

First Quarter 2015 Results

30 April 2015



Safe harbor



Non-GAAP measures and management estimates

This financial report contains a number of non-GAAP figures, such as EBITDA and Free Cash Flow ('FCF'). These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures.

KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including 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 as adopted by the European Union. In the Net Debt / EBITDA ratio, KPN defines Net Debt as the nominal value of interest bearing financial liabilities excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments, less net cash and short-term investments, and defines EBITDA as a 12 month rolling total excluding restructuring costs, incidentals and major changes in the composition of the Group (acquisitions and disposals). Free Cash Flow is defined as cash flow from continuing operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software. Revenues are defined as the total of revenues and other income unless indicated otherwise. Adjusted revenues and adjusted EBITDA are derived from revenues (including other income) and EBITDA, respectively, and are adjusted for the impact of 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 Integrated Annual Report 2014.

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Eelco Blok

Highlights Q1 '15

Strong operational performance driving improved financial performance



Services & Innovation

- Strengthen lead in TV innovation with introduction KPN OTT TV
- Positive results new data bundles
- Further improvement customer satisfaction
- Increasing fiber penetration; 55% of households FttH / FttC

Operational

- Continued strong base growth Consumer
 - +35k broadband net adds
 - +77k IPTV net adds
 - +59k postpaid net adds
- Growth fixed-mobile bundles Consumer
 - 24% of retail postpaid base
 - 19% of broadband base
- Business segment transformation on track in challenging market

Financial & Portfolio

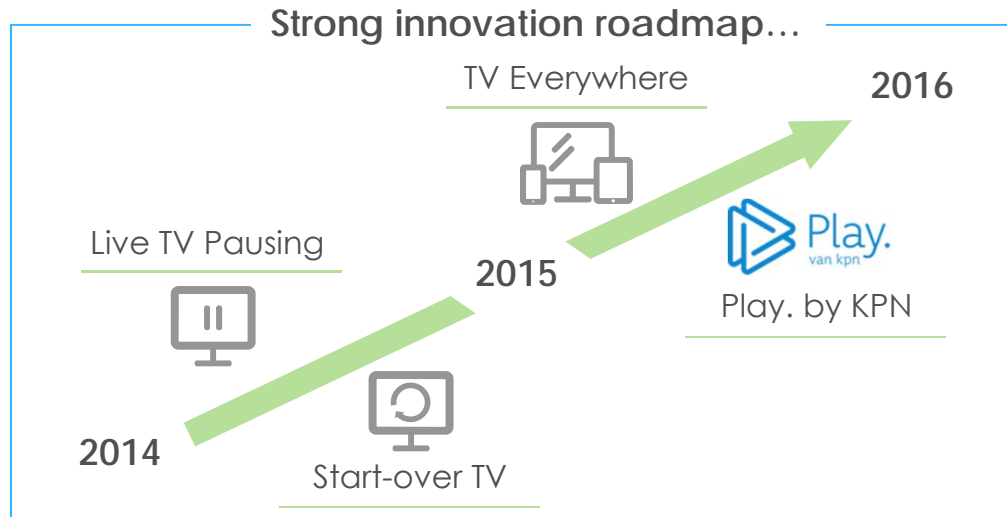
- Adjusted revenues: € 1,919m, -3.5% y-on-y
- Adjusted EBITDA: € 622m, +0.2% y-on-y
- FCF: € 34m vs. € -292m in Q1 '14
- Attractive consideration of € 1,325m for BASE Company

- Simplification program on track: ~€ 170m run rate savings realized¹

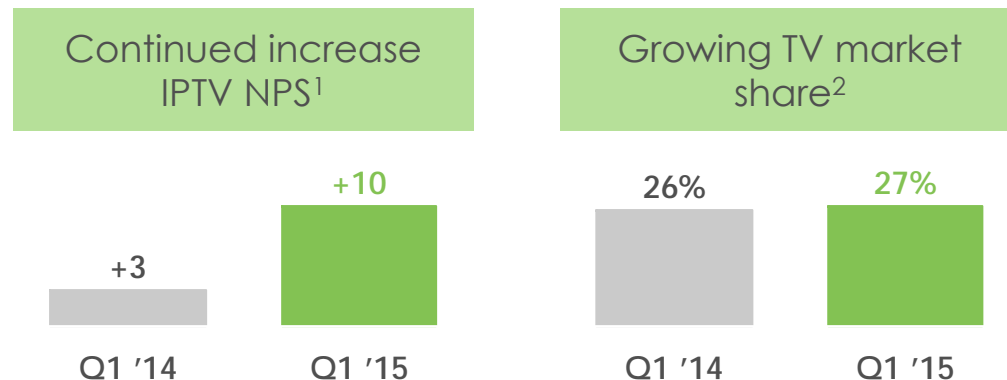
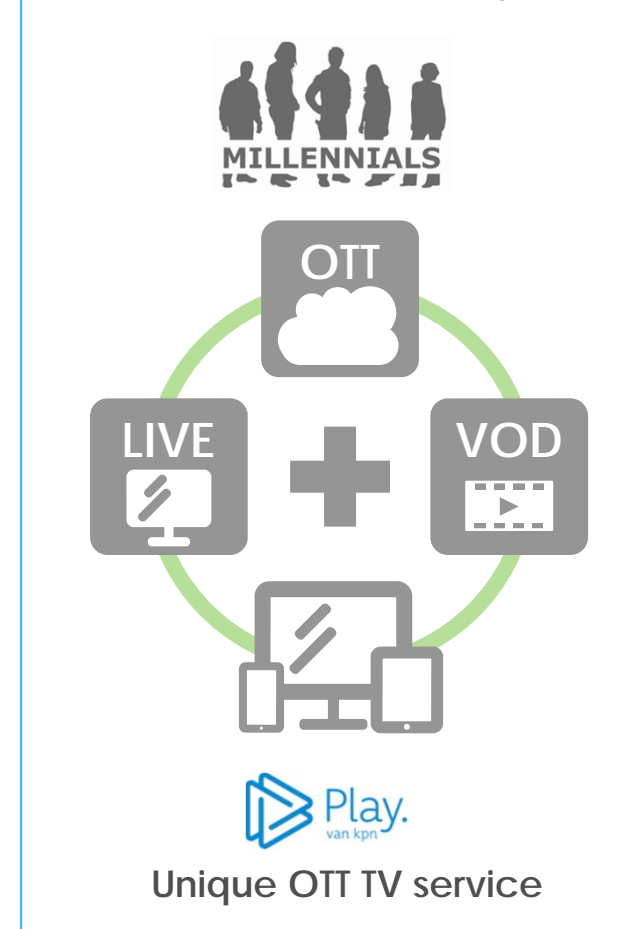
¹ End Q1 '15 vs. end Q4 '13

Differentiating through innovative products

Leading IPTV product supported by continuous innovation



Play. by KPN: addressing shift to on demand consumption



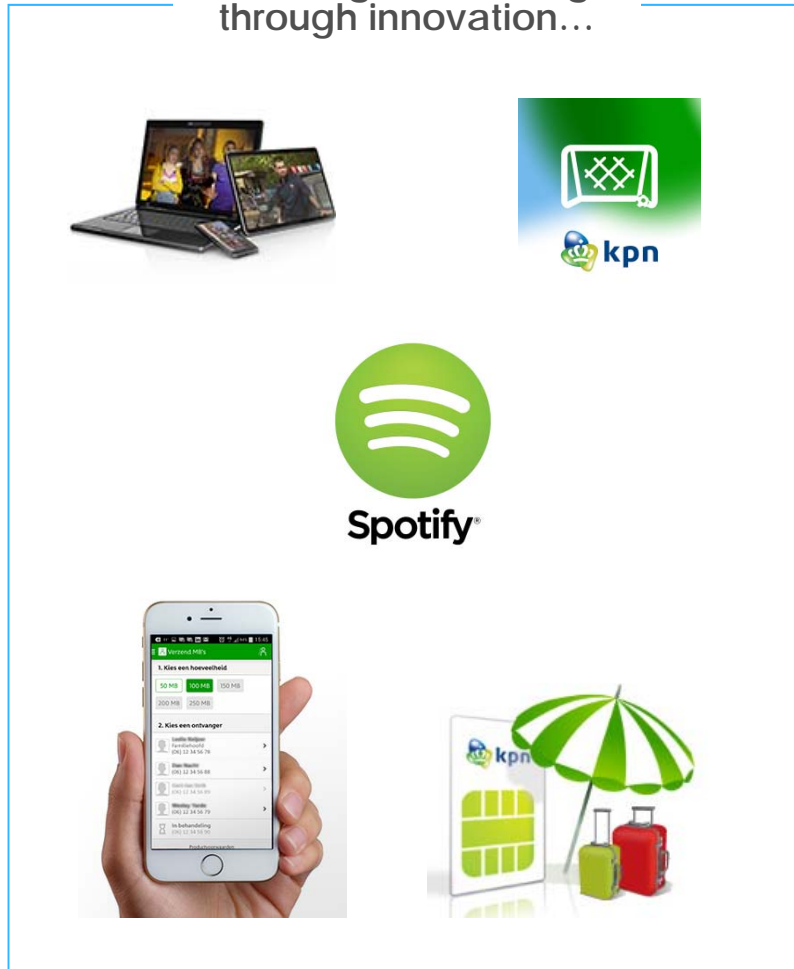
1 Source: TNS NIPO
2 Based on number of subscribers

Consistent value creation in Consumer Mobile

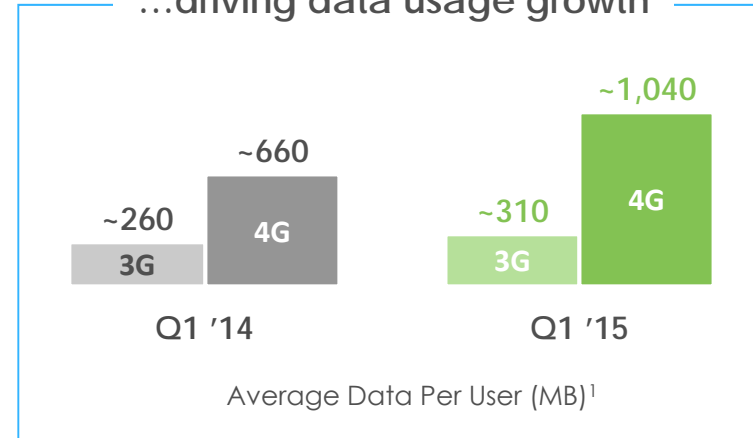
New data bundles allow carefree usage and upsell opportunity



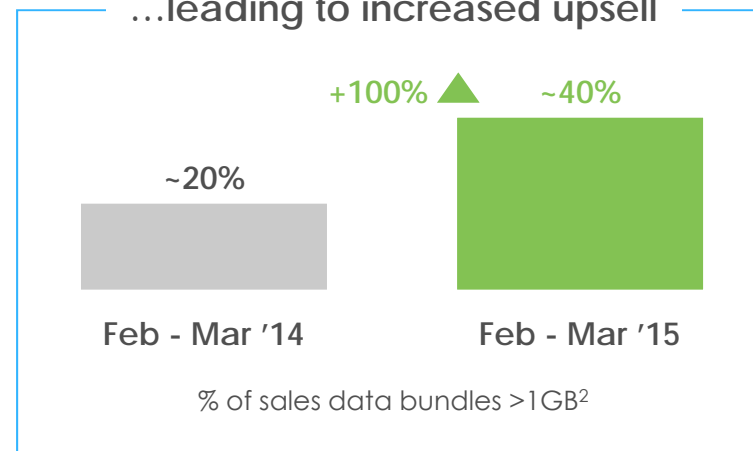
Encourage data usage through innovation...



...driving data usage growth



...leading to increased upsell



1 KPN and Hi brand
2 KPN brand

KPN clear leader in convergence

Fixed-mobile bundles based on value added rather than discounts



Additional value for customers



Double mobile data



Free calling in family



Free TV channels

Value creation for KPN



Increased revenue per household



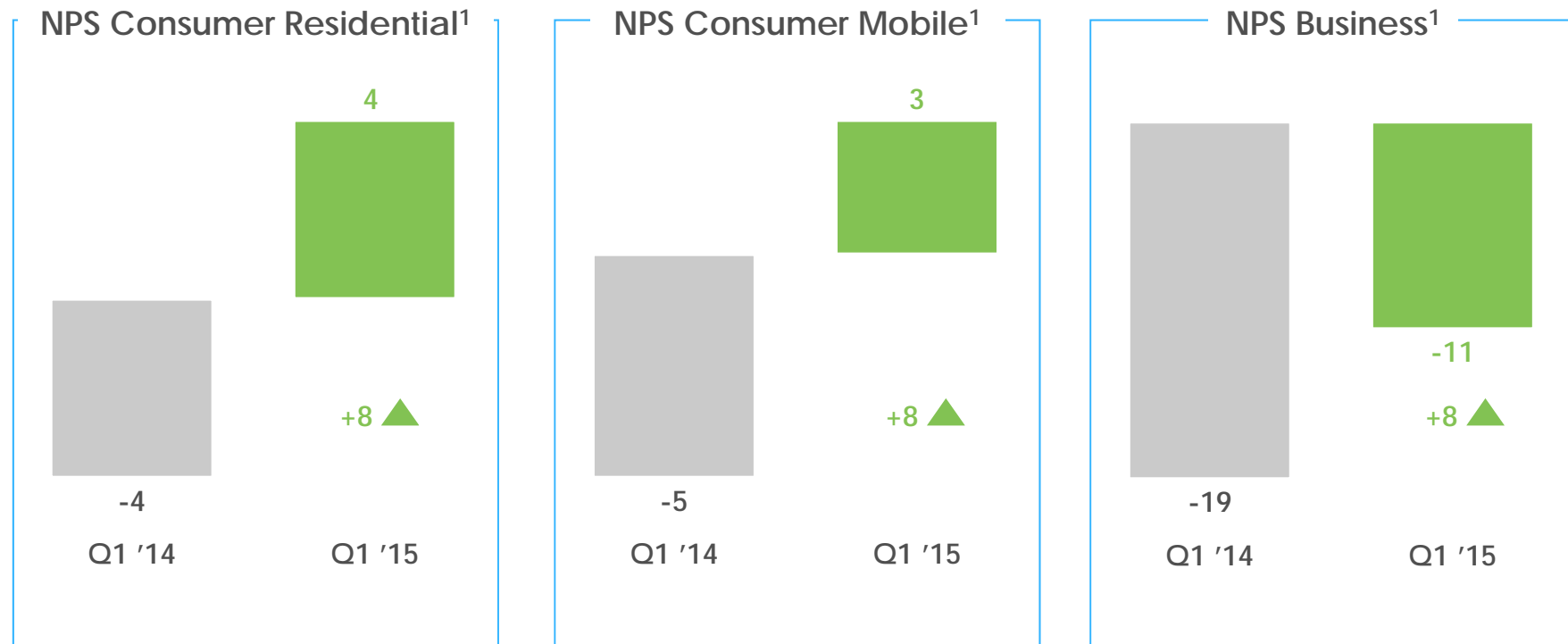
Limited incremental cost



Reduced churn

Developing as best-in-class service provider

NPS continues to improve across all segments



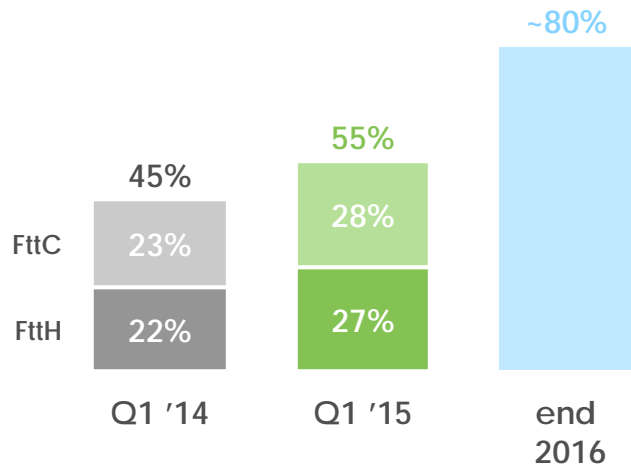
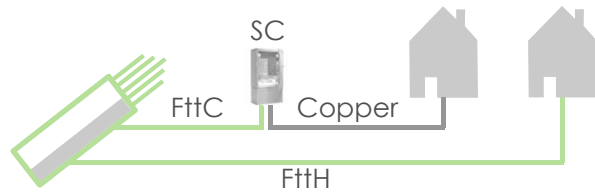
¹ Source: TNS NIPO. Consumer Residential (all brands), Consumer Mobile (all brands), Business (KPN brand)

