KPN Investor Day: Mobile International

Doing things differently

Paris, 12 June 2009

Safe harbor

Non-GAAP measures and management estimates

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.

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.

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

Forward looking statements

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 KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the 2008 Annual Report.

Programme

Time	Topic	Speaker
09.00 - 09.10	Opening	Vivienne van Asten
09.10 - 09.30	Introduction	Ad Scheepbouwer
09.30 - 10.00	Strategy Mobile International	Stan Miller
	Finance	Eric Hageman
10.00 - 10.20	Regulation	Marc van Asbroeck
10.20 - 10.45	KPN Group Belgium	Libor Voncina, replaced by Erik Hoving
10.45 - 11.00	Break	
11.00 - 11.30	E-Plus	Thorsten Dirks
11.30 - 11.45	International wholesale	Eric Hageman
11.45 - 11.50	Concluding remarks	Stan Miller
11.50 - 12.15	Q&A	
12.30 - 14.00	Lunch	

Agenda

Introduction	Ad Scheepbouwer, Chairman and CEO KPN
Strategy	Stan Miller, CEO KPN Mobile International
Finance	Eric Hageman, CFO KPN Mobile International
Regulation	Marc van Asbroeck, Chief Legal & Regulation
KPN Group Belgium	Erik Hoving, CTO KPN Mobile International
E-Plus	Thorsten Dirks, CEO E-Plus
International Wholesale	Eric Hageman, CEO International Wholesale
Concluding remarks	Stan Miller, CEO KPN Mobile International

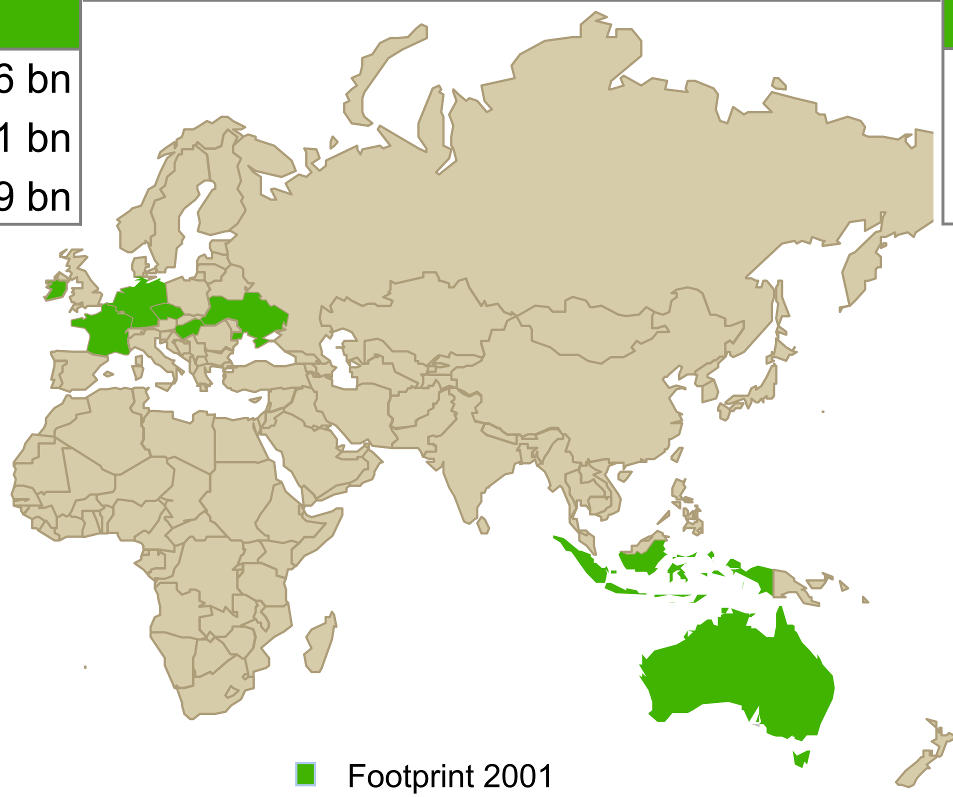
Historic perspective: KPN end of 2001[1]

The Netherlands main contributor, activities all over the world

KPN Group				
	Revenues	€ 12.9 bn	Gross debt	€ 23.0 bn
	EBITDA	€ 3.4 bn	FTE	45.7k
	Cash flow[2]	€ 0.4 bn		

The Netherlands & other	
Revenues	€ 10.6 bn
EBITDA	€ 3.1 bn
Cash flow[2]	€ 0.9 bn

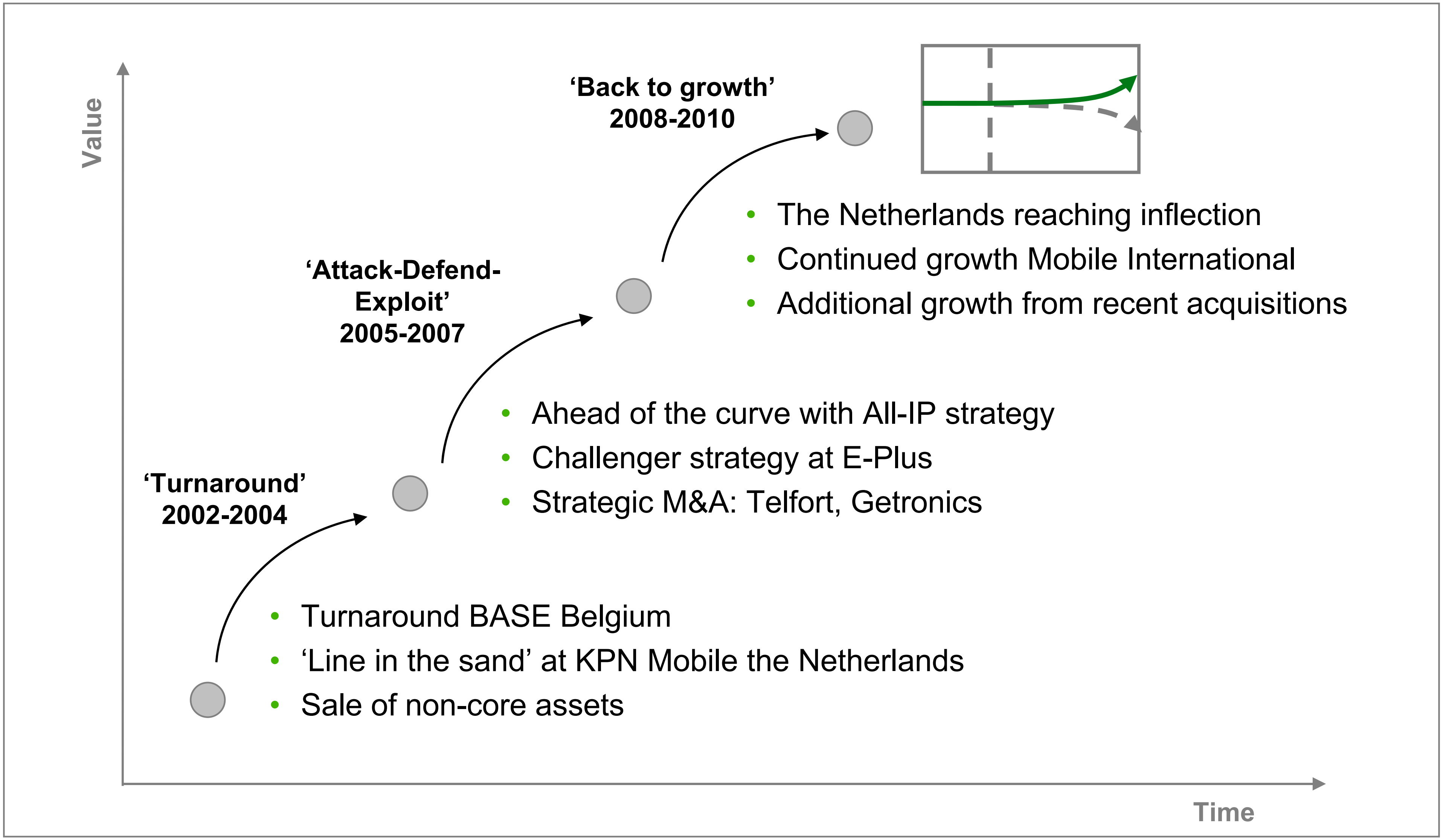
Mobile International	
Revenues	€ 2.3 bn
EBITDA	€ 0.3 bn
Cash flow[2]	-/-€ 0.5 bn



1 Pro forma figures, based on Dutch GAAP
2 Cash flow defined as EBITDA -/- Capex

KPN strategies 2002-2010

Clear strategies and execution have paved the way for growth opportunities



2002-2004: Turnaround strategy

Tough actions taken with focus on core activities

Focused strategy	• Focus on core markets – The Netherlands; market leader in Fixed and Mobile – Germany; # 3 mobile operator – Belgium; # 3 mobile operator • Disposal of non-core assets, total proceeds of ~€ 4.4 bn – Ireland, Indonesia, Hungary, Czech Republic: ~€ 3.0 bn – Other non-core assets, totalling ~€ 1.4 bn • Focus on cash flow instead of revenue growth
Refinancing	• Harsh refinancing actions taken to defer financial distress • € 2.5 bn credit facility, consortium of 8 international banks in September 2001 • € 4.8 bn rights issue in December 2001, 85% dilution of outstanding shares
Operational excellence	• Created internal sense of urgency by change of management • Forced lay-offs through social plan for more than 5,000 FTE • Management focus on operational excellence and customers

2005-2007: Attack-Defend-Exploit strategy

Transforming our business model

The Netherlands *Attack-Defend-Exploit strategy*	
Attack	• Proactive migration of traditional services to IP-based services, e.g. VoIP • New IP and broadband services, extended with value-added services
Defend	• Maximize position in traditional services prior to migration to IP-based services and phase-out • Open access model based on IP • Unbundlers as resellers on KPN infrastructure
Exploit	• Broadband access network: VDSL, HSDPA • Rationalization of systems and processes

Mobile International *Challenger Strategy*	
Customer targeting	• Handpick segments with tailored offerings
Proposition	• Turn core services into great value
Channels	• Redesign pull & its economics
Deployment	• Focus regionally, maximize impact of pull actions
Regulatory	• Launch offensive to throw rivals off-balance
Financial model	• Maximize margin

2008-2010: Back-to-growth strategy

Reaching inflection and focus on profitable growth

The Netherlands

- Ramping up new services
  - Accelerate recent growth initiatives
  - Selectively add new services
- Radical simplification at back & front end
- 'Best-in-class' network operator
- Reduction IT spend
- FTE reduction of 4,500 from 2008 - 2010
- Investing in market positions
- Improving EBITDA through continuous cost reductions

Leading service provider with EBITDA inflection

Mobile International

Germany

- Continue to outperform competition
- Solid margins through strong cost focus

Belgium

- Re-ignite growth supported by acquisitions
- Expand in scope and outperform

International

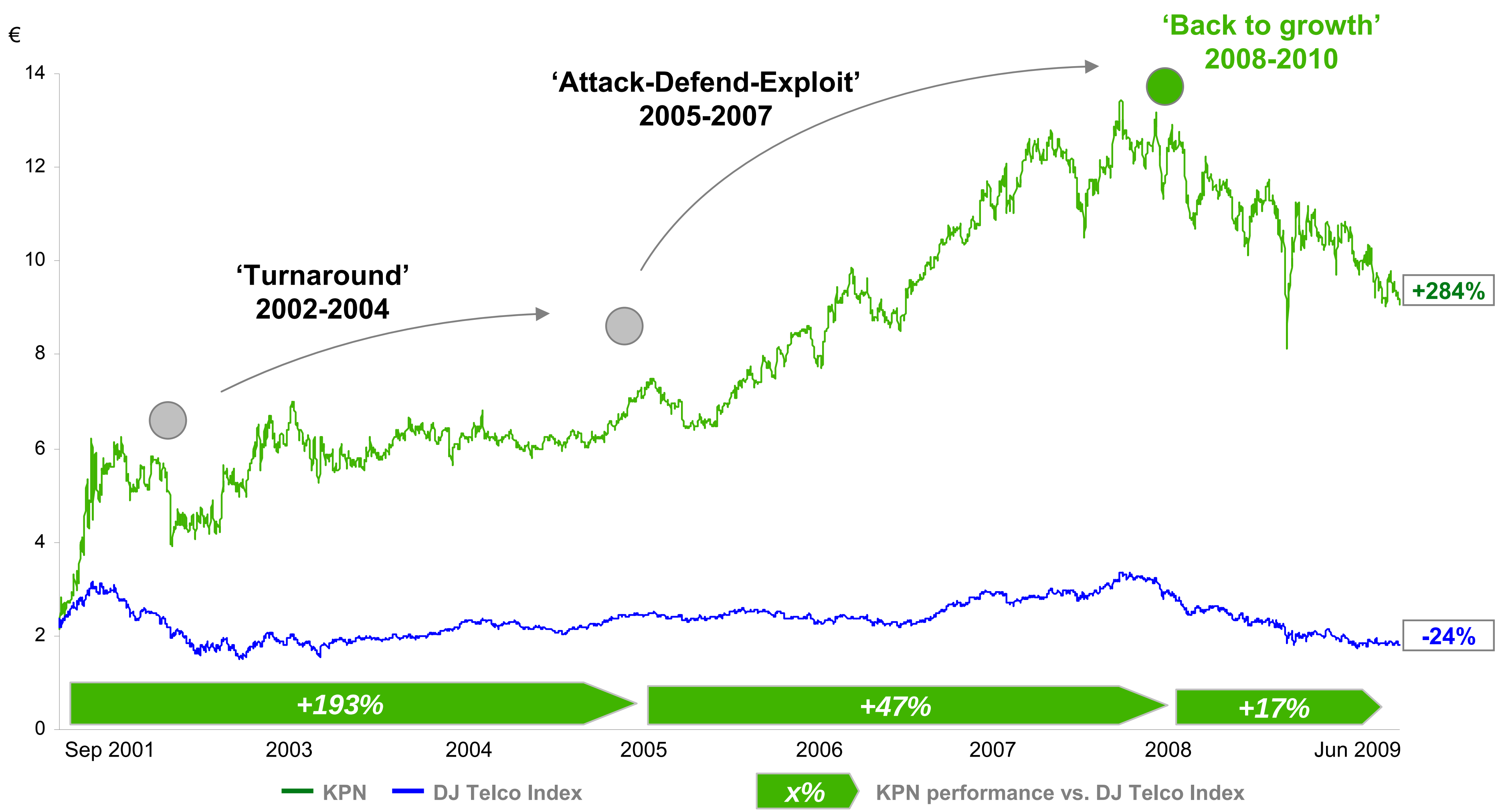
- Value creation through selective expansion in Europe
- Leverage wholesale partnerships across countries

Expand and continued profitable growth

KPN strategies focus on value creation

KPN clearly outperforming the Telco sector

KPN share price outperformance[1]



1 Performances based on prices of 10 September '01 (appointment of Ad Scheepbouwer) until 5 June '09

KPN today[1]

Market leader in the Netherlands, mobile Challenger abroad

KPN Group				
	Revenues	€ 14.6 bn	Gross debt	€ 13.6 bn
	EBITDA	€ 5.1 bn	FTE	35.6k
	Cash flow[2]	€ 3.1 bn		

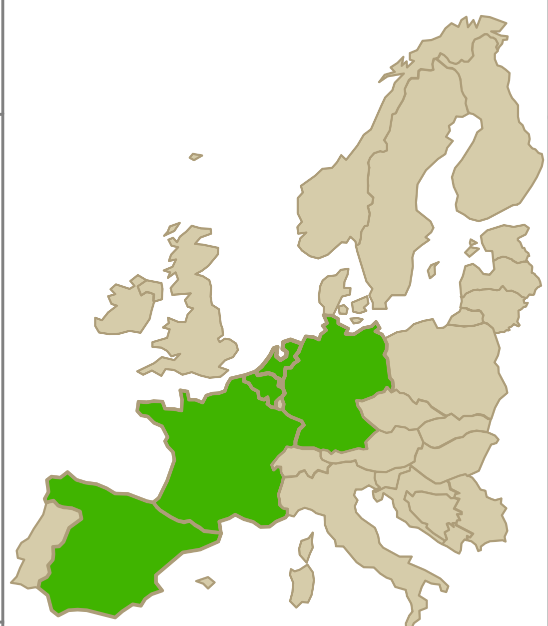
The Netherlands

Revenues	€ 10.5 bn	*+€ 0.1 bn*
EBITDA	€ 3.6 bn	*+€ 0.5 bn*
Cash flow[2]	€ 2.3 bn	*+€ 1.4 bn*

kpn, Telfort, hi, XS4ALL, Getronics

Wireless	
Position	1
Market share	~50%
Wireline	
Position	1
Market share	>50%
Broadband	
Position	1
Market share	44%

- Integrated market leader in telecoms
- Leading business ICT service provider
- Own brands and partners



Current footprint

XX Delta versus 2001

Mobile International

Revenues	€ 4.1 bn	*+€ 1.8 bn*
EBITDA	€ 1.5 bn	*+€ 1.2 bn*
Cash flow[2]	€ 0.8 bn	*+€ 1.3 bn*

E-PLUS GRUPPE	Position	3
	Market share	15.4%
	Customers	18.0m
kpnGroupBelgium	Position	3
	Market share	>16%
	Customers	3.5m
kpn España	Leading MVNO	
	Customers	~0.2m
kpn France	Launched in Jan '09	

- 'Challenger' in Belgium and Germany
- Leading MVNO in Spain and France
- Own brands and partners

1 Revenues, Cash flow and EBITDA are FY 2008, other figures relate to Q1 '09
2 Cash flow defined as EBITDA -/- Capex

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International Wholesale	Eric Hageman, CEO International Wholesale
Concluding remarks	Stan Miller, CEO KPN Mobile International

Key messages

- We have delivered on our promises
- Challenger strategy works
- Confident that our strategy will continue to work in the future
- Management team with strong and proven track record in managing challenges
- Continue to deliver shareholder value

Mobile International board

Experienced team responsible for allocation of resources

KPN Mobile International

CEO
Stan Miller

KPN Mobile International

CFO
Eric Hageman

E-Plus

CEO
Thorsten Dirks

International Wholesale

CEO
Eric Hageman

KPN Mobile International

CHRO
Bruce Humphreys

KPN Group Belgium

CEO
Libor Vončina

Network & Operations

CEO
Erik Hoving

KPN Mobile International

CLO
Marc van Asbroeck

Strategic cornerstones

Committed to four key pillars that deliver profitable growth

Strategic cornerstones

Position around customers

- Use choices about what **segments to target** to guide offers and organization
- **Turn low spend** customers into value
- Use **MVNOs to address non-target segments**
- **De-average the offer**

Create customer pull

- Design segment-specific, highly **differentiated offers** that will be irresistible for finely-targeted customers
- Introduce low cost **alternative channels**

Establish partnerships

- **Break** with vertical integration
- Explore outsourcing and partnership opportunities to reduce **costs & share risks**

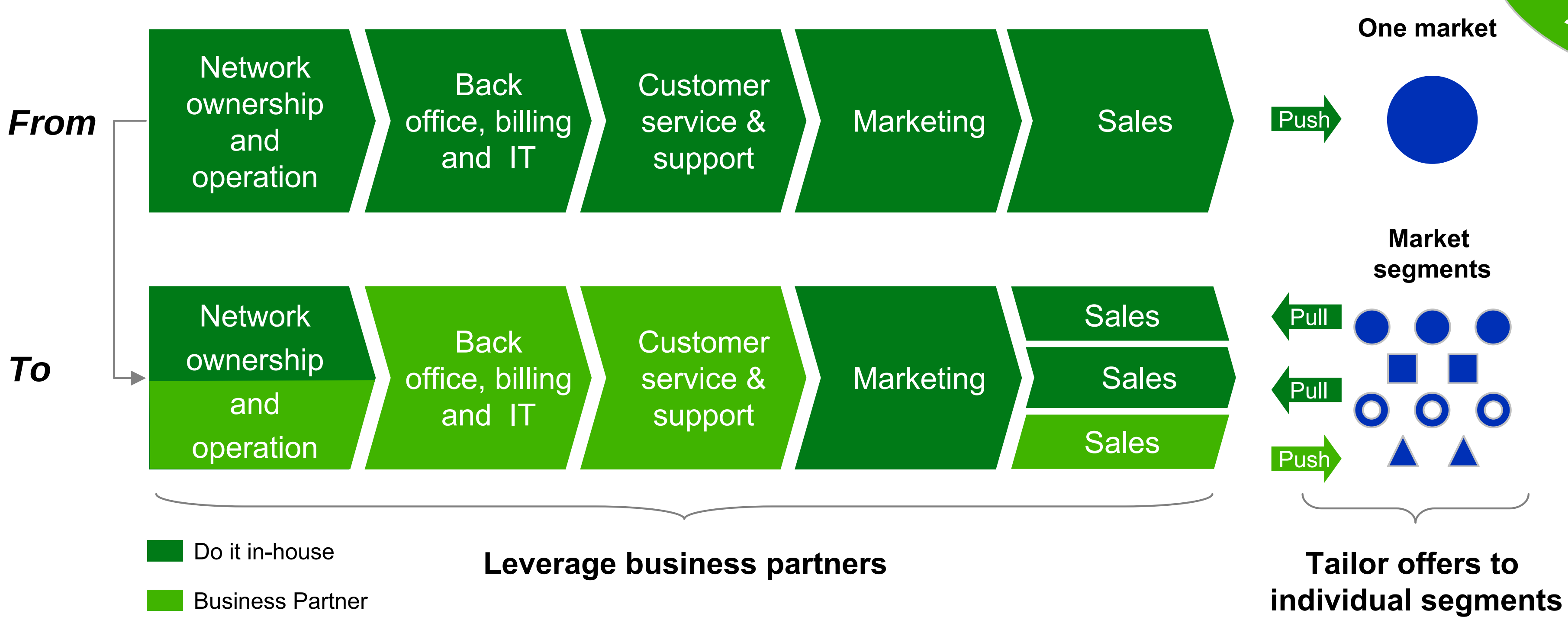
Introduce profit-maximizing value chains

- **Structure organization** around segment-specific end-to-end value chains
- De-average by **matching customer spend to SLA and cost to serve**
- **Manage** cross-segment **overlaps**

Strategy introduced in 2005

New strategy turns weaknesses into strengths

Strategy update 2005



Objectives

- Attractive customer propositions
- Make indoor coverage a USP
- Establish multibrand strategy
- Simplify operations
- Rebalance playing field

Strategic Initiatives

- Create brand preference and customer pull
- Invest in network
- Customer segmentation
- Outsourcing partnerships
- Regulatory offensive

Belgian mobile market situation in 2003

Market structure	• Proximus and Mobistar controlled 91% of mobile market revenues • Both had roughly three times KPN Group Belgium's EBITDA margin
Market characteristics	• Very low usage, fourth lowest of all EU-14 countries • 35% of the market is Post Paid • Proximus and Mobistar had close to 95% business value market share
Distribution	• KPN Group Belgium had 43 exclusive shops versus more than triple that number for competition
Network	• KPN Group Belgium had several hundreds fewer base stations than top two players
Business model	• KPN Group Belgium was a sub-scale business with high investments, leading to negative cash flow

German mobile market situation in 2005

Strategy update 2005

Market structure	• T-Mobile and Vodafone controlled 75% of mobile market revenues • Both had roughly two times E-Plus' EBITDA margin
Market characteristics	• Very low usage, second lowest of all EU-25 countries • 50% of the market was Post Paid • T-Mobile and Vodafone had close to 80% business market share
Distribution	• E-Plus had 179 exclusive shops versus more than 500 for competition
Network	• E-Plus had more 2G base stations than O_2 but thousands less than top two players
Business model	• E-Plus model demanded high investment in acquiring customers

