Annual Results 2012

Aligning financial position with strategy

5 February 2013

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Non-GAAP measures and management estimates

This financial report contains a number of non-GAAP figures, such as EBITDA and free cash flow. These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures.
KPN defines EBITDA as operating result before depreciation and impairments of PP&E and amortization and impairments of intangible assets. Note that KPN's definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS. In the net debt / EBITDA ratio, KPN defines EBITDA as a 12 month rolling total excluding book gains, release of pension provisions and restructuring costs, when over € 20m. Free cash flow is defined as cash flow from operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software and excluding tax recapture regarding E-Plus.
Underlying revenues and other income and underlying EBITDA are derived from revenues and other income and EBITDA, respectively, and are adjusted for the impact of MTA and roaming (regulation), changes in the composition of the group (acquisitions and disposals), restructuring costs and incidentals.
The term service revenues refers to wireless service revenues.
All market share information in this financial report is based on management estimates based on externally available information, unless indicated otherwise. For a full overview on KPN's non-financial information, reference is made to KPN's quarterly factsheets available on www.kpn.com/ir

Forward-looking statements

Certain statements contained in this financial report constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, KPN's and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN's control that could cause actual results to differ materially from such statements and speak only as of the date they are made. A number of these factors are described (not exhaustively) in the Annual Report 2011.

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Executive summary

2012 performance

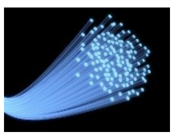
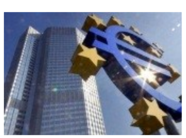
- Mixed performances across the Group
- Stabilizing domestic market positions, strong growth in TV
- Highly valuable spectrum acquired in The Netherlands
- Financial outlook largely achieved, supported by asset disposals

Strategic review

- The Netherlands expected to stabilize towards 2014
- Next phase German strategy; service revenue growth expected at lower margin
- € 4bn rights issue supporting financial position and strategic flexibility
- Revised strategic market objectives

Telco sector trends

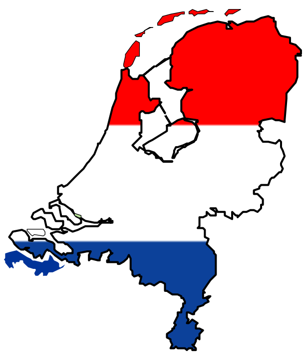
Opportunities in a potentially improving environment

	Past	2013 - onwards
LTE / HSPA	• Investment spectrum licenses • Preparing network	• Commercial launch 4G LTE • Monetize network investments • Growing data demand
 **FttH**	• Start-up phase • Rolling-out network	• Maturing, increasing penetration • Superior infrastructure
 **Convergence**	• Increasing triple play penetration	• Quad play • Multi-functional devices • Seamless network integration
 **Regulation**	• Significant MTA reductions • Dutch spectrum auction	• MTA at very low levels • Greater clarity on long-term European regulation
 **Macro**	• European debt crisis • GDP declines	• Financial markets expected to stabilize • Recovery expected after 2013

Strategic review

Striking the right balance between growth and profitability

Strategic objectives



	2008 - 2010	2011	2012	2013 - 2014	2015 - onwards
	Profitability maximization	*Market positions under pressure*	*Stabilizing market positions*	*Stabilize performance*	*Improve financial performance*
Profitability	✓	~	✗	Stabilize	Improving
Market shares	✗	✗	~	Stabilize	Stable

	2008 - 2010	2011	2012	2013 - 2014	2015 - onwards
	Continued market outperformance	*Profitability maximization*	*Market share not growing*	*Growth at lower profitability*	*Growth at improving profitability*
Profitability	~	✓	✓	At lower level	Improving
Market shares	✓	~	~	Growth	Growth

Aligning financial position with strategy

Strengthening financial position

- € 4bn rights issue supporting financial position and strategic flexibility
- Substantial reinforcement of balance sheet and financial position
  - Reduction of net debt level
  - Support execution of our strategy
- Commitment to investment grade credit profile
  - Targeting year-end 2013 net debt / EBITDA between 2.0-2.5x
- Rights issue subject to EGM approval
  - EGM convened for 19 March 2013
  - Equity-linked or other capital instruments may also be considered

Performance versus outlook

Financial outlook largely achieved

	2012 Outlook	2012 Reported
EBITDA[1]	€ 4.7 - 4.9bn	€ 4.7bn (€ 4,701m)
Capex	€ 2.0 - 2.2bn	€ 2.2bn (€ 2,209m)
Free cash flow[2]	€ 1.6 - 1.8bn	€ 1.7bn (€ 1,652m)
Dividend per share	€ 0.35	€ 0.12

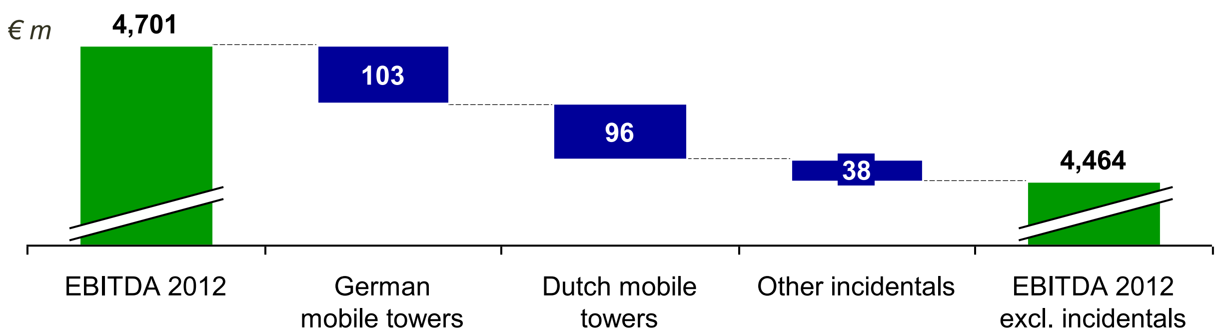
- EBITDA and free cash flow at lower end of the range
- Continued investments in Dutch market positions; Capex at higher end of the range
- DPS adjusted to € 0.12 for full-year 2012

1 Defined as operating profit plus depreciation, amortization & impairments, excluding restructuring costs
2 Free cash flow defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture E-Plus

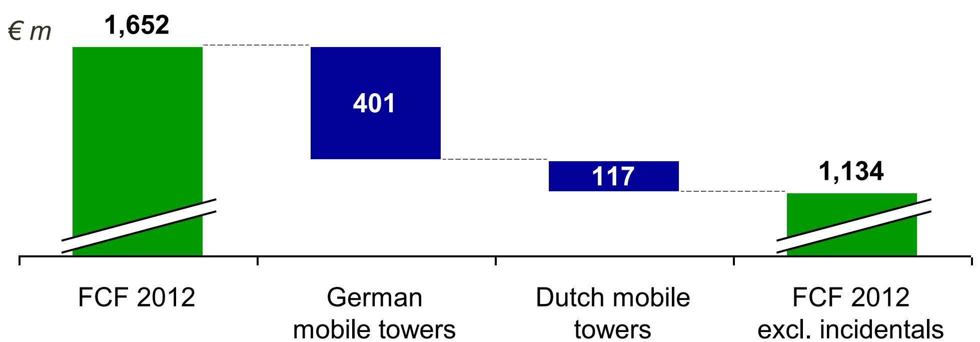
EBITDA and FCF performance

2012 EBITDA and FCF included incidentals

EBITDA[1] 2012



Free cash flow[2] 2012



Comments

- EBITDA[1] and free cash flow[2] supported by incidentals in 2012
- Successful mobile tower transactions in Germany and The Netherlands
- Transactions closed in 2012 as part of strategic plan

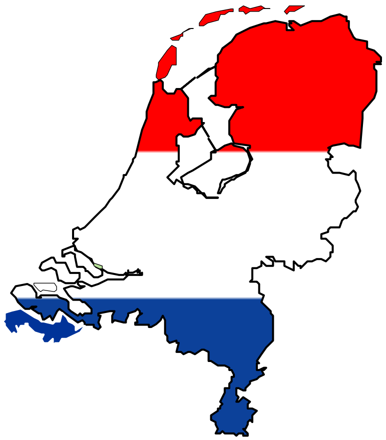
1 Defined as operating profit plus depreciation, amortization & impairments, excluding restructuring costs
2 Free cash flow defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding tax recapture E-Plus

Outlook

- The Netherlands expected to stabilize towards 2014
- Next phase German strategy expected to lead to service revenue growth combined with lower EBITDA margin, especially in 2013
- Capex in 2013 below € 2.3bn and total planned Capex for the three-year period 2013-2015 of < € 7bn, including Reggefiber[1]
- DPS of € 0.03 in 2013 and 2014, thereafter return to DPS growth, subject to operational performance and financial position

1 Reggefiber not expected to be consolidated before H2 2014

Revised strategic market objectives



Consumer Residential

- Minimum broadband market share[1] >40%; long-term goal 45%
- Growing RGUs and ARPU per customer

Consumer Mobile

- Minimum long-term total mobile NL market share[2] >40%

Business - Corporate Market

- Leading business & ICT player in The Netherlands
- Stable market positions

The Netherlands

- Finalization 4-5k FTE reduction program end-2013
- Continued FTE cost efficiency in 2014 and onwards
- 40-45% medium-term EBITDA margin[3]

Germany

- Long-term market share[2] goal 20%
- 30-35% medium-term EBITDA margin[3]

Belgium

- Long-term market share[2] goal 25%
- 25-30% medium-term EBITDA margin[3]

1 Broadband market share based on subscribers
2 Mobile NL, Germany and Belgium market share based on service revenues
3 EBITDA margin excluding restructuring costs, if any

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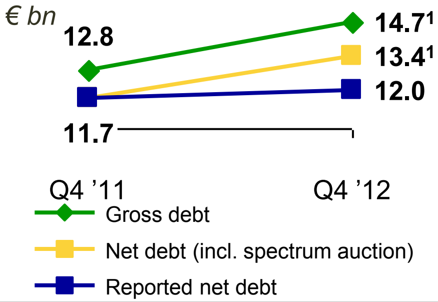
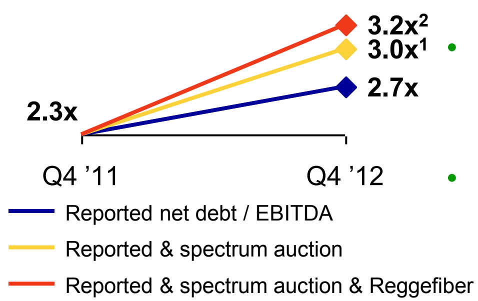
Aligning financial position with strategy

Commitment to investment grade credit profile

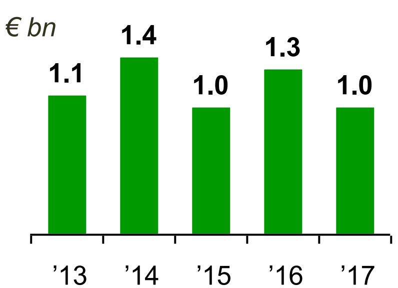
Today's financial position…



- Rising debt positions
- Lower EBITDA level



- Net debt / EBITDA[3] at 2.7x end-2012
- Reggefiber not expected to be consolidated before H2 2014



- € 5.8bn bond redemptions in coming 5 years
- Future Reggefiber related liabilities

…to be aligned with strategy

- Reduce net debt level
- Commitment to investment grade credit profile

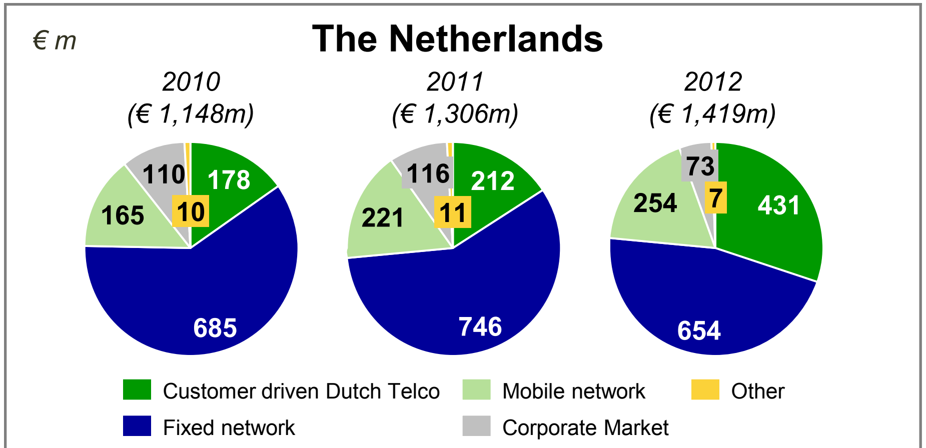
- € 4bn rights issue would lower net debt / EBITDA[3] end-2012 by ~0.9x
- Targeting year-end 2013 net debt / EBITDA[3] between 2.0-2.5x

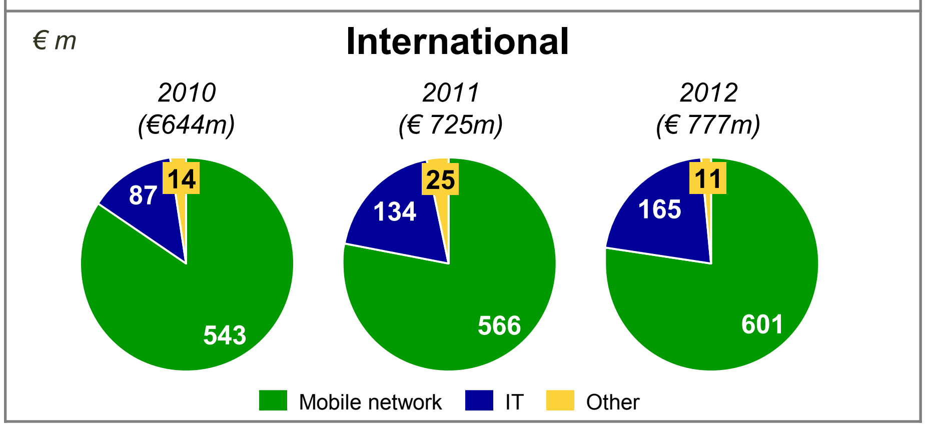
- Financial flexibility to support execution of strategy

1 When including payment Dutch spectrum auction of € 1,352m paid in January 2013
2 When including payment Dutch spectrum auction of € 1,352m paid in January 2013 and when including consolidation of Reggefiber (ceteris paribus)
3 Reported net debt / EBITDA; based on 12 months rolling total EBITDA excl. book gains, release of pension provisions and restructuring costs, when over € 20m

Investment levels

Future annual investments expected to remain at 2012 level





- Focus on customer driven investments
  - Strengthened domestic market positions (TV and FttH activations, handsets)
  - Partly offset by procurement savings realized, lower hardware costs
- Network investments increased in mobile, decreased in fixed[1]
  - Higher mobile network investments to prepare for LTE and network modernization
- Accelerated network roll-out in both Germany and Belgium
- Temporary increase in IT Capex due to replacement of platform in Germany
  - Faster time to market

2013 - 2015

Future annual investments expected to remain at 2012 level; total planned Capex three-year period 2013 - 2015 of < € 7bn, incl. Reggefiber[2]

1 Capex does not include Reggefiber investments
2 Reggefiber not expected to be consolidated before H2 2014

Group results

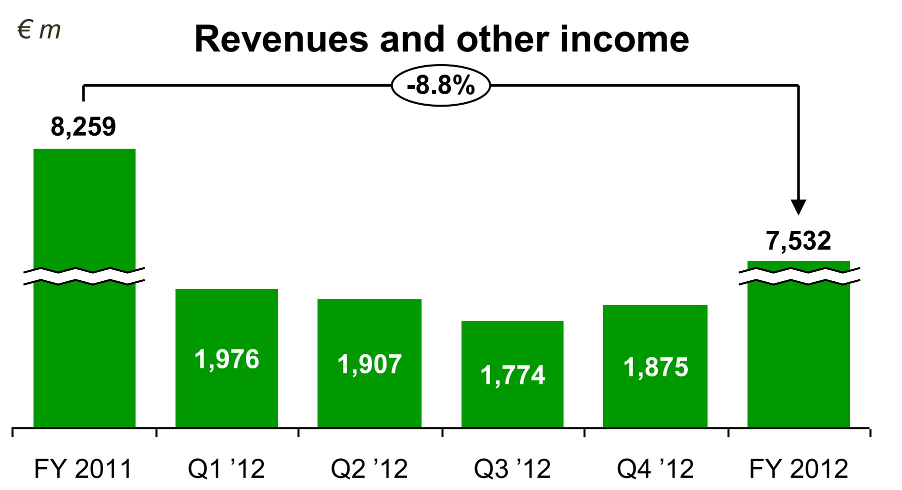
€ m	FY '12	FY '11	%
Revenues and other income	**12,708**	**13,163**	***-3.5%***
Operating expenses (excl. D&A)	**8,180**	**8,025**	***1.9%***
– Depreciation[1]	1,518	1,540	*-1.4%*
– Amortization[1]	1,190	1,049	*13%*
Operating expenses	**10,888**	**10,614**	***2.6%***
Operating profit	**1,820**	**2,549**	***-29%***
Financial income/expense	-844	-754	*12%*
Share of profit of associates	-13	-24	*-46%*
Profit before taxes	**963**	**1,771**	***-46%***
Taxes	-270	-222	*22%*
Profit after taxes	**693**	**1,549**	***-55%***
Earnings per share[2]	**0.49**	**1.06**	***-54%***
EBITDA[3] (reported)	**4,528**	**5,138**	***-12%***
– Restructuring costs	173	130	*33%*
EBITDA (excl. restructuring costs)	**4,701**	**5,268**	***-11%***