Increasing fiber penetration within fixed network

Copper speeds enhanced through FttC, vectoring and pair bonding

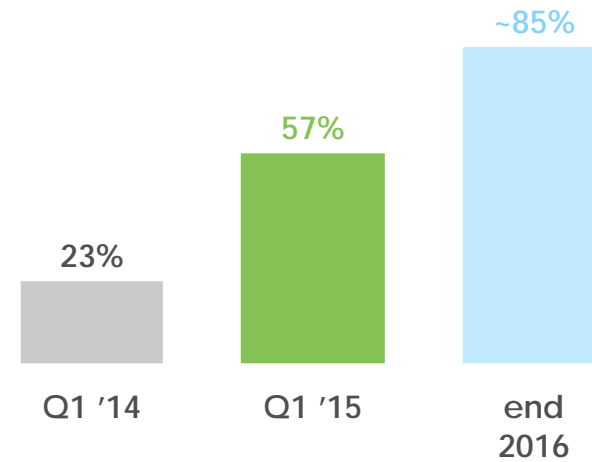


Increasing FttH / FttC penetration...



Percentage of households FttH / FttC

...driving coverage of 100Mbps



Percentage of households 100Mbps

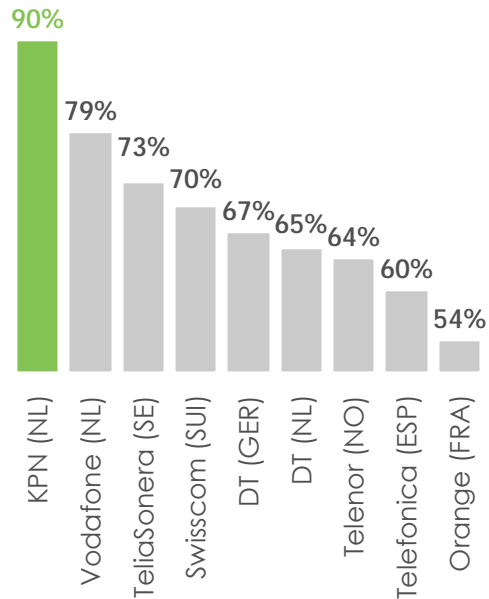
Expanding superior 4G network

Leverage full spectrum portfolio to further increase available speeds



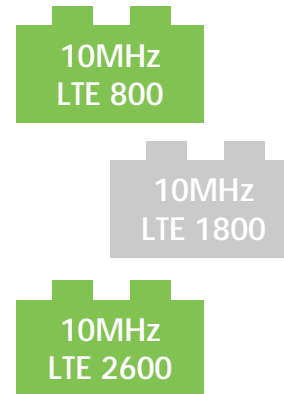
Best national 4G coverage in Europe

Most time spent on LTE in Europe¹



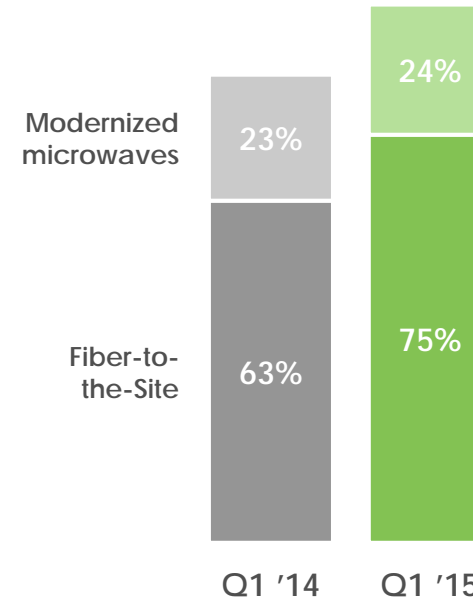
Increasing capacity and speed

Triple carrier aggregation



Up to 297Mbps download speed achieved in live network

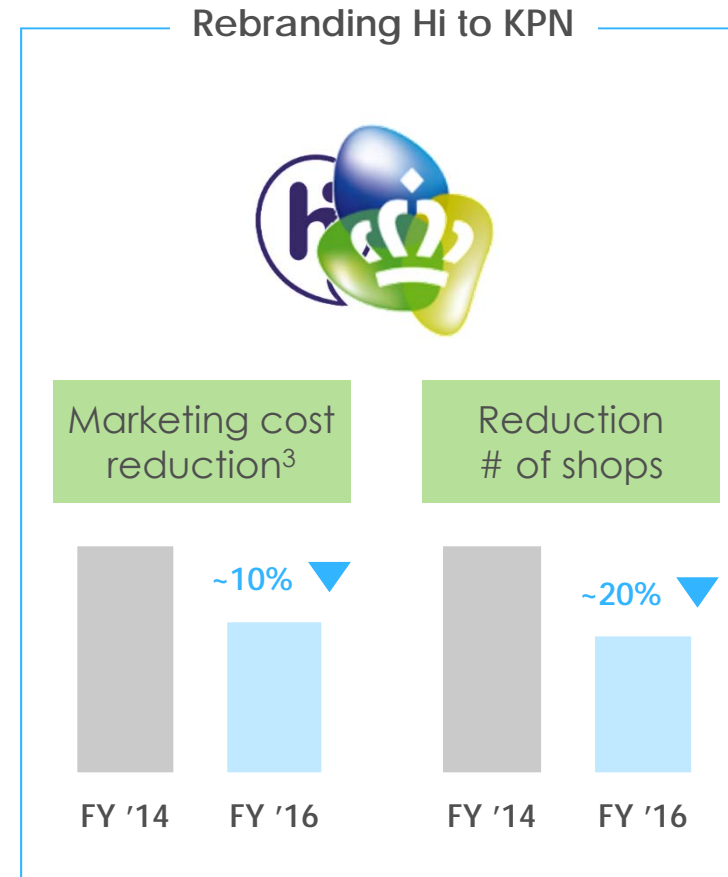
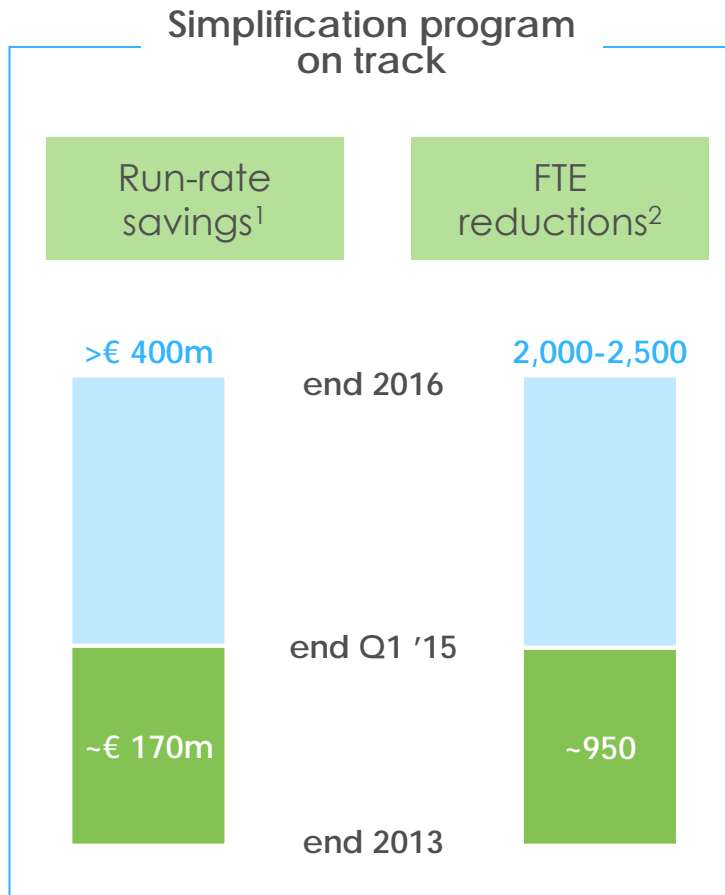
Fully modernized backhaul



¹ OpenSignal; The state of LTE (March 2015)

Building efficient and lean operating model

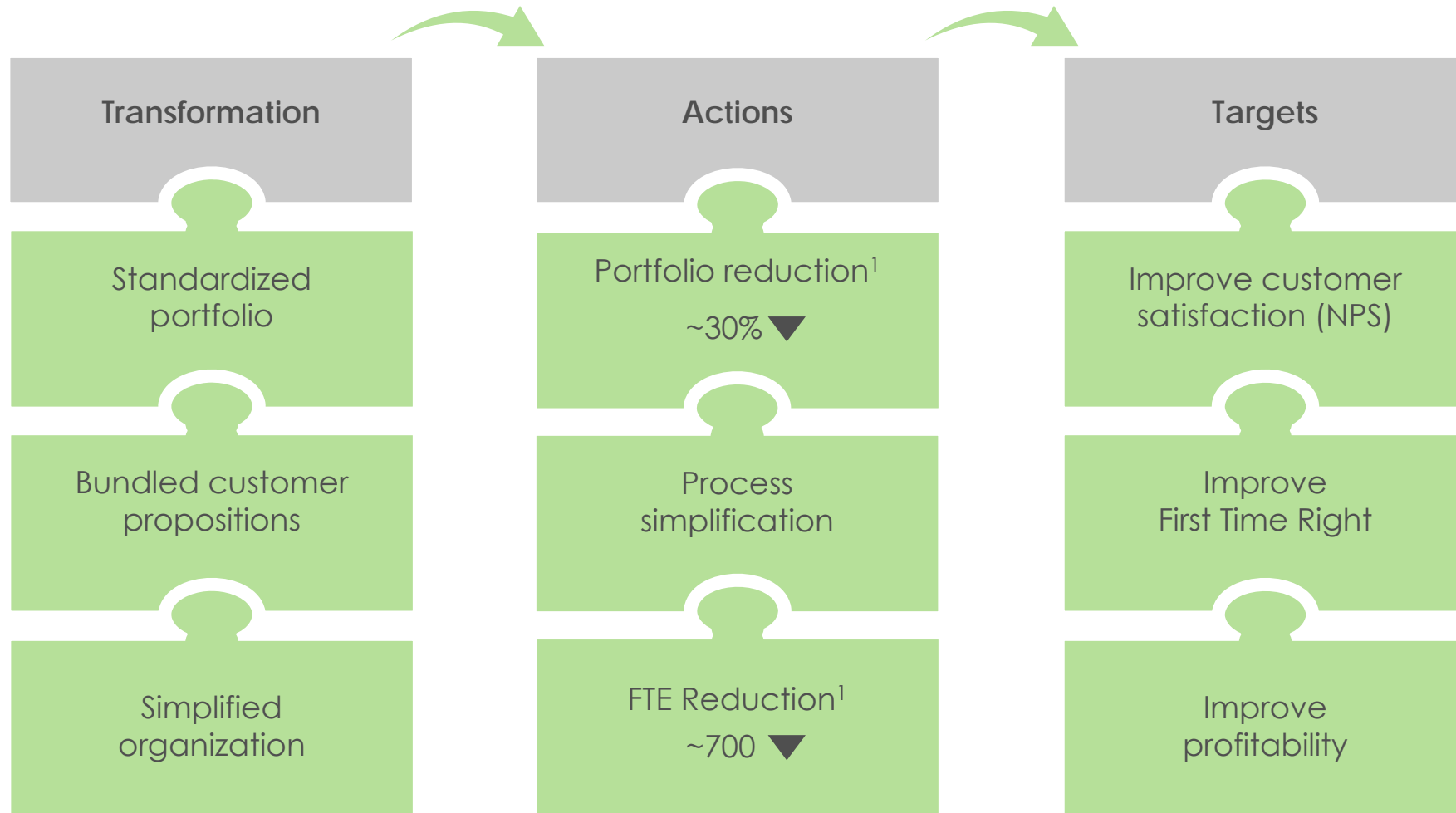
Structurally lower spend through Simplification program



1 Run-rate Capex and opex savings target vs. FY 2013 level
 2 FTE reduction target vs. end 2013 level
 3 Total Consumer Mobile marketing costs