Results at E-Plus

We have delivered on our promises

	Key examples	Results so far
Customer targeting	• Introduced SIM-only • Online community - no frills offers	• 11.9 mn 'new brands' customers • Leading position in segments
Proposition	• Fixed-Mobile substitution through value for money and flat rates	• Post Paid MoU from 135 to 281 • Pre Paid MoU from 21 to 60
Channels	• Customer pull through SIM-only • Leveraging wholesale partners	• SAC down, from € 148 to € 52 • >8,300 exclusive wholesale distribution channels
Deployment	• Focus on key regions • Smart follower new technology	• Leading positions in target regions • Capex to sales down
Regulatory	• Court action against regulators and competition	• MTA asymmetry maintained • Case against Deutsche Telekom
Financial model	• Focus on margin & cash flow	• EBITDA from € 673m to € 1,245m • Cash flow from € 272m to € 731m

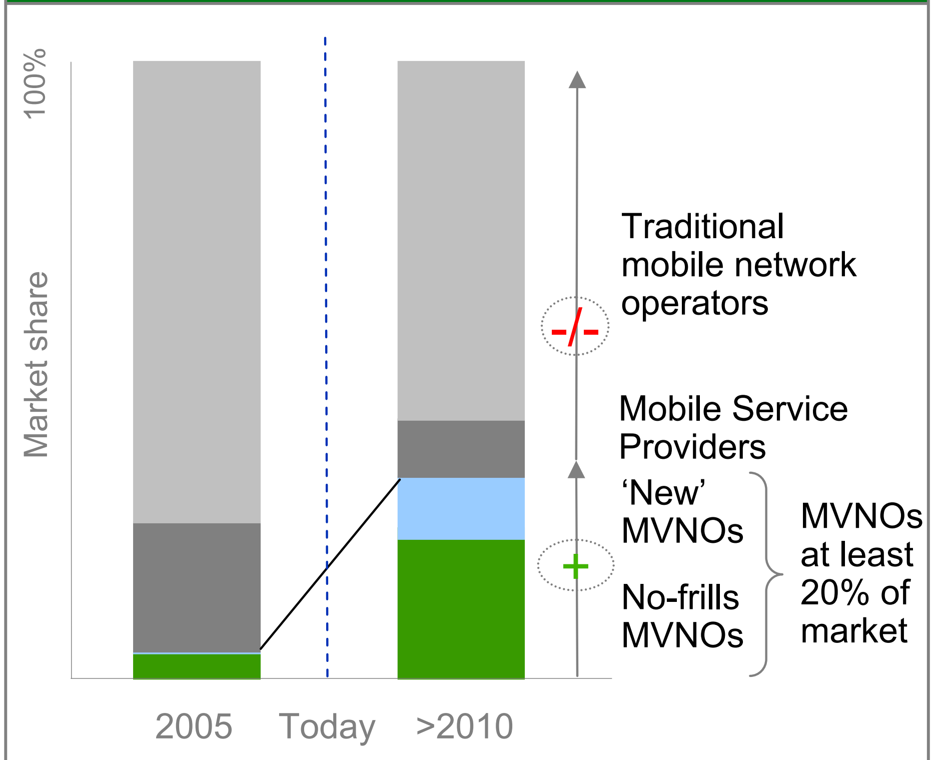
Delivering on promises, significant upside potential still to be realized

Targeting 20-25% market share, with at least 35% margin in next few years

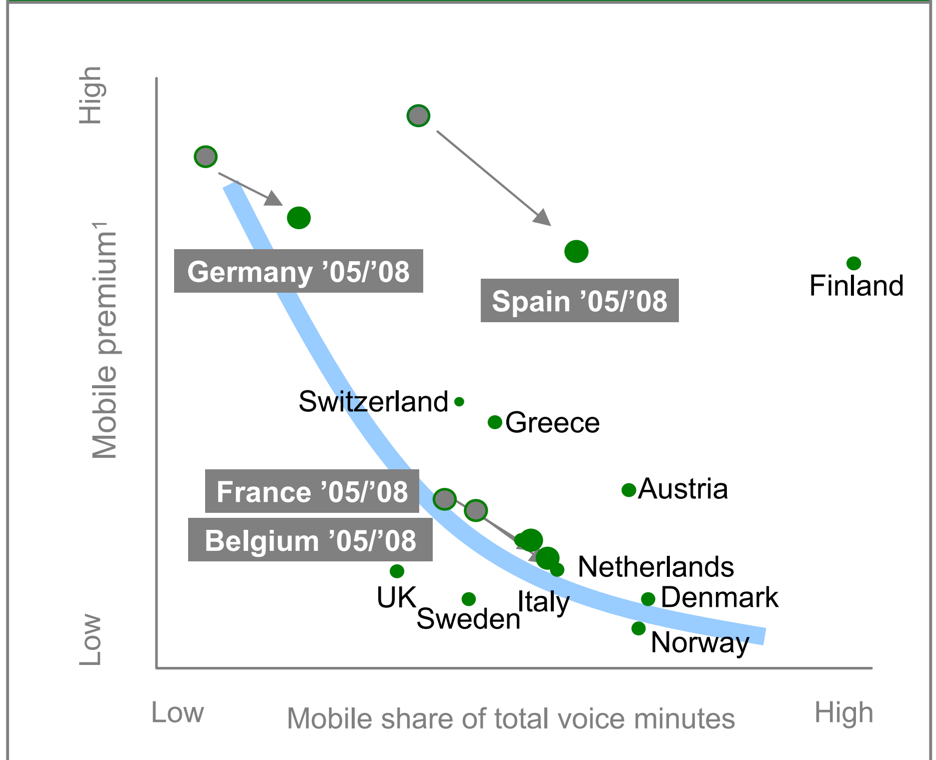
Mobile market development

‘Challengers’ will continue to take market share as FMS continues

New players intensify competition



Mobile premiums decrease which increase mobile share of voice



Increasing pressure on incumbents

Germany lagging Fixed-Mobile Substitution

1 Mobile cost per minute divided by fixed cost per minute

Source: Equity research

Doing things differently

Competitors are moving to converged services; we remain focused on mobile

Fixed-Mobile strategies

Converged services	"In between"	Substitution challengers
• All-in-one, quadruple play • Retention, access protection • Technology innovator	• Customer share-of-wallet • Technology innovator	• Ease-of-use, attractive prices • Scale and profitability • Smart follower • Partner to fixed-only players

Germany	Deutsche Telekom	Fixed-Mobile organizational integration
	vodafone	Arcor integration
	O2	Expanding DSL footprint
Belgium	proximus	Fixed-Mobile organizational integration
	mobistar	Focus on converged offers

Competitor focus on 'converged' services
Untapped potential for clear FMS challenger

General

- Competition is copying our strategy
  - Low cost brands launched
  - More open to wholesale

We were the first and are market leader
We have "carved out" segments

Challenger strategy

Tactics for delivering profitable growth

Position around customers

Create customer pull

Strategic cornerstones

Establish partnerships

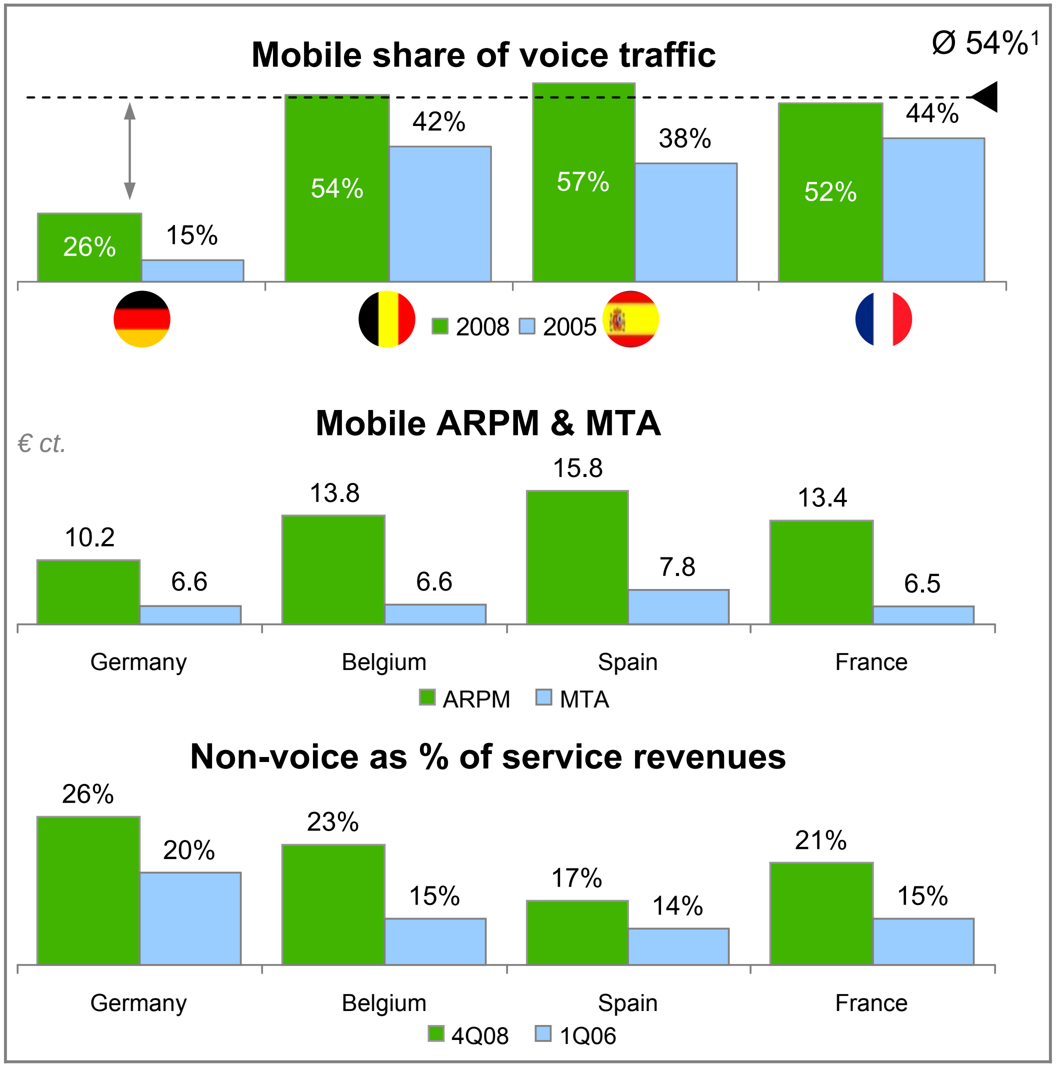
Introduce profit-maximizing value chains

Sample of some of the tactics	
A Fixed-Mobile Substitution	• Mobile share of voice still low, significant untapped potential • Voice remains dominant over data for the next years
B Wholesale & Partnerships	• Leverage proven business models to new markets • Build partnerships & business models with new entrants
C Regionalization	• Expand voice target regions based on proven concept • Monetize leading position in voice to build data position
D Smart technology follower	• Maximize return on existing assets • Selective, low risk investments in new technology

Fixed-Mobile Substitution

A

Continued growth potential from FMS



- Significant changes 2005-2008
  - Avg. mobile voice share +16% to 54%
  - Price ratio Mobile/Fixed down 25%
- Significant untapped FMS potential
  - Mobile share of voice for EU top 3 >65%
- Major spread ARPM vs. MTA tariff
- Voice remains dominant part of service revenue for the next years
  - Data predominantly consists of SMS at the moment

1 Non-weighted average (2008) of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, UK

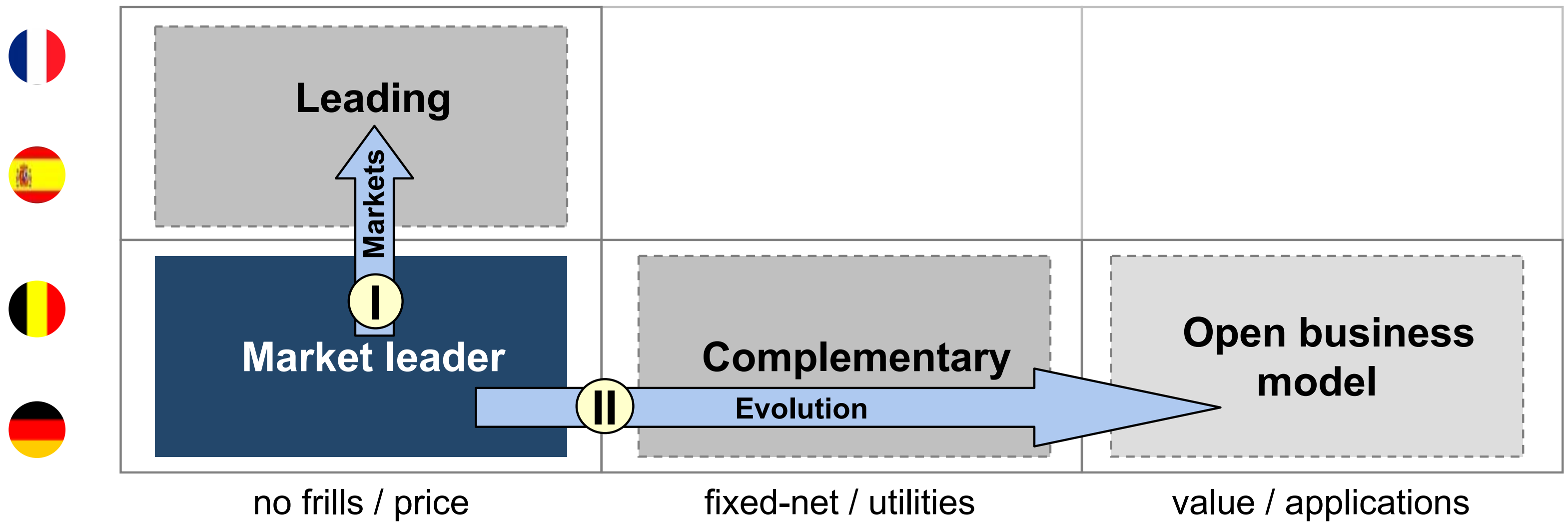
Source: Equity research

Wholesale

B

Leverage proven business models into new markets & move up the value chain

Wholesale growth matrix



I Expand proven business models to new markets

- Footprint expanded to Spain & France: doubling addressable market
- Leverage own brands & international partners

II Build partnerships & business models with new entrants

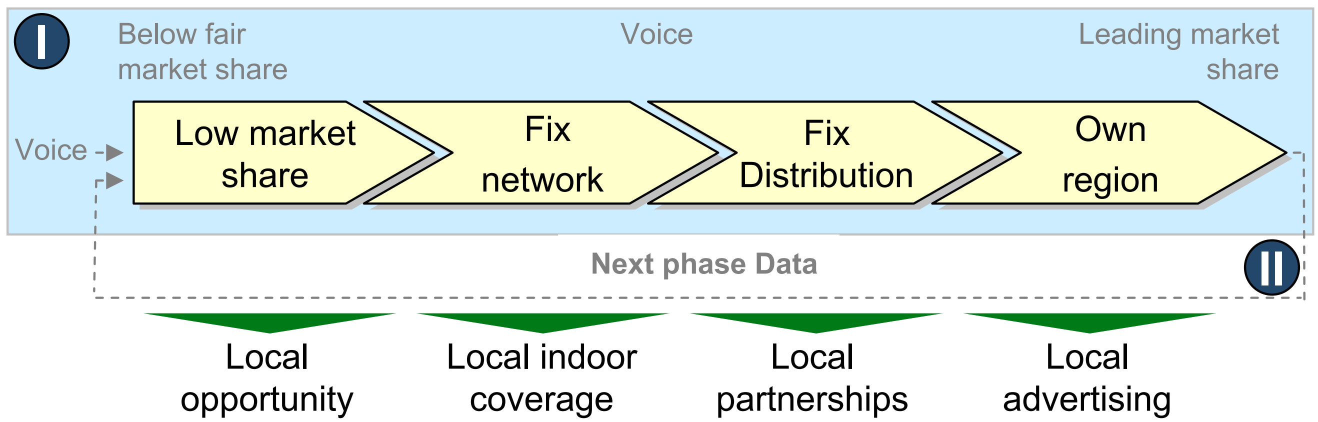
- Cable / DSL, utilities — Jazztel, freenet, versatel
- Media — RTL, MTV, sudpresse
- Applications e.g. e-health, e-security, e-finance

Regionalization

C

Expand voice regions and leverage leading voice position into data

Incumbent	Challenger approach
• National focus • Leading technology (push) • One (global) brand • Control entire value chain	Effective deployment of resources through local scale



I Expand voice target regions based on proven concept

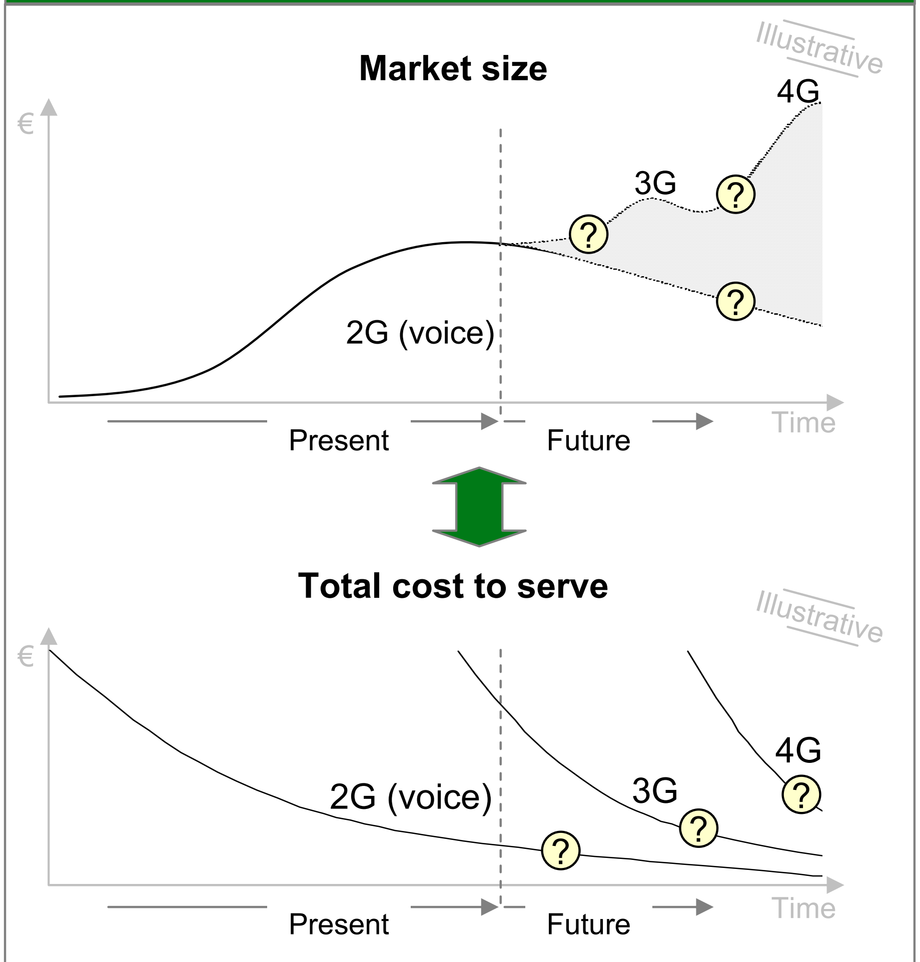
II Monetize leading position in voice to build data position

Delivering returns on technology investments

D

Technology that fits customer requirements and delivers profitable growth

Future Uncertainty



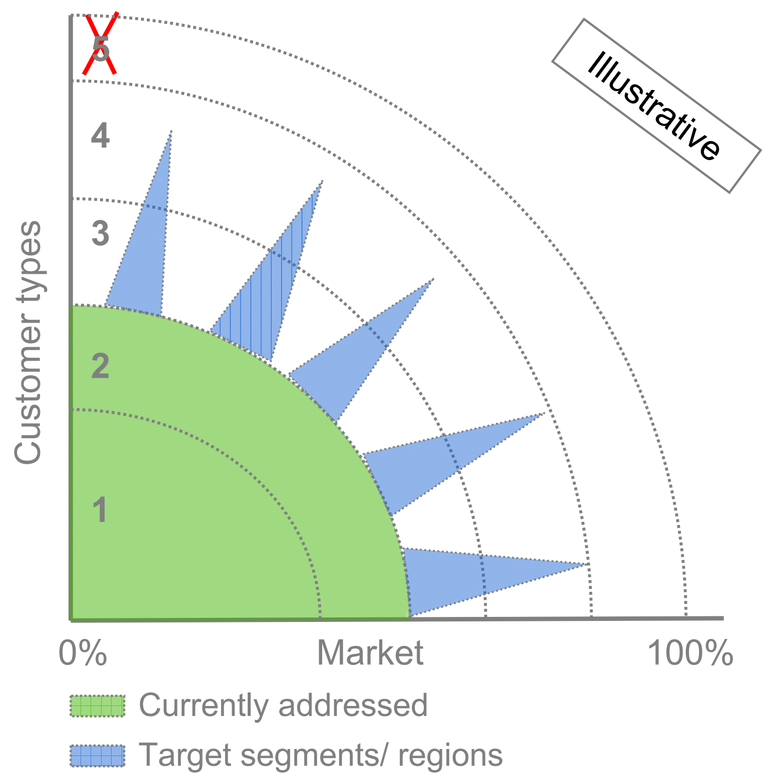
Strategy

- Deliver returns on technology investments
  - Utilize technology to drive profitable growth and customer satisfaction
  - Maximize return on existing assets
  - Ensure ROCE with technology
- Committed to profitable data services
  - Full EDGE coverage
  - Regional HSPA roll out
  - Customer demand leading to network upgrade
  - Delivering customer requirements to enhance profitability
- Explore additional opportunities

Enhanced segmentation

Creeping up the value chain by selectively targeting SME / SoHo

Addressable market



1: Pre Paid / MVNO
2: Low Post Paid / MVNO
3: High Post Paid
4: SME / SoHo
5: Corporate

Segmentation

- Mobile International currently playing for value for money segment of the market
- Selectively expanding addressable market through focused targeting
  - Targeted offers on a selective regional basis
  - Seizing opportunity of increased price sensitivity of customers due to economic slowdown
  - High quality voice/data (selective technologies)
- No interest in Corporate segment
  - Systems and processes prohibitively expensive for Challenger
  - Margin / profitability for Challenger uncertain
  - Challenging and costly to enter
- Propositions and partners in place