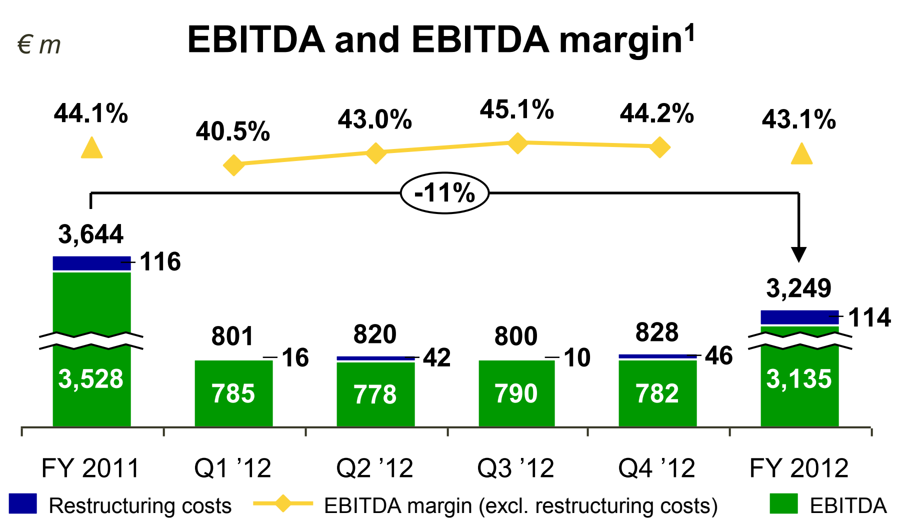
1 Including impairments
2 Defined as profit after taxes per ordinary share / ADS on a non-diluted basis (in €)
3 Defined as operating profit plus depreciation, amortization & impairments
4 2012 amortization includes € 314m impairment at Corporate Market (2011: € 183m)

- Revenues down 3.5%, incl. impact from sale of Getronics International (2.8%)
- EBITDA excl. restructuring costs down 11% mainly due to NetCo and Consumer Residential
- Operating expenses (excl. D&A) up 1.9%
  - Investments to strengthen Dutch market positions
  - Commercial investments in Germany
  - Higher pension costs, incl. € 73m one-off actuarial losses Getronics UK & US
  - € 43m higher restructuring costs

  Partly offset by
  - € 457m lower costs Corporate Market (mainly due to sale Getronics International)
- Amortization up 13% y-on-y[4], incl. € 314m impairment at Corporate Market
- Higher taxes due to one-off benefit innovation tax facilities in 2011

Financial review 2012 – The Netherlands



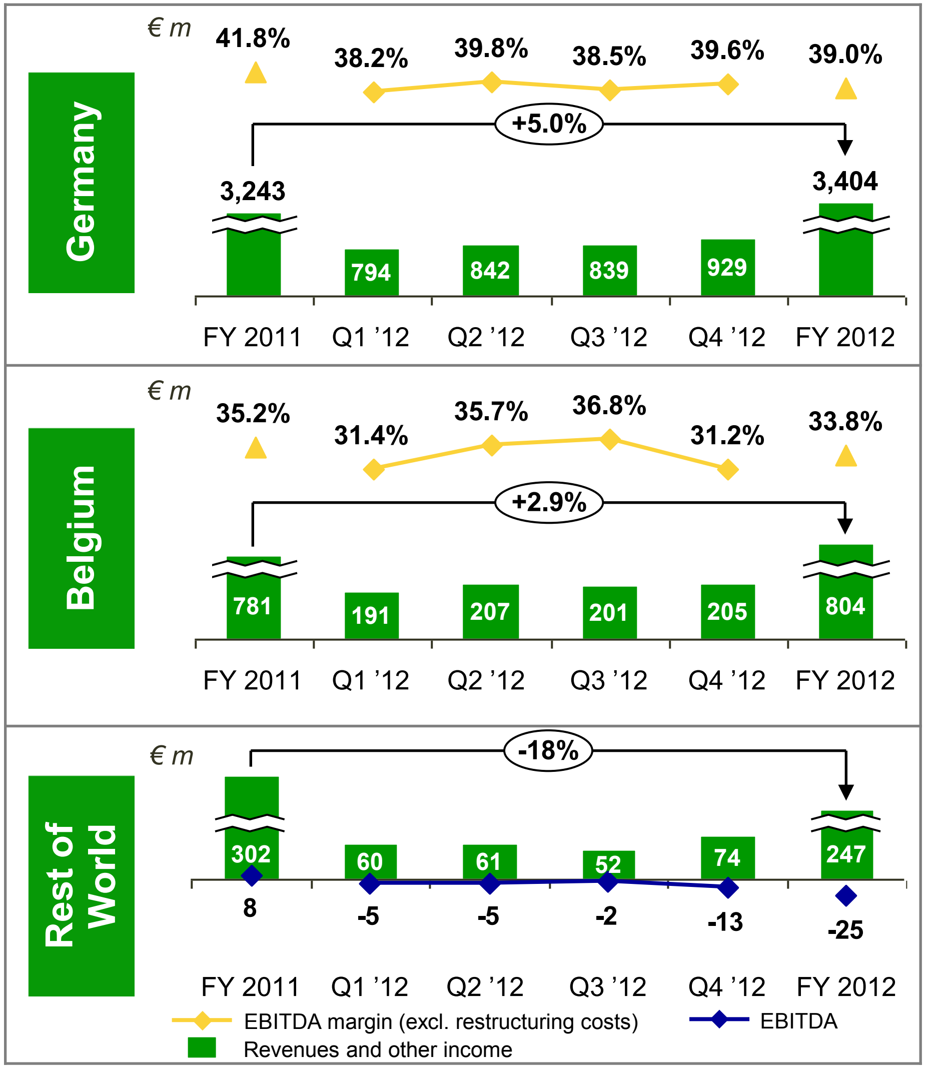


1 EBITDA margin excluding restructuring costs, if any

- Revenues down 8.8%, incl. impact sale Getronics International (4.6%)
  - Regulatory impact of € 83m (1.0%)
  - Lower revenues at Consumer Mobile, NetCo and Business
- EBITDA excl. restructuring costs down 11%
  - € 727m lower revenues
  - Investments to strengthen Dutch market positions
  - Regulatory impact of € 35m (1.0%)

  Partly offset by
  - € 374m lower operating expenses Corporate Market (mainly sale Getronics International)
- EBITDA margin[1] of 43.1% in 2012
  - Margin pressure at Dutch Telco
    - Decline of high margin traditional services
    - Higher marketing and sales costs Consumer Residential
  - Margin supported by sale Getronics International in May 2012 and introduction new mobile propositions, including handset lease model

Financial review 2012 – Mobile International



- Revenues Germany up 5.0%
  - Underlying service revenue growth 2.1%, excluding tower sales, other incidentals and regulation
- EBITDA margin[1] at 39.0%
  - Underlying EBITDA margin at 36.8%, corrected for tower sales, other incidentals and regulation
  - Lower EBITDA margin due to higher SAC/SRC and marketing costs
- Revenue growth Belgium of 2.9%
  - Underlying service revenue growth of 10%
- EBITDA margin[1] at 33.8%
  - Impacted by regulation
- Revenues Rest of World down 18%
  - Strong competition in ethnic segment
- EBITDA decline
  - Provision onerous contract Ortel France in 2012

1 EBITDA margin excluding restructuring costs, if any

Group cash flow

€ m	FY '12	FY '11	%
Operating profit	**1,820**	**2,549**	***-29%***
Depreciation and amortization[1]	2,708	2,589	*4.6%*
Interest paid/received	-661	-637	*3.8%*
Tax paid/received	-486	-231	*>100%*
Change in provisions	-127	-209	*-39%*
Change in working capital[2]	-7	93	*n.m.*
Other movements	-240	-151	*71%*
Net cash flow from operating activities	**3,007**	**4,003**	***-25%***
Capex[3]	**2,209**	**2,047**	***7.9%***
Proceeds from real estate	519	156	*>100%*
Tax recapture E-Plus	335	337	*-0.6%*
Free cash flow[4]	**1,652**	**2,449**	***-33%***
Dividend paid	979	1,200	*-18%*
Share repurchases	-	1,000	*-100%*
Cash return to shareholders	**979**	**2,200**	***-56%***

- Free cash flow of € 1,652m in 2012
  - € 610m lower EBITDA
  - € 255m higher taxes paid
  - € 162m higher Capex
  - € 100m lower change in working capital due to prepayments

  Partly offset by
  - € 363m higher proceeds from real estate
- Capex 7.9% higher
  - Increased customer driven investments in The Netherlands
  - Accelerated network roll-out in both Germany and Belgium
- Coverage ratio of KPN pension funds at 104% end of Q4 '12
  - € 42m recovery payment in Q4 '12 (€ 23m due in Q4 & € 19m due in Q1 '13)
  - Recovery payment of € 19m in Q2 '13

1 Including impairments
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 Capex and excluding tax recapture E-Plus

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Strategic review – The Netherlands

Towards a best-in-class integrated access provider

Customer focus

Highest quality

- Best customer services
- Improving NPS
- Focus on reducing churn
- Premium products

Products

Full-range

- Introducing quad play
- Cloud services
- Selective vertical offerings at Business
- Premium products

Networks

Best-in-class

- Hybrid FttH and VDSL strategy
- Large scale 4G LTE roll-out
- Seamless transition between networks
- Public Wi-Fi through strategic partnership Fon

Cost leadership

Lean operation

- Finalize FTE reduction program end-2013
- Continued FTE cost efficiency in 2014 and onwards
- Quality improvements
- Leverage sourcing and partnerships

Towards a best-in-class integrated access provider across all segments

Consumer

Business

Strategic review – The Netherlands (cont'd)

Towards fixed-mobile convergence

Uniquely positioned

- Nationwide fixed network
- #1 mobile network[1]
- 4G LTE services
- All customers in reach

Rationale

- Increase customer loyalty
- Reduce churn in mobile
- Avoid margin erosion
- Benefits for families

Device convergence

- Internet on TV
- Voice over IP
- TV on PCs, tablets and mobile phones

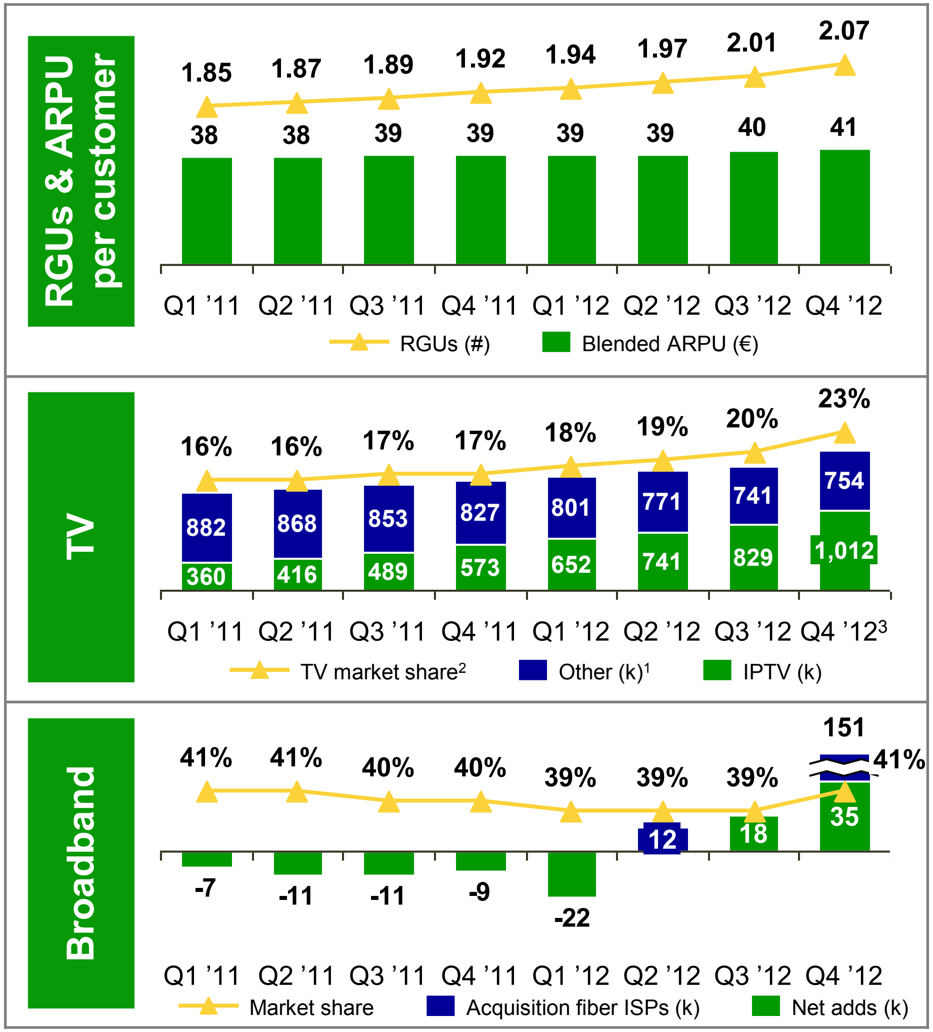
Customer benefits

- Bundled prices / volumes
- Single provider convenience
- Value added services

1 TNO benchmark (independent research organization)

Operating review – Consumer Residential

Broadband customer base growth, market share stable



- RGUs per customer increased by 7.8% y-on-y
  - Accelerated growth triple play packages, 321k[3] net adds in 2012 (2011: 177k)
  - Organic net line gain in Q4 at 4k[4], first time since 2008
- ARPU per customer increasing
  - IPTV price increased by € 1 in July 2012
- TV market share increased to 23%
  - Continued strong IPTV growth with 439k net adds in 2012 (2011: 271k)
  - More than 1 million IPTV customers
  - NPS continues to improve
- Increasing broadband customer base, market share stable around 41%
  - 151k broadband net adds in Q4, of which 35k organic net adds
  - Organic FttH activations more than doubled in 2012

1 Other includes Digitenne used as primary TV connection and analogue TV customers
2 Source: Telecompaper, management estimates for Q4 '12
3 Includes 109k TV customers (60k IPTV and 49k analogue), 100k triple play packages, and 116k broadband customers from acquisition fiber service providers
4 Excluding net line gain of 126k following acquisition fiber service providers

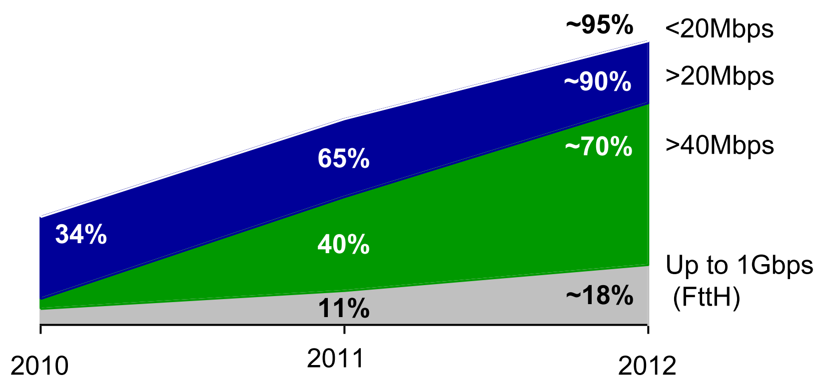
Operating review – Consumer Residential (cont'd)

High quality networks and market leading propositions

Network upgrades on track

- ~70% coverage of Dutch market with minimum guaranteed speed of 40Mbps
- Continued FttH roll-out and network upgrades enabling better user experience
  - >40Mbps packages supported by VDSL upgrades and pair bonding

KPN's coverage of Dutch market (%), minimum speeds



Market leading IPTV proposition

Features	kpn	Ziggo	upc
# of channels	>60	>60	>50
TV online all devices	✓	✓	×
Simultaneous channel recording	6	2	4
Storage capacity	200hrs	160hrs	70hrs
Advanced small set-top box	✓	×	×
On demand	✓	✓	✓
IPTV on multiple TVs	2/6[1]	2	2
Interactive customer base	57%	13%	n/a
Online music service	✓	✓	×

KPN: #1 triple play product[2]

1 6 tuners available per household through FttH subscription
2 Independent consumer review of triple play product in The Netherlands, Consumentenbond (January 2013), excluding providers <2% market share