Transformation Business segment on track

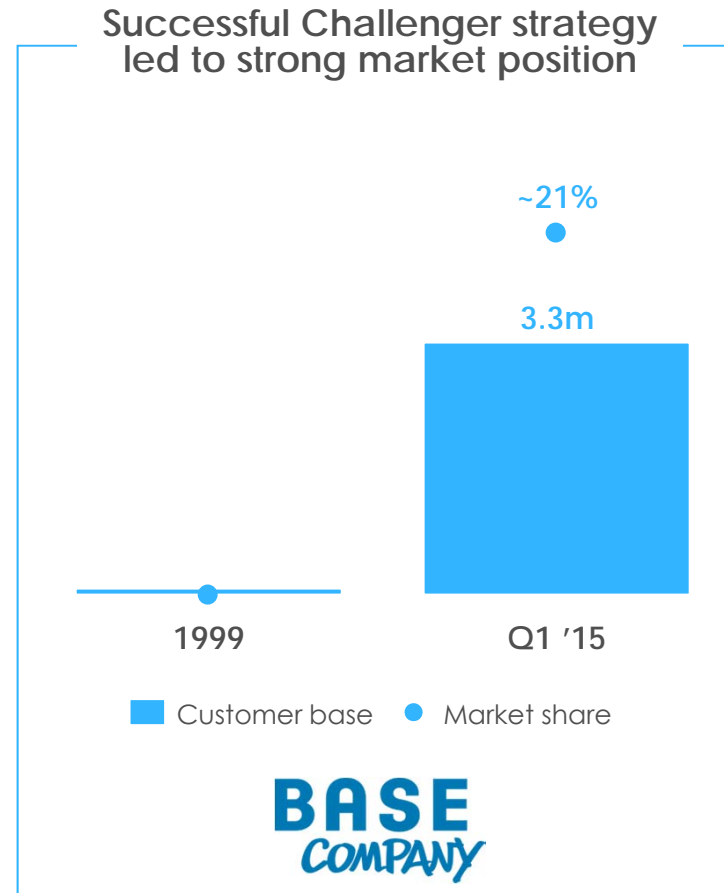
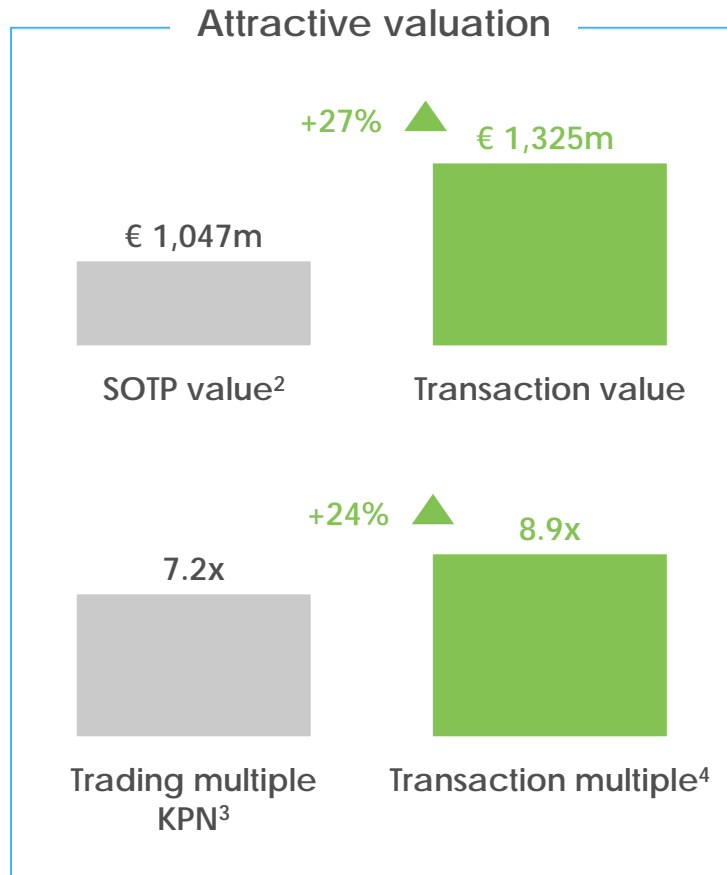
Good progress made to address changing market dynamics



¹ End Q1 '15 vs. end Q4 '13

Attractive consideration for BASE Company¹

Commitment to create shareholder value



¹ Sale of BASE Company is subject to merger clearance

² Based on non-weighted average of analyst SOTP value for BASE Company

³ EV/EBITDA based on equity research and KPN's adjusted EBITDA FY 2014

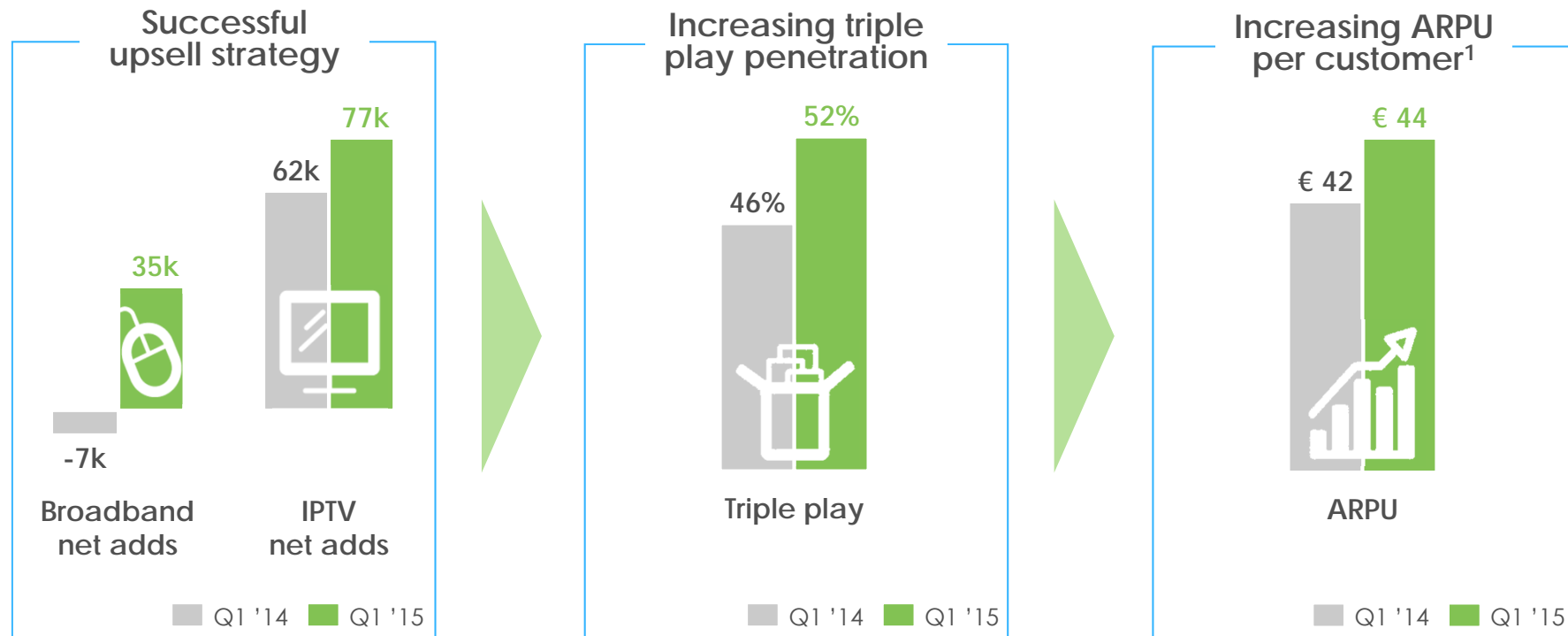
⁴ EV/EBITDA based on transaction value of € 1,325m divided by BASE Company's FY 2014 EBITDA of € 149m

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Continued base growth in Consumer Residential

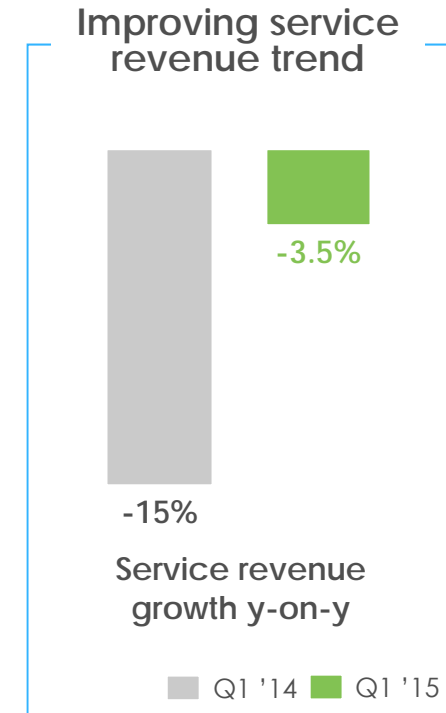
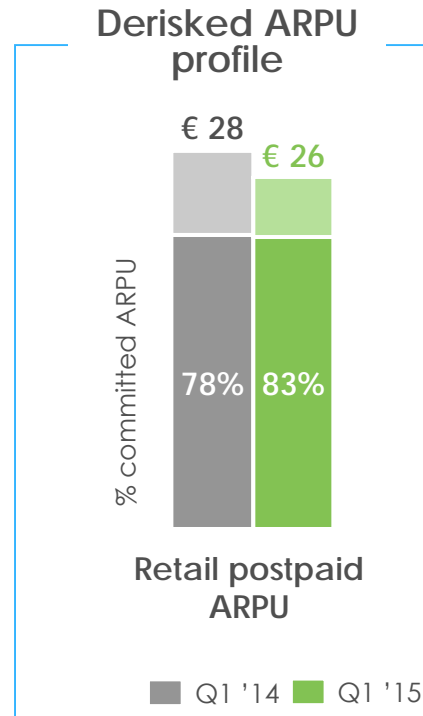
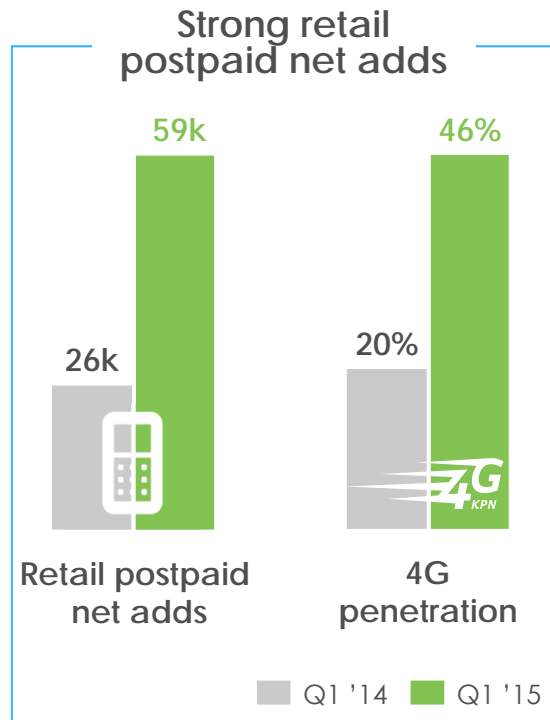
Increasing revenues per household through upsell strategy



¹ ARPU per customer figures have been restated

Strong competitive position in Dutch mobile market

Base growth driving improving service revenue trend Consumer Mobile

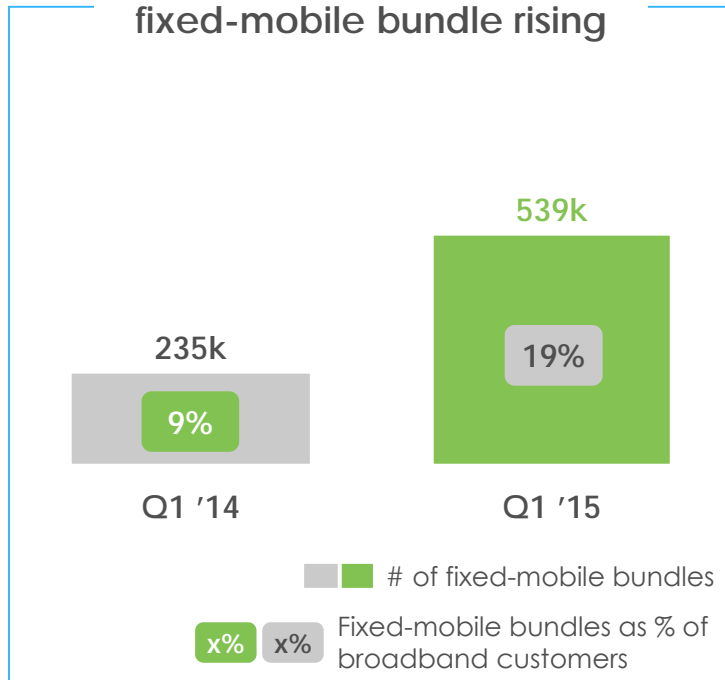


Good multi play growth in Consumer

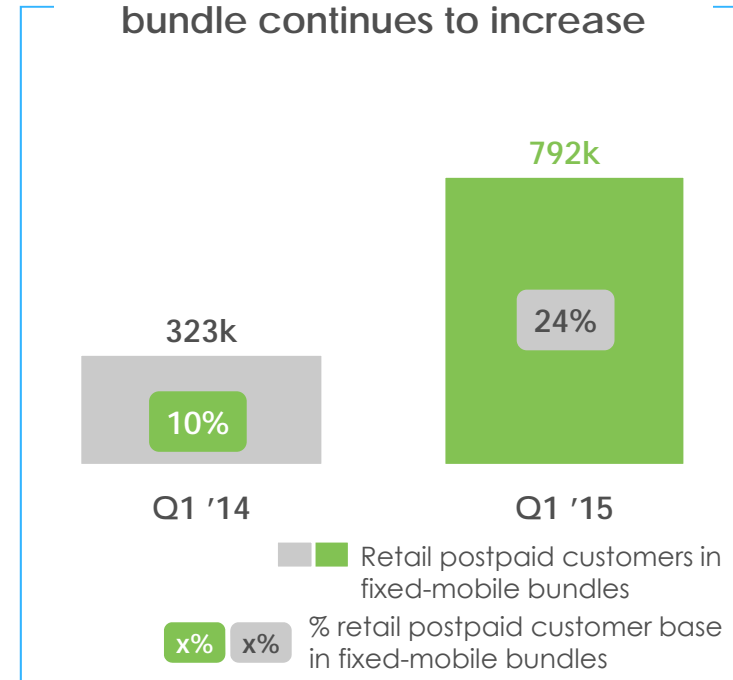
Successful take-up driving customer loyalty and reducing churn



