes no longer included

5 Consolidated as of 1 October 2007; further information can be found on <http://www.ibasis.com>

## KPIs E-Plus

	Q3 '08	Q2 '08	Q3 '07
<b>Market share<sup>1</sup></b>			
Service revenue	15.3%	15.0%	14.0%
Base	16.0%	15.5%	15.1%
<b>Customers (x 1,000)</b>	<b>17,027</b>	<b>16,163</b>	<b>14,112</b>
– Of which new brands	10,451	9,387	6,706
– Post Paid	6,542	6,437	6,170
– Pre Paid	10,485	9,726	7,942
<b>Service revenues (€ mn)</b>	<b>782</b>	<b>757</b>	<b>735</b>
<b>ARPU (€)</b>	<b>16</b>	<b>16</b>	<b>18</b>
– Post Paid	30	30	32
– Pre Paid	6	6	7
<b>Non-voice as % of ARPU</b>	<b>23%</b>	<b>22%</b>	<b>19%</b>
<b>MoU (originating, terminating)</b>	<b>139</b>	<b>145</b>	<b>136</b>
– Post Paid	275	284	254
– Pre Paid	56	54	46
<b>SAC/SRC (€)</b>	<b>44</b>	<b>52</b>	<b>74</b>
– Post Paid	107	137	158
– Pre Paid	13	12	15

# KPIs BASE

	Q3 '08	Q2 '08	Q3 '07
<b>Market share<sup>1</sup></b>			
Revenue	>16%	>16%	~16%
Base	>24%	~24%	~23%
<b>Customers (x 1,000)</b>	<b>3,241</b>	<b>3,094</b>	<b>2,722</b>
– Post Paid	548	533	494
– Pre Paid	2,693	2,561	2,228
<b>Service revenues (€ mn)</b>	<b>155</b>	<b>162</b>	<b>147</b>
<b>ARPU (€)</b>	<b>16</b>	<b>18</b>	<b>18</b>
– Post Paid	51	53	52
– Pre Paid	9	11	11
<b>Non-voice as % of ARPU</b>	<b>15%</b>	<b>15%</b>	<b>17%</b>
<b>MoU (originating, terminating min)</b>	<b>122</b>	<b>128</b>	<b>134</b>
– Post Paid	385	442	370
– Pre Paid	68	63	80
<b>SAC/SRC<sup>2</sup> (€)</b>	<b>17</b>	<b>22</b>	<b>16</b>
– Post Paid	44	62	53
– Pre Paid	11	13	11

1 Management estimates

## KPIs Mobile Wholesale NL

	Q3 '08	Q2 '08	Q3 '07
<b>Customers</b> (x 1,000)	<b>1,937</b>	<b>1,875</b>	<b>1,695</b>
– Post Paid	608	560	449
– Pre Paid	1,329	1,315	1,246
<b>Service revenues</b> (€ mn)	<b>87</b>	<b>85</b>	<b>88</b>