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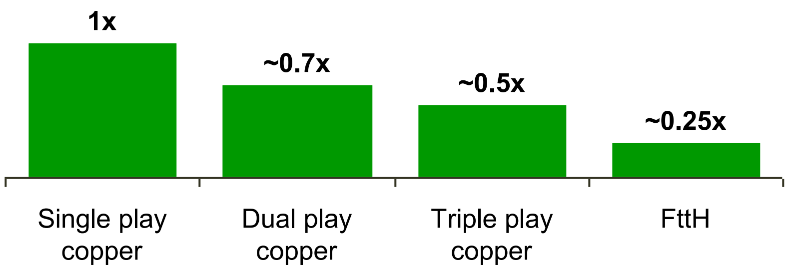
Operating review – Consumer Residential (cont'd)

Lower broadband copper churn and growing FttH penetration

TV important to reduce broadband churn

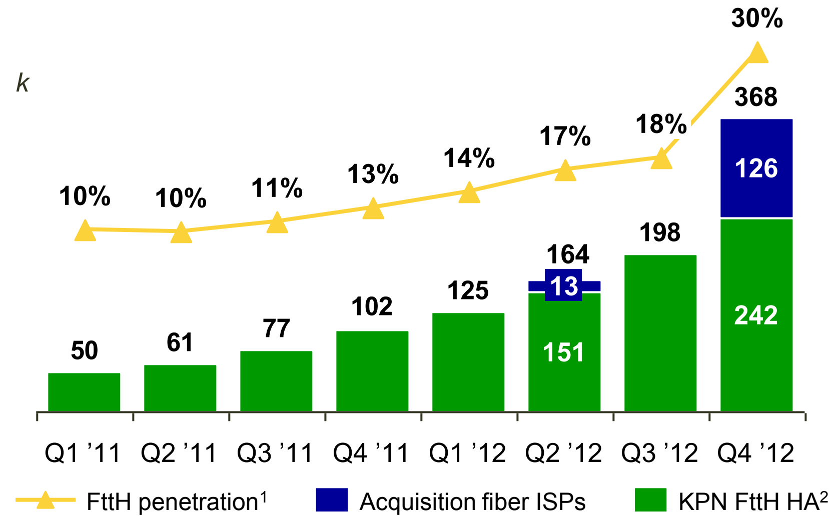
- Market leading IPTV proposition
  - Increasing NPS scores for IPTV
- IPTV product drives take-up of triple play packages
- Triple play packages support broadband base and churn reduction

Triple play churn two times lower than single play



FttH penetration increasing

- KPN FttH base at 368k
  - Strong FttH activations, 44k in Q4
  - 126k customers following acquisition fiber ISPs
- Penetration of FttH increased to 30%
  - Penetration growth by 17%-points y-on-y



1 FttH penetration is defined as KPN FttH HA divided by KPN areas HP
2 Homes Passed; HA is Homes Activated

Strategy in detail – Consumer Residential

Continue successful strategy, TV key driver for success

Strategic initiatives

Propositions

Focus on bundles, offering integrated fixed and mobile services on all devices

Addressable market

Continue to expand addressable market through hybrid VDSL and FttH network strategy
Public Wi-Fi network, strategic partnership Fon

Customer service & quality

Continued commitment to improve customer experience & quality of services

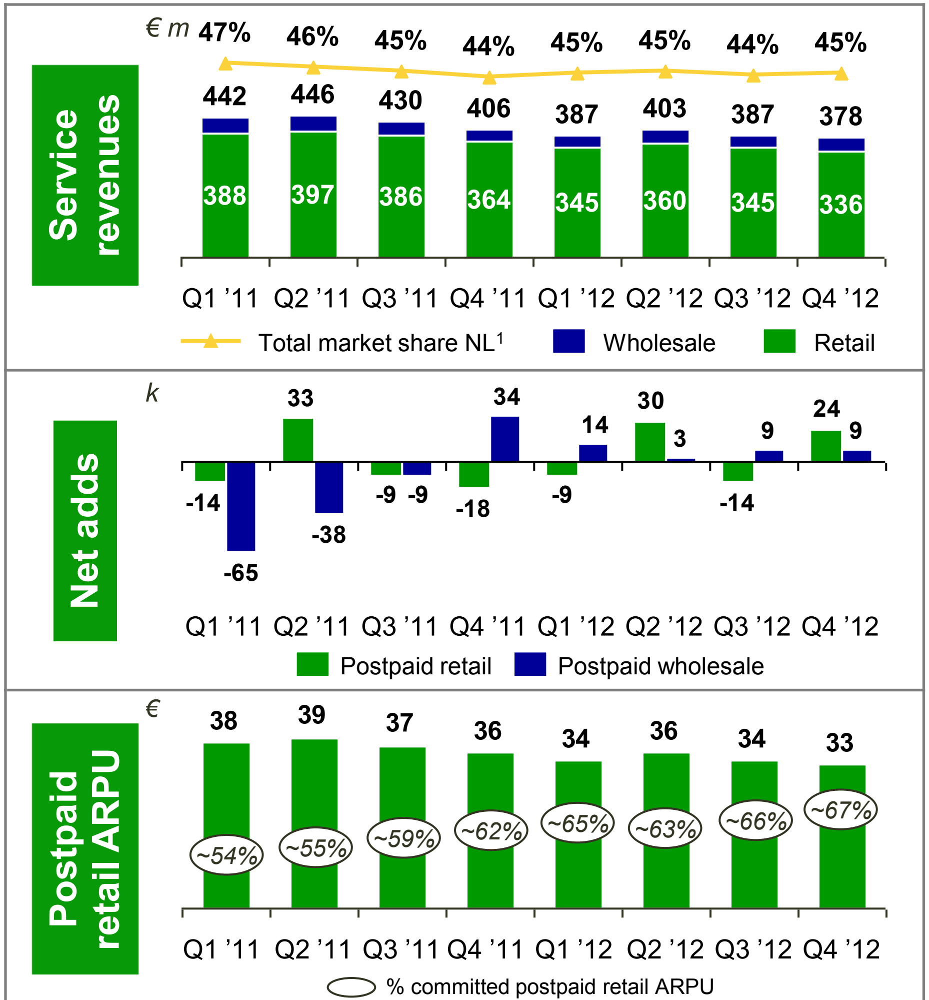
Regional approach

Regional approach allows for differentiated pricing and efficient service & delivery

Targeting growing RGUs and ARPU per customer

Operating review – Consumer Mobile

Market share stabilizing in competitive mobile market



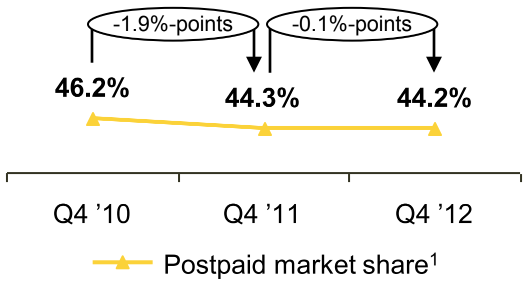
- Service revenues (incl. wholesale) down by 6.9% y-on-y
  - Regulatory impact (0.9%)
  - Lower traffic partly offset by committed revenues
- Market share service revenues stabilizing around 45%[1]
  - Increased distribution and commercial spending
- Postpaid retail net adds driven by SIM-only
- Prepaid net adds impacted by migration to postpaid and competition in ethnic segment
- Postpaid ARPU lower y-on-y at € 33
  - Committed % postpaid retail ARPU ~67%
  - Increasing share SIM-only
- NPS at highest level in years
  - Improved customer service (24/7 free help desk)
  - Launch premium services (e.g. Spotify, HD Voice)

1 Total Dutch (Consumer and Business) mobile service revenue market share

Operating review – Consumer Mobile (cont'd)

Steps taken in 2012, increased focus on value going forward

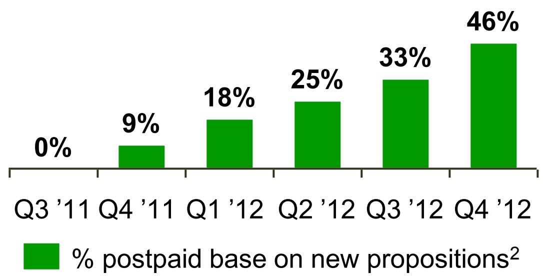
Customer base



- Stabilizing market share number of postpaid customers

➢ Priority to focus on base management

Derisking ARPU



- Reducing risk profile through new access based propositions

➢ Priority to further improve propositions to increase customer value

Costs

- SAC/SRC still high
- Increased marketing costs
- Strengthened distribution by opening new shops
- Investments in quality (24/7 free help desk)

➢ Priority to align costs with revenue development

Customer lifetime value key priority

1 Total Dutch (Consumer and Business) mobile postpaid subscribers
2 Since September 2011

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Strategy in detail – Consumer Mobile

4G to offer best customer experience

Equilibrium changed[1]

	2G	3G	4G - 800MHz	4G - 1800MHz	4G - 2.6GHz	Nationwide Fixed	Wi-Fi	MHz
kpn	✓	✓	✓	✓	✓	✓	✓	175
vodafone	✓	✓	✓	✓	✓	×	×	145
T · ·	✓	✓	×	✓	✓	×	×	190
TELE2	×	×	✓	×	✓	×	×	60
Ziggo	×	×	×	×	✓	×	×	40
upc	×	×	×	×	✓	×	×	40

Objective to create best customer experience by combining highest quality mobile and nationwide fixed network

Best customer experience

- Indoor coverage up to 3x better than 3G, speeds up to 10 times higher
- Highest speeds ensure best customer experience
  - Smooth streaming of video's and music in HD quality
  - Online 3D games
  - Mobile video calls in HD quality

  ➢ Upselling to higher data bundles via 4G proposition

- Combining fixed, Wi-Fi and mobile access into a seamless experience between fixed and mobile services

  ➢ Cross selling fixed & mobile services

Create customer loyalty

1 Based on own networks

Strategy in detail – Consumer Mobile (cont'd)

Optimizing customer lifetime value

Strategic initiatives

Differentiated propositions

Increase value by upselling and cross selling bundled offers (4G, fixed-mobile)

Monetize captive distribution

Leading captive sales channels (shops, online and call centers)

Improve customer experience

Customer focus through enhancing quality and customer service

Commercial 4G leadership

First mover 4G roll-out, nationwide coverage H2 '14
Higher speeds, smoother and consistent overall 4G experience

Maintain leading market share position and optimize customer lifetime value

First step towards quad play

Introduction 'KPN Compleet'

First step

KPN triple play

\+

KPN mobile

=

'KPN Compleet'

Customer benefits[1]

45 additional IPTV channels

\+

Free unlimited calls within family

\+

Doubling voice, SMS and data

Next steps

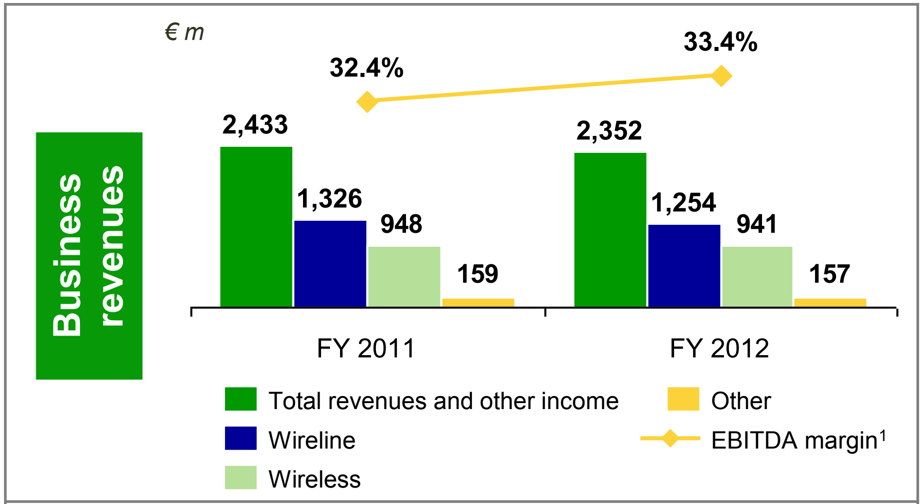
'KPN Compleet' accessible for all KPN's fixed and mobile customers

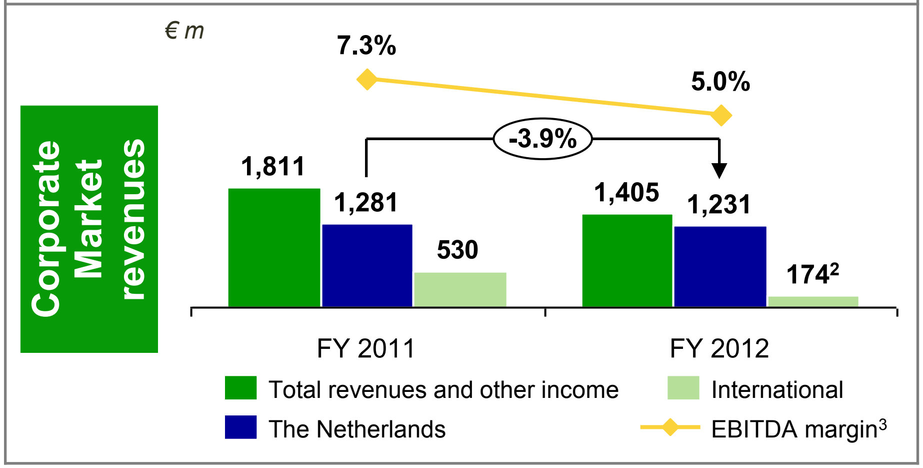
Introduction fully integrated quad play offering

- Customer benefits through value added services
- Integrated CRM system, sales channel and customer service

1 Currently available for KPN triple play and KPN mobile customers, who had subscriptions prior to 1 January 2013

Operating review – Business & Corporate Market





- Stable market positions in Business
- Lower revenues in Business due to decline in traditional services and price pressure
- Business wireless revenues stable, supported by good results challenger brands
- Corporate Market revenues impacted by continued price pressure
  - Overcapacity in the market
  - Clients postponing large investments
- Lower personnel costs due to accelerated FTE reduction program, offset by lower margin of new contracts

1 EBITDA margin excluding restructuring costs
2 Impacted by sale of Getronics International on 1 May 2012
3 EBITDA margin excluding restructuring costs and impact Getronics International classification as asset held for sale

Strategy in detail – Business

Moving towards one-stop-shop for B2B

Changing customer demand

From connections to collaboration

From pay-per-product to packages (fixed-mobile) and flat fees

From "services" to integrated managed solution

Organizational changes

2012

Business | Corporate Market

2013

New B2B organization[1]

- Wireless
- Wireline (voice, broadband)
- Data Network
- Unified Communications

IT Solutions

- Data centers
- Consulting
- Workspace solutions

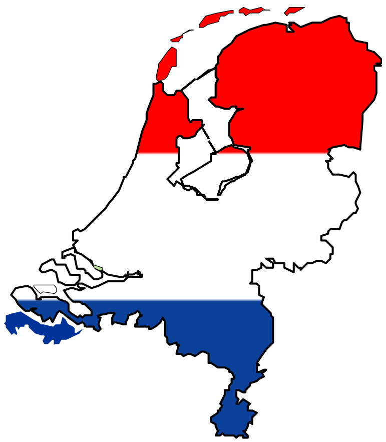
Uniquely positioned

- One-stop-shop for B2B
- Integrated sales, marketing and customer care organization
- Increasing number of services per customer
- Highest quality services
- Highest quality mobile and nationwide fixed network
- Multi-brand and vertical market approach

1 As per 1 January 2013

Strategy – The Netherlands

Revised strategic market objectives



Consumer Residential

- Minimum broadband market share[1] >40%; long-term goal 45%
- Growing RGUs and ARPU per customer

Consumer Mobile

- Minimum long-term total mobile NL market share[2] >40%

Business - Corporate Market

- Leading business & ICT player in The Netherlands
- Stable market positions

The Netherlands

- Finalization 4-5k FTE reduction program end-2013
- Continued FTE cost efficiency in 2014 and onwards
- 40-45% medium-term EBITDA margin[3]

1 Broadband market share based on subscribers
2 Mobile NL market share based on service revenues
3 EBITDA margin excluding restructuring costs, if any

Contents

Strategic review – Germany

Moving into next strategy phase; data-centric Challenger

Proven track record; transition to data-centric Challenger

~13% → ~16% → 20%

Proven track record

- Focus on mass market
- Low-cost to serve
- Multi-brands & segments
- Wholesale partnerships
- Innovative propositions

Prepare for data

- Acquired valuable spectrum
- Disruptive vendor partnerships
- Data network roll-out
- Positioned BASE brand for data
- First regional data attacks

Data-centric Challenger

1. Monetize competitive data network
2. Grow in underpenetrated regions
3. Optimize distribution and branding
4. Improve underlying cost structure

Voice + SMS	Voice + SMS + Data	Data + Voice + SMS
2006	**2010 - 2012**	**2013 - onwards**