Number of households with fixed-mobile bundle rising



Mobile customers in fixed-mobile bundle continues to increase



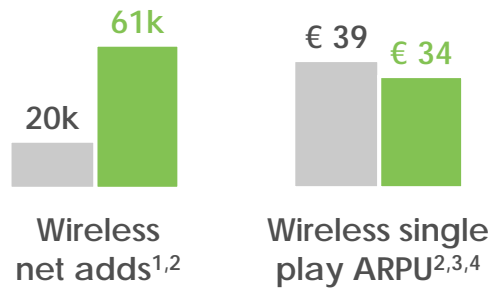
Challenging environment in Business

Focus on growing multi play

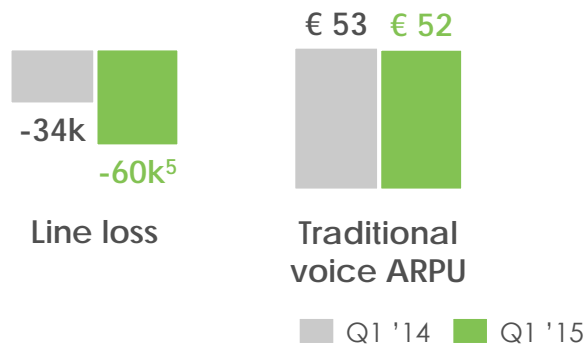


Challenging environment

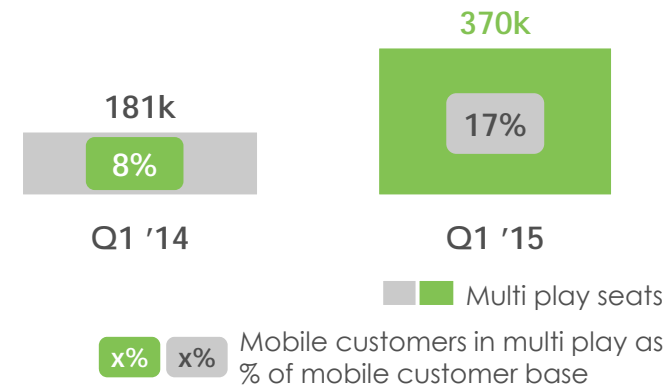
Wireless



Wireline



Multi play growth

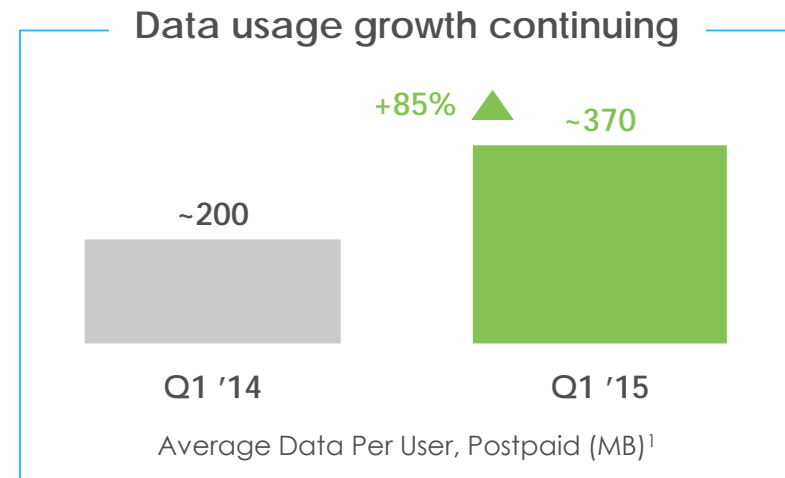
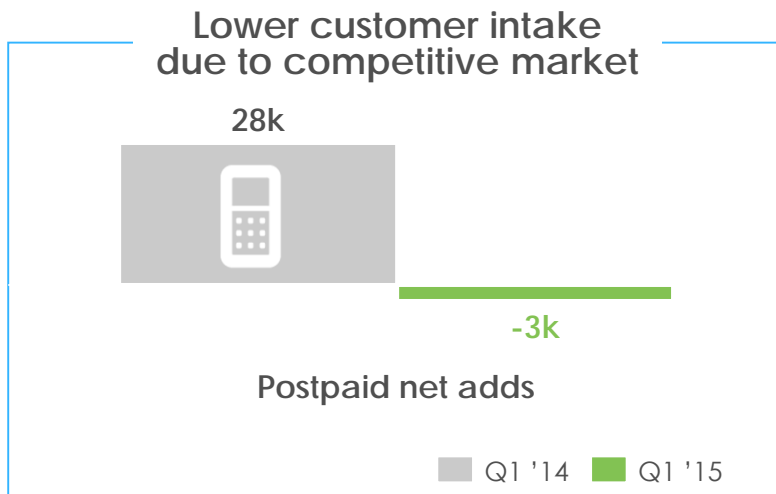
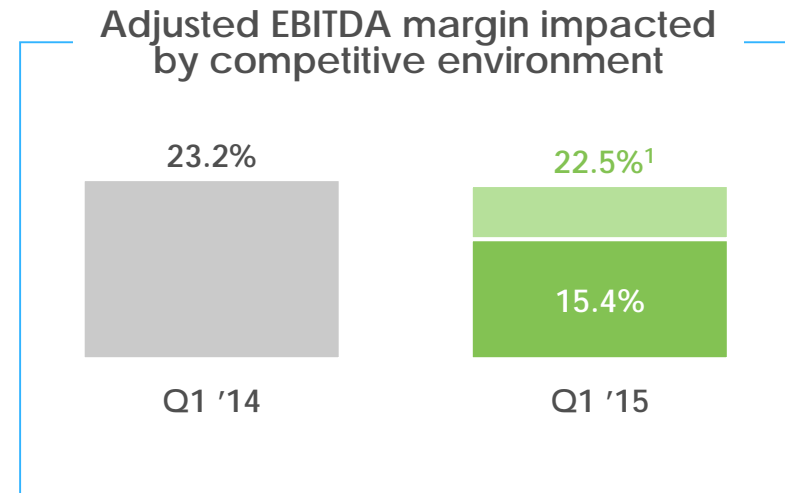
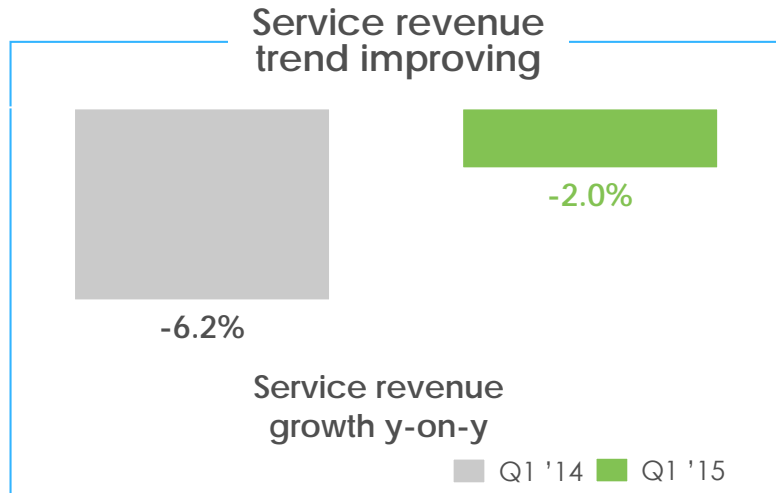


KPN ONE LE launched

1 Excluding M2M
 2 Including 60k subscribers from acquisition of Mobile Service in Q4 '14
 3 Excluding M2M and multi play customers
 4 Restated following a change in definition
 5 Including migration of 20k SoHo customers to Consumer Residential as of 1 January 2015 given high resemblance with retail customers

BASE Company service revenue trend improving

Lower net adds reflect challenging market



¹ Excluding € 12m site tax expense related to Q2-Q4 '15 period

Improvement financial results¹...

...driven by strong operational performance

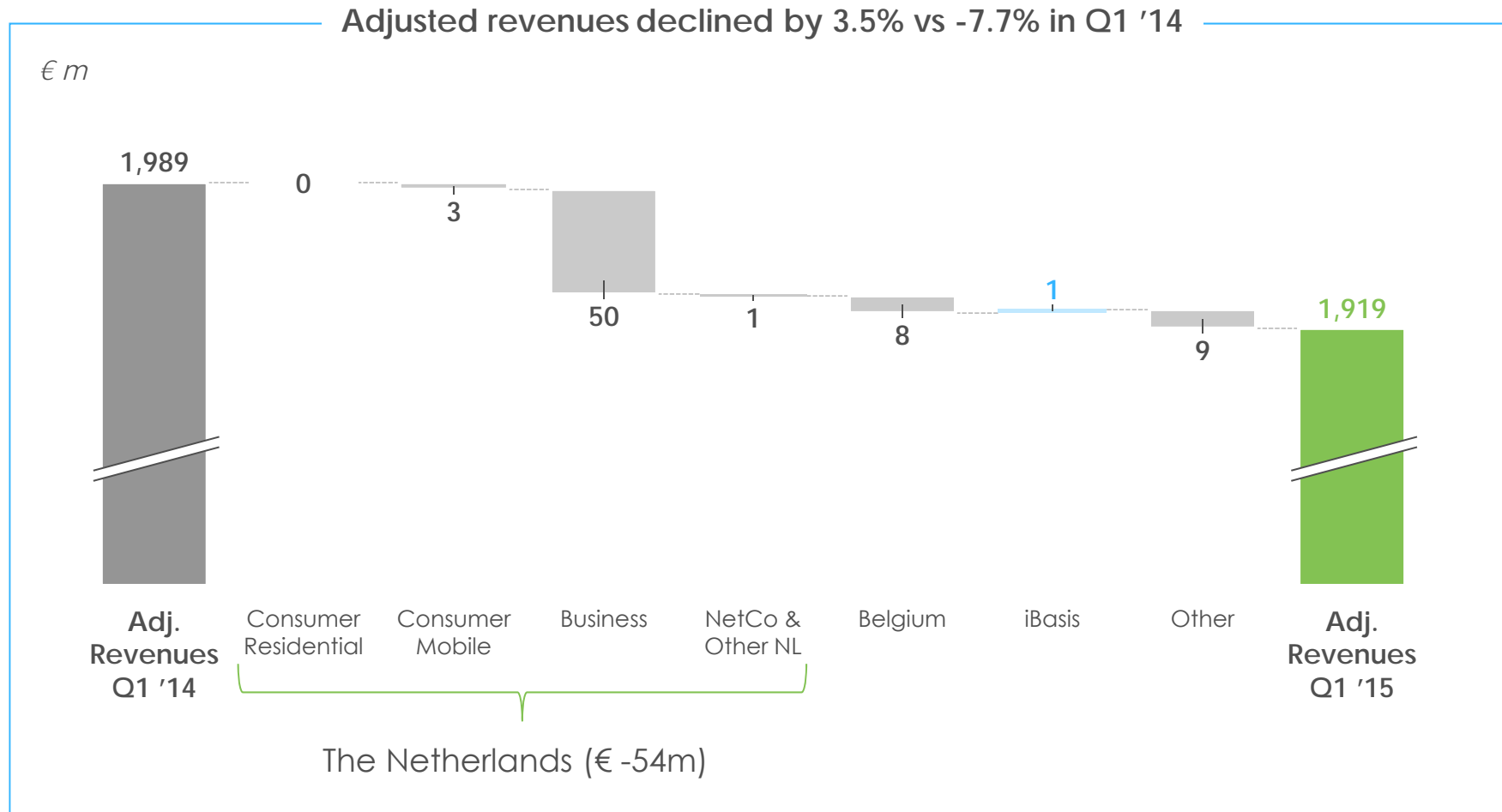


€ m	Q1 '15	Q1 '14	y-on-y %
Adjusted revenues	1,919	1,989	-3.5%
Adjusted EBITDA	622	621	0.2%
Net profit	15	3	>100%
Capex	357	337	5.9%
FCF	34	-292	n.m.

¹ All figures based on continuing operations, unless stated otherwise. BASE Company classified as discontinued operation as of Q2 '15

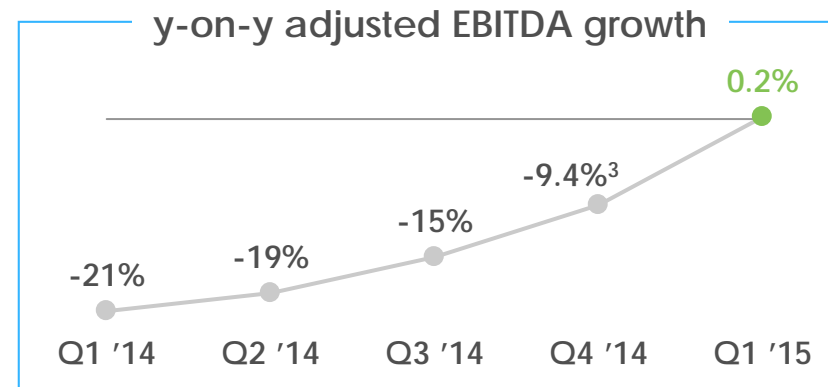
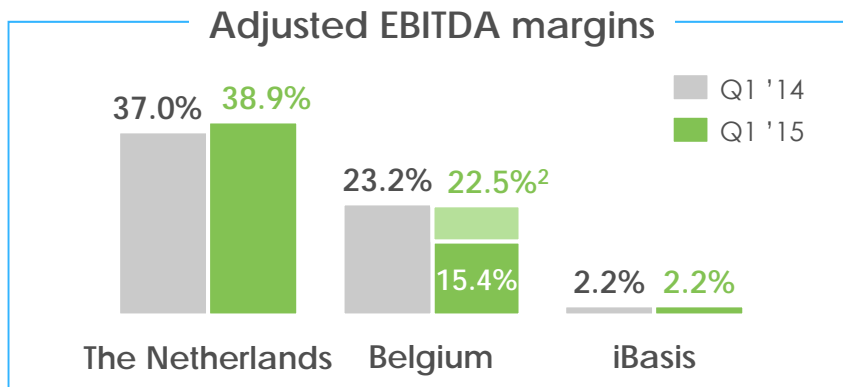
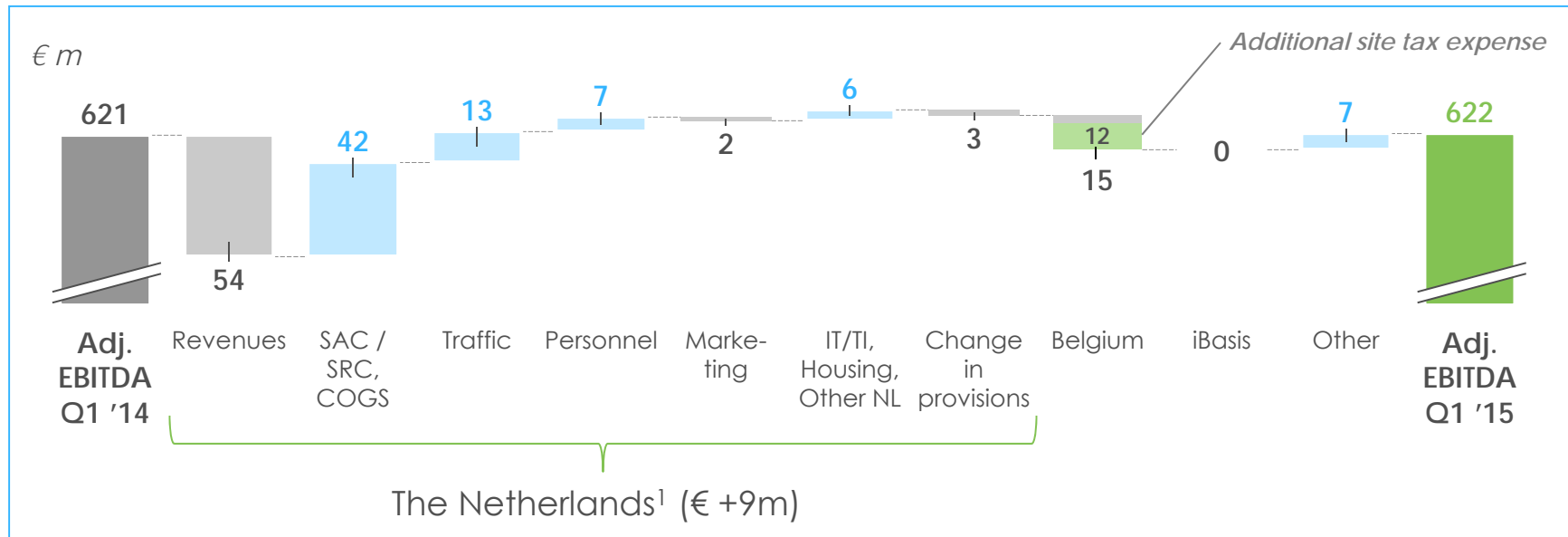
Revenue trend improving