Portfolio

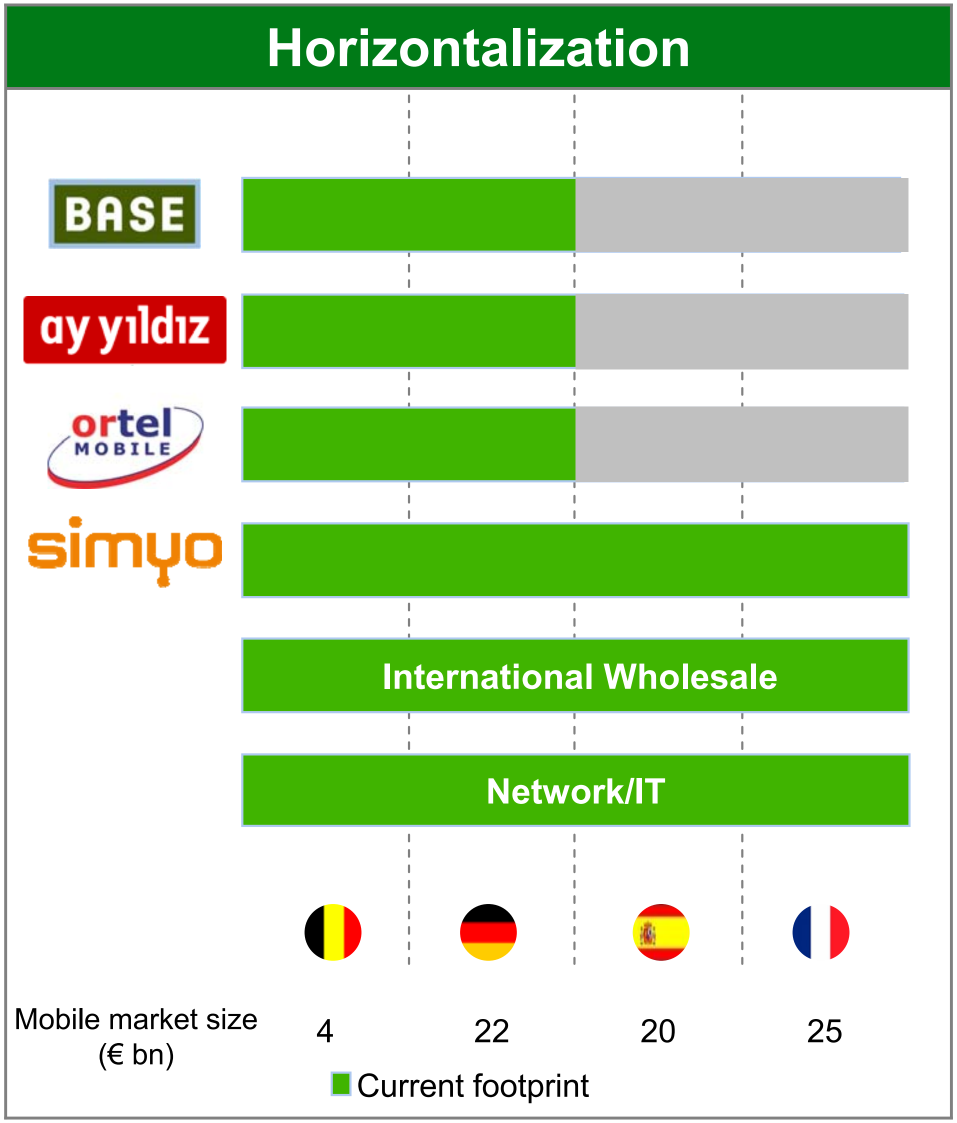
Selectively exploring value enhancing opportunities

	Achievements	Going forward
Core markets 'Fill-in' acquisitions	• Distribution strengthened – E.g. SMS Michel, Allo Telecom • MVNO with segment focus – E.g. Ortel, blau	• Exploring selective value enhancing opportunities
'Asset light' expansion[1]	• Successfully launched in Spain • Successfully launched in France	• Management focus on core operations (Germany / Belgium) • Further expansion from position of strength in Spain and France
'Asset heavy' expansion	• No value enhancing opportunities identified	• Selectively exploring • Will only do value creating investments

1 Expansion on network of foreign MNOs

Horizontalization

Leverage successful brands, wholesale and infrastructure across markets



- International **brands** rolled-out across footprint based on proven business model
- **Wholesale** as vital intermediate to align international market trends and needs with infrastructure deployment. Long term relationship building with own brands and strategic partners
- **Infrastructure** (Network/IT) managed across markets to increase long term return on capital employed through optimizing scale via own brands and partners

Our achievements[1]

	2005	2008	Change
Service revenues	€ 3.2 bn	€ 4.1 bn	+ 28%
EBITDA	€ 0.9 bn	€ 1.6 bn	+ 78%
EBITDA margin	27%	36%	+ 9%-pts
Cash flow[2]	€ 420 mn	€ 942 mn	+124%
Customers	13.9 mn	23.4 mn	+68%

1 Based on old management structure, including Wholesale NL and Sympac for '07-'08
2 Cash Flow defined as EBITDA minus Capex

Concluding remarks

- We have delivered on our promises
- Challenger strategy works
- Confident that our strategy will continue to work in the future
- Strong and proven track record in managing challenges
- Continue to deliver shareholder value

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Mobile International

Key FY 2008 financials per country[1]

Germany

Revenue	€ 3.2 bn
EBITDA	€ 1.2 bn
EBITDA margin	*38.7%*
Market share[2]	15.4%
Customers	18 mn

Belgium

Revenue	€ 0.8 bn
EBITDA	€ 0.3 bn
EBITDA margin	*32.5%*
Market share[2]	>16%
Customers	3.5 mn

Rest of World

Revenue	€ 73 mn
EBITDA	-/-€ 23 mn
EBITDA margin	*-/-31.5%*
Leading MVNO	
Customers	0.2 mn

1 Based on the new reporting structure as per Q1'09

2 Market share based on wireless service revenues

Business turnaround

Significant value creation, amongst most profitable # 3 operators

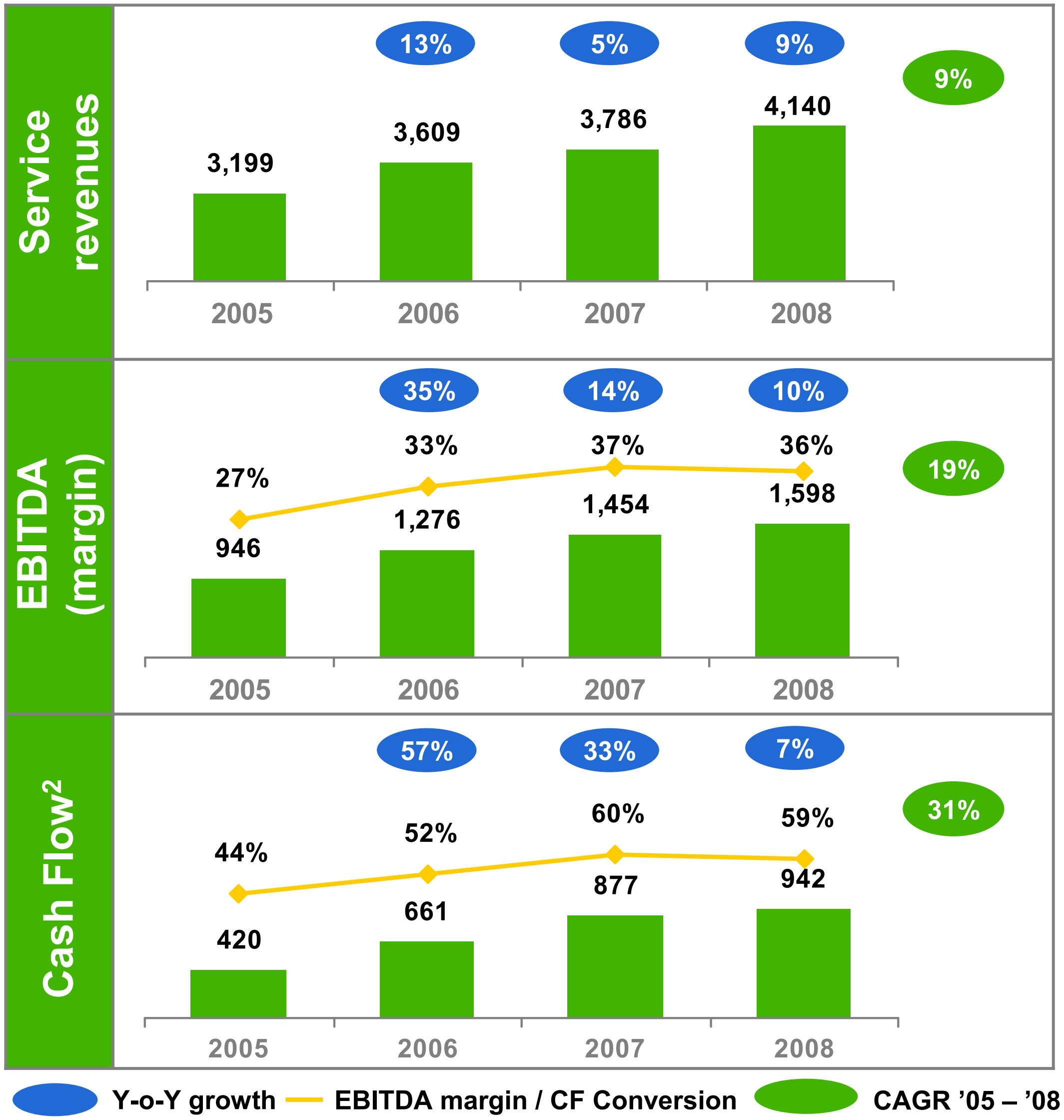
BASE	E-Plus
2002 • Market underperformance • Liability instead of asset • EBITDA: € 10 mn • EBITDA margin: 3.2% • Cash flow[1]: -/- € 134 mn	**2005** • Market underperformance • Value of < € 5 bn • EBITDA: € 673 mn • EBITDA margin: 23.8% • Cash flow[1]: € 272 mn
Challenger strategy	**Challenger strategy**
2008 • Market outperformance • EBITDA: € 240 mn (+€ 230 mn) • EBITDA margin: 37.1% (+34%-pts) • Cash flow[1]: € 131 mn (+€ 265 mn)	**2008** • Market outperformance • EBITDA: € 1,245 mn (+€ 572 mn) • EBITDA margin: 38.7% (+15%-pts) • Cash flow[1]: € 731 mn (+€ 459 mn)

Robust business model, amongst most profitable # 3 operators

1 Cash flow defined as EBITDA minus Capex

Financial performance[1]

Continued profitable growth with strong cash flow through Challenger model



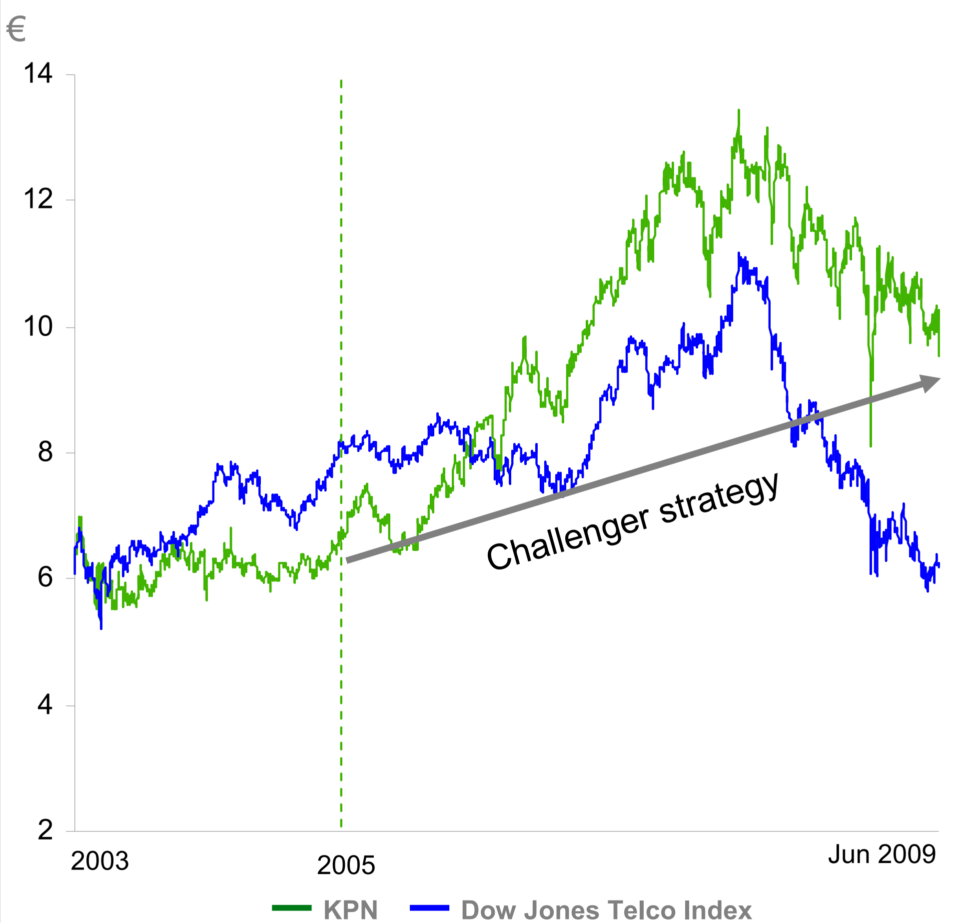
- **Continued market outperformance**
  - Strong service revenue growth at 9% CAGR
- **Focus on profitable growth**
  - Leading EBITDA growth of 19% CAGR
- **Smart follower investments**
  - 31% average annual growth in cash flow

1 Based on old management structure, including Wholesale NL and Sympac for '07-'08
2 Cash Flow defined as EBITDA minus Capex

Value creation

Challenger model with clear focus on value creation

Share price evolution[1]



2003 BASE

- Attractive customer propositions
- Established multi-brand strategy and MVNOs
- Distribution from push to pull
- Simplified operations, outsourced where possible

2005 E-Plus

- Differentiated offer with multi-brands
- Focus on customer segments and wholesale growth
- Efficient distribution e.g. SIM-only, outsourcing
- Efficiency through smart follower for new technology

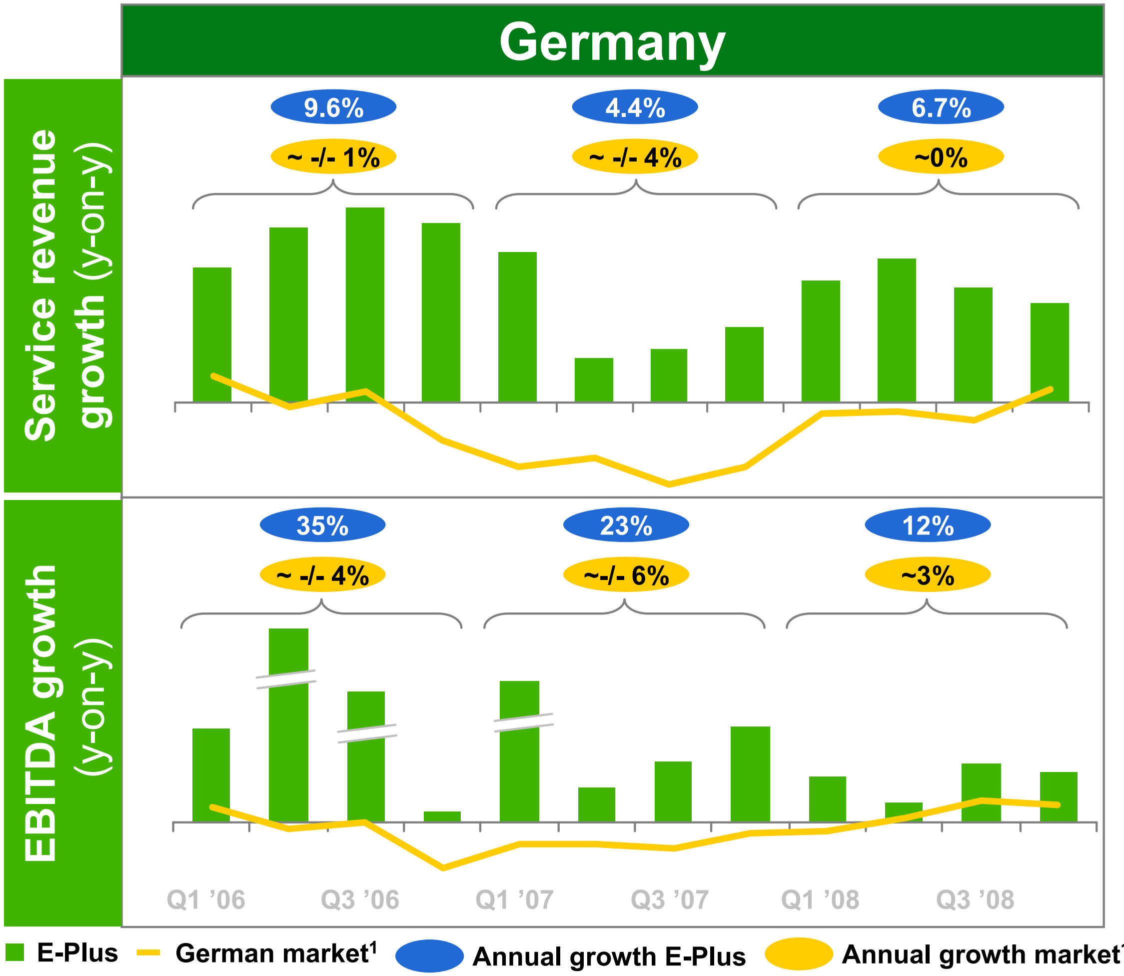
2007 Wholesale

- First-mover to tap attractive market segment
- Leveraged wholesale partners across footprint
- Prepared International MVNO roll-out

1 Dow Jones Telco rebased to KPN share price of € 6.08 at 1 January 2003

Market perspective

Focus on profitable growth, balancing risk vs. reward through targeted investment



Outperformance on annual basis

Principles

- Managing risk versus reward
  - Continued service revenue share gains
  - Strong focus on profitable growth
  - Committed to strong cash flow
  - Targeted investment based on proven opportunity
- Market perspective
  - Annual competitor outperformance
  - "Cherry picking" in marketing, regional deployment and partners

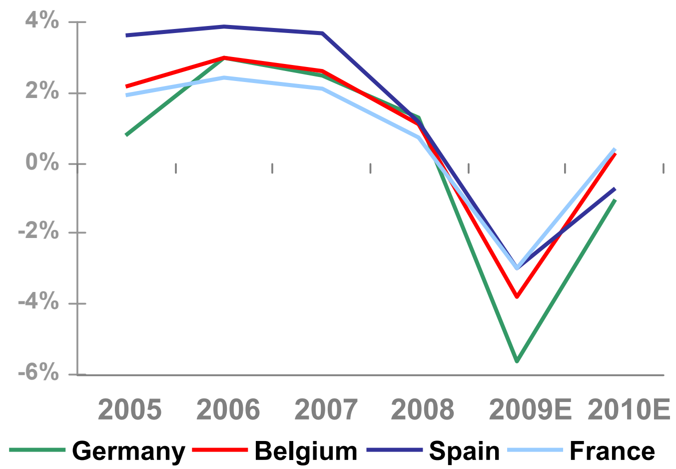
Managing risk vs. reward

1 High level management estimates

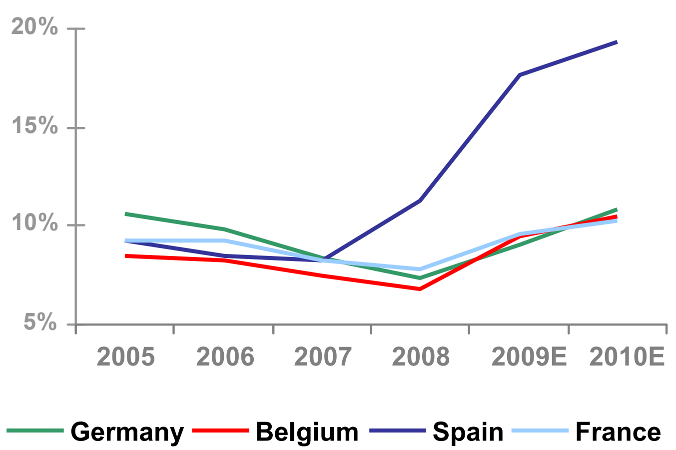
Macro-economic environment

Various initiatives to proactively address changing economic environment

GDP % growth



Unemployment %



Source: International Monetary Fund

Limited impact

- Economic impact mainly on corporate market
  - Little exposure for Int'l, no corporate presence
- Early signs of downturn in consumer market
  - Less roaming due to less international travelling
  - Customers optimizing within bundle

Proactive actions

- Strong positioning of value for money brands
- Propositions for 'low income' and unemployed
- Contingency plans for (MVNO) partnerships
- Selective marketing, low cost communication

Priorities

Effective execution to manage risks and maximize opportunities

Principles	• Manage risk versus reward – Continued service revenue share gains, with strong focus on profitability & cash flow – Targeted investment based on proven opportunity
Portfolio	• Optimizing international portfolio, focus on core assets & key strengths – Asset lifecycle management e.g. Sympac, Wholesale NL – Entry into new markets Spain and France with low cost MVNO model
M&A	• Selective “add-on” acquisitions to strengthen business profile – Strengthen distribution e.g. Allo Telecom, SMS Michel – Strengthen position in specific segments, e.g. Ortel, blau
Governance	• Clear governance structure with defined roles and responsibilities • Strengthen governance new entities, integration within Mobile International – Right balance between entrepreneurial spirit vs. part of international organization
‘Reporting’	• Clear country focus with Germany, Belgium and Rest of the World • Ensure continuous insight available on key business metrics & aspects
Allocation	• Ensure the right people are in the right place (people allocation) • Allocate investments to the right projects (capital allocation)

Concluding remarks

- Leading Challenger & amongst most profitable # 3 operators
- Significant value created through Challenger model
- Committed to continued outperformance through profitable growth
- Proactively addressing / exploiting changing economic environment
- Effective execution to manage risks and maximize opportunities

Agenda

Introduction	Ad Scheepbouwer, Chairman and CEO KPN
Strategy	Stan Miller, CEO KPN Mobile International
Finance	Eric Hageman, CFO KPN Mobile International
Regulation	Marc van Asbroeck, Chief Legal & Regulation
KPN Group Belgium	Erik Hoving, CTO KPN Mobile International
E-Plus	Thorsten Dirks, CEO E-Plus
International Wholesale	Eric Hageman, CEO International Wholesale
Concluding remarks	Stan Miller, CEO KPN Mobile International

Key messages

- We use regulation competitively to improve our strategic position
- We strive for change because we have the flexibility and capability to use it for our good
- Regulation determines or restricts the telecoms sector, but as a Challenger we have used it to our benefit

Regulatory playing field in 2003

European Challengers disadvantaged on all issues

	Issues 2003		
Regulatory playing field	• Structural imbalance between first entrants and later entrants	-/-	-/-
	• Political unwillingness to create regulatory level playing field	-/-	-/-
	• Challengers have no weight in policy discussions	-/-	-/-
MTA	• Push towards symmetrical rates at high level (beneficial for incumbent)	-/-	-/-
Spectrum	• Discrimination of 900 vs. 1800 MHz	-/-	-/-
Roaming	• Competitive issue at the wholesale level (alliances)	-/-	-/-
Overall	• Abuse of dominance: not all parts of the market accessible	-/-	-/-