% = E-Plus service revenue market share and objective

Strategic market objectives

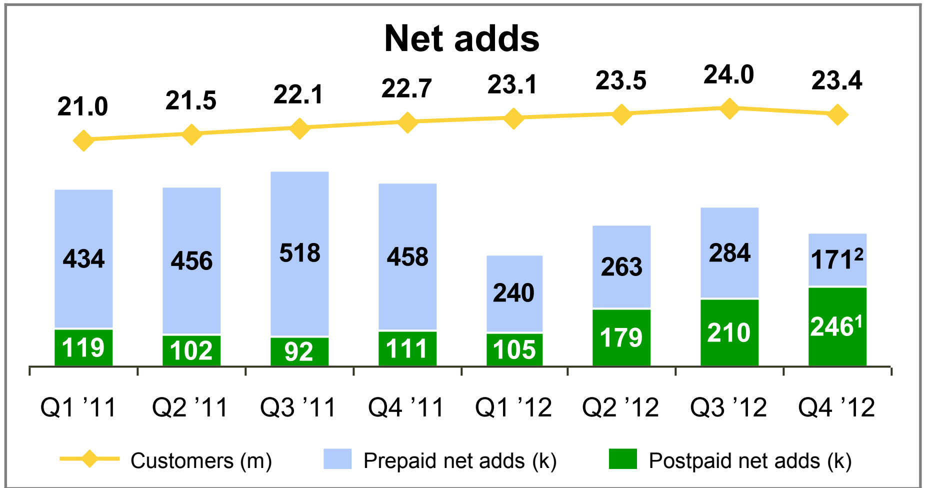
- Long-term market share[1] goal 20%
- 30-35% medium-term EBITDA margin[2]

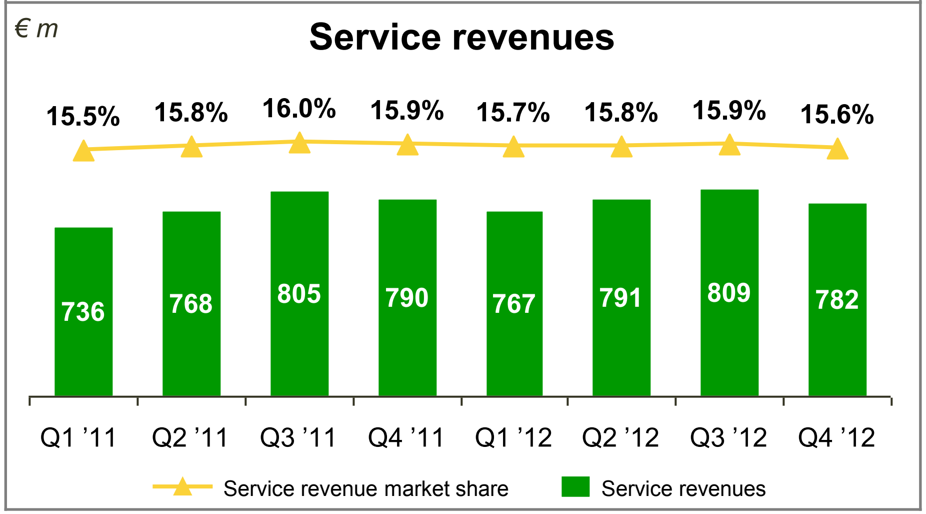
1 Market share based on service revenues
2 EBITDA margin excluding restructuring costs, if any

kpn

Operating review – Germany

Accelerating postpaid net adds





1 Excluding postpaid clean-up of 576k inactive SIM cards
2 Excluding prepaid clean-up of 439k inactive SIM cards

- 2012 underlying service revenue growth of 2.1%
  - Underlying service revenue growth of 0.4% in Q4
- Record number of postpaid net adds in 2012[1]
  - Strong postpaid net adds of 740k in 2012 (excl. clean-up[1]), versus 424k in 2011
  - Supported by introduction of all-net flat propositions
  - Clean-up of 576k inactive SIM cards in Q4
- Lower prepaid net adds in 2012
  - 958k prepaid net adds in 2012 (excl. clean-up[2]), versus 1,866k in 2011
  - Value focus in customer acquisition strategy
  - Competition in ethnic segment persistent
  - Clean-up of 439k inactive SIM cards in Q4
- Continued data revenue growth of 40% y-on-y supported by new postpaid and prepaid all-net flat offers

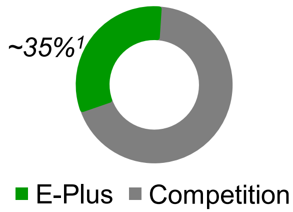
Operating review – Germany (cont'd)

Postpaid focus in line with next strategy phase

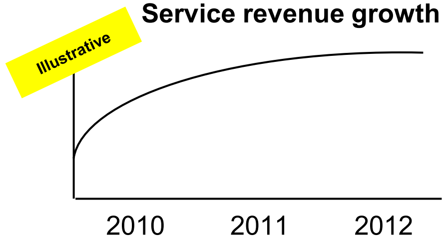
Lower growth in prepaid

- Increased competition in ethnic segment and from other MNOs
- #1 in prepaid service revenue market share

Market share



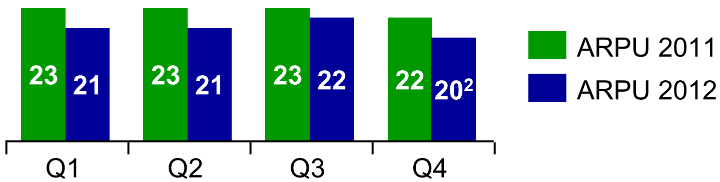
Service revenue growth



Customer optimization in postpaid

- Higher competition in no-frills postpaid segment
- Postpaid customers optimizing their tariff plans
  - 2012 postpaid ARPU lower at € 21 (2011: € 23)

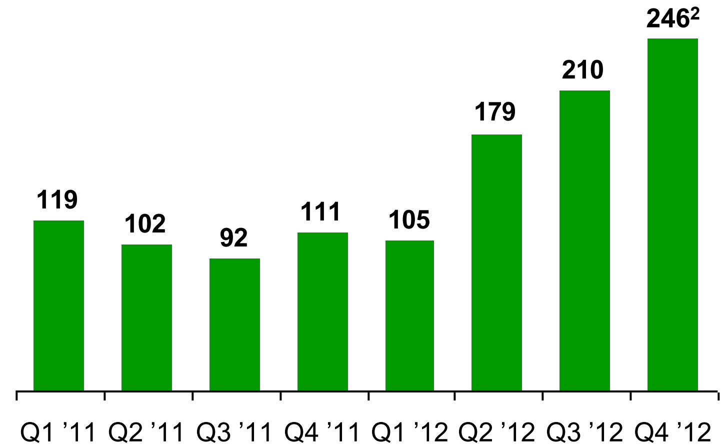
Postpaid ARPU (€)



Postpaid focus leading to more valuable customers

- Highest number of postpaid net adds in 2012[2] since 2006
  - Supported by launch all-net flat propositions in Q2 2012 and BASE relaunch in Q4 2012

Postpaid net adds (k)



1 Management estimate
2 Excluding the effect of clean-up in Q4 2012

Strategy in detail – Germany

Monetize competitive data network

2010 - 2012: Voice + SMS + Data

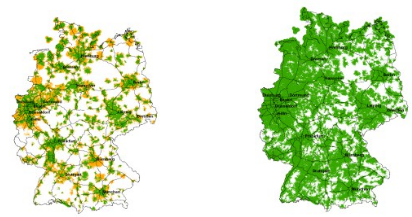
- >85% population coverage with up to 21Mbps
  - Geographical coverage in line with targeted customer base

Network ranking Q3 2012

Computer Bild

3rd best network overall
- 1st Voice coverage
- 2nd UMTS coverage
- 3rd Data network speed

High speed data coverage



2010 2012

● HSPA coverage

1 2013 - onwards: Data + Voice + SMS

- Data-network expected to be on par with competition mid-2013
  - Focus on improved connection of all nodes to IP-Backhaul
  - Increased quality by increased bandwidth
- LTE deployment in 2013 / 2014
  - Using existing sites HSPA+ (2.1GHz) for LTE (1800MHz)

Competitive data network

Monetize mobile data

\+

MB usage

Data revenues

Strategy in detail – Germany (cont'd)

Grow in underpenetrated regions, optimize distribution & branding

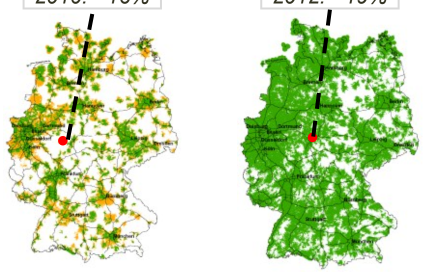
2 Utilize network in underpenetrated regions

- Successful in regional market share gains
- Growth opportunity in underpenetrated regions
- Grow market share alongside extended data network coverage

High speed data coverage

Case example market share gain[1]
(City of Kassel)

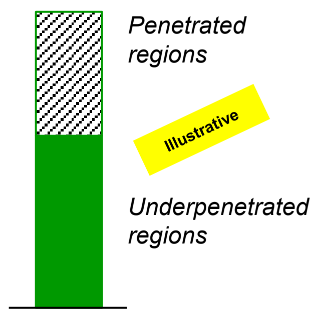
2010: ~16% *2012: ~19%*



2010 **2012**

HSPA coverage

Market share[2]



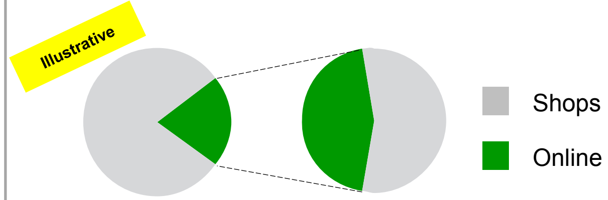
>2012

Potential Current

3 Expand online and addressable market

- Grow in underpenetrated regions by optimizing combination shops and online
- Online as cost efficient sales channel

Share of online in total postpaid gross adds



2012 **>2015**

- Expand addressable market by increasing distinction between brands

BASE blau.de simyo yourfone.de

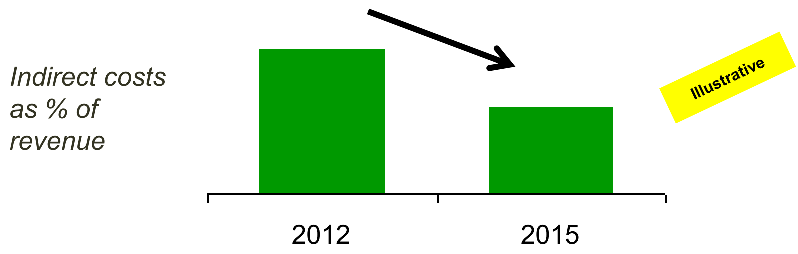
1 Management estimate
2 Market share of underpenetrated regions

Strategy in detail – Germany (cont'd)

Improve underlying cost structure

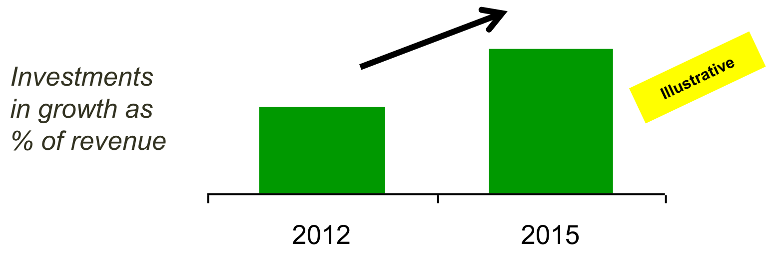
4

Reduce indirect costs…



- Network and IT costs
  - Continued network cost efficiency through partnerships
  - Further step towards next generation of outsourcing
  - Benefit from optimized IT infrastructure
- Customer service costs
  - Increase customer self support and leverage outsourcing
  - Benefit from improved network
- Reduce overhead costs

…to invest in growth



- Increase investments in growth
  - Acquisition costs
  - Marketing costs
  - Distribution costs in underpenetrated regions

Strategic review – Belgium

Moving into next strategy phase; mobile-centric Challenger

Proven track record; transition to mobile-centric Challenger

~13% → ~20% → 25%

Proven track record
- Low-cost to serve
- Multi-brands & segments
- Wholesale partnerships
- Smart technology follower
- Started regionalization

Voice + SMS

2006

Prepare for data
- Data network roll-out
- Disruptive vendor partnerships
- Positioned BASE brand for data
- Smart technology follower
- Regionalization

Voice + SMS + Data

2010 - 2012

Mobile-centric Challenger
1. Introduce innovative propositions
2. Challenge fixed market
3. Create competitive edge by speed differentiation
4. Focus on underpenetrated regions

Data + Voice + SMS

2013 - onwards

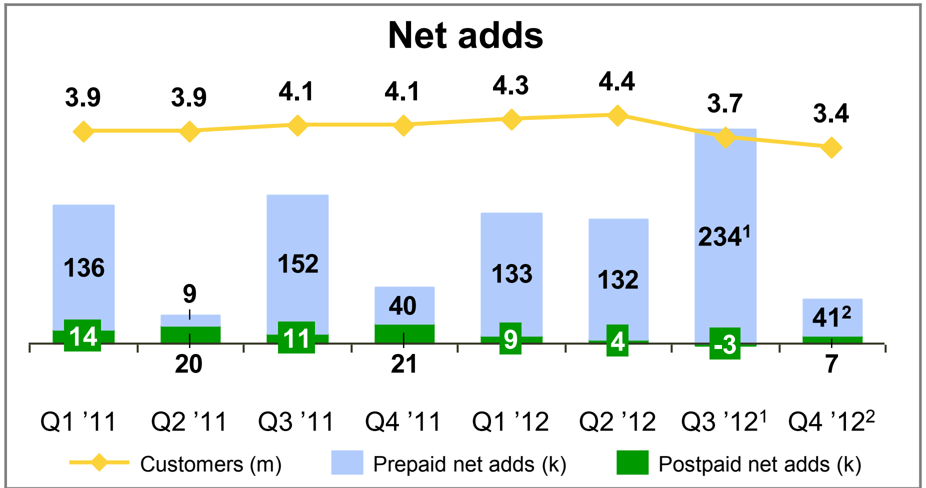
% = BASE service revenue market share and objective

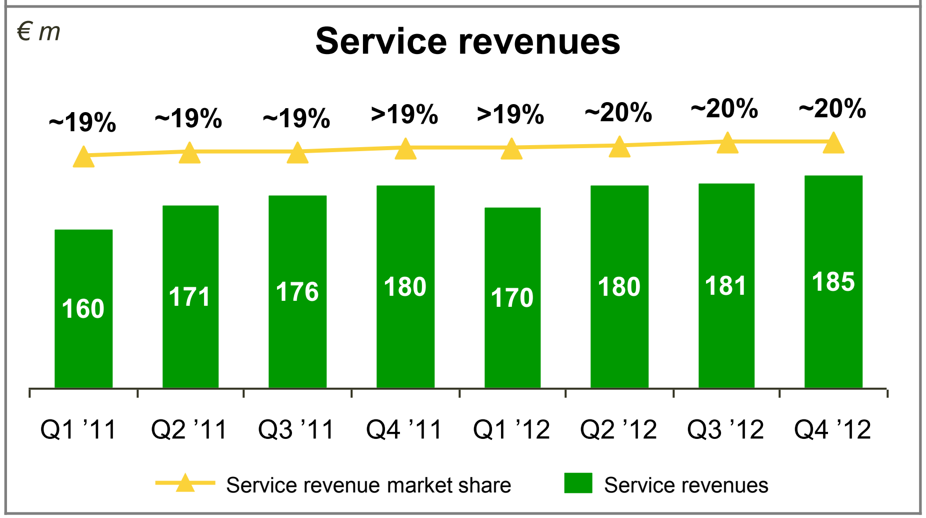
Strategic market objectives
- Long-term market share[1] goal 25%
- 25-30% medium-term EBITDA margin[2]

1 Market share based on service revenues
2 EBITDA margin excluding restructuring costs, if any

Operating review – Belgium

Good performance despite increasing competitive landscape





- Underlying service revenue growth of 8.8% in Q4
  - Growth driven by B2B, wholesale and data
- Service revenue market share increased to ~20%
- Q4 postpaid net adds at 7k
  - Launch of BASE Check 25 with Spotify and Türk Telekom mobile
  - Good performance against persistent strong competition
- Net adds prepaid at 41k[2]
  - Clean-up of Ortel wholesale prepaid base (334k)

1 Excluding prepaid clean-up of 930k inactive SIM cards
2 Excluding prepaid Ortel wholesale clean-up of 334k inactive SIM cards

Strategy in detail – Belgium

Moving into next strategy phase; mobile-centric Challenger

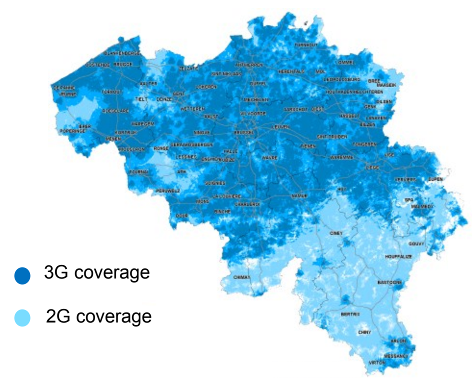
Commercial

- New innovative propositions
  - Improve customer experience (i.e. Spotify, content)
  - Enforce smart price leadership
  - Focus on high value B2B customers
- Challenge fixed line market
  - Attractive opportunity in fixed market

YOUR MOBILE FREEDOM

Network

- Create competitive edge by speed differentiation
  - Improving speed by utilizing high spectrum band
  - Ambition to have majority of population covered by LTE end-2014
  - Cost leadership through innovative partnerships