Stabilizing Consumer revenues still offset by declining business market



Continued improvement in EBITDA trend

Revenue decline offset by positive impact cost savings



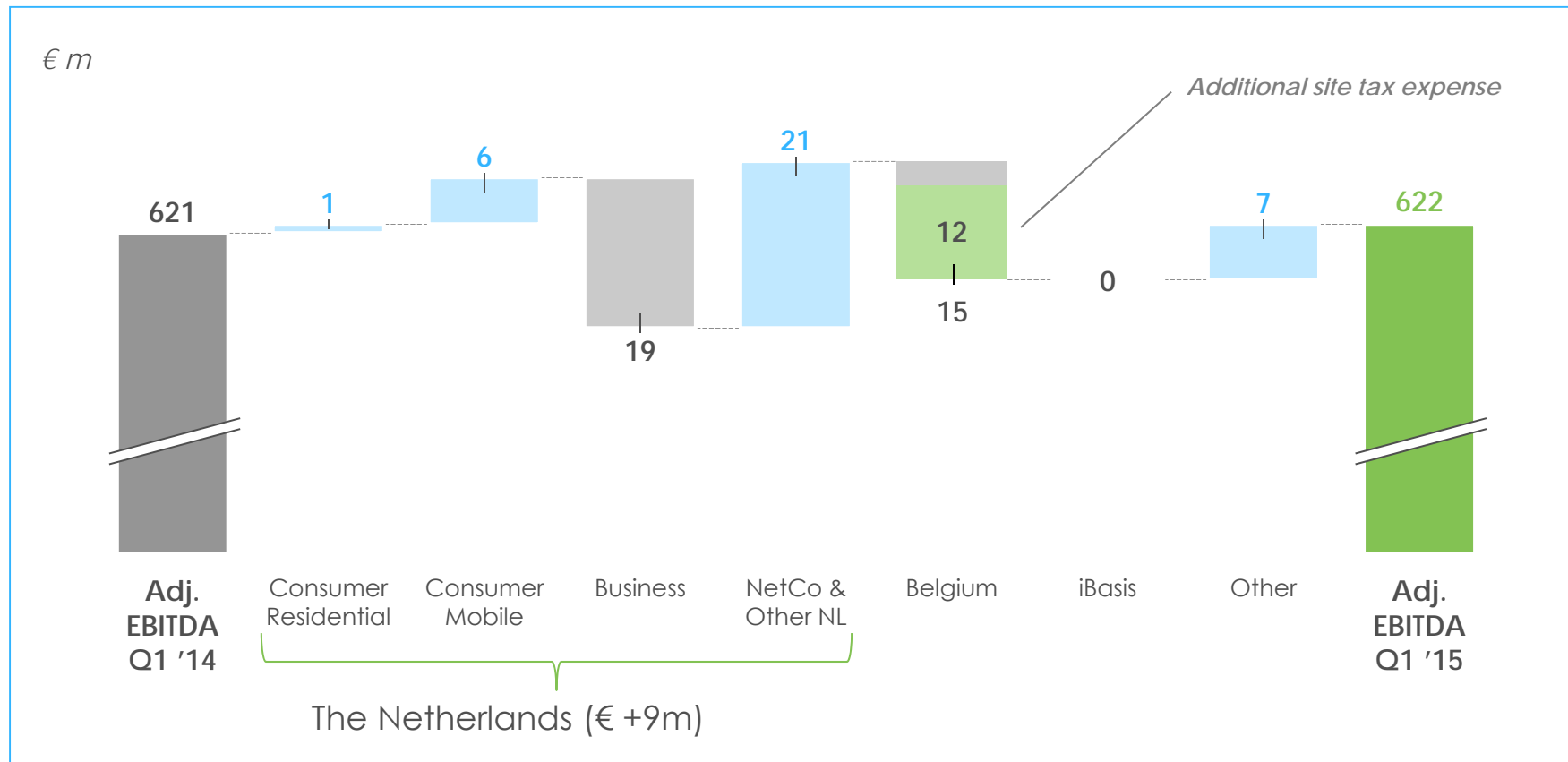
¹ The presented categories differ from the opex breakdown as presented in KPN's Integrated Annual Report 2014

² Excluding € 12m site tax expense related to Q2-Q4 '15 period

³ Excluding € 44m tax settlement

Continued improvement in EBITDA trend (cont'd)

Positive contribution Consumer, Business still challenging



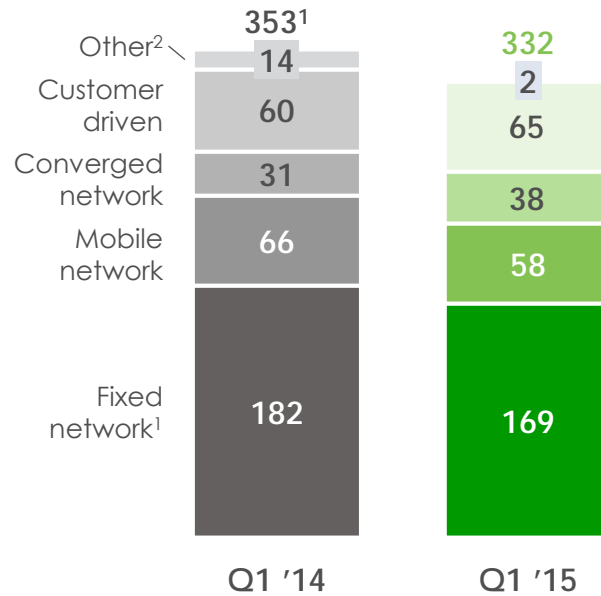
Simplification to drive down Capex The Netherlands

Capex The Netherlands including Reggefiber lower y-on-y

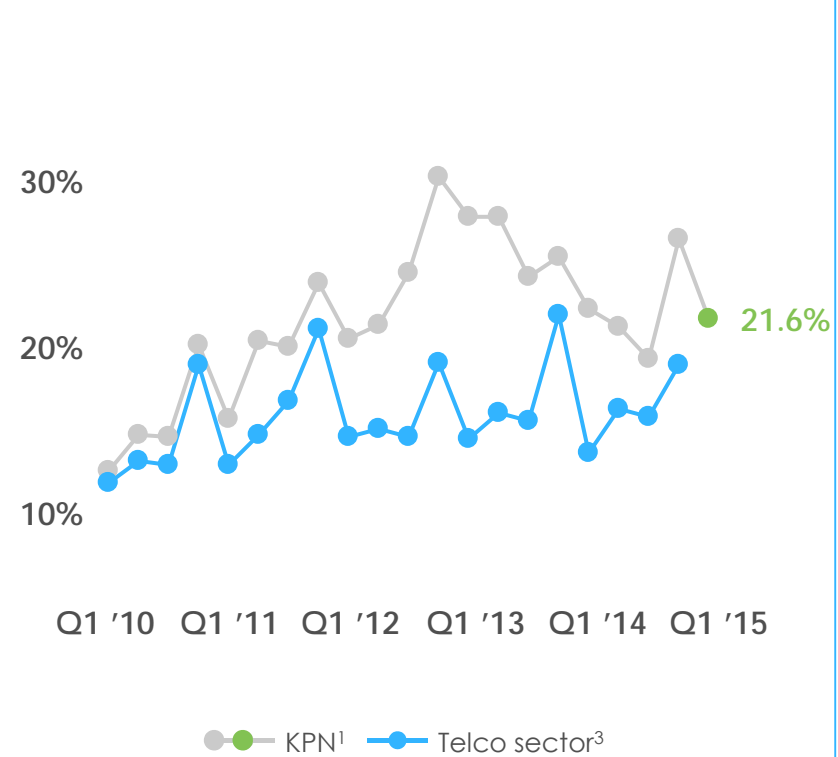


Capex The Netherlands incl. Reggefiber

€ m



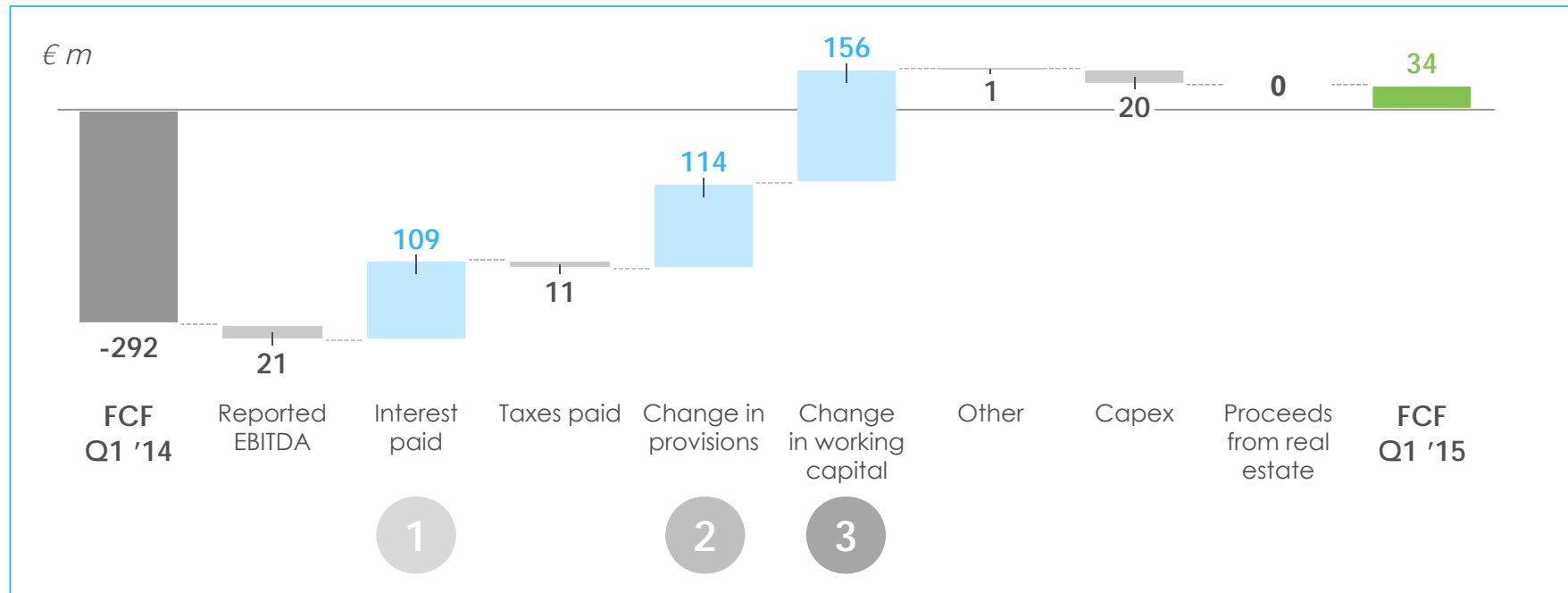
Capex-to-sales ratio improving



1 Capex adjusted to include Reggefiber Capex, also before consolidation
 2 Including handset lease
 3 Euro Telco sector based on company reports, management estimates

Improvement in free cash flow

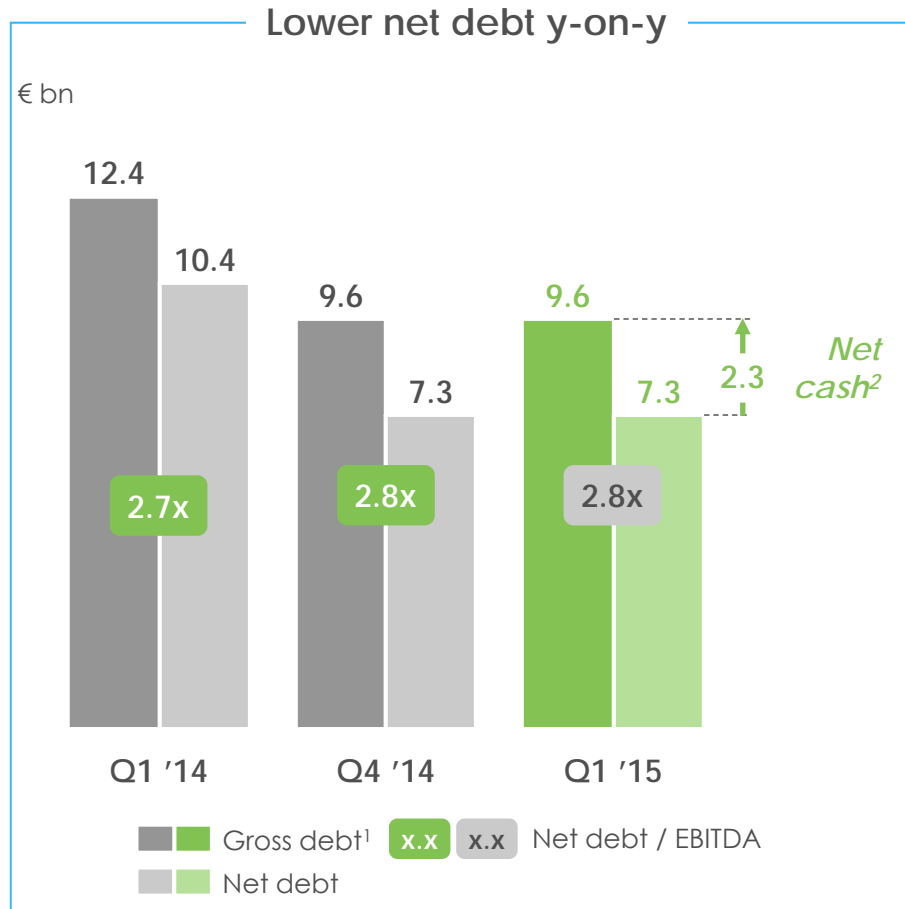
Free cash flow Q1 '15 higher y-on-y driven by different intrayear phasing



- 1 Lower gross debt
- 2 Settlement KPNQwest and additional pension payment in Q1 '14
- 3 Different intrayear phasing and improvement working capital

Solid and flexible financial position

Telefónica Deutschland stake provides additional financial flexibility



Telefónica Deutschland stake provides flexibility

- Upcoming bond redemption will not be refinanced, reducing gross debt by ~€ 1bn
- Average maturity senior bonds 6.7 years
- Average coupon senior bonds 5.0%
- Additional financial flexibility via 20.5% stake in Telefónica Deutschland

1 Gross debt defined as the nominal value of interest bearing financial liabilities, excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments

2 Including short-term investments (not taking into account 20.5% Telefónica Deutschland stake)

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Outlook maintained, BASE Company excluded

Growing DPS with potential for additional shareholder remuneration



Outlook continuing operations 2015

- Adjusted EBITDA stabilized by end-2015
- Capex < € 1.3bn
- Growing free cash flow (excl. TEFD dividend)¹
- Additional cash flow via potential dividend from 20.5% stake in Telefónica Deutschland

Shareholder remuneration

- Intended DPS of € 0.08 in respect of 2015
- Growing DPS expected in respect of 2016
- 20.5% stake Telefónica Deutschland treated as financial investment
 - Intention to distribute dividend over 2014 to KPN shareholders
- Excess cash could be utilized for
 - Operational / financial flexibility
 - (Small) in-country M&A
 - Shareholder remuneration

¹ To define the base for the 2015 outlook, the one-off pension payment, cash out related to reduced supplier payment terms and other large non-recurring items are excluded from the 2014 free cash flow (base level approximately € 400m)



Q&A

Q1 2015 – Information Pack

For further information please contact

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- 6 Fixed infrastructure
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KPN ADR program