Regulatory strategy implemented to create level playing field

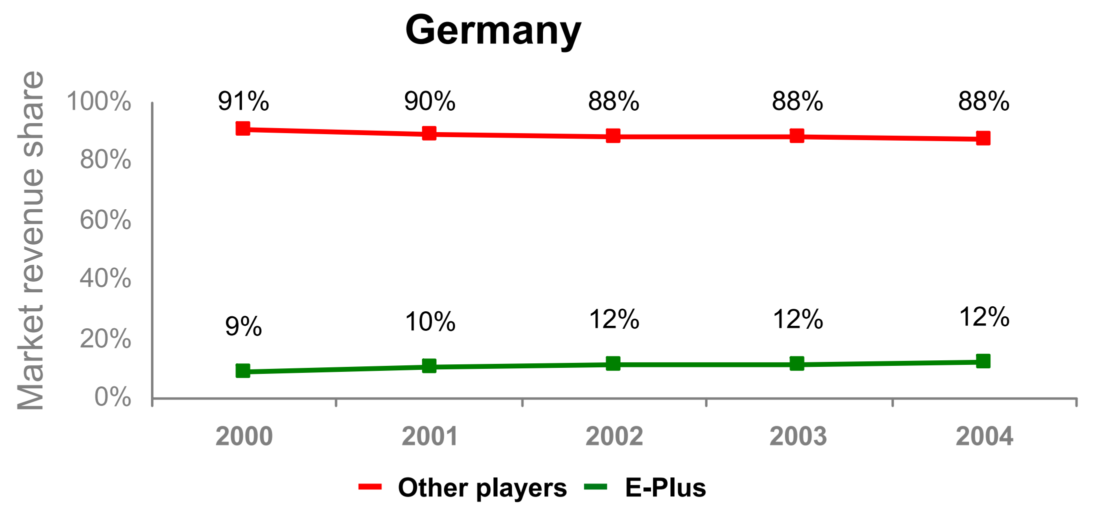
Market dynamics before Challenger strategy

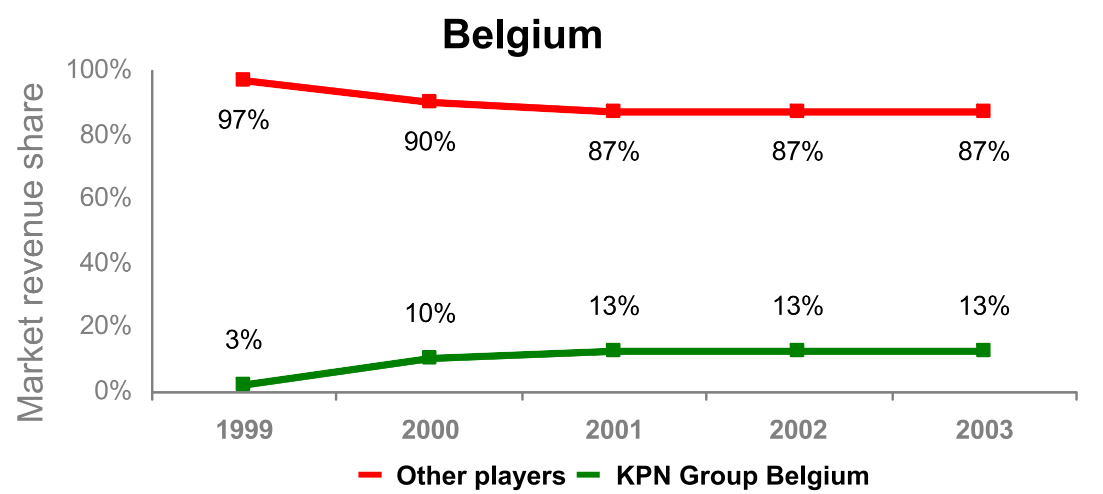
Failed implementation of the regulatory framework reinforced status quo

Market imbalance

- Special & exclusive rights enjoyed by first entrants
- Discrimination on frequencies
- Abuse of dominant position by first entrants
- Challengers' aim to changing the regulatory playing field not heard

No market dynamics



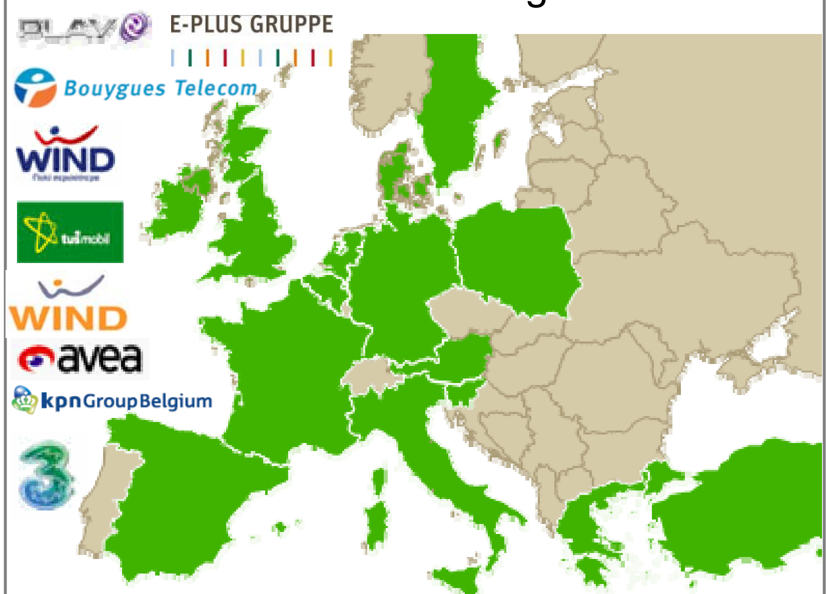


Changing the status quo

Challengers across Europe have increased lobbying power by bundling forces

Increase lobbying power

- Mobile Challengers Group representing:
  - 80+ million customers
  - 9 operators
  - 15 countries
- Lobbying via ECTA[1]
- Lobby and legal action at national level
- Obtain attention for our legitimate claims



Create awareness of imbalance

MTA	• Create awareness that above cost MTA are barrier to entry
Spectrum	• Recognition of frequency discrimination
Roaming	• Challenge powerful alliances

1 The European Competitive Telecommunications Association

MTA discussion

Challengers demand asymmetry as logical outcome of scale differences

Issue	• Symmetry at high level as objective • Challengers not heard • German self-regulation is effectively a pseudo cartel
Status	• Recognition that above cost MTAs are barriers for Challengers • Germany: some asymmetry has been maintained, while BNetZa wanted to abolish it already in 2007 • Belgium: suspension / annulment BIPT decision imposing symmetric rates – Asymmetry increased in 2008
Goal	• Asymmetrical glide path through minimizing the incumbent MTA – Removing the on-net effect – Removing the possibility of a price squeeze between MTA and (corporate) retail prices – Taking away excessive profits of large operators which they use against Challengers in retail • Create level playing field

Commissioner Kroes on MTR recommendation:

‘*The competition distortions are very real in the current situation. Smaller operators are at particular risk of being unfairly squeezed out of the market.’…. ‘The incumbents are using the termination market as a ‘cash cow’.’*

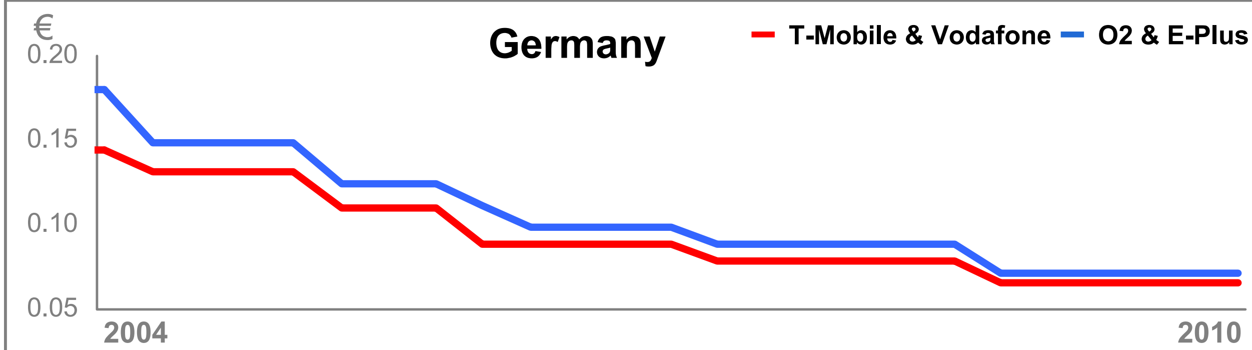
MTA development & proposal

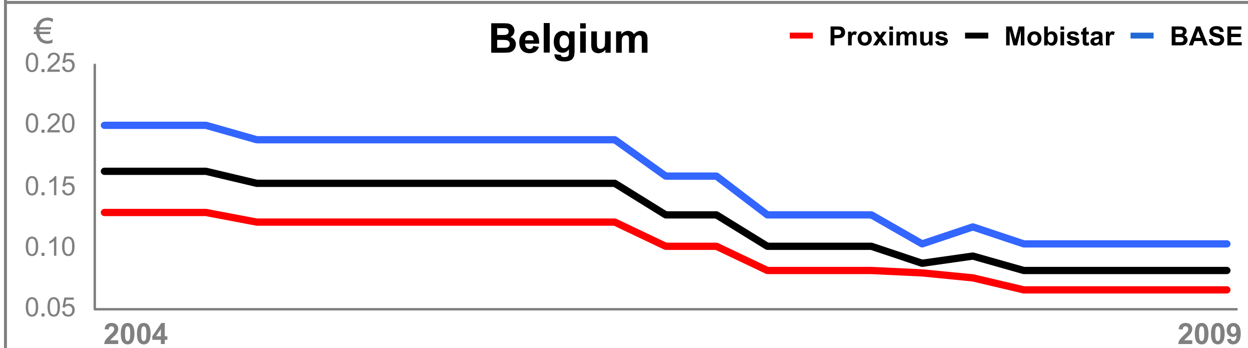
Enforce immediate further decrease of first entrants' MTA

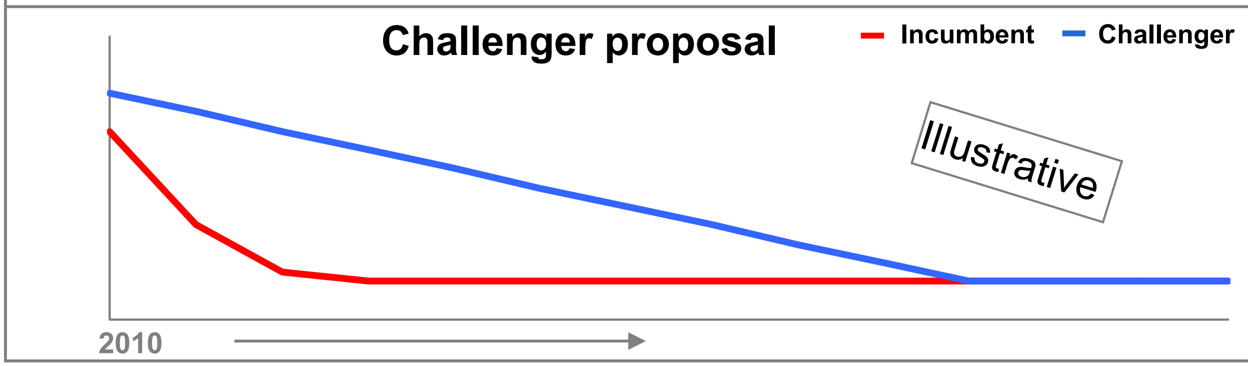
Proposal

- Enforce national asymmetric decrease during next years (via courts, incl. EU)
- Enforce Fixed-to-Mobile regulation to avoid competitive distortion
- Accepted arguments:
  - MTA is anti-competitive
  - Incumbents abuse MTA
  - Brussels court decision on BIPT MTA
- New arguments:
  - Methodology is wrong
  - Discrimination
  - EU case law
  - Fixed-to-Mobile

Historic developments & going forward







Spectrum

Market imbalance from discrimination being repaired

Issue	• 900-1800 MHz discrimination between incumbents and Challengers
EU	• Review of the GSM Directive, managed to get resolution on competitive aspects of frequency refarming (Reding)
Status	**Germany:** • 900 MHz frequencies received in 2006 – However still disadvantaged position in 900 MHz frequency band (5 MHz versus 12.5 MHz allocated to T-Mob and VOD) • Re-distribution of 900 MHz spectrum prior to refarming of 900 MHz band *or* • E-Plus and O_2 get more frequencies in 800 MHz band than competitors **Belgium:** • 900-1800 MHz discrimination recognized by regulator – Feb 2009: additional 900 MHz frequencies awarded to KPN Group Belgium on a conditional basis – Draft Royal Decree provides for more extensive frequency refarming as of 2011 or 2013 • Spectrum allocation now fairly balanced (although BASE still has fewer 900 MHz frequencies)
Goal	• Lobby for re-distribution in Germany, Belgium equal distribution of frequencies

Spectrum auctions

Ensure equal level playing field for all operators

Germany

- More than 350 MHz spectrum available (800 & 1800 MHz, 2.1 & 2.6 GHz)
- Consultation until 17 July 2009, final decision on process in October 2009; auction most likely to start in December

Belgium

- Draft Royal Decree:
  - Provides for auction of the 4th UMTS license
  - Additional 2.1 GHz frequencies to be auctioned by 2H ’09
- Regulator launched consultation beginning of 2009 regarding LTE and digital dividend
- Auction for 2.6 GHz (2H ’09) and beauty contests for 3.5 GHz and 10 GHz are being considered

Goal

- Bring regulators to take a holistic view on frequencies
- Ensure that every operator has enough channels in different frequencies to offer voice and data

Roaming

Different approach from incumbent operators

- Roaming alliances between large incumbents unfavourable for Challengers
- KPN group companies squeezed in (corporate) retail market due to high roaming wholesale rates
- KPN not in favour of retail regulation
- Ongoing lobby on the wholesale issue

	Roaming price caps in EU countries (€ ct / min or SMS, without VAT)				
Effective as from	30 August 2007	30 August 2008	1 July 2009	1 July 2010	1 July 2011
Wholesale rates	30	28	26	22	18
Outgoing calls	49	46	43	39	35
Incoming calls	24	22	19	15	11
SMS wholesale	n.a.	n.a.	4		
Outgoing SMS	n.a.	n.a.	11		
Data roaming / MB	n.a.	n.a.	100	80	50

Legal cases

Pending cases in support for Challengers

Proximus on-net	• € 1 bn claim for abuse of on-net • Provisional judgment (on-net & price squeeze) • Experts appointed – report expected September 2009
Proximus corporate	• Price squeeze in corporate market (retail vs. MTA) • Dawn raid – prosecutor's report: 5 indictments • € 66.3 mn fine imposed by Belgian Competition Authorities
Belgacom F2M	• Court order against Belgacom to pass on MTA reduction • € 3 mn fine imposed by BIPT • Market still regulated with approval of Commission
Deutsche Telekom F2M	• Two complaints filed with BNetzA (no action) • Relevant market deregulated by BNetzA • Further action will be taken by E-Plus
T-Mobile & Vodafone	• Complaint with Commission – Bundeskartellamt • Collusion and abuse of joint dominance (on-net) • Case being investigated

Support for our overall positioning as Challengers

Support for MTA case

Support for business (access to new markets)

Possible damages

Half-time score regulatory playing field in 2009

European Challengers have achieved movement in the regulatory field

	Issues 2003		
Regulatory playing field	• Structural imbalance between first entrants and later entrants • Political unwillingness to create regulatory level playing field • Challengers have no weight in policy discussions	+ + + + +	+ + + +
MTA	• Push towards symmetrical rates at high level (beneficial for incumbent)	+	+
Spectrum	• Discrimination 900 vs. 1800 MHZ	+ +	+
Roaming	• Competitive issue at the wholesale level (alliances)	+	+
Overall	• Abuse of dominance: not all parts of the market accessible	+ +	+

Regulatory strategy has started to pay-off, more is in the pipeline

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Concluding remarks	Stan Miller, CEO KPN Mobile International

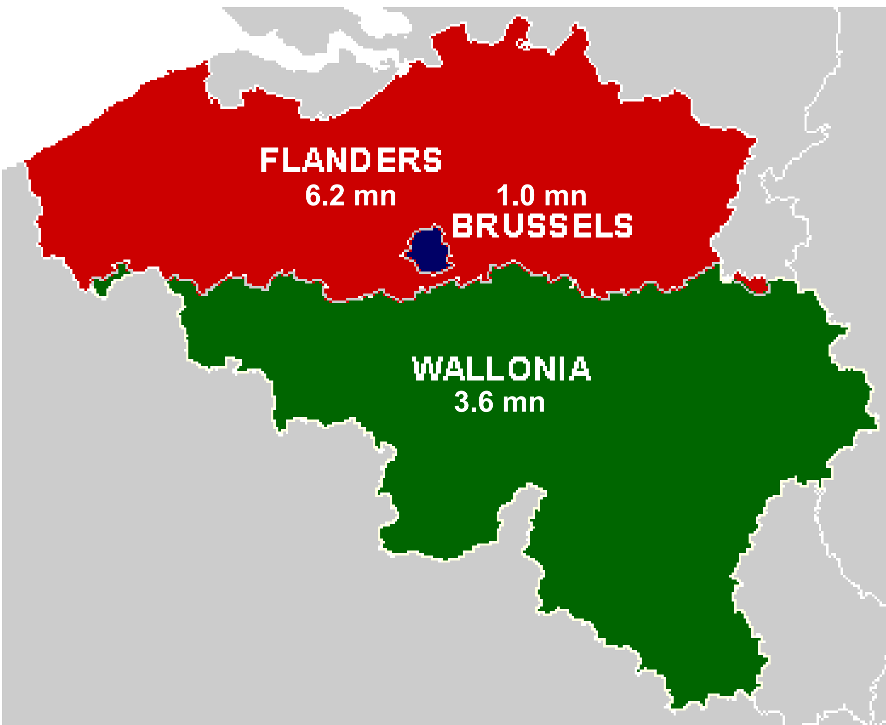
Introduction

- KPN Group Belgium is a success story
- Delivering profitable growth ahead of the market since 2003 by doing things differently
- Values underpinning Challenger strategy are transparency, simplicity and honesty
- Confident in continued outperformance whilst delivering profitable growth

Belgium

Three distinct regions requiring a different approach

Demographics of Belgium

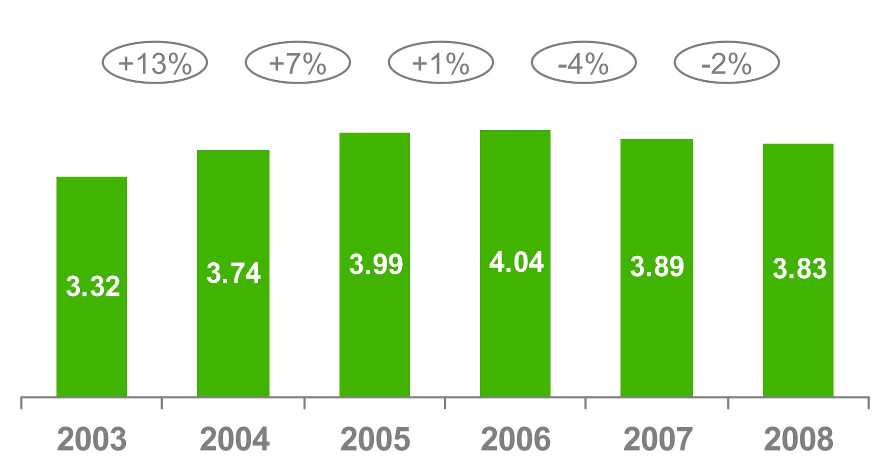


- Relatively small country with relatively small Telecom players
- Three distinct cultures and languages
- Relatively small population of just under 11 mn
- Mountainous area in Wallonia challenges mobile network roll-out

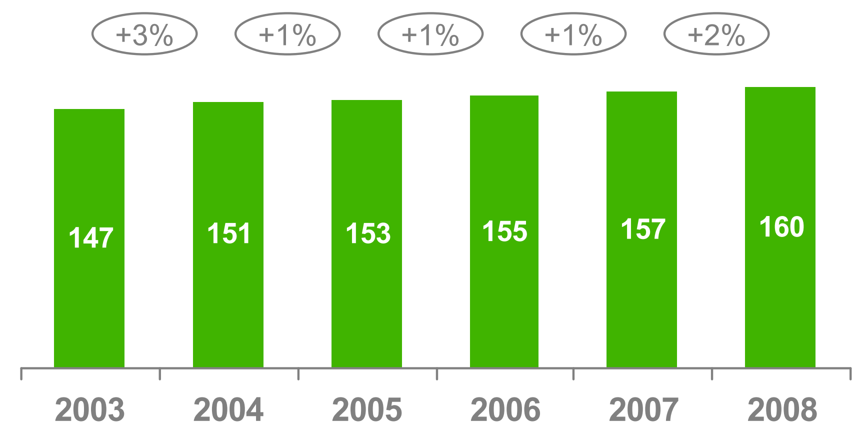
Historic market trends in Belgium

Revenues stabilizing, continued growth in subscribers and minutes

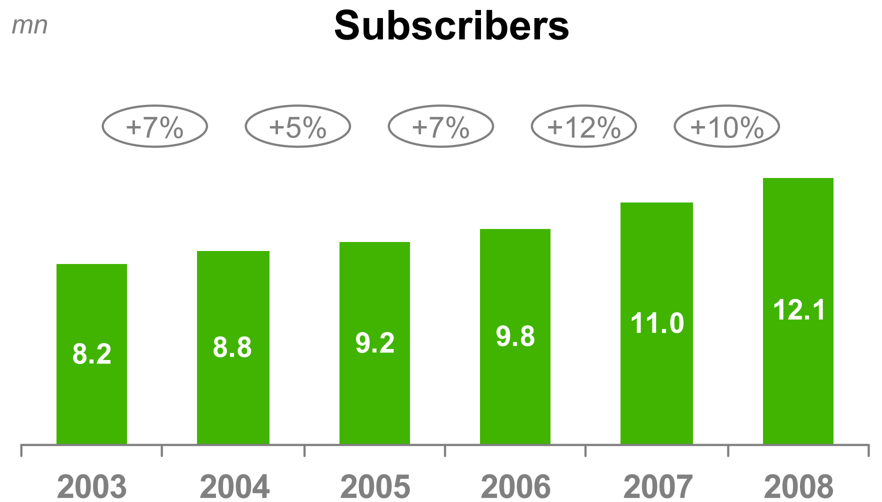
Mobile Service revenues



MoU Belgium



Subscribers

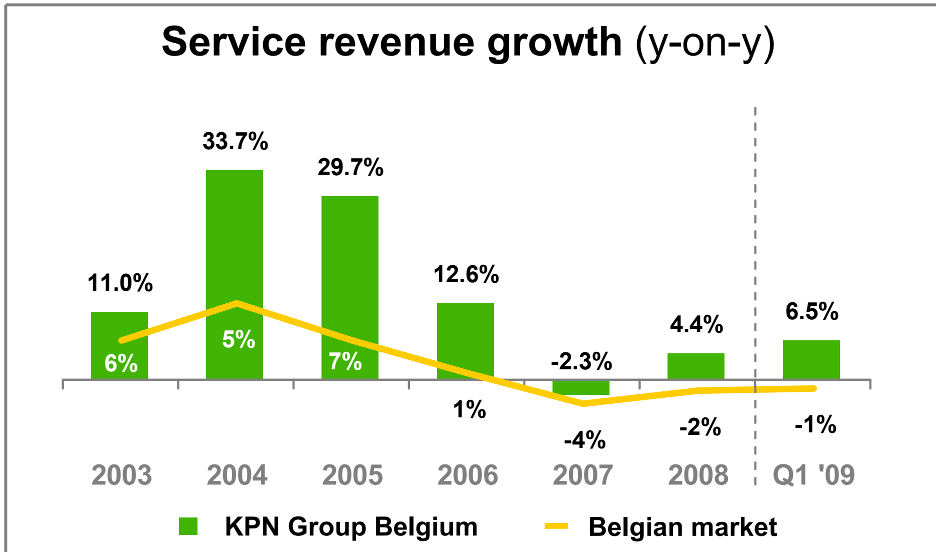


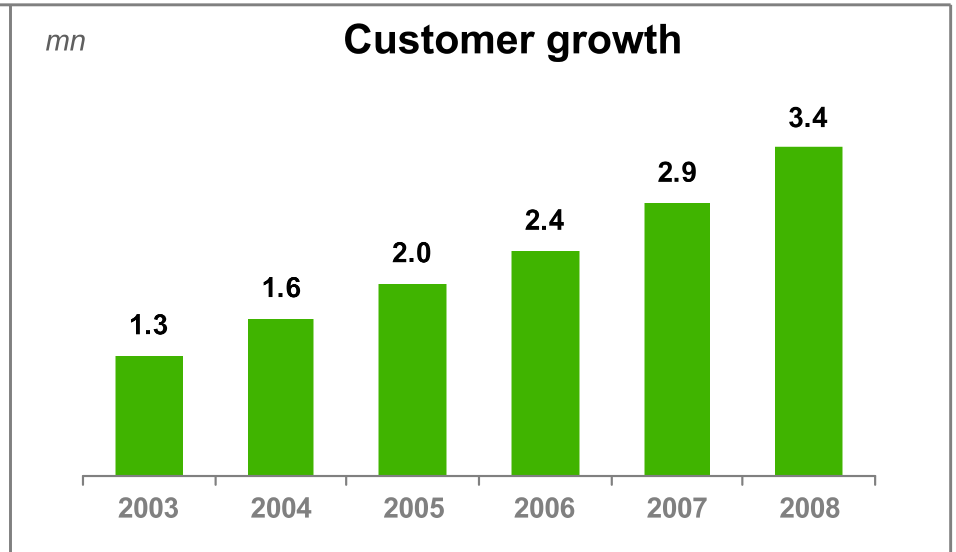
- Belgium average price level is € 0.05 above European average
- Average usage at European average
- Continued growth in number of customers and minutes
  - Driven by introduction of flat fees and aggressive promotions
  - Increase in usage offset by regulation