Distribution

- Focus on underpenetrated regions
  - Increase focus on underpenetrated regions in south of Belgium

Contents

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Concluding remarks

2012 performance

- Mixed performances across the Group
- Stabilizing domestic market positions, strong growth in TV
- Highly valuable spectrum acquired in The Netherlands
- Financial outlook largely achieved, supported by asset disposals

Strategic review

- The Netherlands expected to stabilize towards 2014
- Next phase German strategy; service revenue growth expected at lower margin
- € 4bn rights issue supporting financial position and strategic flexibility
- Revised strategic market objectives

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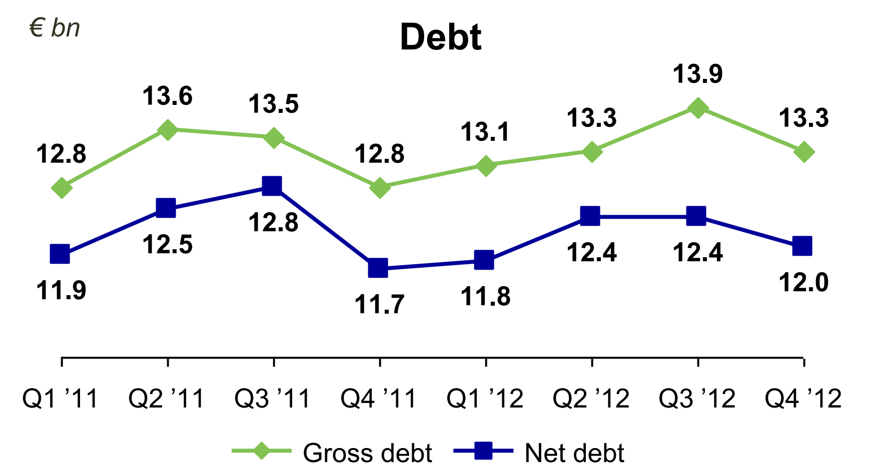
Q&A

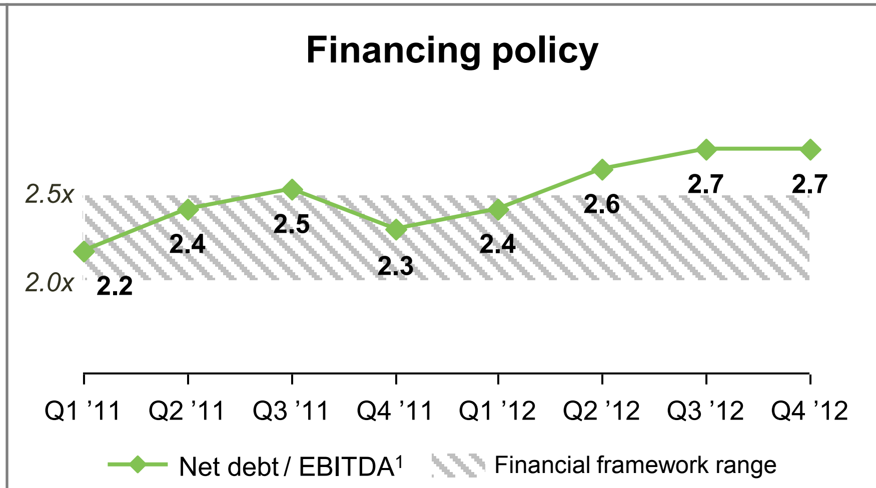
Annex

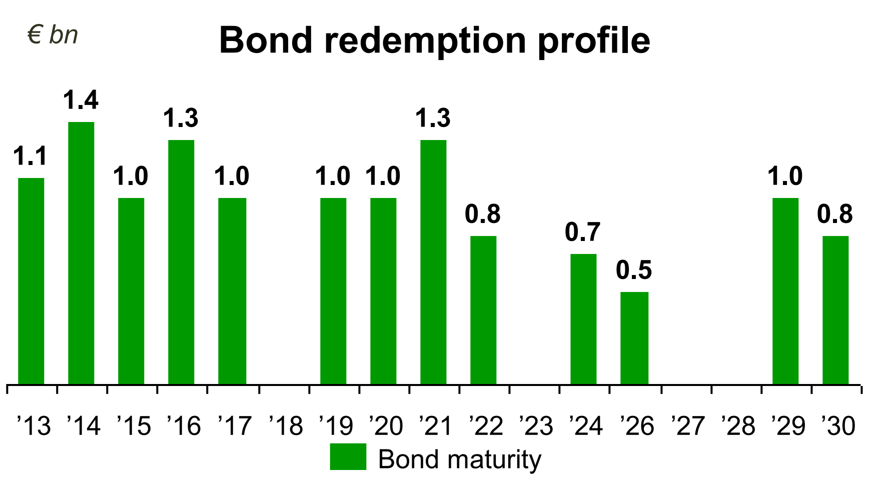
For further information please contact

KPN Investor Relations
+31 70 44 60986
ir@kpn.com
www.kpn.com/ir

Group financial profile



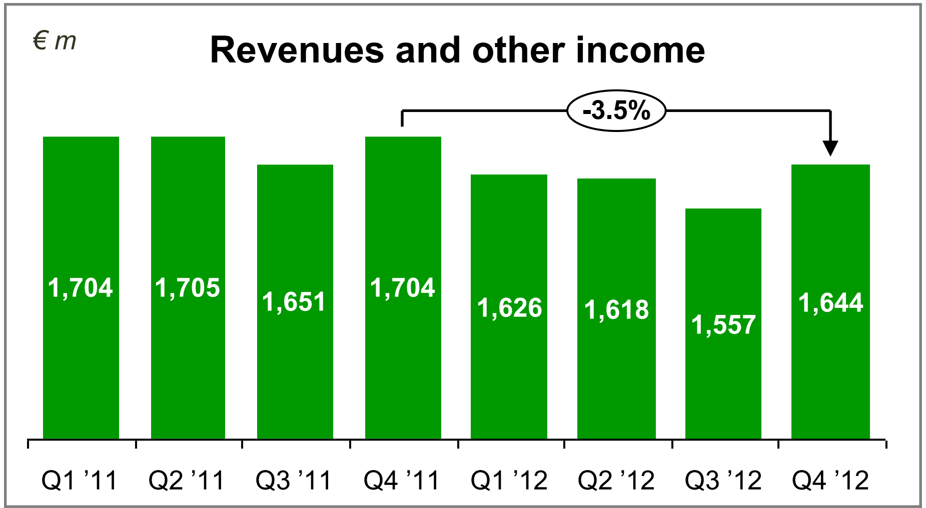


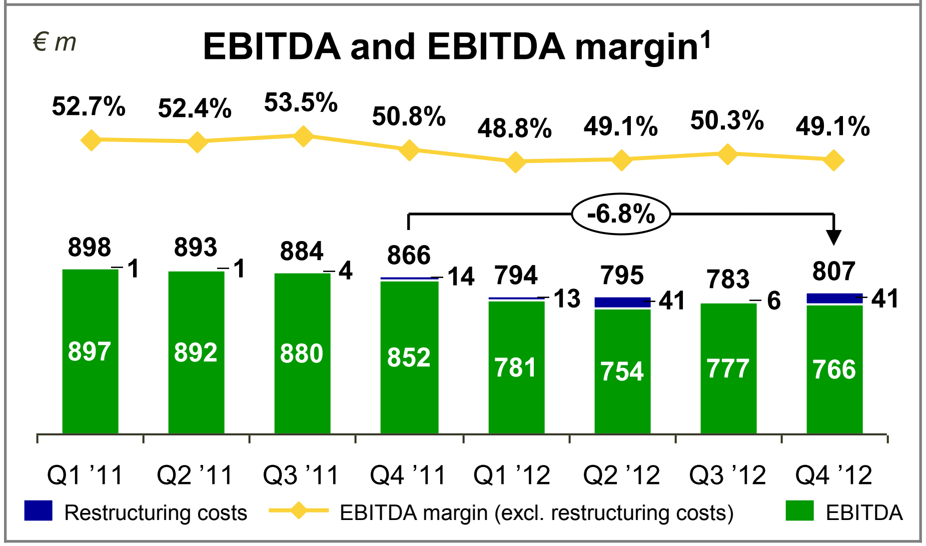


- Net debt / EBITDA[1] of 2.7x at end of Q4 '12
- Spectrum auction payment (€ 1,352m) in Q1 '13
  - Net debt / EBITDA impact ~0.3x
- Average coupon 5.1%, average maturity 7.0 years

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

Financial review Q4 – Dutch Telco

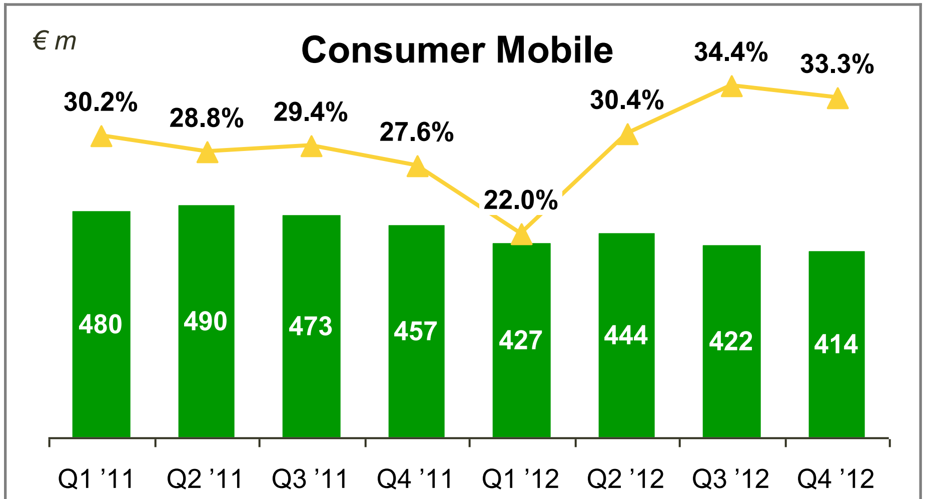


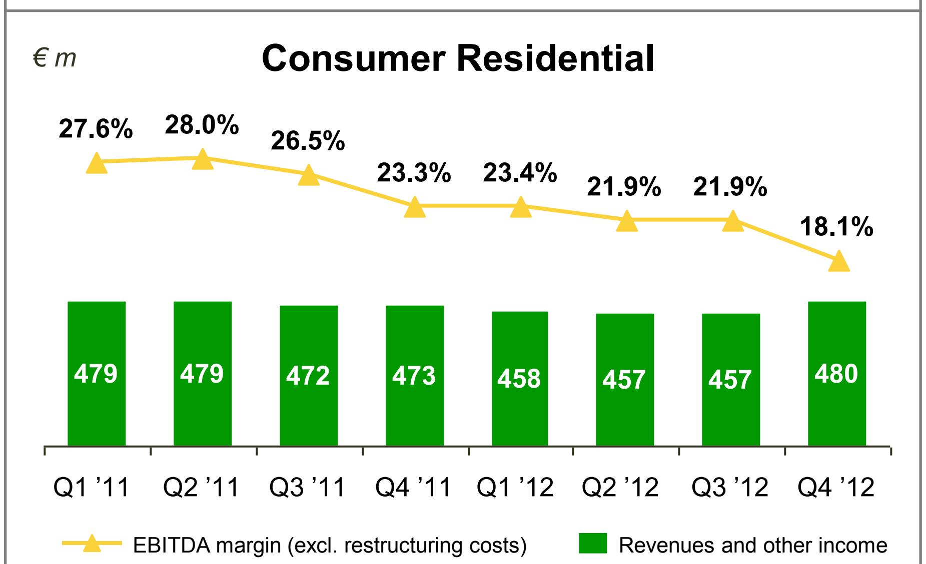


1 EBITDA margin excluding restructuring costs, if any

- Revenues and other income down 3.5% y-on-y
  - Regulatory impact of € 9m (0.5%)
  - Lower revenues at Consumer Mobile, NetCo and Business
- EBITDA excluding restructuring costs down 6.8% y-on-y
  - € 60m lower revenues
  - Operating expenses for Dutch Telco stable y-on-y
  - Regulatory impact of € 4m (0.5%)
- EBITDA margin[1] of 49.1% in Q4 '12
  - Margin pressure at Dutch Telco due to:
    - Decline of high margin traditional services
    - Higher marketing and sales costs Consumer Residential
- € 41m restructuring costs taken in Q4 '12
  - Total restructuring costs of € 121m since start of FTE reduction program

Financial review Q4 – Dutch Telco by segment

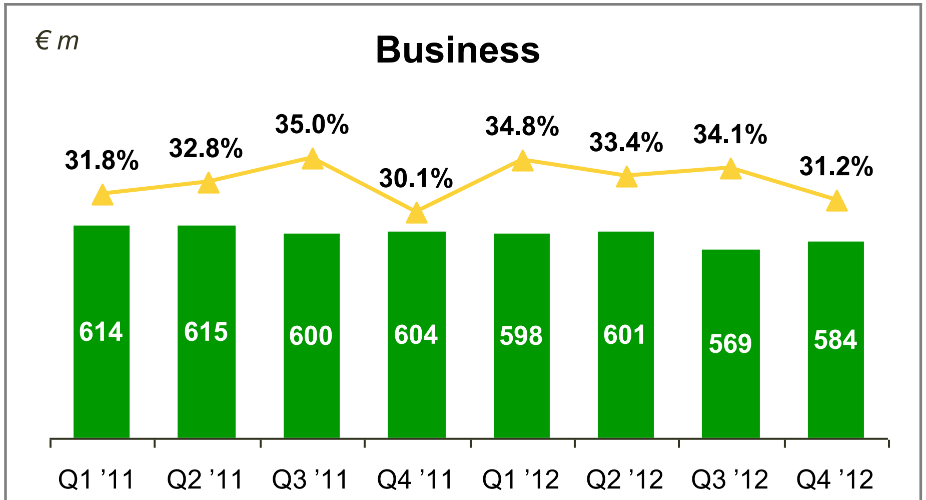


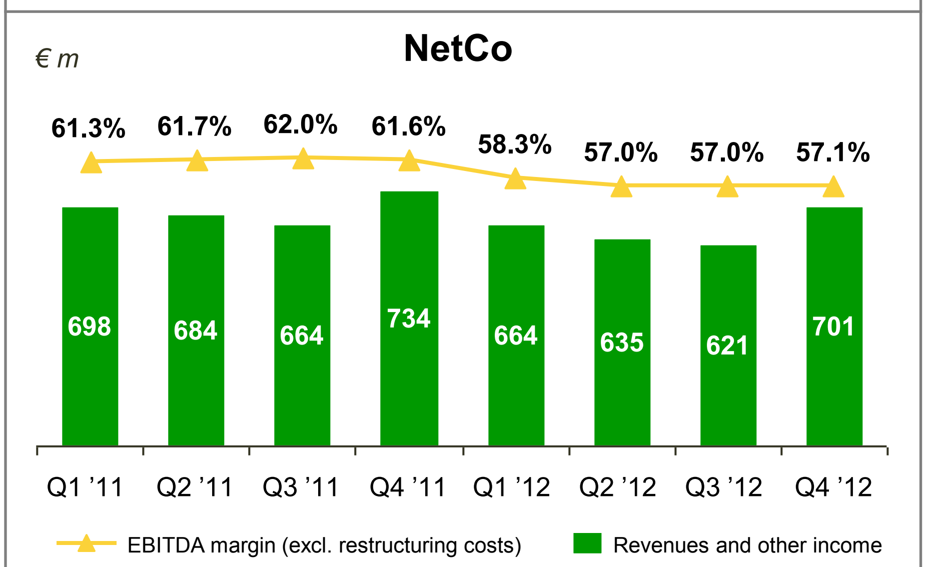


- Revenues Consumer Mobile down 9.4% y-on-y
  - Service revenue decline of 6.9%, impacted by regulation of € 4m (0.9%)
  - Lower traffic revenues partly offset by higher committed revenues
- EBITDA margin[1] increasing to 33.3%
  - Supported by introduction of new commercial propositions, including handset lease model
- Revenues Consumer Residential increased 1.5% y-on-y
  - Continued growth TV and FttH revenues
  - Supported by acquisition of fiber ISPs (€ 15m)
- EBITDA margin[1] at 18.1%
  - Continued decline high margin traditional services
  - Lower margin acquired fiber ISPs
  - Higher distribution and marketing expenses
  - Increased FttH and IPTV activations