KPN has a sponsored Level 1 ADR program



ADR program

Bloomberg ticker	KKPNY
Trading platform	Over-the-counter (OTC)
CUSIP	780641205
Ratio	1 ADR : 1 Ordinary Share
Depository bank	Deutsche Bank Trust Company Americas
Depository bank contact	Begonia Roberts
ADR broker helpline	+1 212 250 9100 (New York) +44 207 547 6500 (London)
E-mail	adr@db.com
ADR website	www.adr.db.com
Depository bank's local custodian	Deutsche Bank, Amsterdam

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Group results Q1 '15¹



(€ m)	Q1 '15	Q4 '14	Q1 '14	y-on-y %
Revenues	1,919	2,105	1,996	-3.9%
Adjusted revenues	1,919	2,068	1,989	-3.5%
Operating expenses (excl. D&A)	1,316	1,414	1,372	-4.1%
EBITDA	603	691	624	-3.4%
Adjusted EBITDA	622	669	621	0.2%
Depreciation	296	324	306	-3.3%
Amortization	142	149	139	2.2%
Operating expenses	1,754	1,887	1,817	-3.5%
Operating profit	165	218	179	-7.8%
Financial income/expense	-143	-328	-159	-10%
Share of profit of associates	-	-2	-1	-100%
Profit before taxes	22	-112	19	16%
Taxes	-7	75	-16	-56%
Profit after taxes	15	-37	3	>100%

¹ Continuing operations, unless stated otherwise. BASE Company will be classified as discontinued operation as of Q2 '15

Group cash flow Q1 '15¹

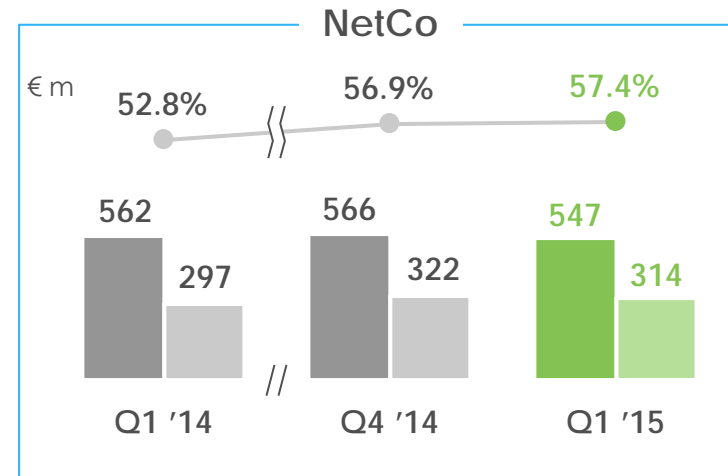
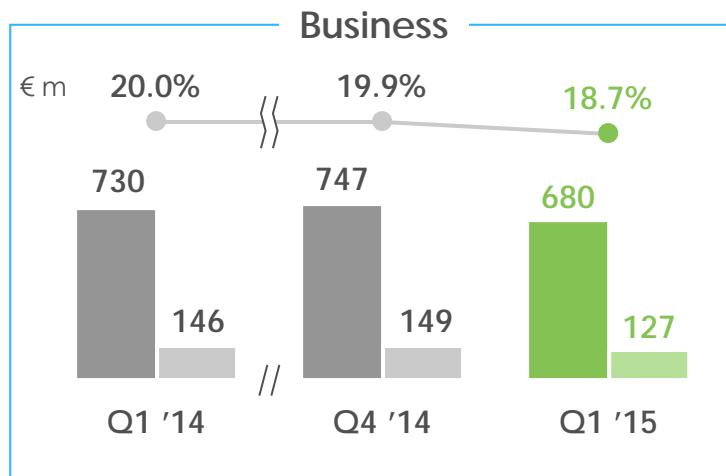
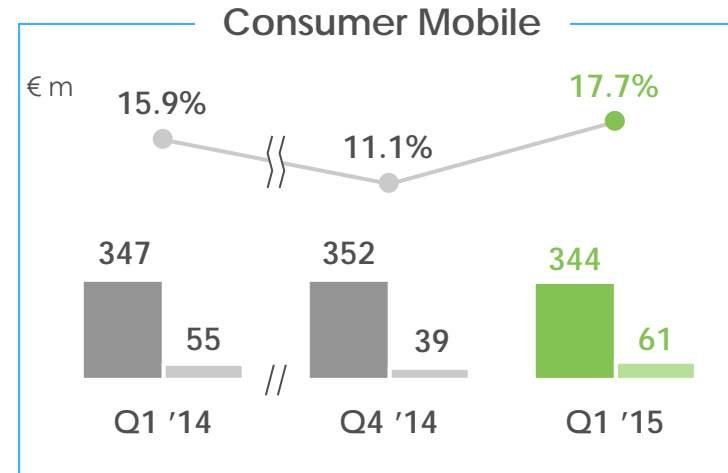
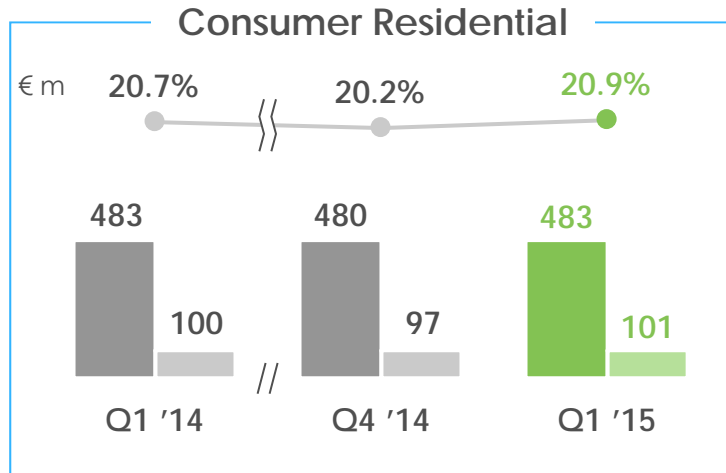


(€ m)	Q1 '15	Q1 '14	y-on-y %
EBITDA	603	624	-3.4%
Interest paid/received	-223	-332	-33%
Tax paid/received	-9	2	n.m.
Change in provisions ²	-1	-115	-99%
Change in working capital ²	21	-135	n.m.
Other movements	-	1	-100%
Net cash flow from operating activities	391	45	>100%
Capex	357	337	5.9%
Proceeds from real estate	-	-	n.m.
Free cash flow	34	-292	n.m.
Coupon on perpetual hybrid	-	-	n.m.

¹ Continuing operations, unless stated otherwise. BASE Company will be classified as discontinued operation as of Q2 '15

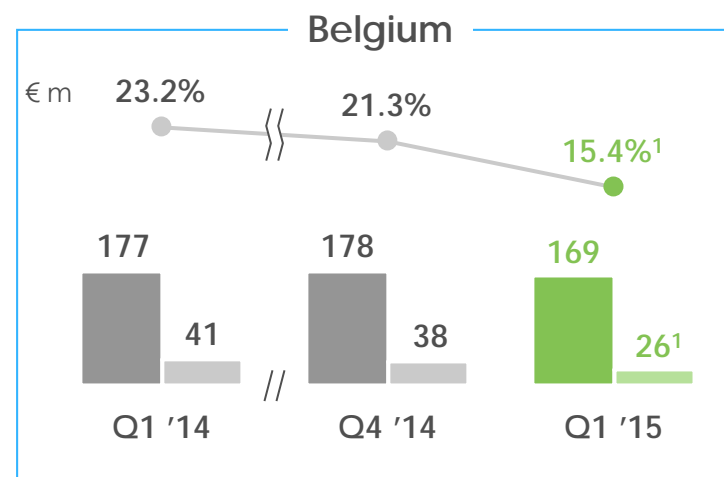
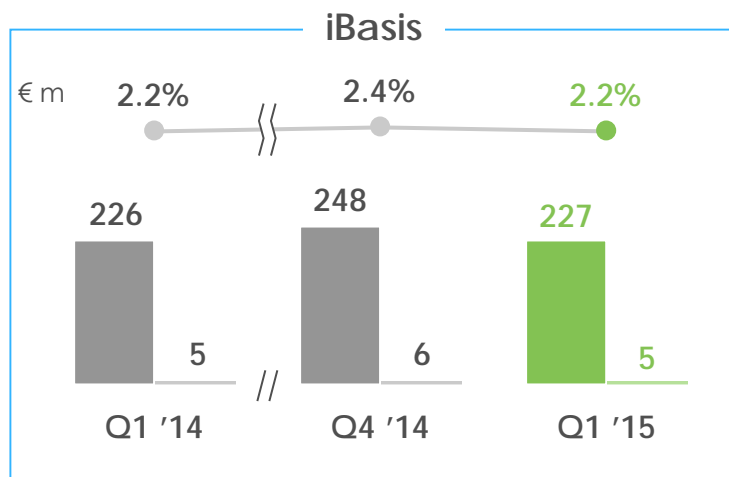
² Excluding changes in deferred taxes

Financials by segment



Adjusted revenues Adjusted EBITDA Adjusted EBITDA margin

Financials by segment (cont'd)



Adjusted revenues

 Adjusted EBITDA
 Adjusted EBITDA margin

¹ Including € 12m site tax expense related to Q2-Q4 '15 period

Analysis of adjusted results

Impact incidentals and restructuring costs on revenues & EBITDA



Revenues (€ m)		Q1 '15	Q1 '14
Adjustment contract revenues	NetCo	-	7
KPN Group		-	7

EBITDA (€ m)		Q1 '15	Q1 '14
Restructuring costs	Group	-19	-4
Adjustment contract revenues	NetCo	-	7
KPN Group		-19	3

Restructuring costs



(€ m)	Q1 '15	Q1 '14
Consumer Mobile	-3	-
Consumer Residential	-1	-3
Business	-7	3
NetCo	-3	-
Other	-1	1
The Netherlands	-15	1
iBasis	-	-
Belgium	-	-
Other activities	-4	-5
KPN Group	-19	-4

Dutch wireless disclosure



Service revenues (€ m)	Q1 '15	Q1 '14	%
Consumer retail	271	277	-2.2%
Business ^{1,2}	178	190	-6.3%
Other ³	37	40	-7.5%
KPN The Netherlands	486	507	-4.1%

SAC/SRC per subscriber (€)	Q1 '15	Q1 '14	%
Consumer retail ^{4,5}	163	182	-10%
Business	195	214	-8.9%

1 Includes partial allocation of multi play revenues to mobile service revenues

2 Restated following a change in definition

3 Includes amongst other Consumer Mobile wholesale and visitor roaming revenues at NetCo

4 Including handset subsidies, commissions, SIM costs and capitalization of handsets adjusted for residual value

5 Restated due to better insights

Tax



Regions (€ m)	P&L		Cash flow	
	Q1 '15	Q1 '14	Q1 '15	Q1 '14
The Netherlands	-10	-14	-9	4
Belgium	3	1	1	-
Other	-	-3	-1	-2
Total reported tax	-7	-16	-9	2
<i>Effective tax rate</i>	<i>31.8%</i>	<i>80.3%</i>		

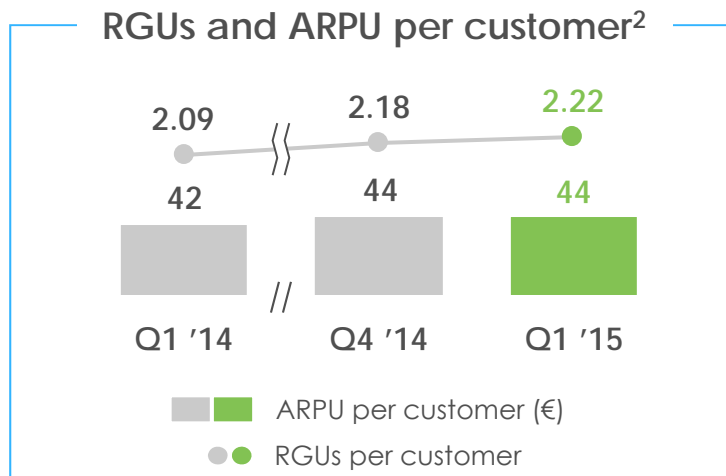
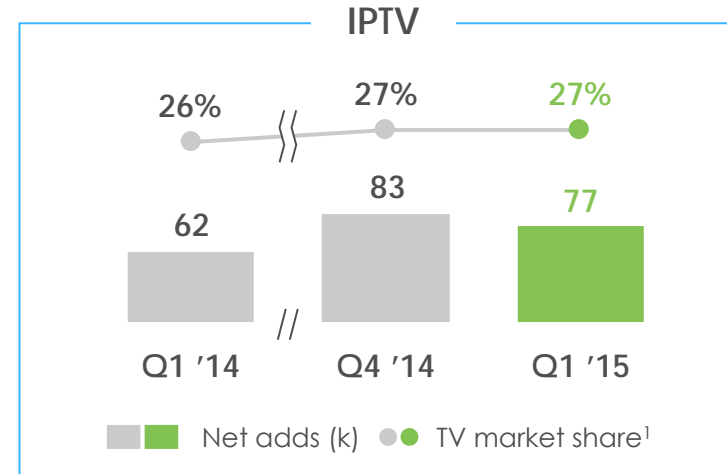
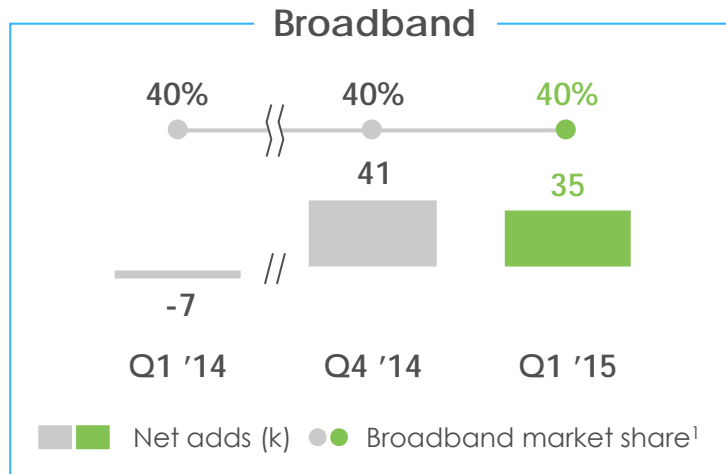
- The effective tax rate for Q1 '15 of 31.8% is mainly caused by non-deductible expenses for tax purposes
 - Corrected for these non-deductible expenses the Q1 '15 effective tax rate would have been ~20%
- For the 2015-2016 period, the effective tax rate, excluding one-off effects¹, is expected to be ~20%

¹ Excluding effects of, amongst others, settlements with tax authorities, impairments, revaluations