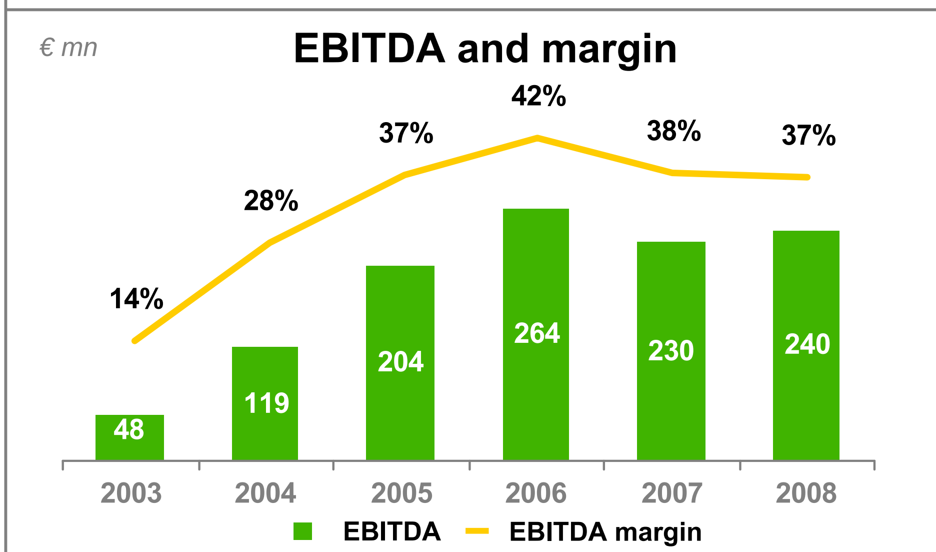
Source: Equity research

Performance KPN Group Belgium

Continued market outperformance on all key metrics





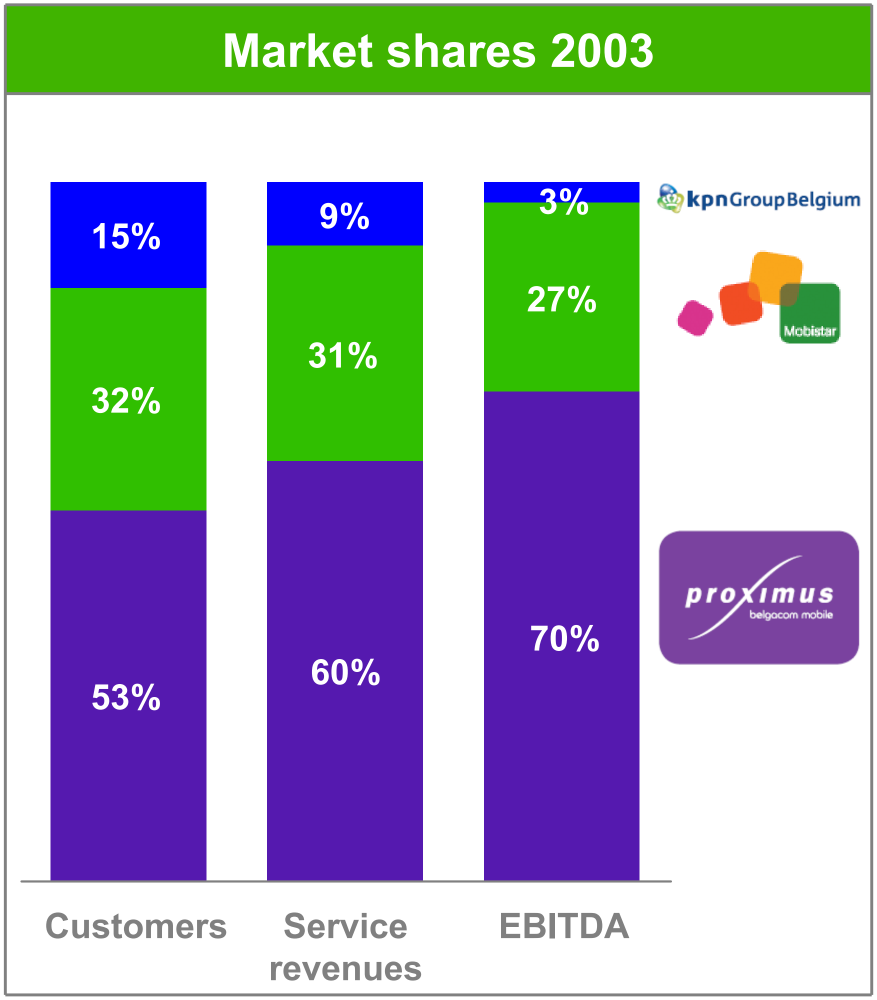


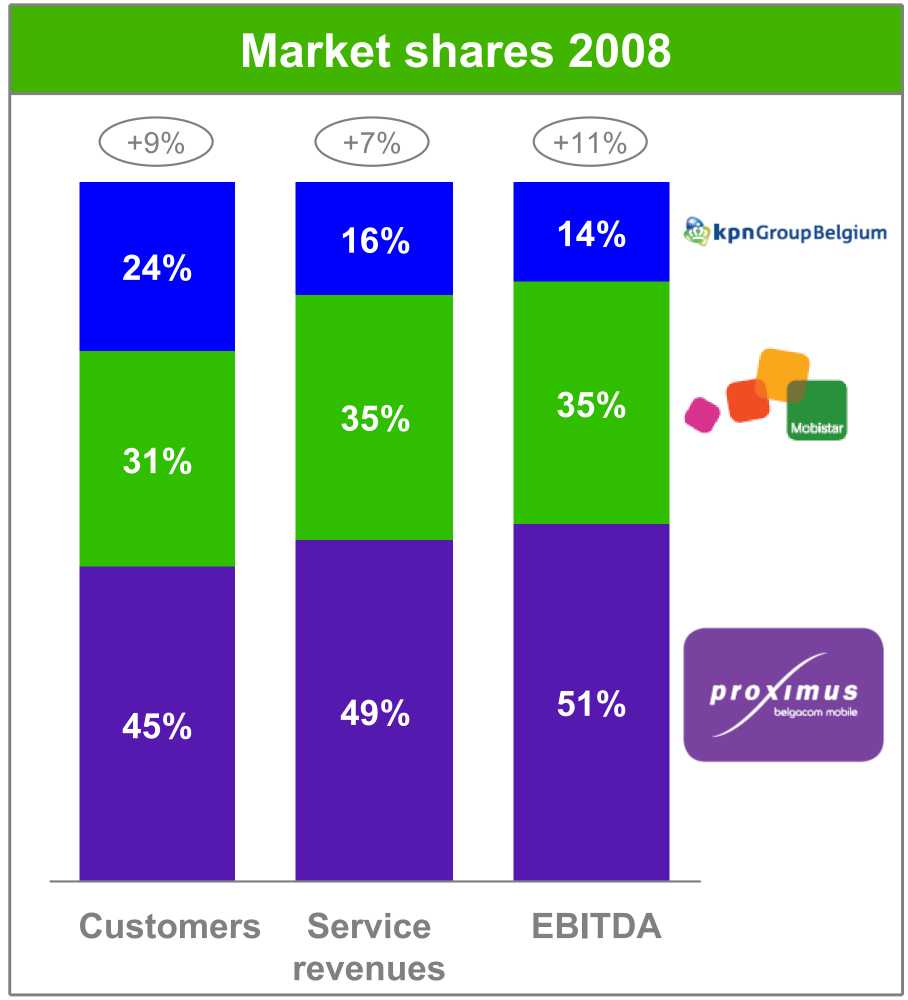
- Continued market outperformance with profitable growth
- Re-ignited growth in 2008 with positive impact of acquisitions
- Focus on Consumers, not Corporates

Source: Equity research and Company results

KPN Group Belgium going forward

Confident in continued outperformance in Belgium





Targeting 20-25% service revenue market share in next few years

EBITDA margin of at least 35%

KPN Group Belgium market share growth

Challenger strategy

Tactics for delivering profitable growth

Strategic cornerstones

- Position around customers
- Create customer pull
- Establish partnerships
- Introduce profit-maximizing value chains

Sample of some of the tactics	
A Fixed-Mobile Substitution	• Mobile share of voice on EU average, further upside • Voice remains dominant over data for the next years
B Wholesale & Partnerships	• Leverage proven business models to new markets • Build partnerships with new entrants
C Regionalization	• Expand voice target regions based on proven concept • Monetize leading position in voice to build data position
D Smart technology follower	• Maximize return on existing assets • Selective, low risk investments in new technology

A

BASE

Building BASE brand by transparent, simple and honest positioning

BASE nation casting

Used mobile video booth to film ‘real’ people and select new BASE faces

BASE re-launch campaign on partner TV and radio channels, using testimonials of real customers

- BASE brand launched in 2002
- Maximizing brand awareness at lowest marketing costs
- Re-launch in April ’09 going back to values and with simplified tariff plans
- Sales force re-educated for simplification
  - Four simple questions to determine best tariff plan for customer
- BASE positioning around customer
  - Best prices
  - Simple and easy comparison
  - Flexible options

A

Distribution

Strong position in distribution via own channels in addition to wholesale partners

	Channels	Comments
BASE Shops	• Number of shops up from 44 in 2005 to 54 shops in Q1 '09 on AAA locations	• Extending BASE experience • Focus on up-selling and servicing
ALLO telecom	• Acquisition of 63 shops on AA locations • Low-end acquisition allowing for Pre Paid to Post Paid migration	• ~80% of shops in Wallonia • Increasing shop presence in 'second tier' cities in Wallonia • Best deal / good handset prices
Chains	• ThePhoneHouse / BelCompany	• High-end acquisition with customers attracted by fanciest handsets
Dealers	• Independent and small chains such as local Telco or tobacco shops	• Local network, cultural focus
Online	• Currently only recharges • Talk plans under development	• Customers sensitive to price and convenience
Partners	• Carrefour, Medion Mobile	• Partner brands distributed via over 1,000 retail outlets in Belgium

B

Segmentation

Targeting untapped segments using multiple brands and partnerships

Brands	
Flagship	BASE
No Frills	simyo
Cultural	ay yıldız; ortel MOBILE
Youth	Jim MOBILE
Regional & Content	sudpresse mobile
Mobile Internet	MØBILE VIKINGS

	Status	Going forward
Own brands	• Re-launch of BASE tariff plans in April ’09 • Own customers, own brands	• Drive volume, focus on customer insights • Refresh brand values of transparency, simplicity and honesty
Branded resellers	• Launched Sudpresse mobile in ’09 • Own customers, partner brands • Launch expected with strong partner RTL	• Focus on distribution and scale • Launch of more brands in pipeline
MVNO	• Carrefour Mobile, Mobile Vikings • Partner customers, partner brands	• Find additional partners • Selectively explore innovative models (e.g. Mobile Vikings)

B

Partnerships examples

Targeting specific groups with brands familiar to the customer

Call for free during ‘party hours’ at weekends

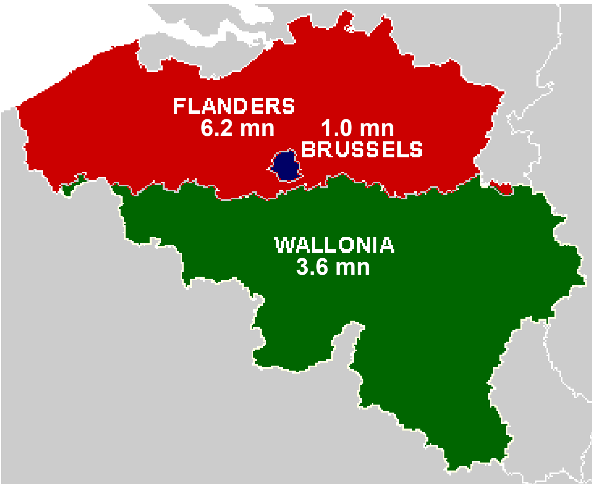
- Partnership with VMMA since 2003
- Cheap SMS attracts young people, even in French (non-targeted) speaking part of country
- Solid growth: >500k customers; owned by KPN Group Belgium
- Centralised around ‘Joeri’ personality, created for brand recognition
- Leveraging on-net communities, e.g. high schools

- Partnership with RTL Belgium since March ’09, brand launch expected in mid 2009
- Strong partner in targeting Wallonia with trusted brand and competitive offer
- Access to mobile content of RTL TVI and Bel RTL
- Offer centered around ‘The world of RTL’
- Clear visibility of brand in own shops

Regionalization

Smart investments in marketing, sales and network

Position KPN Group Belgium



- Solid position in Flanders, with fair market share
- Clear market leader in Brussels with large ethnic segment
- Underrepresented in Wallonia, below fair market share
  - Actions taken, e.g. Allo Telecom and branded resellers

Strategy

- Analyze distribution of market shares region by region
- Apply differentiated strategy depending on growth potential

Actions

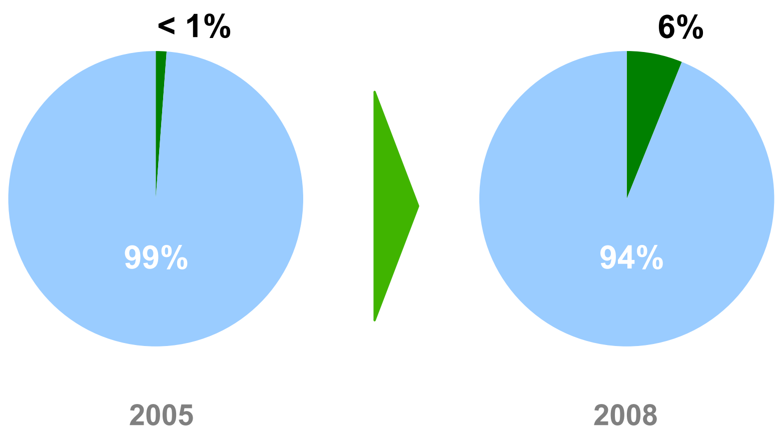
- Local presence of sales and network engineering
- Regional approach for SME/SoHo
- Truly local partnerships for marketing
- Specific branded resellers for specific regions

Data development in Belgium

D

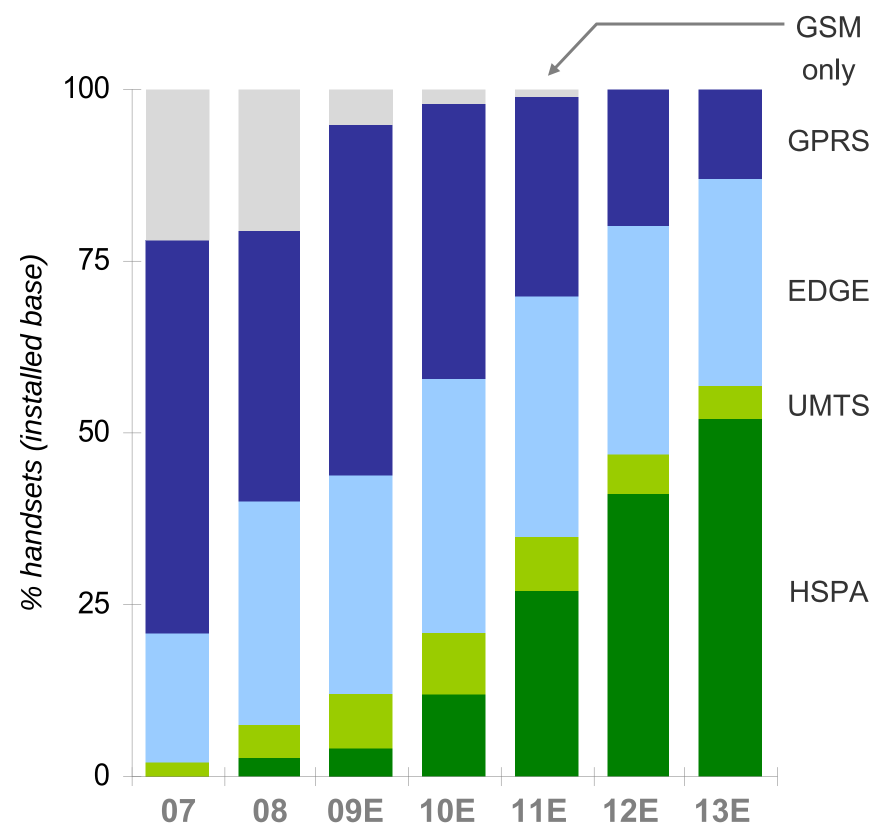
Delay in non-SMS data uptake and in 3G handset adaptation compared to EU

Non-SMS data as % of total market size



- Non-SMS data in Belgium lagging behind due to absence of handset subsidies resulting in slow uptake of expensive smart-phones
- EDGE covers large majority of consumer data need
- Network deployment EDGE / HSPA following expected handset uptake

Handset development



3G or better	12%	→ 35%	→	57%
EDGE or less	88%	→ 65%	→	43%

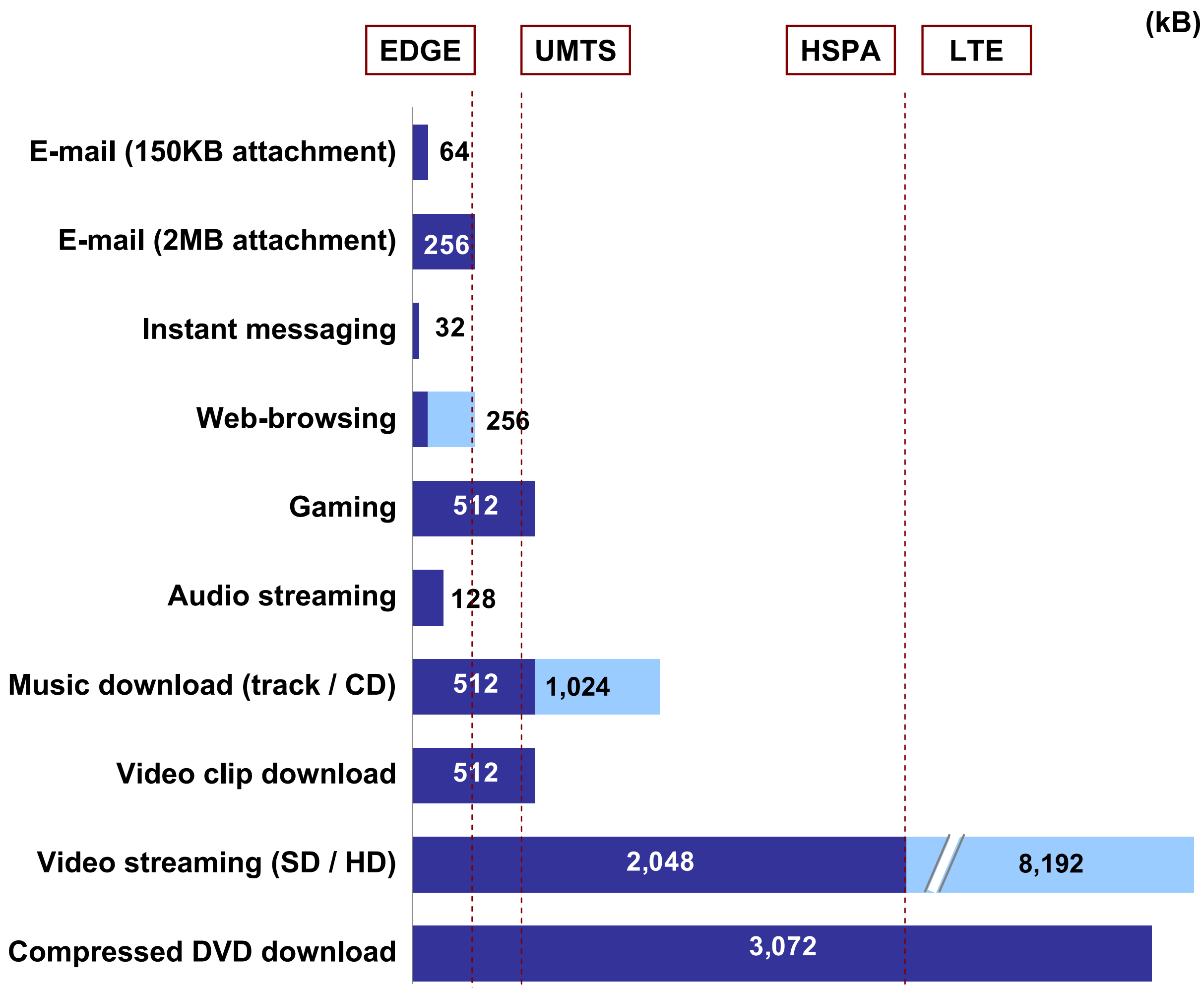
Source: Industry research

Mobile data applications

D

EDGE currently sufficient for majority of applications used by consumers

Bandwidth needed for good mobile user experiences



Comments

- Email, instant messaging, social networking account for 40 - 60% of data usage
- 10 - 20% of usage for Web-browsing, increasing due to improved devices
- KPN Group Belgium focuses on Consumers, not Corporates

EDGE bandwidth currently sufficient for majority of consumer applications

Source: Industry research

Selective roll-out of data network

D

Network roll-out based on those services that consumers want

Strategy
• Smart follower in wireless data – KPN Group Belgium targeting consumer and SME / SoHo segments with value offers – Combination of EDGE and targeted HSPA sufficient to meet demand of mass market • Phased data network roll-out in Belgium – National EDGE coverage meets current data demand – Efficiently deploy UMTS to meet license requirements – HSPA in hot-spots with strong demand • Regulatory development – Potential regulation on signal strength delayed – Spectrum increased with additional frequencies by government

Technology	Approach
EDGE	• National GPRS / EDGE coverage in place • Best coverage in 3 out of 5 regions
HSPA	• Roll-out where demand exists • Leading coverage in focus cities and key hotspots