1 EBITDA margin excluding restructuring costs, if any

Financial review Q4 – Dutch Telco by segment

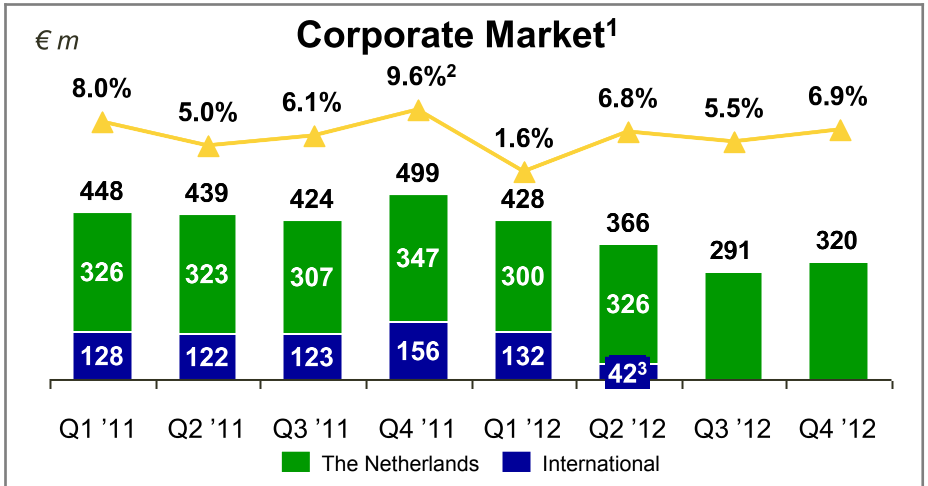


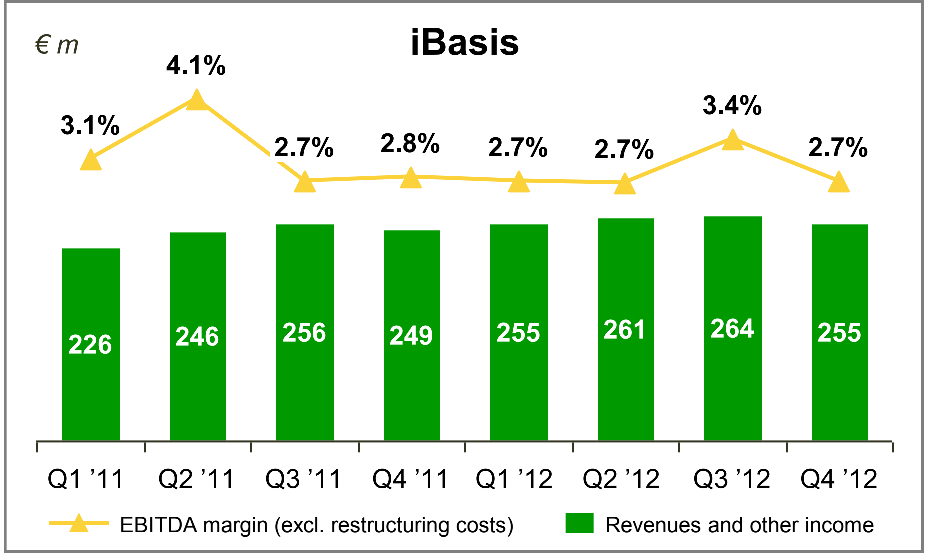


- Revenues Business down by 3.3% y-on-y
  - Regulatory impact of € 3m (0.5%)
  - Lower traffic, decline in traditional services and price pressure
  - Partly offset by good results challenger brands
- EBITDA margin[1] relatively stable y-on-y at 31.2%
  - Higher SAC/SRC in Q4 ’12
- Revenues decline at NetCo 4.5% y-on-y
  - Driven by revenue decline at Consumer Mobile and Business
- EBITDA margin[1] at 57.1%
  - Higher costs related to uptake of FttH activations
  - Book gain (€ 65m) sale of mobile towers in Q4 ’12 offset by similar book gain (€ 67m) in Q4 ’11

1 EBITDA margin excluding restructuring costs, if any

Financial review Q4 – Corporate Market & iBasis

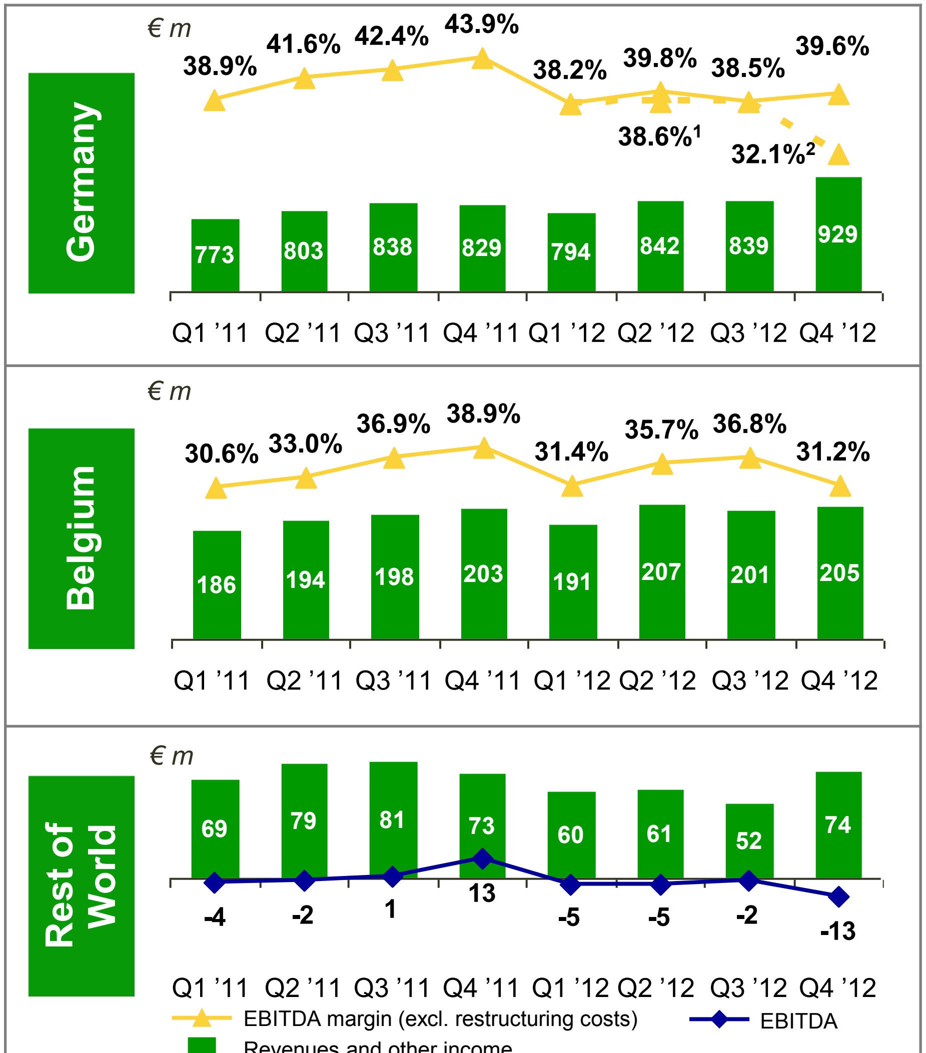




- Revenues Corporate Market The Netherlands down 7.8% y-on-y
  - Continued price pressure due to overcapacity in the sector
  - Clients postponing large investments
- EBITDA margin[4] at 6.9%
  - Lower personnel costs due to accelerated FTE reduction program, offset by lower margin contracts
  - Impacted by € 10m negative incidentals
- Revenues iBasis up by 2.4% y-on-y
  - Including 1.5% positive currency effect
- EBITDA margin relatively stable at 2.7%
  - Focus on cost control offset by margin pressure

1 Total revenues and other income includes eliminations
2 EBITDA margin excluding impact Getronics International classification as asset held for sale
3 Impacted by sale of Getronics International on 1 May 2012
4 EBITDA margin excluding restructuring costs, if any

Financial review Q4 – Mobile International

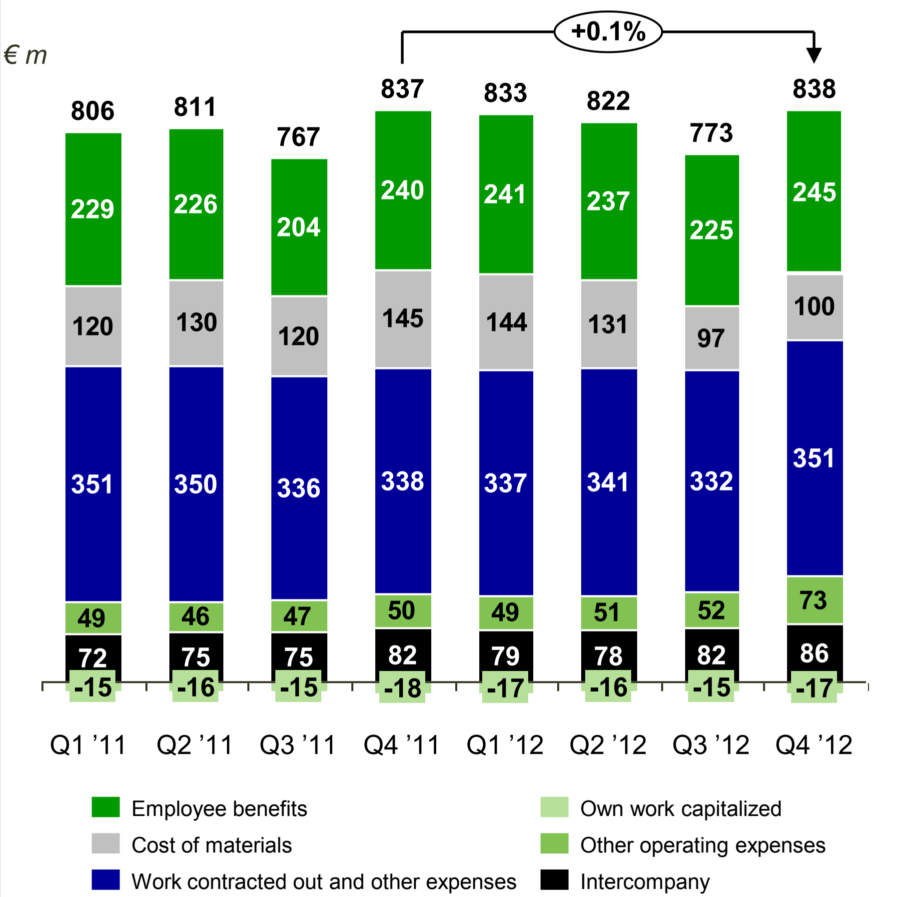


- Revenues Germany up by 12% y-on-y
  - Underlying revenue growth of 0.7%, corrected for tower sales and MTA
- EBITDA margin[3] at 39.6%
  - Underlying EBITDA margin at 32.1%, corrected for tower sales
  - Lower underlying EBITDA margin due to higher SAC and marketing costs
- Revenue growth Belgium of 1.0% y-on-y
  - Underlying service revenue growth of 8.8% y-on-y
- Lower y-on-y EBITDA margin[3] of 31.2%
  - Several small negative incidentals in Q4 '12
- Revenue increase Rest of World of 1.4% y-on-y
  - Positive incidental due to sale of KPN Spain
- EBITDA decline y-on-y
  - Book gain of KPN Spain offset by provision onerous contract Ortel France

1 EBITDA margin excl. restructuring costs (if any) and impact sale of SNT Inkasso (€ 16m)
2 EBITDA margin excl. restructuring costs (if any) and impact of sale German mobile towers (€ 103m)
3 EBITDA margin excluding restructuring costs, if any

Operating expenses Dutch Telco

Breakdown operating expenses Dutch Telco
(excl. D&A and restructuring costs)



- Operating expenses (excl. D&A and restructuring costs) in Q4 flat y-on-y
  - Employee benefits up € 5m due to higher wages and social security contributions partly offset by ongoing FTE reductions
  - Cost of materials down € 45m due to introduction new mobile propositions, incl. handset lease model
  - Work contracted out up € 13m due to increasing content costs for TV and higher FttH access costs partly offset by lower traffic across all segments
- Operating expenses (excl. D&A and restructuring costs) increased by 1.4% in 2012
  - Higher expenses per FTE, partly offset by FTE reduction program
  - Higher marketing costs
  - Partly offset by lower cost of materials due to introduction handset lease model
- € 257m restructuring costs (incl. € 31m onerous rental contracts) in The Netherlands since start program related to ~2,800 FTE
  - ~1,900 exits realized since start of FTE reduction program

kpn

Analysis of results

Impact regulation, incidentals and restructuring

€ m			Q4 ’12	Q4 ’11	FY ’12	FY ’11
Revenue effect						
MTA reduction	Regulation	Group	-21	-94	-102	-459
Roaming tariff reduction	Regulation	Group	-9	-7	-32	-27
EBITDA[1] effect						
MTA reduction	Regulation	Group	-11	-39	-40	-192
Roaming tariff reduction	Regulation	Group	-6	-3	-24	-11
Restructuring costs	Restructuring	Group	-90	-22	-173	-130
Release of provisions	Incidental	Group	-	10	19	25
Dotation to provisions	Incidental	Group	-31	-	-36	-
Release of accrued expenses	Incidental	NetCo	-	-	5	-
Book loss: held for sale classification of Getronics International	Incidental	Corporate Market	-	-30	-	-30
Book loss on sale of business	Incidental	Rest of World	-11	-	-11	-
Revenue & EBITDA[1] effect						
Book gain on sale of real estate	Incidental	Group	168	70	199	119
Book gain on sale of business	Incidental	Mobile International	36	10	52	10
Book gain on sale of business	Incidental	Corporate Market	-	-	8	5
Release of deferred revenues	Incidental	Consumer Mobile	-	-	7	-
Release of deferred connection fees	Incidental	Group	-	-	-	21
Corrected revenue recognition	Incidental	Group	-6	-	-6	-

1 Defined as operating profit plus depreciation, amortization and impairments

Restructuring costs

€ m	Q4 '12	Q4 '11	FY '12	FY '11
Germany	-39	-	-39	-
Belgium	-	-1	-	-2
Rest of World	-2	-	-2	-3
Mobile International	**-41**	**-1**	**-41**	**-5**
Consumer Mobile	-	-1	-2	-1
Consumer Residential[1]	-4	-2	-27	-4
Business	-15	-3	-27	-3
NetCo	-22	-8	-42	-9
Other	-	-	-3	-3
Dutch Telco	**-41**	**-14**	**-101**	**-20**
Corporate Market	-5	-6	-13	-96
The Netherlands	**-46**	**-20**	**-114**	**-116**
Other	-3	-1	-18	-9
KPN Group	**-90**	**-22**	**-173**	**-130**

1 FY '11 adjusted due to better insights

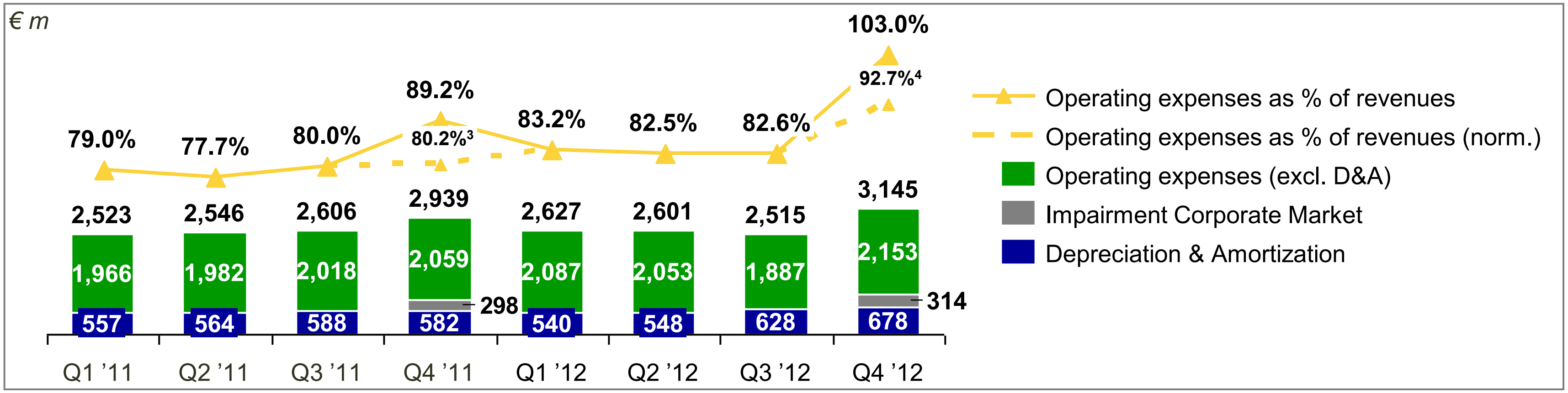
Impact MTA reduction

€ m	Q4 '12		FY '12	
	Revenues	EBITDA[1]	Revenues	EBITDA[1]
Germany	-9	-5	-9	-5
Belgium	-7	-4	-26	-13
Mobile International	**-16**	**-9**	**-35**	**-18**
Consumer Mobile	-2	-1	-35	-13
Of which: Mobile Wholesale	-	-	-6	-
Business	-1	-1	-15	-8
NetCo	-2	-	-17	-1
Intercompany	-	-	-	-
The Netherlands	**-5**	**-2**	**-67**	**-22**
KPN Group	**-21**	**-11**	**-102**	**-40**