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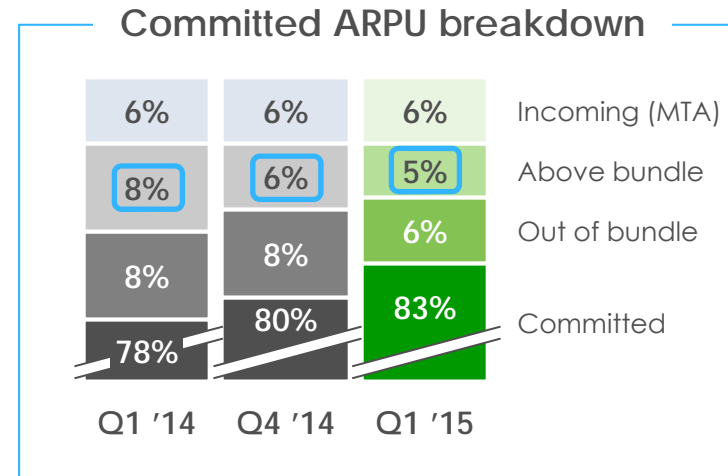
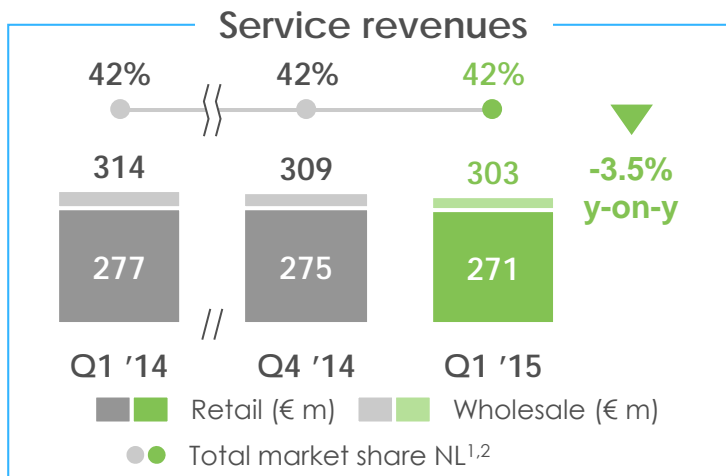
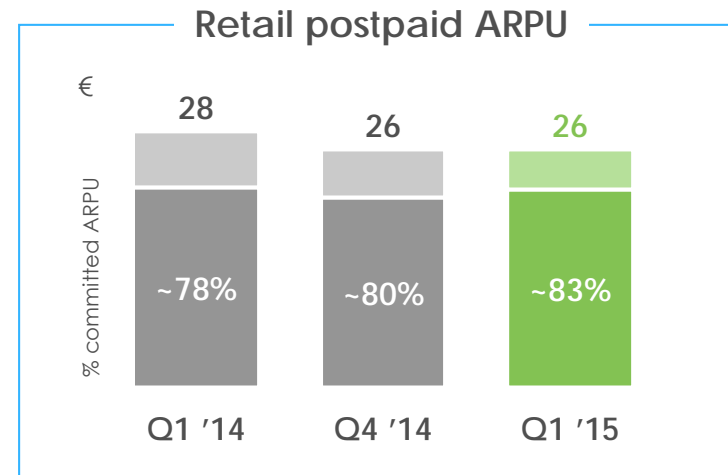
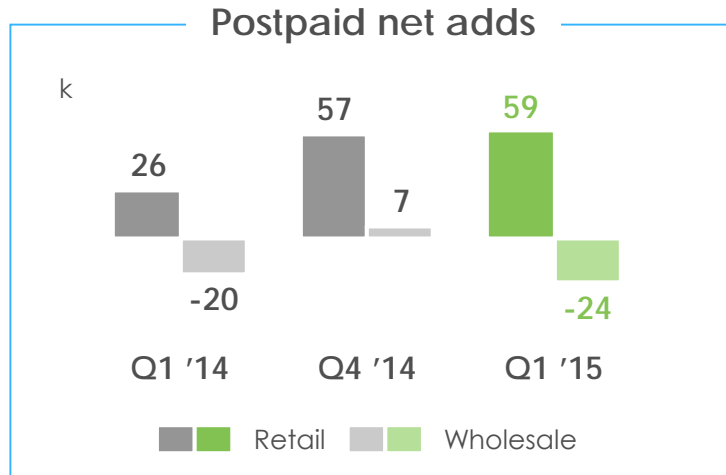
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Consumer Residential

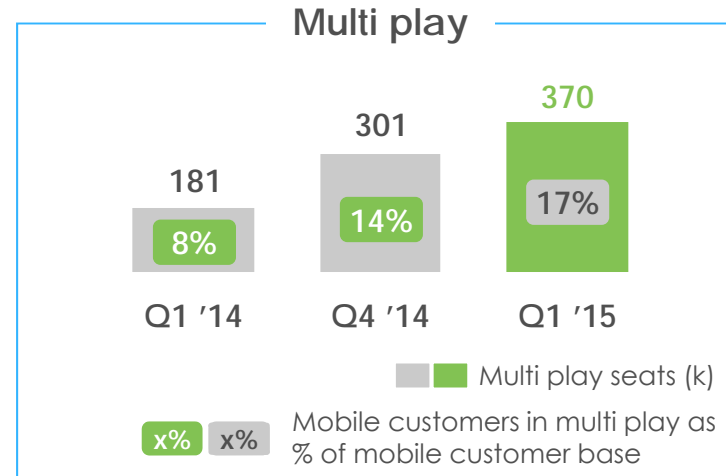
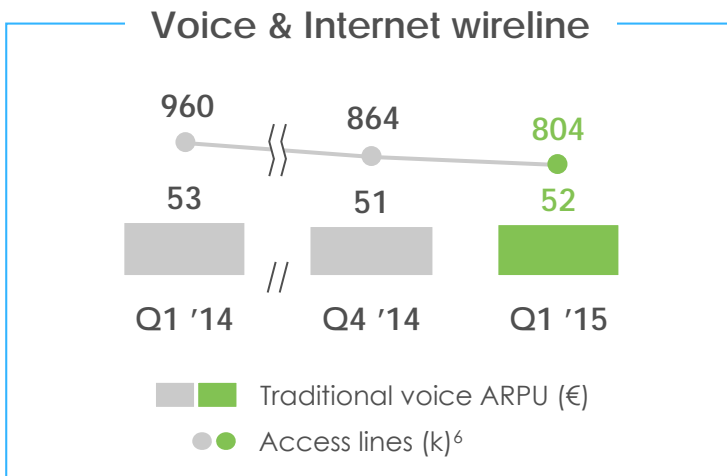
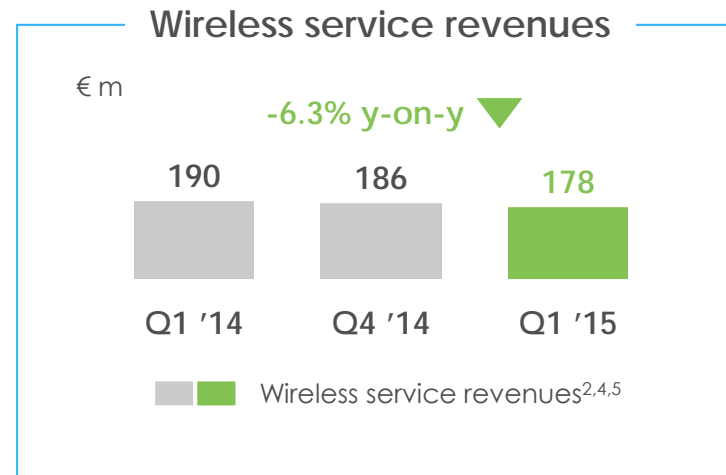
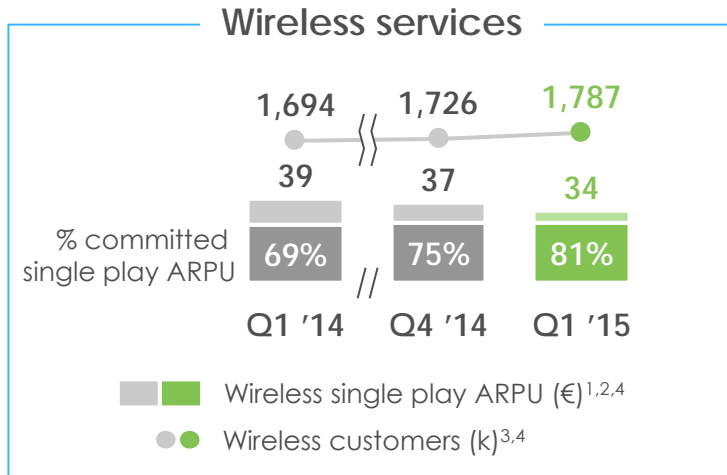


¹ Source: Telecompaper, management estimates for Q1 '15
² RGUs and ARPU per customer figures have been restated

Consumer Mobile



1 Total Dutch (Consumer and Business) mobile service revenue market share
 2 Restated following a change in definition for Business service revenues



1 Excluding M2M and multi play customers

2 Restated following a change in definition

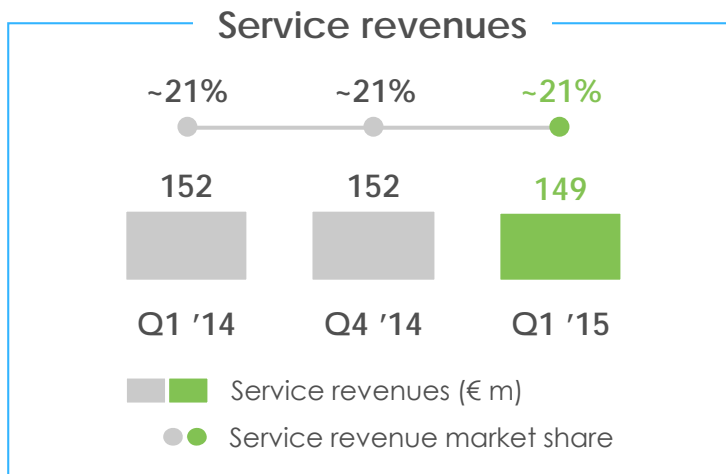
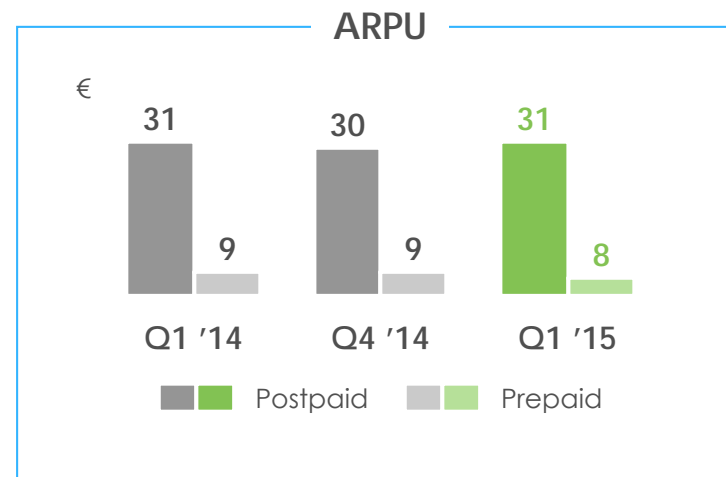
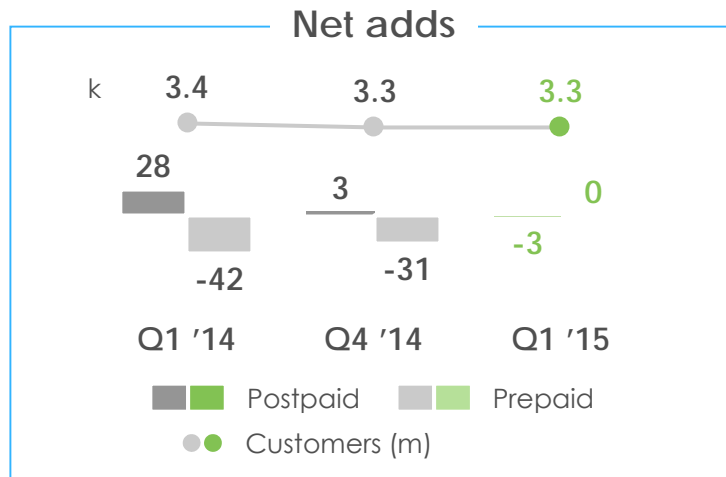
3 Excluding M2M

4 Including 60k subscribers from acquisition of Mobile Service in Q4 '14

5 Includes partial allocation of multi play revenues to mobile service revenues

6 Including migration of 20k SoHo customers to Consumer Residential as of 1 January 2015 given high resemblance with retail customers

Belgium



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Debt summary

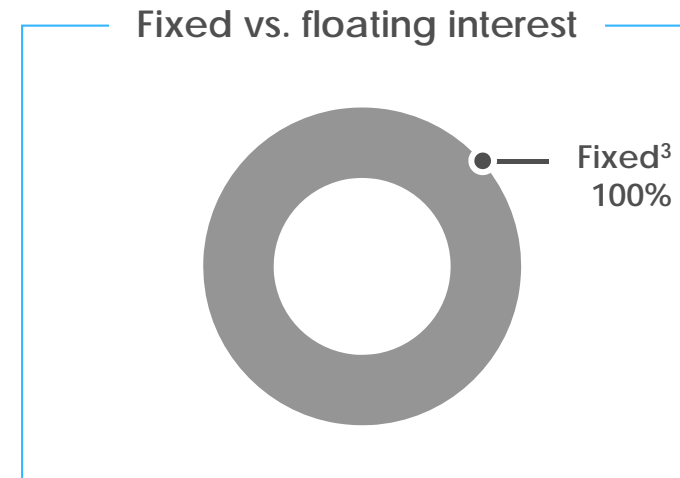
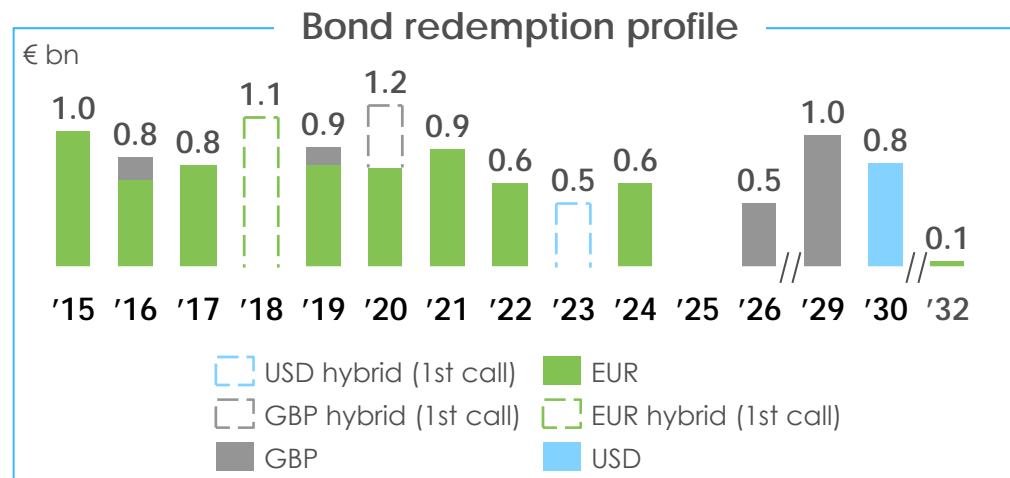
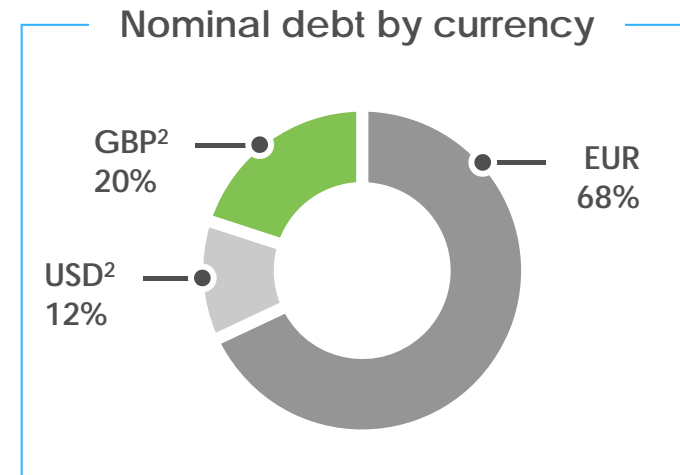
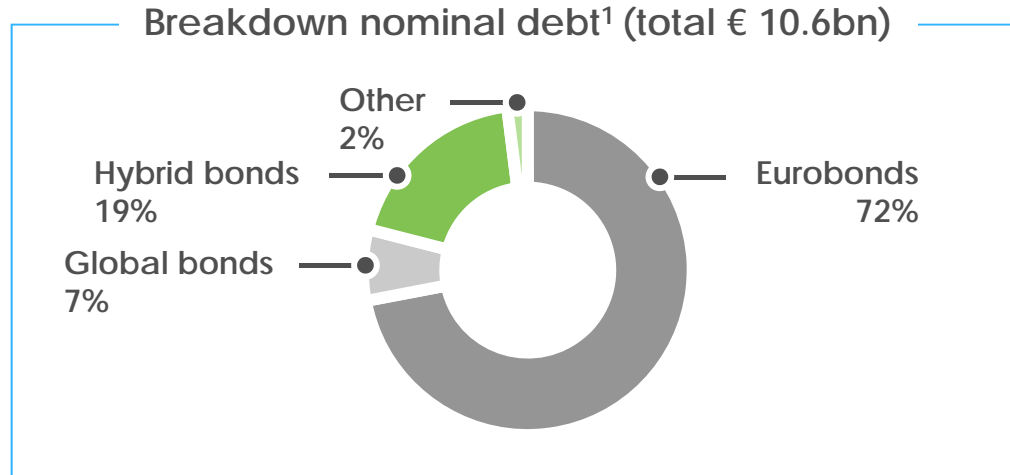