Smart technology follower

KPN Belgium

Continue up-selling of products while enhancing B2B position

Rationale	• Strengthen distribution for both consumer and SME / SoHo markets in Belgium • Cross- and up-selling opportunities through complementary distribution channels • Valuable network asset being top 3 most dense fiber network in Belgium
Development	• Cross-selling of mobile services for B2C under Tele2 brand and MVNO started • Up-selling of newly launched mobile services in B2B segment • Carrier optimization of national routing with KPN Group Belgium
Going forward	• Up-selling fixed products to KPN Group Belgium customers • Improving customer focus by close cooperation with KPN Group Belgium on marketing & sales • Attractive network asset in view of increasing demand for bandwidth

Concluding remarks

- Delivering profitable growth ahead of the market since 2003
- Continue to focus BASE brand on transparency, simplicity and honesty
- Targeting untapped segments using multiple brands and wholesale partnerships
- Strong position in distribution via own channels in addition to wholesale partners
- Smart technology follower, HSPA network roll-out where demand exists
- Confident in continued outperformance, clear focus on EBITDA and cash flow
  - Targeting 20-25% service revenue market share in next few years
  - EBITDA margin of at least 35%

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Key messages

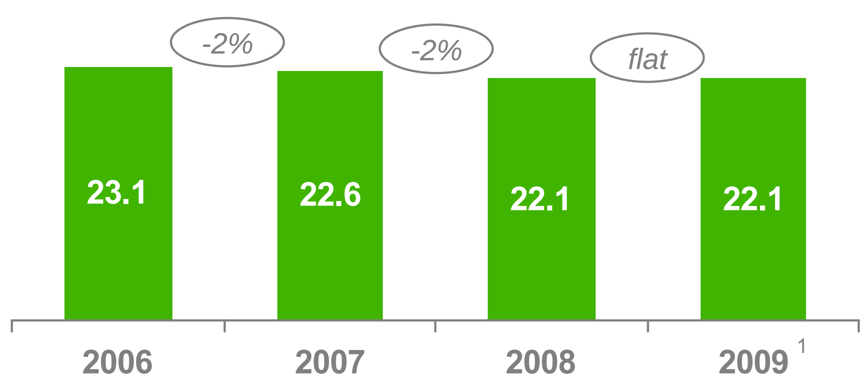
- Delivering profitable growth ahead of the market since 2005
- Further upside potential for proven Challenger strategy
- Strong position in both wholesale and retail segments
- Leveraging potential of regional approach
- Best value-for-money proposition for mobile data

Historic market trends in Germany

Market growth almost flat, continued growth in subscribers

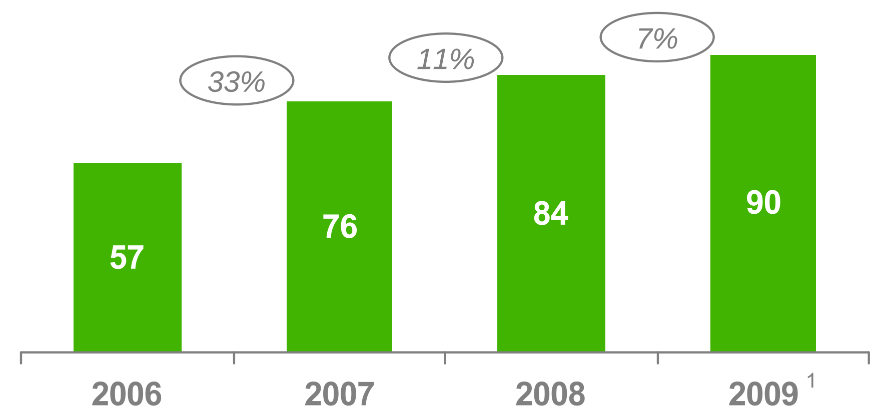
€ bn

Revenues mobile telecommunications services



bn

Total minutes



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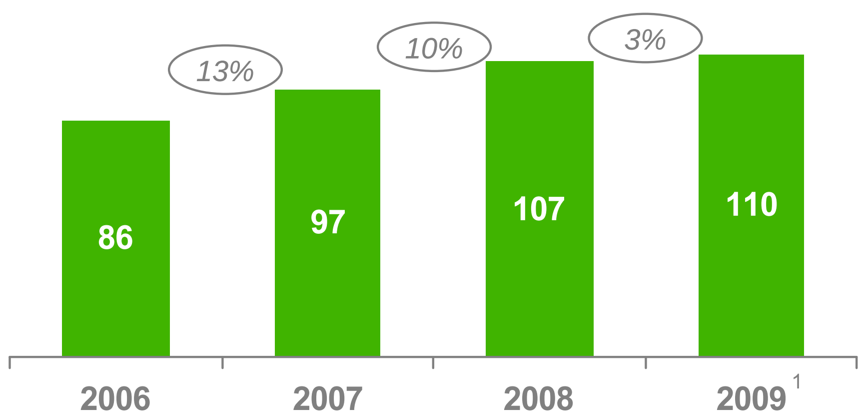
Subscribers

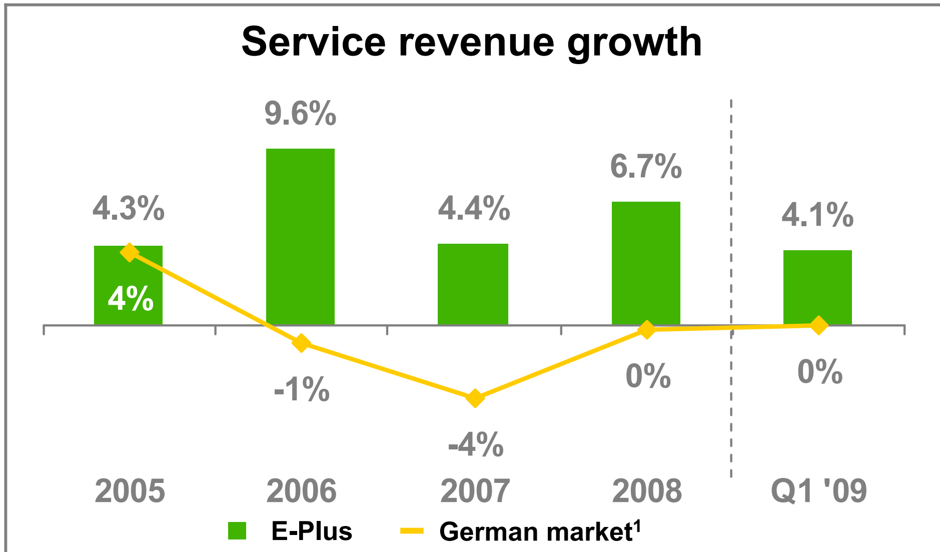


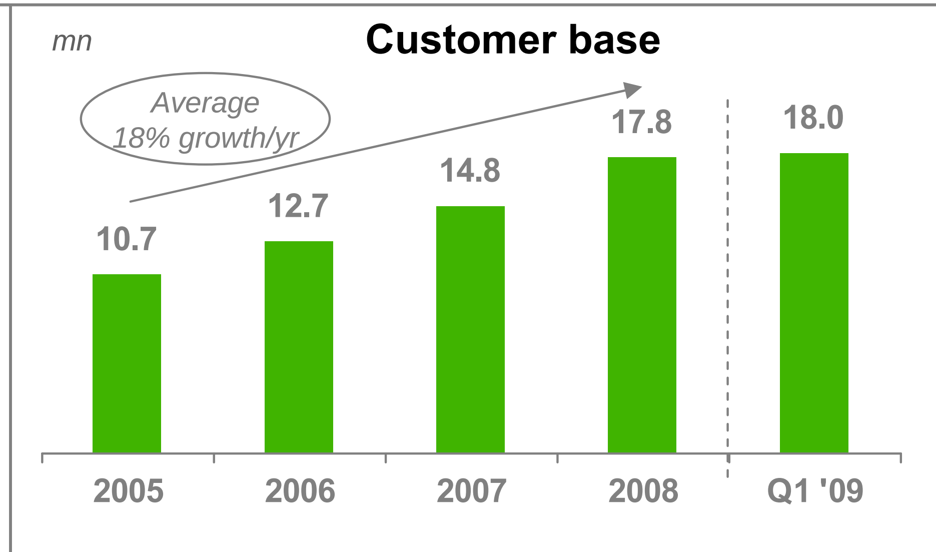
- Continued growth in number of customers and minutes
  - Driven by Fixed-Mobile substitution
  - Usage still below European average
- Historic market growth in Germany mid-single digit decline to flat
  - Increase in usage offset by regulation

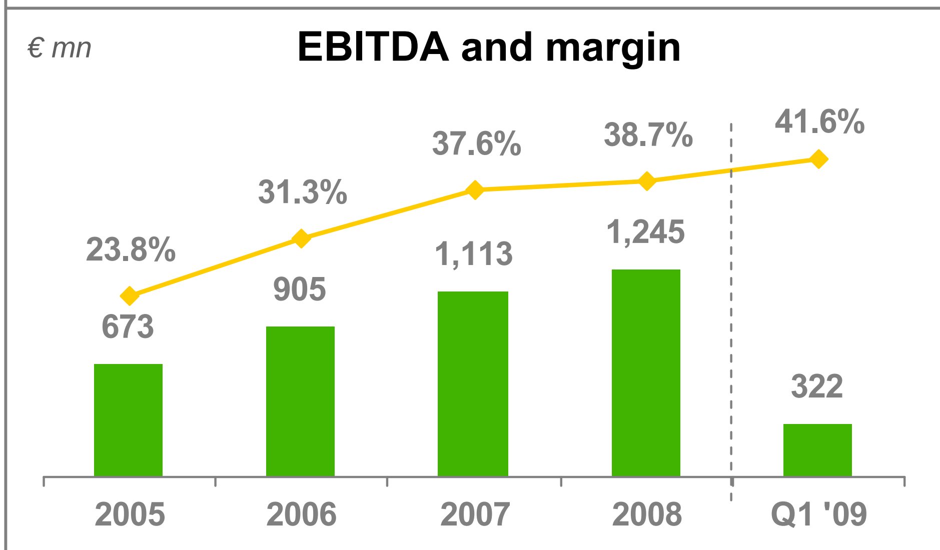
1 Management estimates for 2009

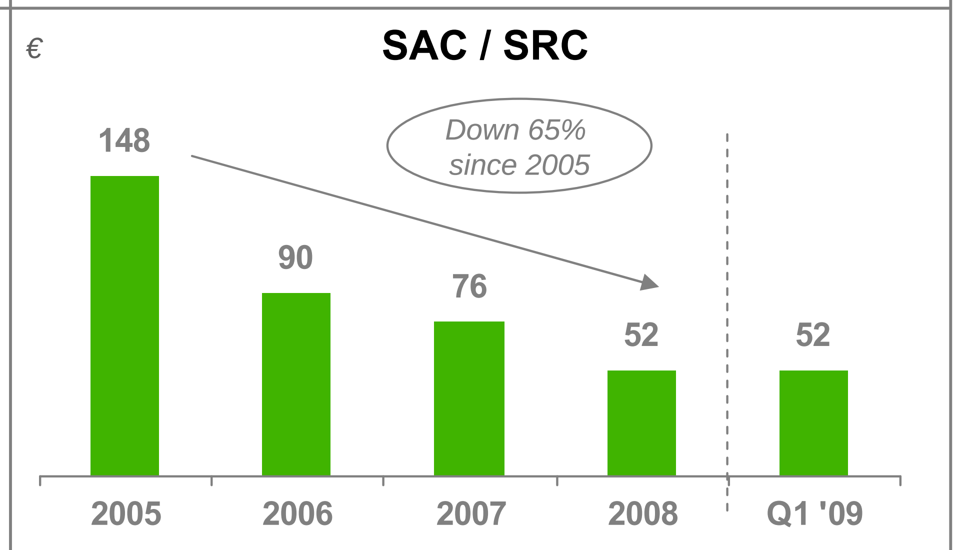
Performance E-Plus

Continued market outperformance on all key metrics





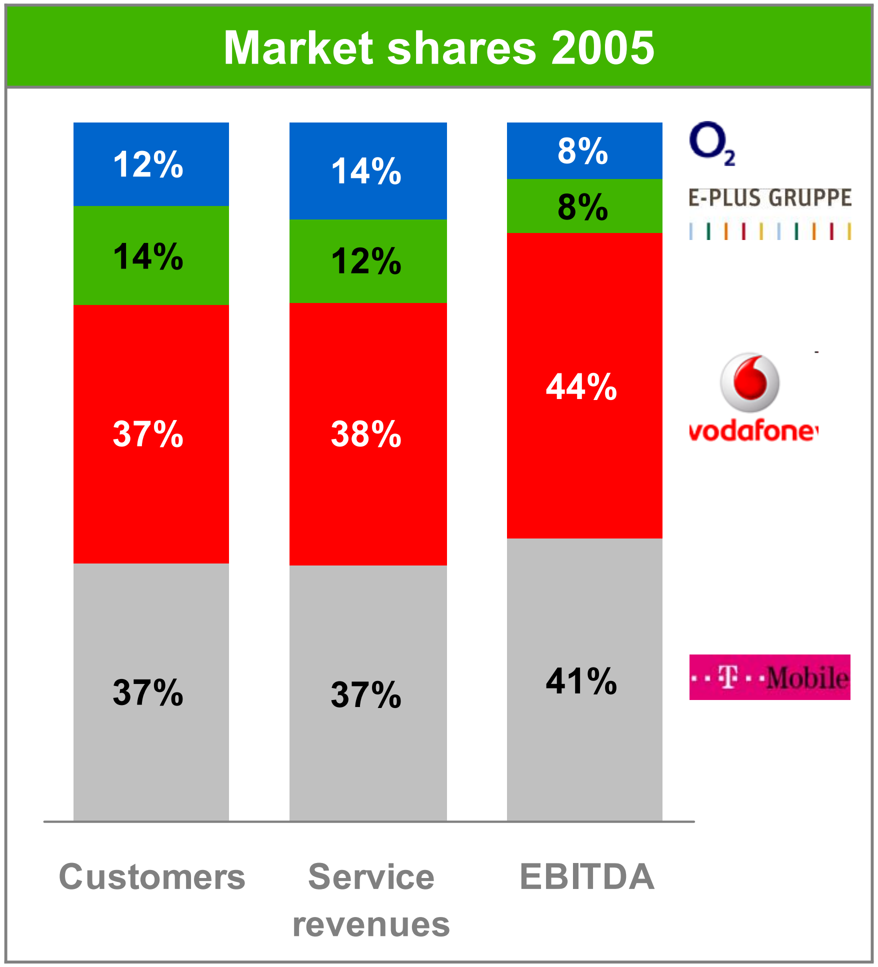


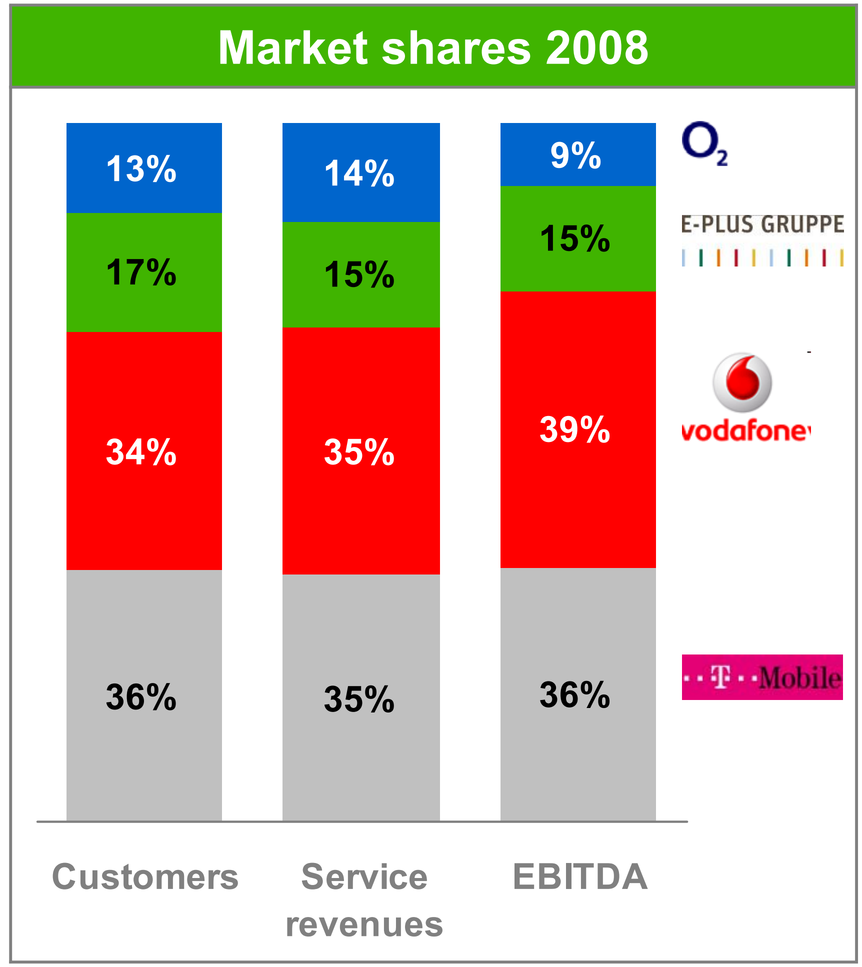


1 Management estimates

E-Plus going forward

Confident in continued outperformance in Germany





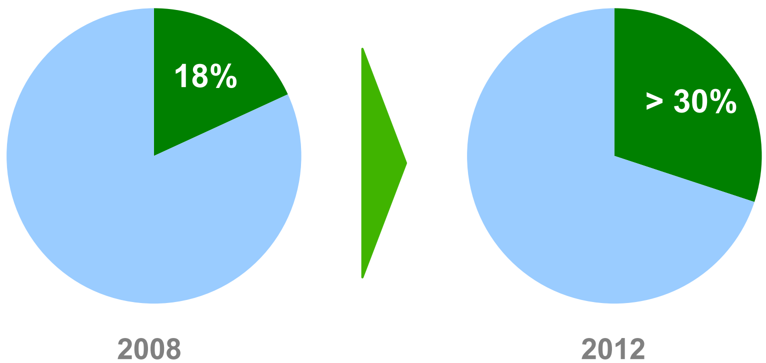
Targeting 20-25% service revenue market share in next few years

EBITDA margin of at least 35%

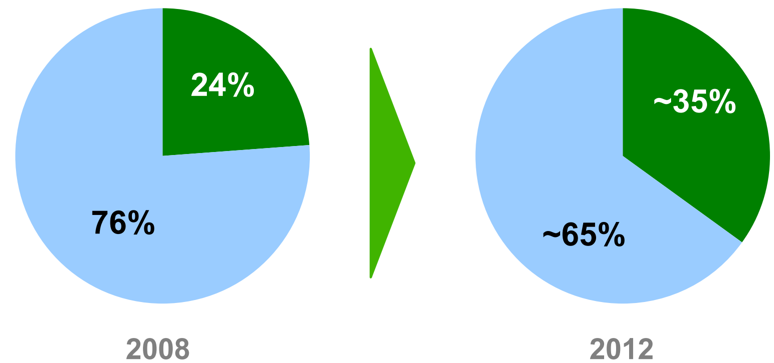
Market trends going forward

Growth in value-for-money segment and data, impact from regulation

Value-for-money segment
(as % of total market size)

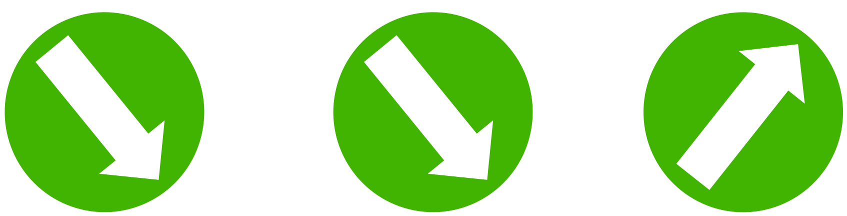


Data as % of total market size
(incl. SMS)



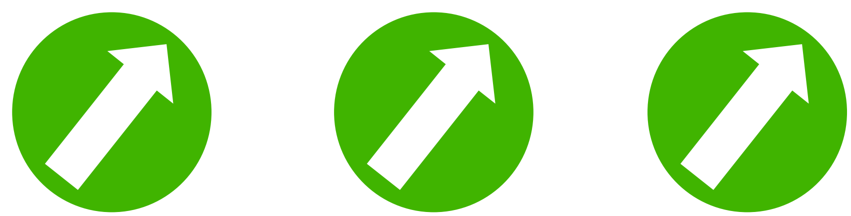
Voice trends

MTA tariffs | Roaming tariffs | MoU



Segmentation

Number of brands | Segments / regions | New applications



Challenger strategy

Tactics for delivering profitable growth

Strategic cornerstones

- Position around customers
- Create customer pull
- Establish partnerships
- Introduce profit-maximizing value chains

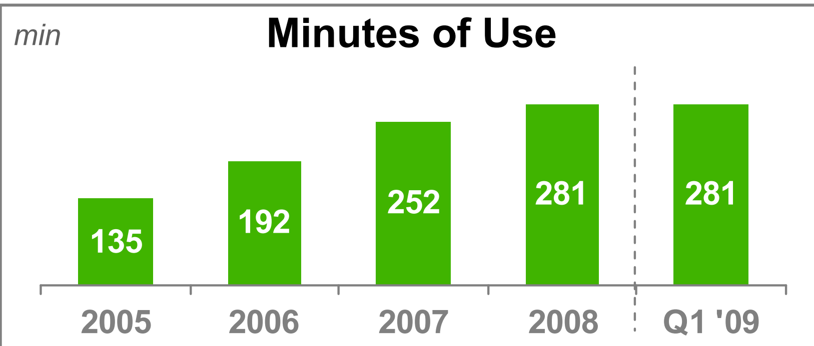
Sample of some of the tactics	
A Fixed-Mobile Substitution	• Mobile share of voice still low, significant untapped potential • Voice remains dominant over data for the next years
B Wholesale & Partnerships	• Leverage proven business models to new markets • Build partnerships with new entrants
C Regionalization	• Expand voice target regions based on proven concept • Monetize leading position in voice to build data position
D Smart technology follower	• Maximize return on existing assets • Selective, low risk investments in new technology

Fixed-Mobile substitution

A

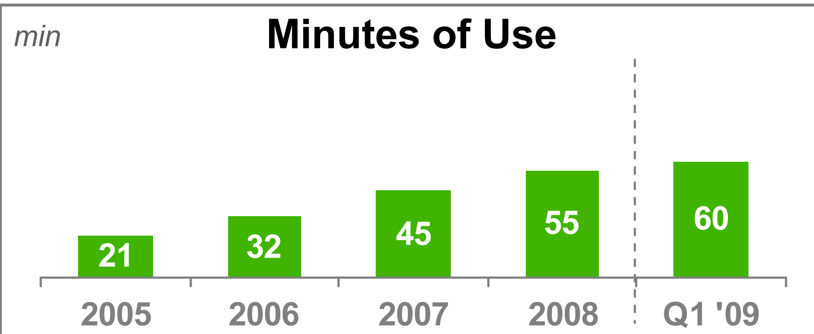
Usage above market average, driven by Fixed-Mobile substitution