1 Defined as operating profit plus depreciation, amortization and impairments

Operating expenses

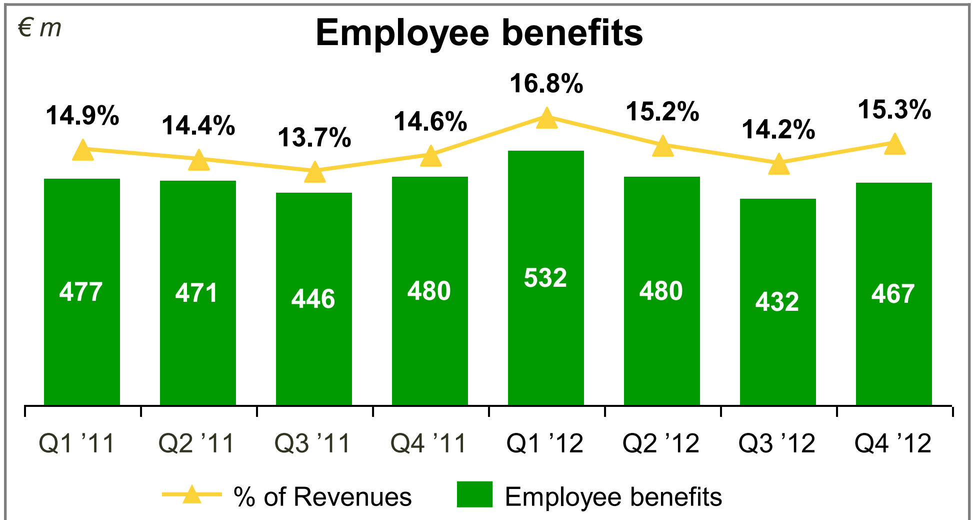
€ m	Q4 '12	Q4 '11	%
Employee benefits	467	480	-2.7%
Cost of materials	215	285	-25%
Work contracted out and other expenses	1,150	1,127	2.0%
Own work capitalized	-30	-31	-3.2%
Other operating expenses[1]	351	198	77%
Depreciation[2]	436	470	-7.2%
Amortization[2]	556	410	36%
Total	**3,145**	**2,939**	**7.0%**

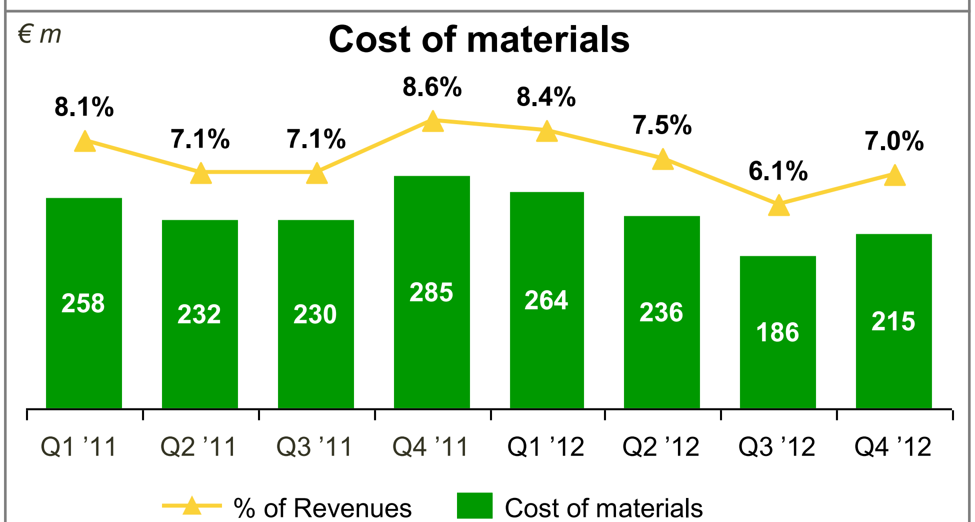


1 Including restructuring costs
2 Including impairments (if any)
3 Excluding Q4 '11 impairment of € 298m at Corporate Market
4 Excluding Q4 '12 impairment of € 314m at Corporate Market

Operating expenses - analysis

Employee benefits & Cost of materials





Y-on-Y decrease

- Lower costs due to sale of Getronics International
- Partly offset by higher pension costs relating to actuarial losses Getronics UK & US (€ 19m)

Q-on-Q increase

- Release of holiday allowance and other employee benefits in Q3 2012
- Dotation to provision for Dutch CLA[1] payout in 2013

Y-on-Y decrease

- Lower SAC Consumer Mobile due to new propositions, incl. handset lease model
- Lower costs due to sale of Getronics International
- Partly offset by higher SAC Germany and Business

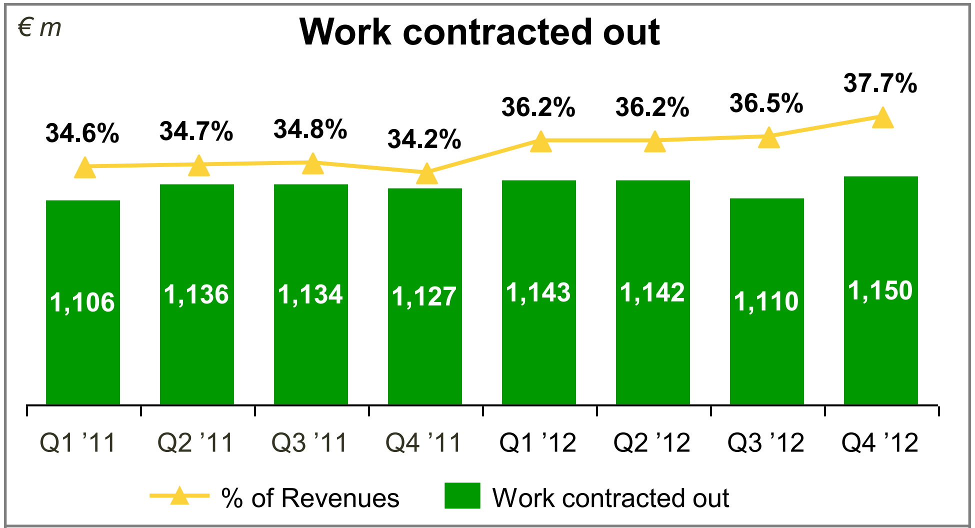
Q-on-Q increase

- Higher SAC Germany and Business

1 Collective Labor Agreement (“CLA”)

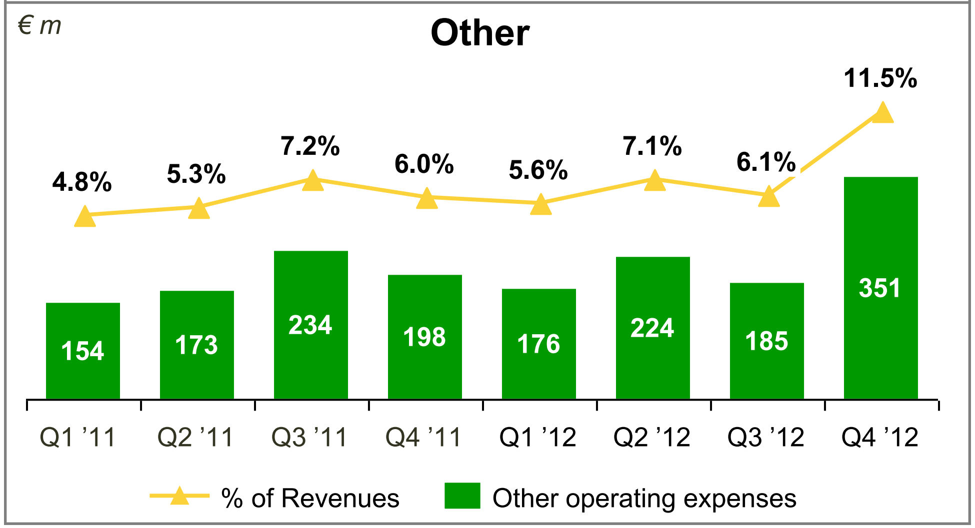
Operating expenses - analysis

Work contracted out & Other



Y-on-Y increase
- Higher traffic costs Mobile International and iBasis
- Higher costs related to acquired wholesale platform and FttH activations NetCo
- Higher content costs Consumer Residential
- Partly offset by:
  - Lower costs due to sale of Getronics International
  - Lower traffic costs Consumer Mobile and Business

Q-on-Q increase
- Increased dealer commissions Germany
- Higher costs related to FttH activations NetCo

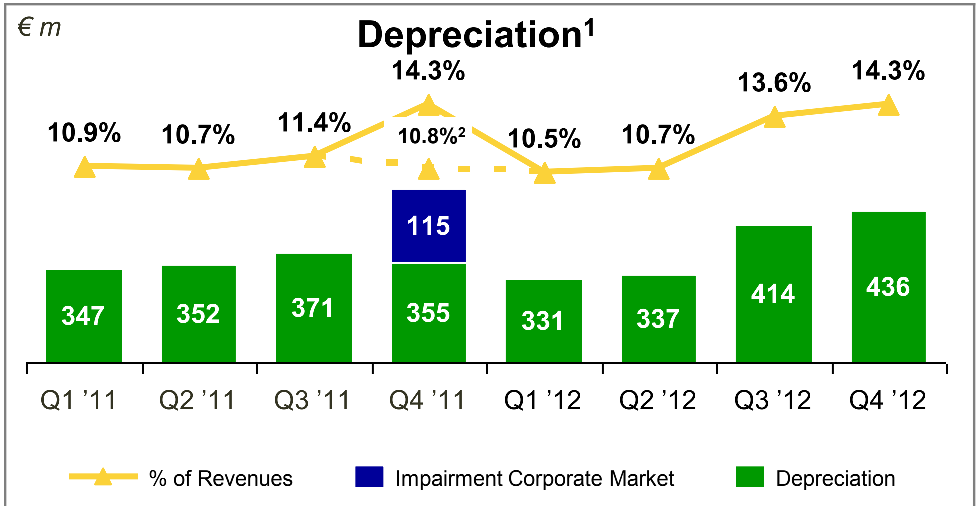


Y-on-Y increase
- Higher restructuring costs
- Higher marketing expenses Germany
- Dotation to provisions

Q-on-Q increase
- Higher restructuring costs
- Higher marketing expenses Germany and Belgium
- Dotation to provisions

Operating expenses - analysis

Depreciation & Amortization

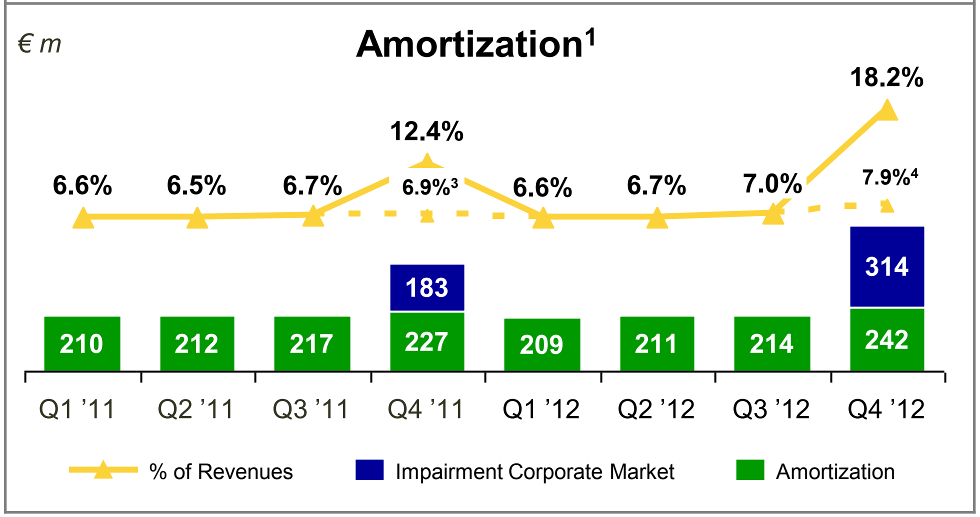


Y-on-Y increase

- Additional depreciation assets under construction Germany (€ 32m)
- Introduction new mobile propositions, incl. handset lease model at Consumer Mobile and Germany

Q-on-Q increase

- Introduction new mobile propositions, incl. handset lease model at Consumer Mobile and Germany



Y-on-Y increase

- Higher investments software at Dutch Telco

Q-on-Q increase

- Higher investments software at Dutch Telco

1 Including impairments, if any
2 Excluding Q4 '11 impairment of € 115m at Corporate Market
3 Excluding Q4 '11 impairment of € 183m at Corporate Market
4 Excluding Q4 '12 impairment of € 314m at Corporate Market

Tax

Fiscal units *(€ m)*	P&L Q4 '12	P&L Q4 '11	Cash flow Q4 '12	Cash flow Q4 '11
The Netherlands	-56	-104	-138[1]	-74[1]
Corporate Market	4	37	-	-2
Germany	22	47	-11	-4
Belgium	8	-12	-	-
Other	-	-1	-4	-2
Total reported tax	**-22**	**-33**	**-153**	**-82**
Effective tax rate	*15.9%*	*15.6%*		

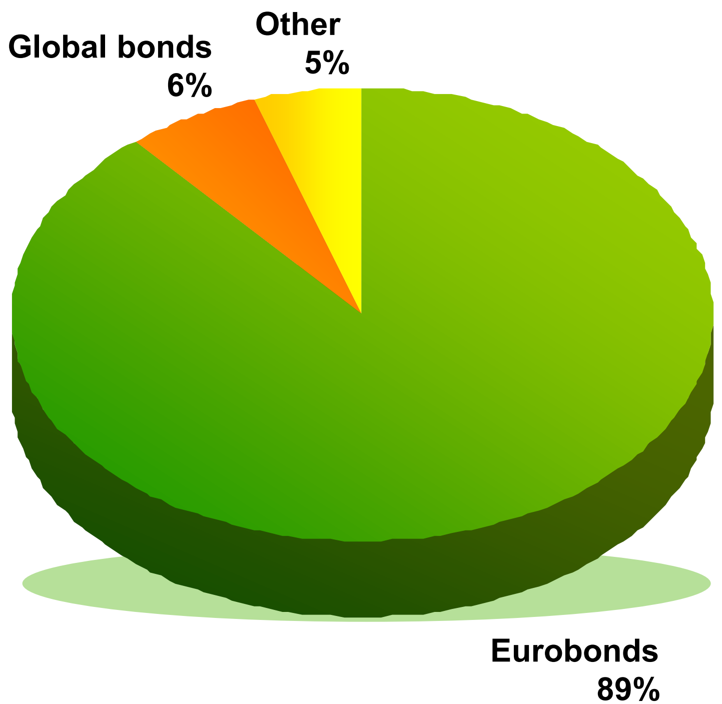
- Q4 '12 effective tax rate of 15.9% due to
  - Revaluation of E-Plus deferred tax asset in E-Plus leading to P&L tax benefit of € 82m (2011: € 82m)
  - Partly offset by non-deductible expenses related to
    - Revaluation of Reggefiber options, and
    - One-off actuarial pension losses Getronics UK & US

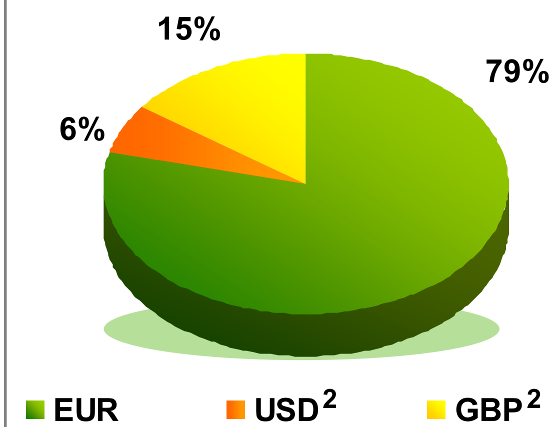
- Effective Group tax rate expected to be approximately 20% in 2013-2015 period

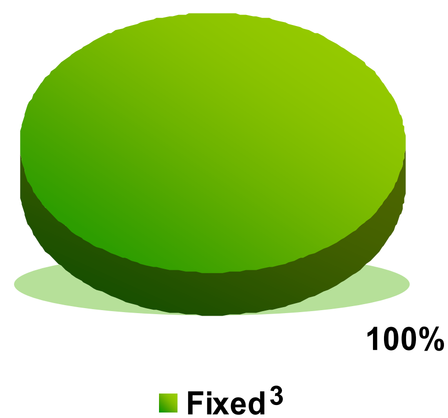
1 Including tax recapture E-Plus

Debt portfolio

Breakdown of € 13.3bn gross debt[1]







1 Nominal value of interest bearing financial liabilities related to these liabilities
2 Foreign currency amounts hedged into EUR
3 Excluding bank overdraft

Dutch wireless disclosure

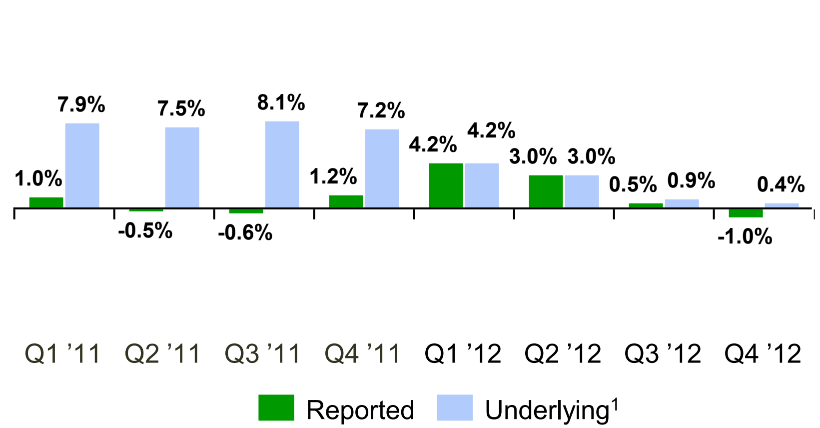
€ m	Q4 '12	Q4 '11	%
Service revenues	**633**	**665**	***-4.8%***
– Consumer retail	336	364	*-7.7%*
– Business	246	254	*-3.1%*
– Other[1]	51	47	*8.5%*