(€ bn)	Q1 '15	Q4 '14	%
Eurobonds	7.67	7.67	-
Global bonds	0.76	0.76	-
Hybrid bonds	2.03	2.03	-
Financial leases and other loans	0.13	0.24	-46%
Nominal debt	10.59	10.70	-1.0%
Equity credit hybrid bonds	-1.01	-1.01	-
Cash collateral on derivatives	0.00	-0.11	-100%
Adjustments to nominal debt	-1.01	-1.12	-9.8%
Gross debt¹	9.58	9.58	-
<i>Of which short-term</i>	<i>1.82</i>	<i>1.10</i>	<i>65%</i>
Cash & cash equivalents	2.13	1.98	7.6%
Bank overdraft	-0.01	-0.03	-67%
Net cash & cash equivalents	2.12	1.95	8.7%
Short-term investments (held to maturity)	0.15	0.30	-50%
Net debt	7.31	7.33	-0.3%

¹ Gross debt defined as the nominal value of interest bearing financial liabilities, excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments

Debt portfolio

Breakdown of € 10.6bn nominal debt¹ including hybrid bonds



1 Based on the nominal value of interest bearing liabilities after swap to EUR, including EUR 1.1bn hybrid bond, GBP 400m hybrid bond and USD 600m hybrid bond
 2 Foreign currency amounts hedged into EUR
 3 Excludes bank overdrafts

Treatment of hybrid bonds



KPN & Credit rating agencies

- Each tranche of the hybrid bonds is recognized as 50% equity and 50% debt by the rating agencies
- Definition of KPN net debt includes: ' [...], taking into account 50% of the nominal value of any hybrid capital instrument'
 - Hybrid bonds are part of KPN's bond portfolio
 - Independent of IFRS classification
 - In line with treatment by credit rating agencies

IFRS

- EUR tranche is a perpetual, accounted for as equity
 - Coupon payments treated as equity distribution, hence not expensed through P&L, not included in FCF, but in financing cash flow^{1,2}
- GBP and USD tranche have 60 years specified maturity, accounted for as financial liability
 - Coupon payments treated as regular bond coupon, hence expensed through P&L, included in FCF

Tranch	Nominal	KPN net debt	Maturity	Rates (swapped) ¹	IFRS principal	IFRS coupon
EUR 1.1bn 6.125%	€ 1,100m	€ 550m	Perpetual (non-call 5.5)	6.125%	Equity	Financing cash flow ² (not incl. in FCF)
GBP 0.4bn 6.875%	€ 460m	€ 230m	60 years (non-call 7)	6.777%	Liability	Interest paid (incl. in FCF)
USD 0.6bn 7.000%	€ 465m	€ 233m	60 years (non-call 10)	6.344%	Liability	Interest paid (incl. in FCF)
Total	€ 2,025m	€ 1,013m				

1 EUR tranche had short first coupon payment (0.5 years was payable in September 2013), annual coupon payments in September thereafter; USD tranche has semi-annual coupon payments (March / September); GBP tranche has annual coupon payments in March

2 Cash flow item 'Paid coupon perpetual hybrid bonds'

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Regulation

MTA rates across the Group



The Netherlands

- ACM decision to base MTA rates on 'pure BULRIC' of € 1.019 cent per minute as of 1 September 2013 is under appeal (Court announced prejudicial questions to European Court of Justice)
- Dutch Court suspended ACM decision and mandated interim rates based on 'plus BULRIC' of € 1.861 cent per minute

(€ ct / min)	Until 7 July '10	7 July '10	Sep '10	Jan '11	Sep '11	Sep '12	Sep '13
MTA rate	7.00	5.60	5.60	4.20	2.70	2.40	1.861

Belgium

- On 24 September 2014, the Court of Appeal of Brussels annulled BIPT decision of 29 June 2010 for procedural reasons, but decided that the effects of the Decision will be maintained until 30 June 2015
- BIPT new tariffs setting (mid 2015 and onwards) in progress

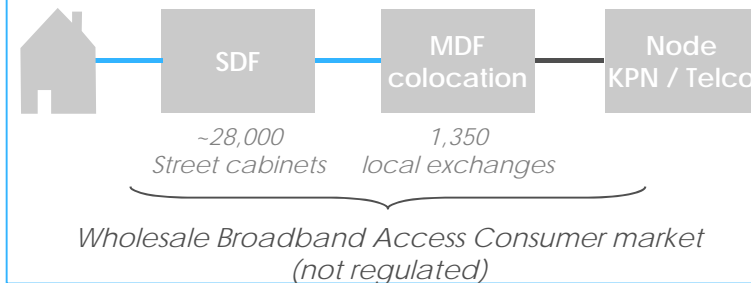
(€ ct / min)	Until Aug '10	Aug '10	Jan '11	Jan '12	Jan '13
MTA rate	11.43	5.68	4.76	2.92 ¹	1.08 ¹

¹ After indexation the MTA rates applicable as of January 2012 and January 2013 are calculated at € ct / min 3.11 and € ct / min 1.18 respectively

Unbundling tariffs

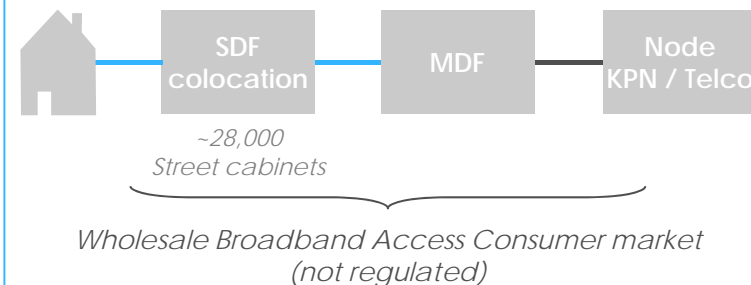


Unbundling in copper network



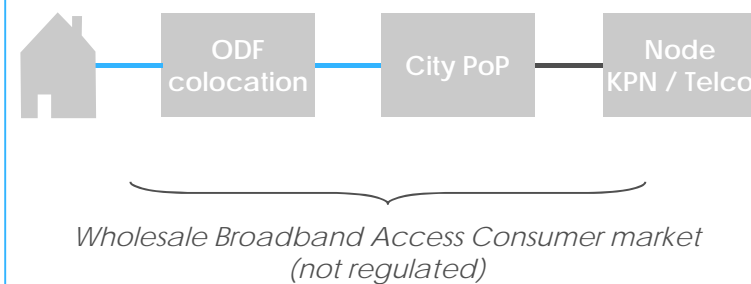
Category	Monthly tariff
Line sharing (LLU)	€ 0.11 per line
Fully unbundled (LLU)	€ 7.87 per line
MDF colocation	€ 956.45 footprint per year
Wholesale Broadband Access ¹	€ 5.32 per line shared € 13.00 per line non-shared

Unbundling in network FttC



Category	Monthly tariff
Line sharing (SLU)	€ 7.03 per line
Fully unbundled (SLU)	€ 7.03 per line
SDF colocation	€ 5.64 per unit One-off € 516.23 per unit
Wholesale Broadband Access ¹	€ 5.32 per line shared € 13.00 per line non-shared

Unbundling in network FttH



Category	Monthly tariff
Fully unbundled (ODF FttH)	€ 14.36 - € 18.25 per line
ODF FttH colocation	≤ € 553 per month per Area Pop One-off ≤ € 3,318 per Area Pop
ODF FttH backhaul	≤ € 664 per month
Wholesale Broadband Access FttH ²	€ 26.38 - € 45.00 per line non-shared

¹ List prices WBA CM excluding PVC/VLAN tariffs
² List prices WBA CM including PVC/VLAN tariffs

— Regulated — Not regulated

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	613.8MHz

Spectrum in Belgium

Current status



800MHz (Paired)	BASE 2*10	Proximus 2*10	Mobistar 2*10	2*30	
900MHz ¹ (Paired)	BASE 2*10	Proximus 2*12	Mobistar 2*12	2*34	
1.8GHz ² (Paired)	BASE 2*23.4		Proximus 2*23.4	Mobistar 2*23.4	2*70.2
2.1GHz (Paired)	Proximus 2*15	BASE 2*14.8	Mobistar 2*14.8	2*44.6	
2.1GHz (Unpaired)	BASE 5	Mob. 5	Prox. 5	1*15	
2.6GHz (Unpaired)	BUCD 45			1*45	
2.6GHz (Paired)	Proximus 2*20	BASE 2*15	Mobistar 2*20	2*55	
Total	Proximus 165.8MHz	BASE 151.4MHz	Mobistar 165.4MHz	BUCD 45MHz	527.6MHz

1 As of 27 November 2015, the 900MHz spectrum will be divided as follows: BASE Company (2*10.2), Mobistar (2*11.8), Proximus (2*12.2)
 2 As of 15 June 2015, BASE Company, Proximus and Mobistar will each have 2*24.8MHz available in the 1800MHz band

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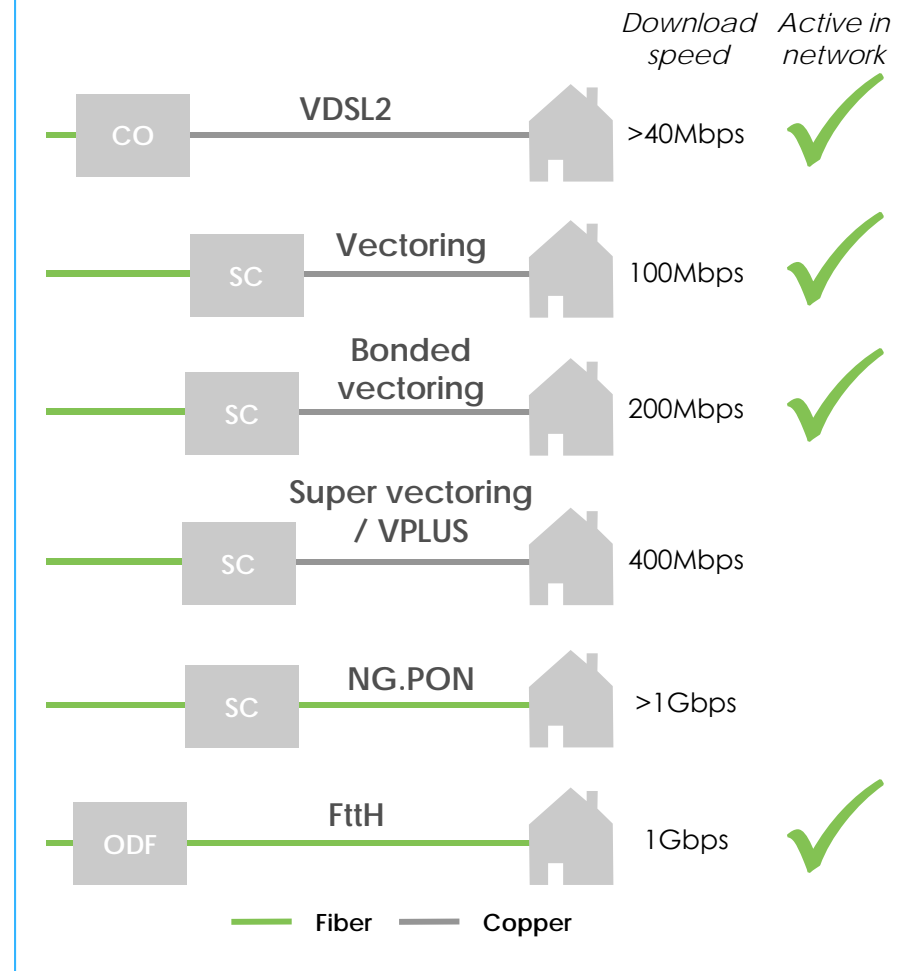
Fixed infrastructure



Download speed ahead of demand

Download speed ¹	2014	2015	2016
>40Mbps	~75%	~85%	~90%
100Mbps	~50%	~70%	~85%
200Mbps	~27%	~55%	~70%
500Mbps	~27%	~30%	~33%

Next round of upgrades



¹ Percentage of households

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Telefónica Deutschland stake

Accounting treatment



Balance sheet

- Stake included as financial asset¹
- Fair value of KPN's stake based on Telefónica Deutschland's share price and adjusted quarterly
 - Fair value movements recorded in '*other comprehensive income*'
 - Significant or prolonged value decreases booked as an impairment through the P&L within '*net finance costs*'

P&L

- Dividends received reported as finance income within 'net finance costs'
- Upon sale of (part of) the stake, all related capital gains or losses are recognized through the P&L as 'other income'
- Significant or prolonged value decreases booked as an impairment through the P&L within 'net finance costs'

Cash flow

- Dividends received part of operating cash flow and free cash flow as 'dividends received'

Tax

- Dividends received and/or capital gains realized (proceeds above tax book value) on KPN's stake subject to Dutch corporate income tax
- Deferred tax asset can be utilized to offset income related to KPN's stake

¹ Defined under IFRS as available for sale financial asset