Post Paid



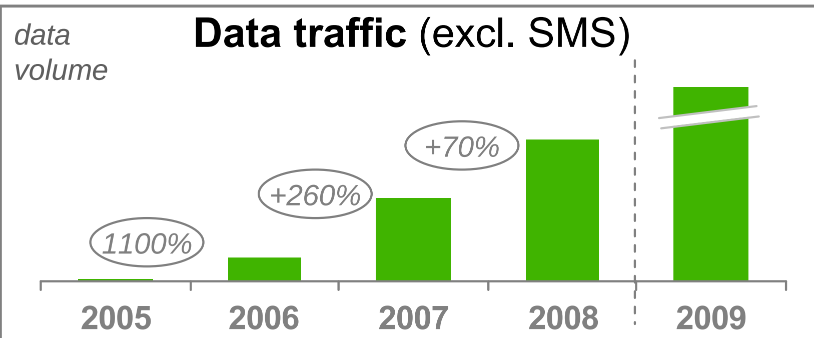
- Usage above market average
- Flat rate offers, no-frills offers and on-net offers

Pre Paid



- Usage growth driven by attractive pricing and Fixed-Mobile substitution
- No-frills offers and on-net offers

Data



- Rapid growth in data traffic, on top of continued growth in SMS per user
- Stimulated by flat rate offers for 'light' data

New brands

A

Over 60% of total customer base and high profitability

'New' brands on E-Plus network

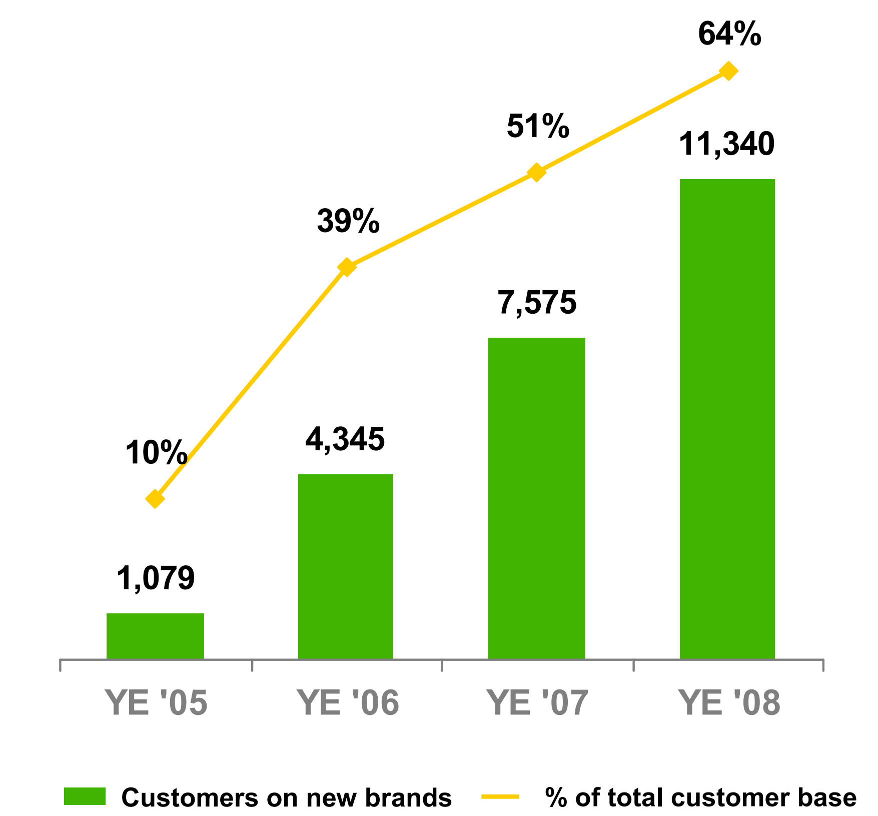
Own brands

BASE
simyo
ay yıldız
vybemobile
ortel MOBILE
blau.de
blauworld the call home SIM

Partners

MEDION mobile
versatel
VIVA
NetCologne
airberlin
mp3.de
ADAC
Volkswagen
dpv
ring

X 1,000 **Customers on 'new' brands**



Attractive propositions with short pay-back time and high profitability

BASE

A

Leading flat rate brand in Germany

- Germany’s first mobile flat rate offer, introduced in 2005
- Still the only “flat-rate only” brand in the market
- Customer retention program “Freundeskreis”
  - Community build-up via own website, special events and offers
- Point-of-sale experience
- Welcome package (BASE box)
- Premium proposition with BASE Gold

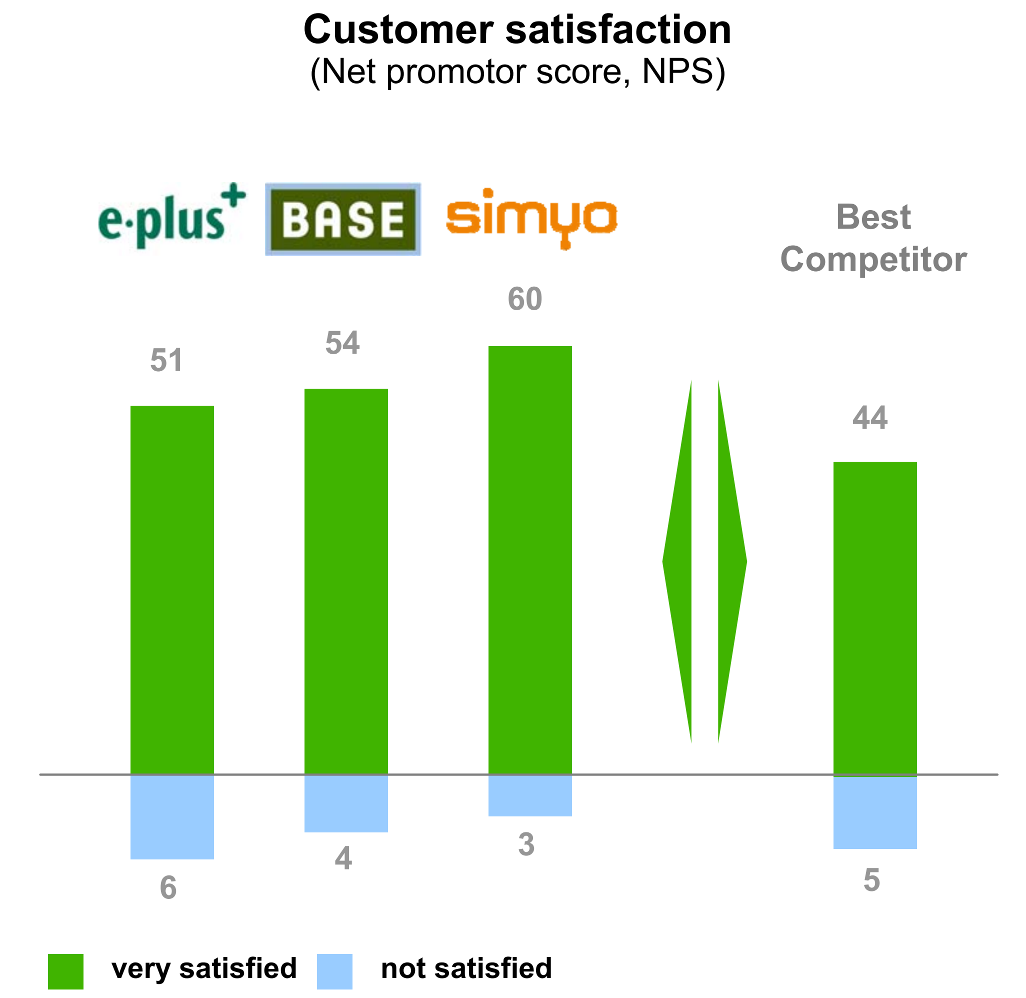
A

simyo Germany's first online no-frills brand

- Germany's first online-only no-frills brand
  - Online-only and Pre Paid only
- Best-in-class voice and data price in discount segment
- Community build-up via online platform
  - "Godfather" customer service idea
  - Viral campaign
  - Blog and forum communication
- High level of customer satisfaction and strong net promotor score
- Preferred brand in German online discount segment according to consumer research

Customer satisfaction

Customer satisfaction substantially above market average



- Net Promotor Score (NPS) for E-Plus brands substantially higher than competitor brands
  - Customers that would recommend product to others
  - Relatively few customers not satisfied with service
- Result of E-Plus offering tariffs and services that meet customer needs
- High customer satisfaction supporting community build-up

Source: E-Plus Gruppe, 2008

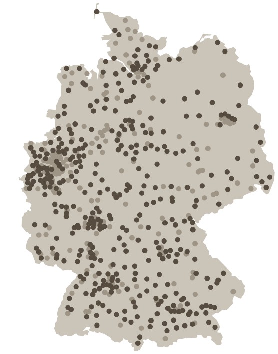
Distribution

A

Strong position in distribution through own channels and partners

Own shops and partner shops

- Number of outlets increased from less than 200 in 2005 to over 700 by Q1 ’09
  - Supported by acquisition SMS Michel in Q1 ’08 (~200 shops)
  - Increased visibility on high streets
  - Improved shop design, branding and product placement
- Creating stronger pull and higher customer interaction



Online distribution

- Created strong new online sales channels, e.g. with Simyo
- Significant increase in gross adds via online distribution
- Building online distribution network
  - Affiliate program, white label shops, search engine optimization
  - Online platform for independent sales partners (e-seller)

Exclusive wholesale channels

- Partner brands distributed via over 8,300 retail outlets in Germany
- Access to customer base of partner brands, e.g. Volkswagen, Aldi, airberlin

Volkswagen

airberlin

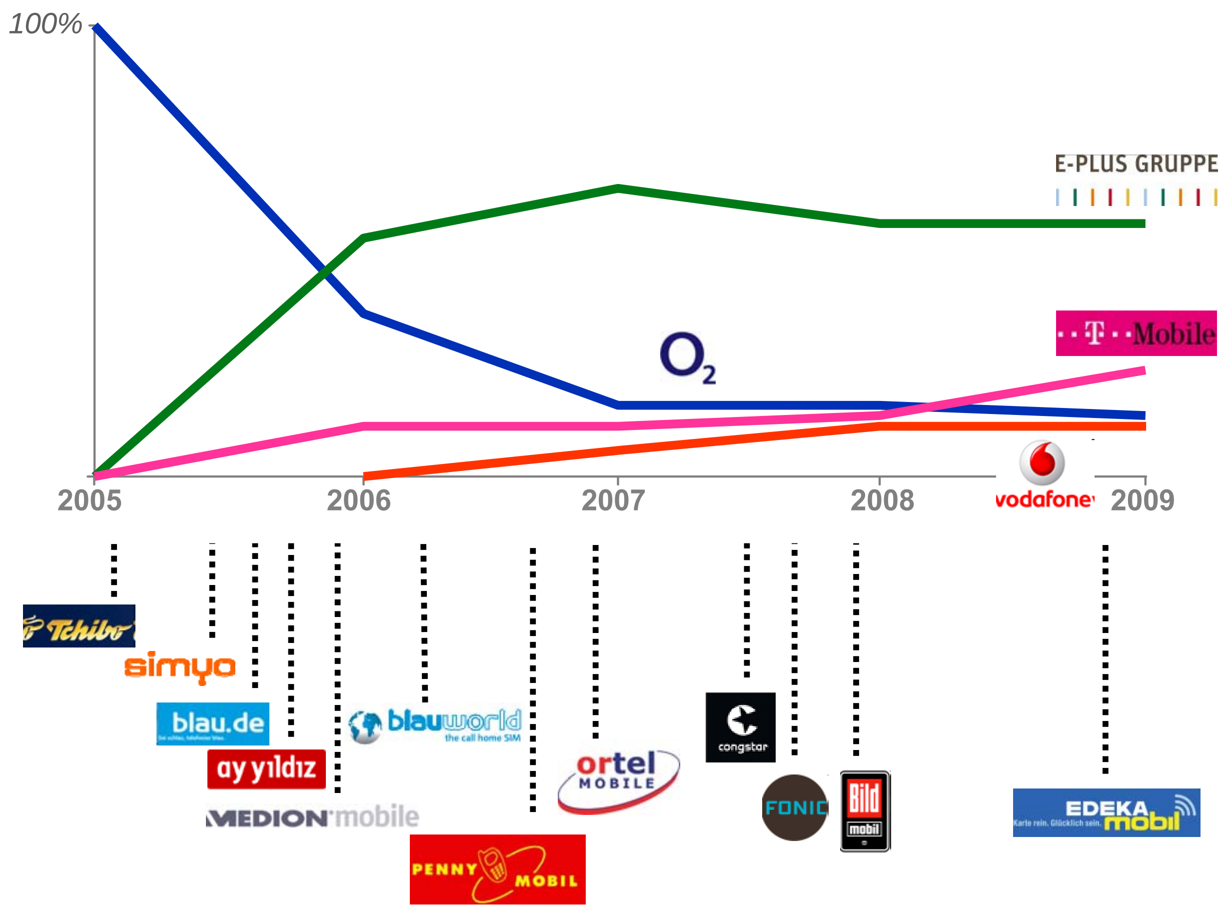
MEDION mobile

Wholesale

B

E-Plus firmly established as market leader in wholesale segment

Market shares in wholesale[1]



- Wholesale segment rapidly growing in Germany
  - ~2 mn customers in 2006
  - >15 mn customers now
- E-Plus strongly established as market leader in wholesale segment
  - >50% market share
  - Market share E-Plus stable despite introduction of new brands from competitors
- Expecting continued strong growth going forward
  - Revenues from MVNOs ~5% of overall market, below European average

1 Management estimates

Segmentation going forward

B

Introducing new propositions and starting new partnerships

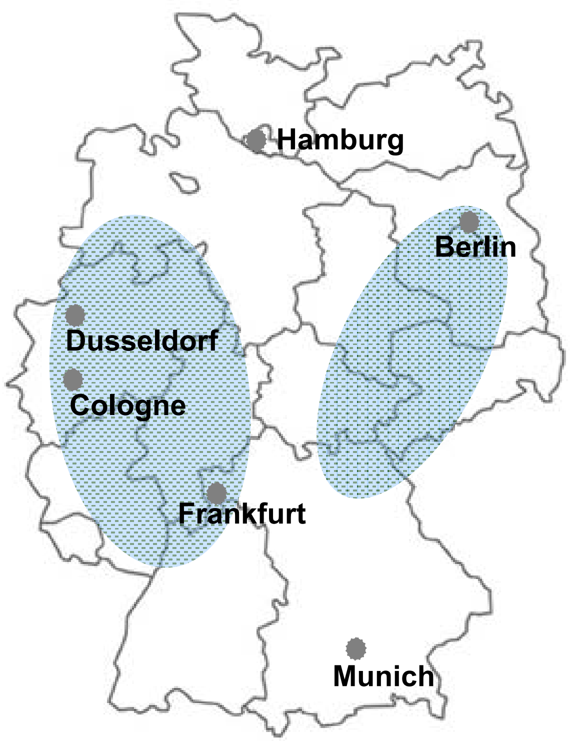
SME / SoHo	• Expanding into SME / SoHo segment • Introduction of Yes Telecom in Germany – Value-for-money mobile services for SME / SoHo – Already successful in the Netherlands	
Data flat rates	• Introduction of data flat rates in new segments and new distribution channels	
Special interest	• Partnerships with German sports clubs • Partnership with Disney targeting youth segments	
WiFi / Online offers	• Cooperation with WiFi provider FON • Access to WiFi connections shared with other users – Over 25,000 FON WiFi hotspots in Germany	

C

Regionalization

Smart investments in marketing, sales and network

Strong position E-Plus



Region with high Post Paid market share for E-Plus

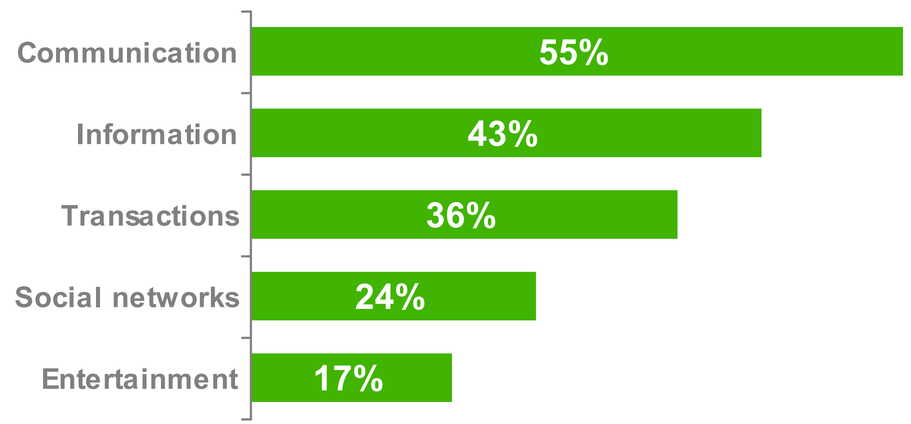
Approach	• Analyze distribution of market shares city by city • Apply differentiated strategy depending on growth potential to create regional scale
Above fair share	• Limited investments, aligned with customer value • Keep momentum, leverage communities
Fair share	• Focus on optimizing marketing activities • Push / pull to point-of-sale • Community build-up to create local scale
Below fair share	• Fix the basics, especially in network coverage and distribution footprint • Large potential to increase market share

Wireless data

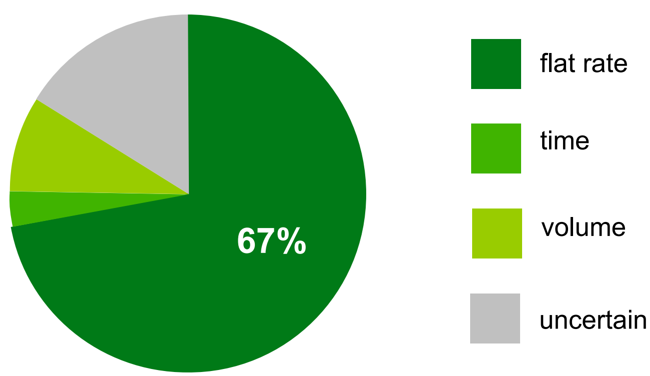
D

Consumers mainly use 'light' data and prefer flat rates

Drivers behind data usage (%)



Preferred tariff plans



- Consumers mainly use 'light' data applications on smartphones
- Consumers have a preference for flat fees
- Data tariffs E-Plus focus on mass market
  - Flat rates and target group segmentation
  - € 10 / month for wireless data on handsets
  - € 1 / month for access to top-3 content

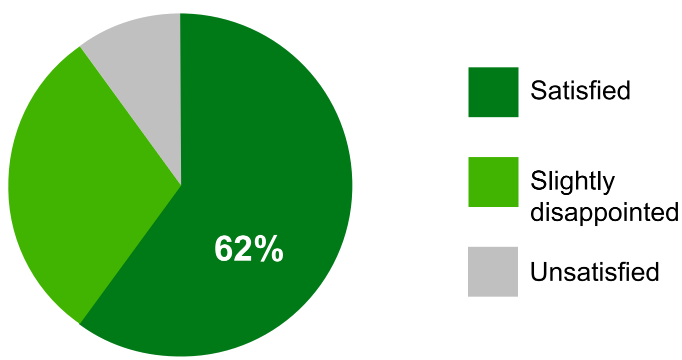
Source: Consumer research

Wireless data (cont'd)

D

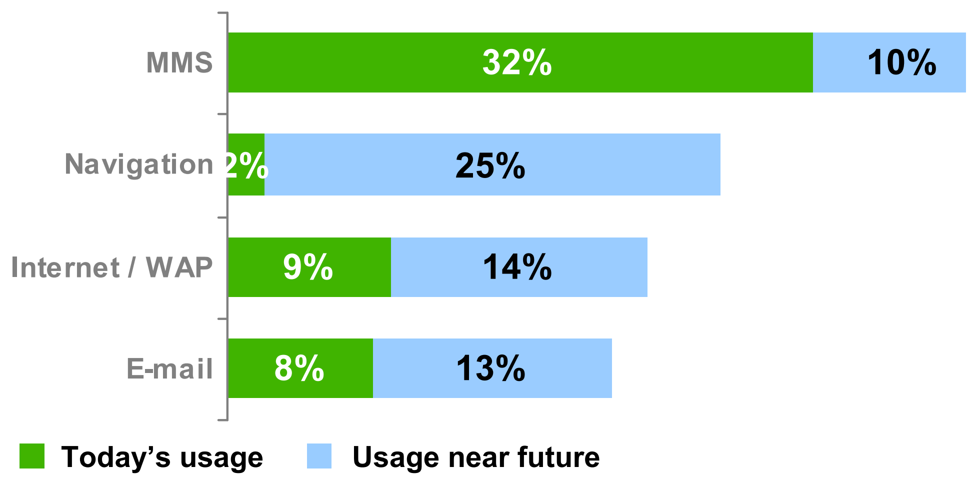
Consumers satisfied with services, data usage expected to take off

Satisfaction bandwidths for handset use*



*Phone users, no stationary laptop usage

Data usage patterns (% of users)



- Bandwidths offered sufficient for current 'light' data usage on handsets
- Different requirements and usage patterns for corporate markets
  - Less relevant for E-Plus, as a result of focus on consumer and SME / SoHo segments
- Demand for wireless data taking off in German consumer market
  - Substantial growth expected in near future
  - Data no longer in early adopter phase, but becoming mass market proposition

Source: Consumer research

D

Data network roll-out

E-Plus network roll-out based on those services that consumers want

Smart follower strategy
• Smart follower in wireless data – Investing in data networks now demand is taking off – Benefiting from increased capabilities for equipment and lower costs – Combination of EDGE and UMTS sufficient to meet demand of mass market • Phased data network roll-out in Germany – National EDGE coverage meets current data demand – Gradual UMTS roll-out with regionalization approach – HSPA in regions with strong demand

Technology	Approach
GPRS	• National coverage in place
EDGE	• EDGE roll-out in 2009 to 90% pop coverage
UMTS	• > 60% population coverage per Q1 ’09
HSPA	• Rolling out in focus cities and key hotspots
WiFi / WLAN	• Co-operation with provider FON for WiFi access

Concluding remarks

- Delivering profitable growth ahead of the market since 2005
- Further upside potential for proven Challenger strategy
- Strong position in both wholesale and retail segments
- Leveraging potential of regional approach
- Best value-for-money proposition for mobile data
- Confident in continued outperformance, clear focus on EBITDA and cash flow
  - Targeting 20-25% service revenue market share in next few years
  - EBITDA margin of at least 35%

Agenda

Introduction	Ad Scheepbouwer, Chairman and CEO KPN
Strategy	Stan Miller, CEO KPN Mobile International
Finance	Eric Hageman, CFO KPN Mobile International
Regulation	Marc van Asbroeck, Chief Legal & Regulation
KPN Group Belgium	Erik Hoving, CTO KPN Mobile International
E-Plus	Thorsten Dirks, CEO E-Plus
International Wholesale	Eric Hageman, CEO International Wholesale
Concluding remarks	Stan Miller, CEO KPN Mobile International

Overview

Organization built across markets, leverage international partners and own brands

Belgium
- Own brands
- Wholesale
- Network

Germany
- Own brands
- Wholesale
- Network

Spain
- Own brands
- Wholesale

France
- Own brands
- Wholesale

Netherlands
- Own brands
- Wholesale
- Network

Belgium:
- Launched 2003
- Leading wholesaler

Germany:
- Launched 2005
- Leading wholesaler

Spain:
- Launched 2008
- Leading MVNO

France:
- Launched 2009

Netherlands:
- Launched 2002
- Leading wholesaler

Organization built across markets, international platform and know how

Leverage own international brands (e.g. Simyo, Ortel, blau)

Leverage international wholesale partners

Mobile wholesale strategy

Wholesale as key pillar of Int'l Challenger strategy, strong wholesale capabilities