SAC/SRC			
– Consumer retail[2]	165	162	*1.9%*
– Business	311	249	*25%*

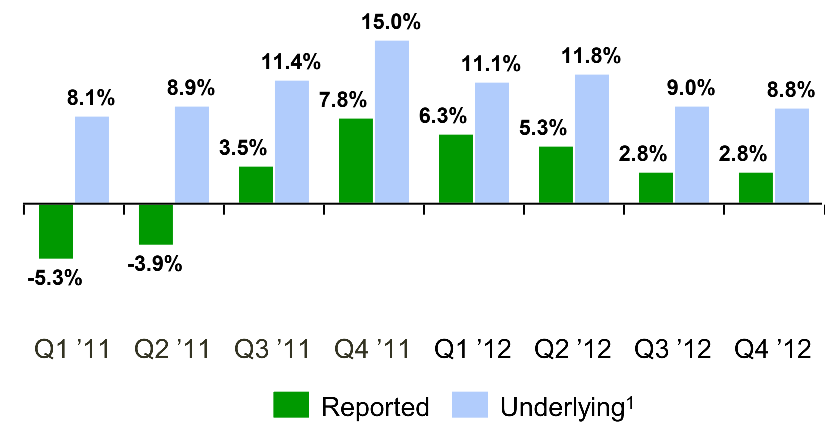
1 Includes amongst others Consumer Mobile wholesale and visitor roaming revenues at NetCo
2 Including handset subsidies, commissions, SIM costs and capitalization of handsets corrected for residual value

Mobile International wireless disclosure

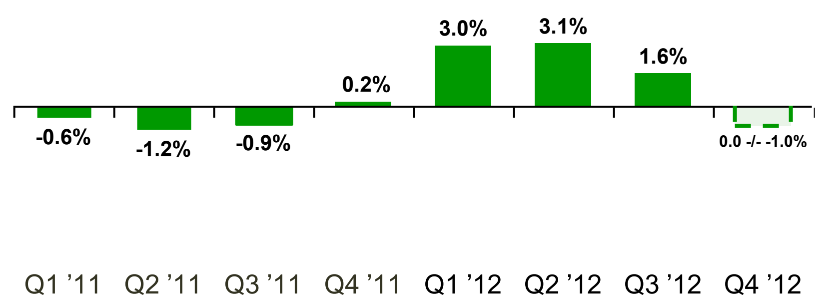
Service revenues growth Germany



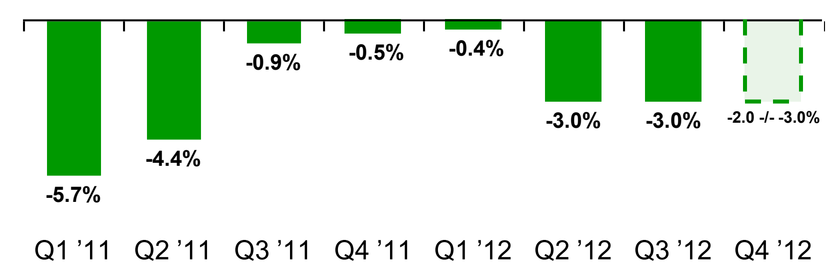
Service revenues growth Belgium



Market growth Germany[2]



Market growth Belgium[2]



1 The definition of underlying is explained in the safe harbor of this presentation
2 Management estimates for market service revenues growth, based on equity research

Regulation

MTA rates across the Group

NL

- OPTA is preparing a new decision; publication draft decision expected February 2013

€ ct / min	Until 7 July	7 July '10	Sep '10	Jan '11	Sep '11	Sep '12
MTA rate	7.00	5.60	5.60	4.20	2.70	2.40

GER

- Legal proceedings against former MTA decisions ongoing
- New MTA tariffs are determined at € 1.85 ct / min effective as from 1 December 2012 and € 1.79 ct / min effective as from 1 December 2013 until 30 November 2014

€ ct / min	Until 1 Dec '10	1 Dec '10	1 Dec '12	1 Dec '13 – 30 Nov '14
MTA rate	7.14	3.36	1.85	1.79

BE

- KPN's annulment request has been rejected
- BIPT is updating its cost model to set new tariffs for the period 2014-2016

€ ct / min	Until Aug	Aug '10	Jan '11	Jan '12	Jan '13
MTA rate	11.43	5.68	4.76	2.92	1.08

Impact on Group revenues & EBITDA

€ m	2010	2011	2012	2013E
Revenues	180	459	102	~150
EBITDA	62	192	40	~80

kpn

Regulation

Spectrum in The Netherlands

Current status

800MHz Paired	Tele2 2*10	VOD 2*10	KPN 2*10				2*30
900MHz Paired	VOD 2*10	KPN 2*10	T-Mob 2*15				2*35
1.8GHz Paired	KPN 2*20	VOD 2*20	T-Mob 2*30				2*70
1.9GHz Unpaired	T-Mob 10	KPN 5	VOD 5.4	T-Mob 14.6			1*35
2.1GHz Paired	VOD 2*14.6	KPN 2*14.8	T-Mob 2*10	KPN 2*5	VOD 2*5	T-Mob 2*10	2*59.4
2.6GHz Unpaired	T-Mob 25	KPN 30	Tele2 5				1*60
2.6GHz Paired	VOD 2*10	Ziggo4 2*20	T-Mob 2*5	KPN 2*10	Tele2 2*20		2*65
Total	KPN 174.6MHz	VOD 144.6MHz	T-Mob 189.6MHz	Tele2 65MHz	Ziggo4 40MHz		614MHz

Regulation

Spectrum in Germany

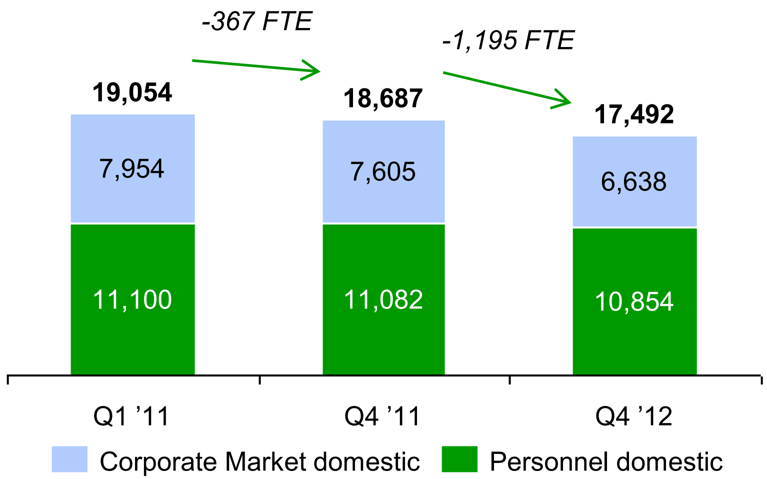
Current status

800MHz Paired	O2: 2*5, 2*5 · VOD: 2*5, 2*5 · DT: 2*5, 2*5	2*30
900MHz Paired	E+: 2*5 · O2: 2*5 · DT: 2*12.4 · VOD: 2*12.4	2*34.8
1.8GHz Paired	DT: 2*5, 2*5, 2*5, 2*5 · E+: 2*5 · O2: 2*17.4 · VOD: 2*5 · E+: 2*5, 2*17.4	2*69.8
2.1GHz Paired	VOD: 2*4.95, 2*9.9 · E+: 2*4.95, 2*4.95, 2*9.9 · O2: 2*4.95, 2*9.9 · DT: 2*9.9	2*64.35
2.1GHz Unpaired	O2: 5, 14.2 · E+: 5 · DT: 5 · VOD: 5	1*34.2
2.6GHz Paired	VOD: 2*5, 2*5, 2*5, 2*5 · DT: 2*5, 2*5, 2*5, 2*5 · E+: 2*5, 2*5 · O2: 2*5, 2*5, 2*5, 2*5	2*70
2.6GHz Unpaired	E+: 5, 5 · VOD: 5, 5, 5, 5, 5 · DT: 5 · O2: 5	1*45
Total	VOD: 154.5MHz · DT: 154.6MHz · E+: 139.4MHz · O2: 158.7MHz	607MHz

FTE reduction program on track

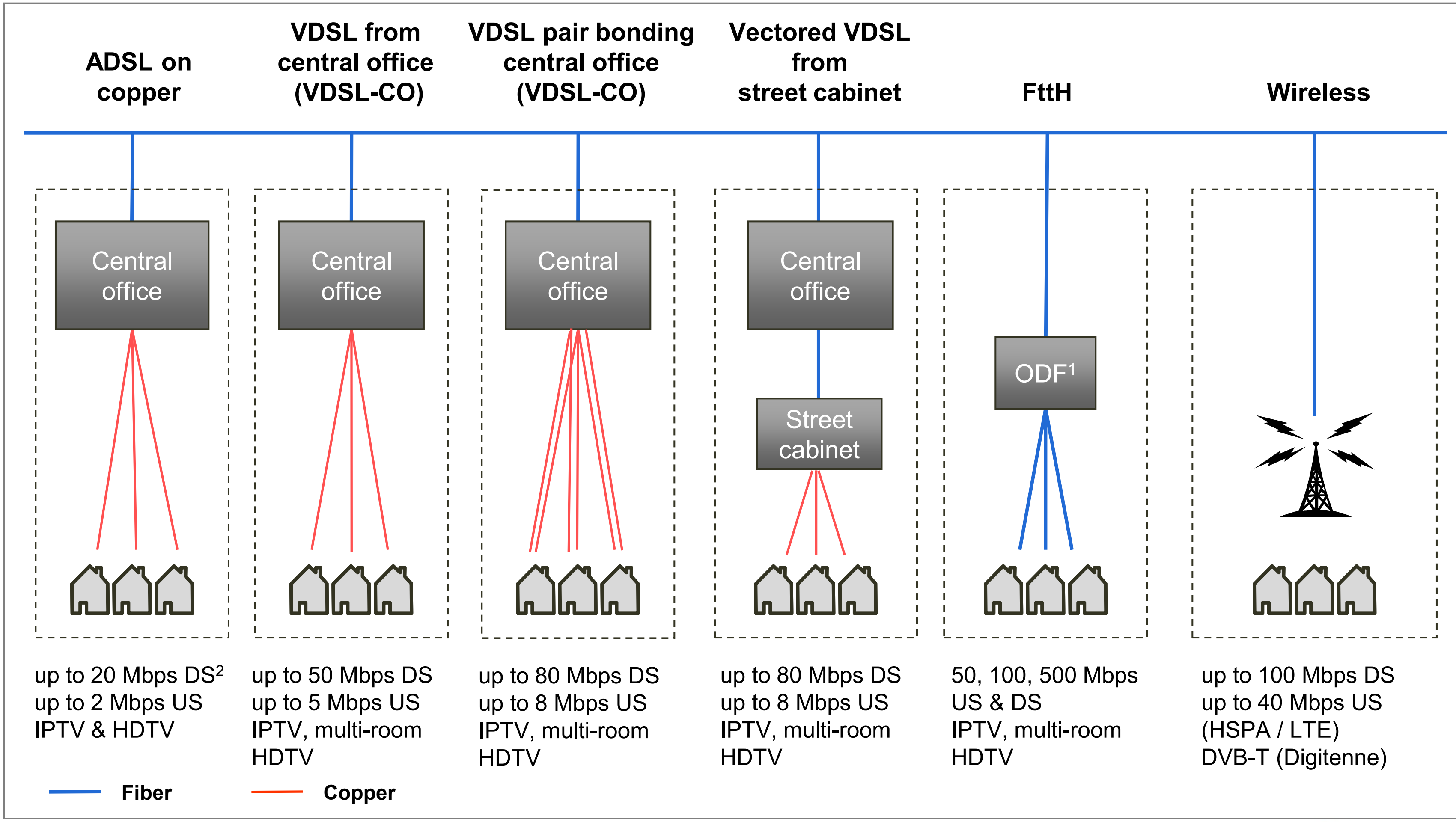
- ~1,550 less FTE in The Netherlands since start FTE reduction program
  - Accelerated investment strategy and net effect M&A leading to ~350 FTE increase
  - ~1,900 less FTE resulting from FTE reduction program, mainly at Corporate Market
- € 257m restructuring costs per Q4 '12 related to ~2,800 FTE

Status 4,000-5,000 FTE reduction program		
	Announced May '11	**Provisions per Q4 '12**
Restructuring costs	€ 250-300m	€ 257m
FTE	4,000-5,000	~2,800
➢ Efficiency	800-1,100	~2,000
➢ Outsourcing	1,400-1,700	~350
➢ Off-shoring	1,800-2,200	~450



Infrastructure

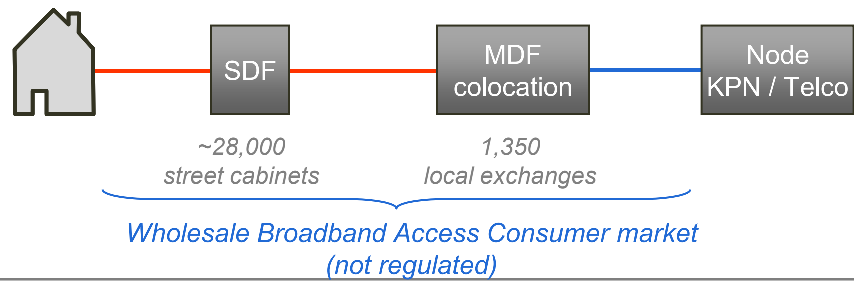
Deploying mix of technologies going forward



1 Optical distribution frame
2 DS: Download Speed; US: Upload Speed

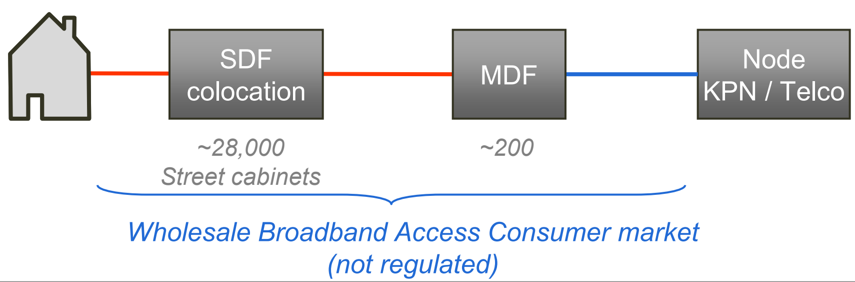
Unbundling tariffs

Unbundling in copper network



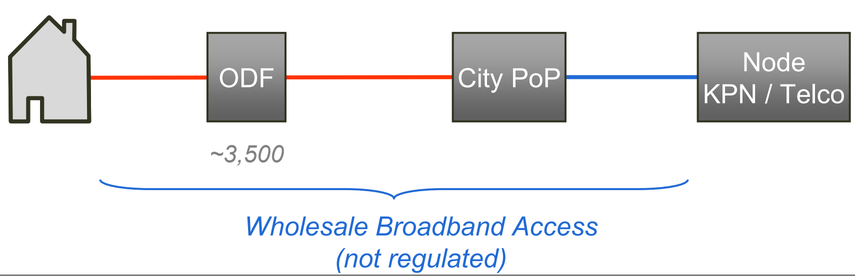
Category	Monthly tariff
Line sharing (LLU)[1]	€ 0.12 / line
Fully unbundled (LLU)[1]	€ 6.84 / line
MDF colocation[1]	€ 911.74 footprint / year
MDF backhaul	Commercial pricing, not regulated
Wholesale Broadband Access[2]	€ 5.32 / line shared € 13.00 / line non-shared

Unbundling in network FttC



Category	Monthly tariff
Line sharing (SLU)[1]	€ 6.84 / line
Fully unbundled (SLU)[1]	€ 6.84 / line
SDF colocation	€ 1.24 / line or € 5.50 / per unit One-off € 503.64 / per unit
Wholesale Broadband Access[2]	€ 5.32 / line shared € 13.00 / line non-shared

Unbundling in network FttH



Category	Monthly tariff
Fully unbundled (ODF FttH)[3]	€ 15.52 – € 17.67 / line
ODF FttH colocation[3]	≤ € 535 / month / per Area Pop One-off ≤ € 3,212 / per Area Pop
ODF FttH Backhaul[3]	≤ € 642 / month
Wholesale Broadband Access FttH[2]	€ 19.00 / line non-shared
ODF FttO[4]	Regulated as from 1 January 2013

Regulated — Not regulated

1 Tariffs per 1 January 2013
2 List prices excluding PVC/VLAN tariffs (WBA Consumer Market not regulated)
3 Preliminary tariff decision OPTA still under consultation. Tariffs per 1 January 2013
4 OPTA FttO tariff proposal expected in 2013