Announced Sept '06

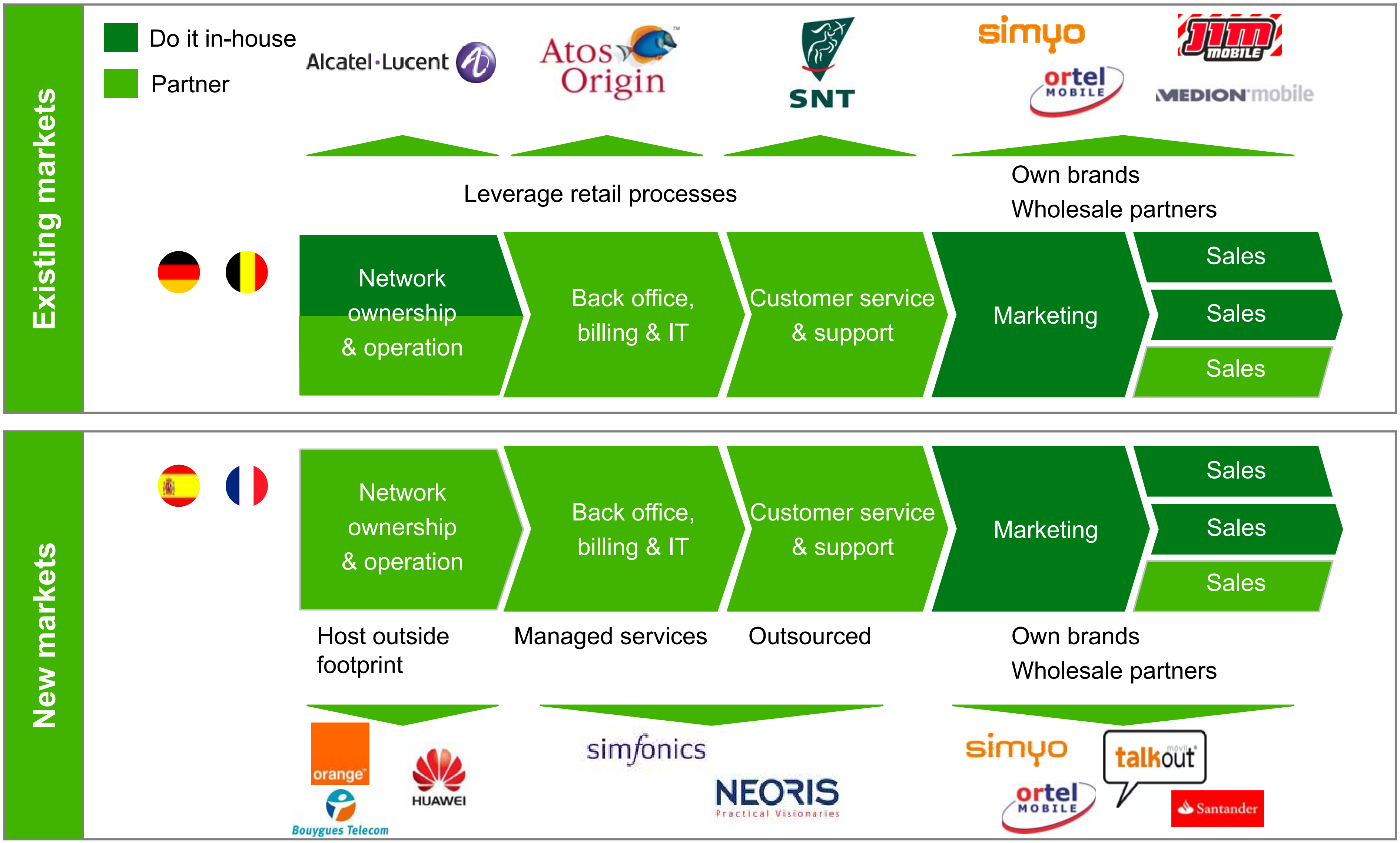
Challenger strategy	
Lean operating model	• Build leanest and most profitable operator in all our markets
Wholesale / new distribution	• Wholesale, diversified distribution to drive scale at attractive economics
Multiple segment marketing	• Address individual segments directly or through wholesale partners
Attractive propositions	• Focus on value offerings with Fixed-Mobile Substitution approach
Regulatory action	• Ensure level playing field between challengers and incumbents

Wholesale capabilities	
Financial model	• Minimize investment through Opex model, partnership, branded reselling
Marketing	• Reducing commercial complexity through "single-point-of-contact" service for partners
Technical complexity	• Provide technological knowledge & scale through sharing platforms
Flexibility & speed	• Quick & adequate response to new commercial / technical requirements
Many new entrants	• Minimize risk through synergies with own and partners' brands

Wholesale focus

Redesigned business model

Flexible business model, successfully leveraged to new markets



Achievements

Leading wholesaler in existing markets with compelling wholesale economics

Achievements	
Germany	• Market leader • >50% MVNO market share[1] • >20 partner brands
Belgium	• Market leader • ~65% MVNO market share[1] • >20 partner brands
Spain	• Leading MVNO • ~20% MVNO market share[1] • 2 own brands, >10 partner brands
France	• MVNO launched January 2009 • Healthy customer growth

Own brands spearhead int'l expansion
External parties show interest
Wholesale partners approach us

Compelling economics

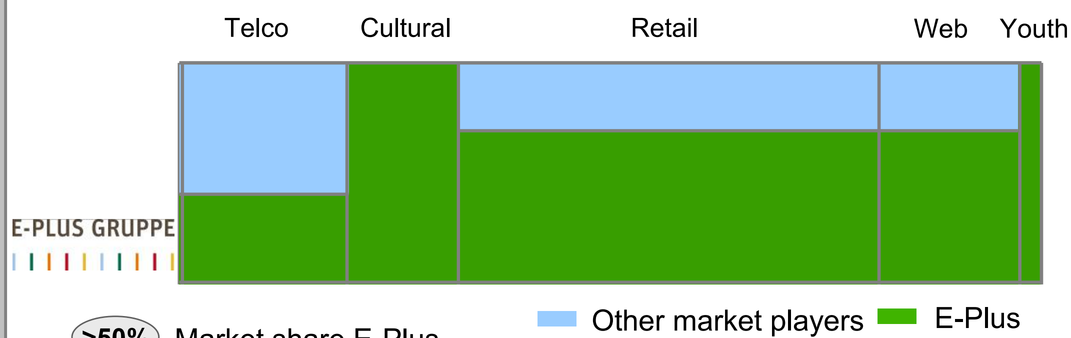
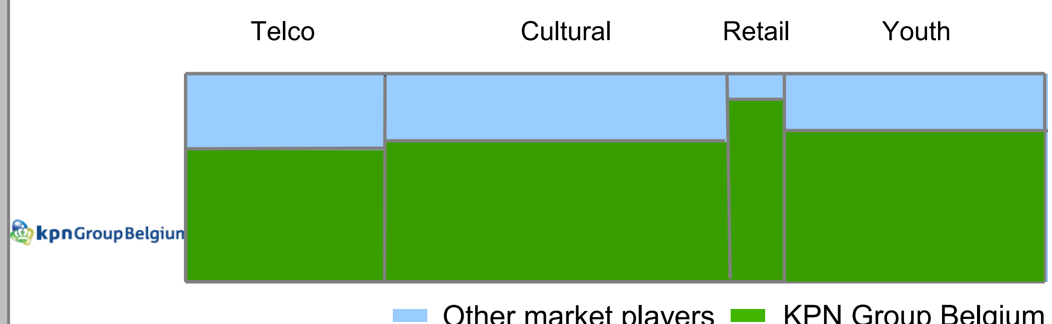
1. **Strong subscriber growth due to high awareness**
   - Market segmentation
   - Multi-brands
   - Multi-distribution
2. **ARPU equally strong or higher in some (e.g. cultural) segments**
   - Strong usage increase due to price elasticity
   - Community effects
3. **Acquisition costs significantly lower than in retail**
   - Lower subsidies
   - Mostly SIM-only offers
   - MVNO partners leverage their distribution channels

Fast return on investment

1 Market shares based on revenue share, management estimates end 2008

MVNO market[1]

Cultural and retail major segments, competitors' share underrepresented

	MVNO market per segments 2008	Comments
Germany	 >50% Market share E-Plus <50% Market share other market players ~ 5% Share of total market (revenue share)	• E-Plus main MVNO across all segments • Simple Retail & No-Frills Web offers represent over 65% of market • Telco under represented due to ISPs (Debitel, Mobilcom with ~2 mn customers)
Belgium	 ~65% Market share KPN Group Belgium ~35% Market share other market players ~ 4% Share of total market (revenue share)	• KPN Group Belgium main MVNO across almost all segments • Number of partners consolidating or exit the market • Competition focusing on selective deals offering highly competitive pricing

1 Market shares based on management estimates

International expansion

Selective expansion to European markets through low cost business model

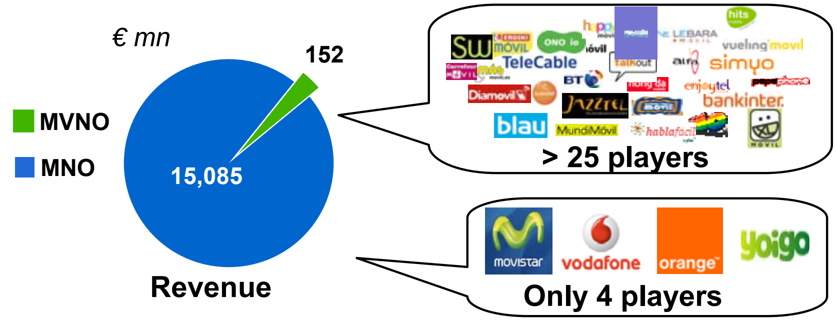
Announced Sept '06

Expansion rationale	European scope
• Challenger strategy is very successful in home markets – Belgium, Germany and the Netherlands • Opportunity to expand strategy to new European markets – Wholesale, segment-tailored propositions – Multi-brand, no-frills – High potential, limited risk, fast Return on Investment	• **Market size:** Large markets with major value creation potential • **State of competition:** Relatively high price levels and limited number of MVNO / MVNEs • **Customer segments:** Potential to target new and interesting segments (cultural, regional) • **Existing partners:** Potential to leverage existing wholesale partners • **New partners:** Potential attractive new partners with local knowledge and assets • **Regulation:** Regulatory support for MVNO/MVNE

Spain: Market overview

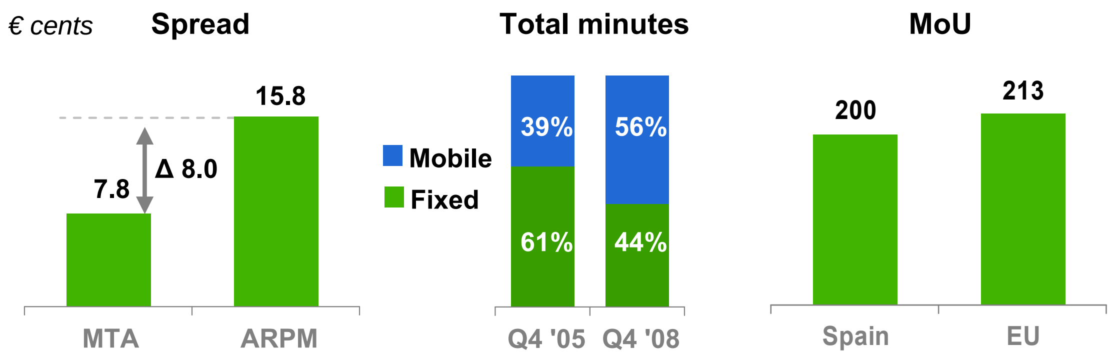
Attractive MVNO landscape, showing clear upside potential

Market share



- MVNO revenue market share only 1% of total
- Indicating growth potential, e.g. NL ~10%, Germany ~5%

Pricing vs. usage



- High spread of 8 cents vs. EU average of 5.2 cents
- Continued FMS
- High mobile usage close to European average

Players & segments

Retail | Telecom | Cultural | Other

Top 5 MVNO

- Many brands but few financially successful, lack of support and "right" conditions from MNOs

Source: Equity research

Spain: Organizational set-up

Lean & mean organization, large scalability at attractive economics

Key activities	
• Management • G&A (Finance, Legal, HR)	kpn España — Management (~10 FTE)
• Marketing & Sales • Web portal & community • Brand account mgmt • Project & MVNE mgmt	Partners (~5 FTE): hong da, bankinter. Own brands (~5 FTE): simyo, blau Operating across borders
• Customer Care • Logistics & handsets • Product & roadmap mgmt • Roaming & inter-operator mgmt	Customer Operations Management (~25 FTE)
• Platform architecture • Service delivery management	MVNE Platform Platform leveraged: JAZZTEL TELECOMUNICACIONES

Efficient set-up with strong commercial focus and leveraging platform

Significant scalability at attractive economics

Spain: Achievements

Firmly established as leading MVNO after 1 year with >200k customers

	Status > 1 year	Going forward
Own brands	• Launched Simyo & blau • High brand awareness simyo blau	• Drive volume, expand offer • Exploit economic environment
Partner brands	• Launched ~10 brands • No frills & cultural target segments hong da, talkout, euphony, bankinter.	• Target new (international) partners • Focus on distribution and scale Carrefour MÓVIL, Diamovil
Platform	• Operations implemented • Enabling high quality services MVNE: JAZZTEL TELECOMUNICACIONES	• Increase in scale and efficiency • Same platform used in France

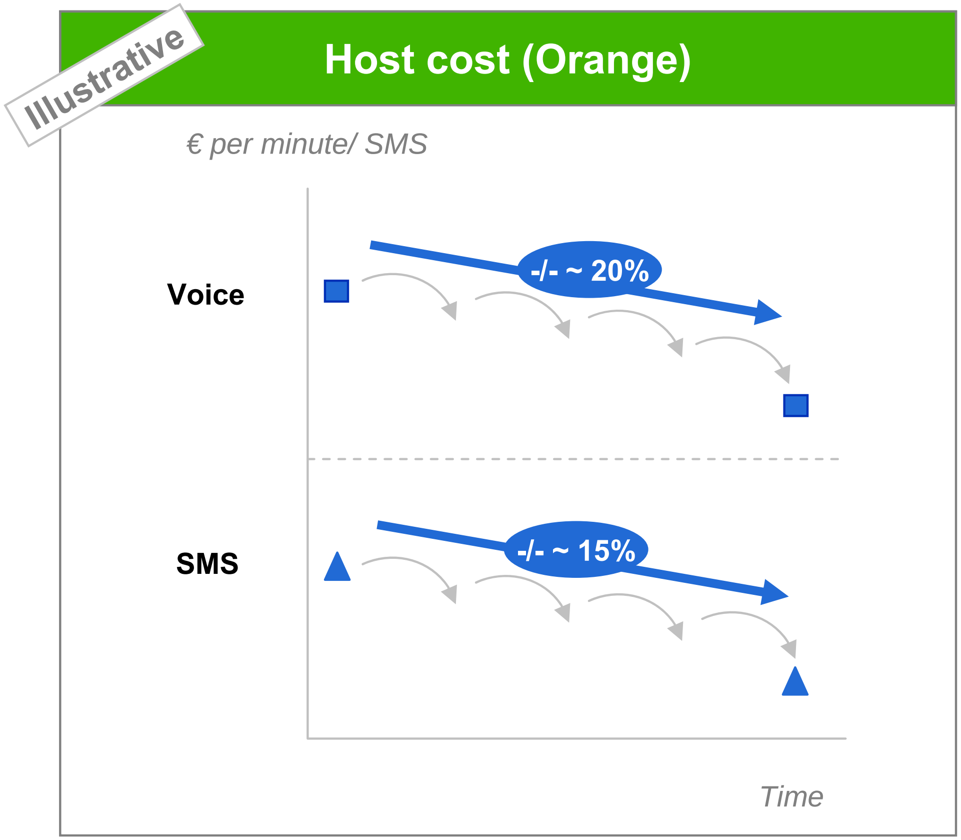
Fastest growing MVNO in Spain, firmly established with own brands and partners (>200k subs)

Well received, competition closely monitoring and responding

Spain: MVNO & platform cost

Strong reductions in costs over time, downward trend expected to continue

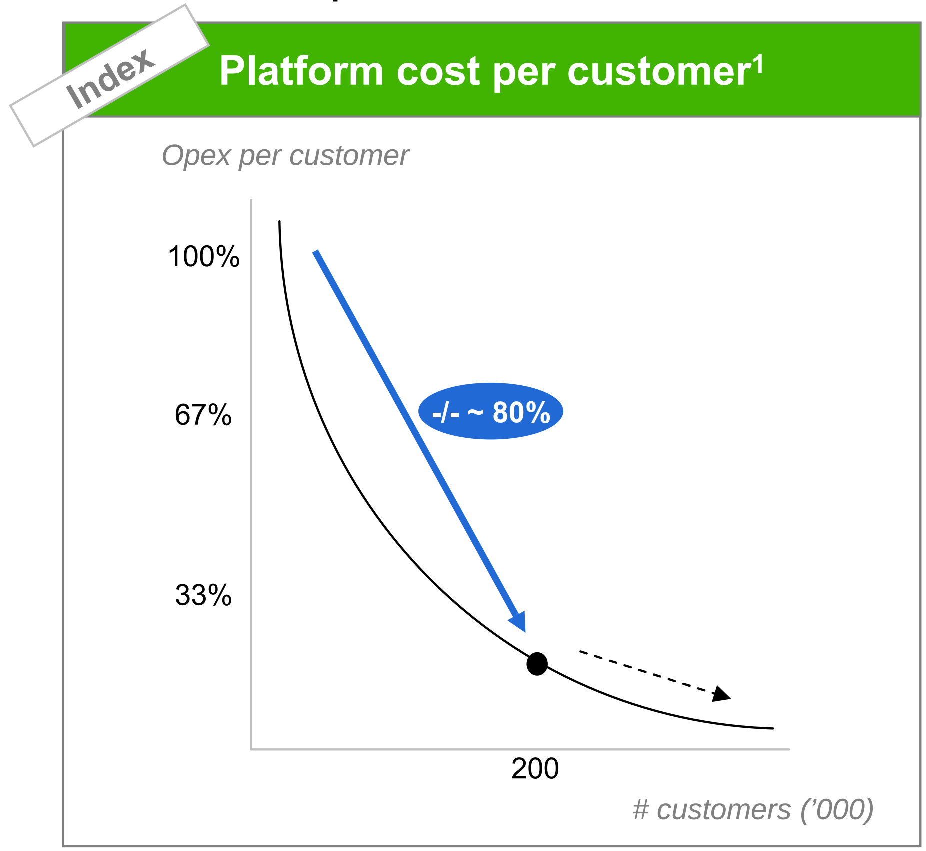
Host cost (Orange)



Strong reduction over time

Continued cost decrease expected due to declining retail tariffs

Platform cost per customer[1]



Strong reduction over time

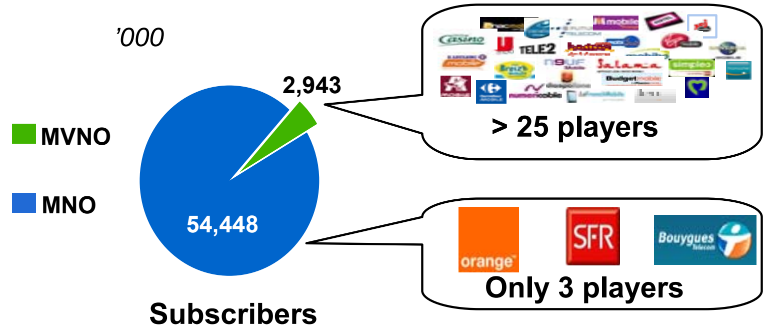
Attractive economics from upscaling

1 Platform cost per customer based on index, starting point represents 100%

France: Market overview

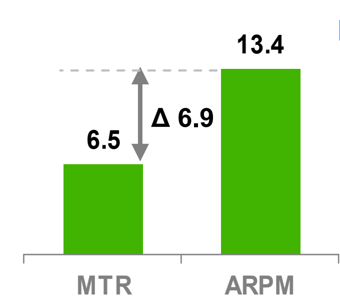
Attractive MVNO landscape, showing clear upside potential

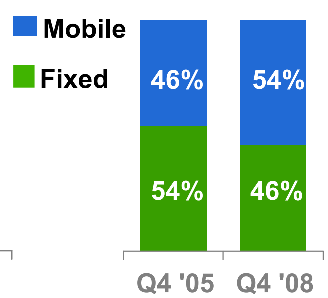
Market share

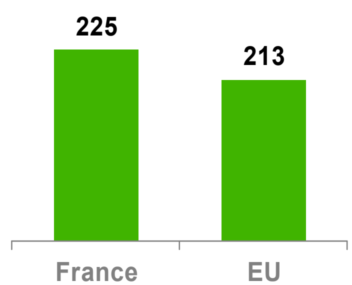


- MVNO revenue market share ~2% of total
- Indicating growth potential, e.g. NL ~10%, Germany ~5% revenue share

Pricing vs. usage







- High spread of 6.9 cents vs. EU average of 5.2 cents
- Continued FMS
- High mobile usage over European average

Overview players & segments

Retail | Telecom | Cultural | Other

Top 5 MVNO

- Many brands but few financially successful, lack of support and "right" conditions from MNOs

Source: Various equity research

Simyo

Leveraging our successful brand across markets

Launch mid 2005
Simyo Germany

Launch Jan 2008
Simyo Spain

Launch Jan 2009
Simyo France

- **Strong DNA, implementation of Simyo in new markets according to this DNA**
- **Unique offer with simple & transparent cost structure and high quality & reliability**
- **Founders involvement in leveraging Simyo brand across markets, entrepreneurial skills**

France: Achievements

Simyo successfully launched, building momentum in the French MVNO market

Achievements

Organizational

- Efficient platform implementation, in only 150 days
- Minimal Capex required due to leveraging Spanish platform

Own brands

- Simyo launch in Jan '09
- High brand awareness
- Steady growth without significant marketing efforts
- New campaign in May following alignment of processes

Going forward

Own brands

- Launch other own brands, founders involvement

International partners

- Leverage international partner brands

Local partners

- Attract local niche partners
- Focus on retail & media segments

Simyo successfully launched, building momentum in the French MVNO market

Going forward

Continued profitable growth with strong cash flow

	Going forward	Objectives
Existing markets	• Continued growth from leading partners • Target new segments through partnerships • Moving up the MVNO value chain to partner with "fixed net" & "value" partners	• Focus on profitable growth through continued FMS and new business models • Committed to strong cash flow
New markets	• Upscaling, expanding offer of own brands • Focus on retail, media partners • Ongoing renegotiation of cost (access & supplier) based on increased volumes • Establish level playing field for challengers	• Transformation beyond start-up, strong focus on cost • Healthy EBITDA margin • Cash flow positive in 2010 and 2011 respectively

Concluding remarks

- Wholesale as key pillar of Challenger strategy, strong wholesale capabilities
- Organization built across markets, leverage international partners & own brands
- Unique business model through redesign of value chain
- Leading wholesaler in existing markets with compelling wholesale economics
- Attractive MVNO landscape in new markets, showing clear upside potential
- Moving up the MVNO value chain to target new segments going forward

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Concluding remarks	Stan Miller, CEO KPN Mobile International

Concluding remarks

- Challenger strategy delivered on its promises and achieved continued outperformance
- Significant potential from Challenger strategy still to be realized using our segmented, multi-branding approach
- Proven ability to think and do things differently will enable us to continue to deliver strong results going forward
- Confident to continue market outperformance with a clear focus on EBITDA and cash flow
- Ambition to reach 20-25% market share in Germany and Belgium with EBITDA margins of at least 35%
- Remain committed to delivering industry leading shareholder returns

Q & A

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