Industry trends: Long term vision into action

*KPN Capital Markets Day*

19 February 2014

**Erik Hoving**

CTO KPN
Turning point for Telco industry
From incremental steps towards exponential change

Smartphone processing power to increase exponentially from now to 2020

Moore’s law

Connected devices¹
12.5bn → 50bn
2010 → 2020

Data traffic growth²
11x
2012 → 2020

1. Worldwide connected devices; Source: Cisco “The Internet of everything”, July 2013
2. Worldwide data traffic; Source: GSMA “Vision 2020”, February 2014
Vision for 2020
Highly trusted user centric access provider in digital world

From a telecommunication world

a. Usage centric  →  User centric

b. Multi-product line up  →  Simple product line up

c. Multiple points for access  →  Fully integrated access

To a digital economy

d. Secured access  →  Secured digital highway

e. Multiple IP networks  →  Single IP network

From a telecommunication world  To a digital economy
KPN preparing for the future
Positioning around customer demand

Demand

Solutions

Positioning

Fundamentals

@ Home user

Full scale connectivity & security

Multi play

Individual user

Independent connectivity

Mobile challenger

@ Work user

Reliable and effective integrated solutions

Integrated IT and Telco solutions

Integrated access provider

 Simple organization and products
 High quality and secured networks
 Timely investments
Vision into action (example I)
Modernizing 2G & 3G and upgrading to 4G simultaneously

Early planning led to fast 4G roll-out in The Netherlands

- Project planning
- Start upgrades
- 4G roll-out started
- Spectrum secured
- 4G services launched
- Nationwide 4G coverage
- LTE Advanced features

2011
2012
2013
2014

Preparations upgrades

Resulting in significant lead¹

2012
2013
2014

~85% ~40% ~20% 0%

Spectrum refarming and upgrades

- Devices in KPN base¹

Source: Company research
Vision into action (example II)
Hybrid upgraded copper / FttH strategy

Leading the way in Europe with copper upgrades and FttH roll-out

- Continued FttH roll-out
- FttC upgrade started
- Pair bonding live
- Bonded vectoring live
- G.Fast live

Optimizing copper network

- VDSL2-CO completed\(^1\)
- 1.0m HP FttH
- Vectoring live
- ~2.0m HP FttH

Largest FttH footprint\(^3,4\)

- Mainly FttH
- Mainly FttB

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1. Upgrade from ADSL2 to VDSL2 to Central Office
2. All speeds excluding potential compression techniques
3. Data relating to Fiber-to-the-Home and Fiber-to-the-Building coverage of broadband households
4. Source: FttH council; country data based on latest available information
Vision into action (example III)
Moving towards 1 converged IP core for a simplified infrastructure

Core networks mosaic optimized per service

- BB
- IPTV
- Mobile
- Business
- IP Transport
- Ethernet Aggregation
- IP Access

Towards 1 converged IP core optimized for volume

- All services
- IP Transport
- Ethernet Aggregation & IP Access
Building on strong fundamentals
Integrated access to service entire user spectrum

Integrated network

1. 4G roll-out
2. Upgraded copper / FttH
3. Towards 1 IP core

Integrated access for secure digital world
Integrated access
Using all devices
Independent of location
Security
To every dimension of the digital world

Strong fundamentals
- Simple organization and products
- High quality and secured networks
- Timely investments

Integrated access
Using all devices
Independent of location
Security
To every dimension of the digital world

KPN
The Netherlands

KPN Capital Markets Day

19 February 2014

Joost Farwerck
Managing Director The Netherlands
Building on strong fundamentals

Excellent position as the integrated access provider

- Leveraging unique assets; best-in-class fixed & mobile networks and ICT infrastructure
- Leading products in Business and Consumer markets
- Only operator in The Netherlands with converged in-house capabilities
Dutch market ahead of the curve...

- The Netherlands renown for early adopters
  - High broadband speeds
  - High smartphone penetration
  - Nationwide 4G coverage
  - Large FttH footprint

- Established mobile market
  - Largely through IP substitution
  - Mature MNOs and well developed MVNO market

- Advanced fixed market
  - High cable penetration
  - Advanced cable competition compared to European peers

...compared to European peers

1. Company research, based on latest available information
2. Telecompaper, 2013
3. Akamai, 2013
## Operational progress across segments

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Consumer Residential</th>
<th>Consumer Mobile</th>
<th>Business</th>
</tr>
</thead>
</table>
| **Today** | Operational improvements  
- Inflection customer base  
- Inflection financial performance | Competitive market, mainly in no frills segment  
- Shift to SIM-only  
- Less above bundle usage | Difficult macro and competitive market  
- Shift traditional services to IP ongoing  
- Stable market positions |
| **Strengths** | Hybrid upgraded copper / FttH approach  
- Leading position IPTV  
- Excellently positioned for multi play | Nationwide 4G coverage  
- Improved positioning of propositions  
- Bundling fixed & mobile  
- Multi-brand approach | Best-in-class fixed, mobile & ICT infrastructure  
- Leading cloud services  
- Introduction KPN ONE |
| **Going forward** | Continue positive momentum  
- Grow multi play | 4G driving operational improvements (net adds)  
- Multi play reducing churn  
- Optimize multi-channel approach | Tailored approach across segments  
- Best services and new innovative services supporting Telco core |

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**Simplification across segments**
Clear priorities in The Netherlands

Strong customer focus by offering best services over best networks

**Strong customer focus, best services**
- Focus on multi play
- Market leading products
- High quality customer service

**Further strengthen best-in-class networks**
- Hybrid upgraded copper / FttH approach and
- Nationwide 4G coverage leading to
- Best converged network and ICT assets

**Towards lean operating model**
- Simplified products and client processes
- Reduction complexity of network & IT systems leading to
- Significant cost savings, further quality improvements

**Towards stable financials**
- Balancing market leading positions with solid profitability
- Simplification leading to cost efficient and effective organization
- Stable and cash generative company
Strong customer focus
Optimize customer lifetime value

Best products to drive multi play

- Strong customer focus and service
- Simplicity of products in everything (activation and usage)
- Focus on value added services for customers
- Provide market leading products to drive take-up of multi play

Market leading IPTV proposition\(^1\)  
Excellent 4G services\(^1\)  
Leading cloud services

Multi play supporting profitability

- **Reducing churn**
  
<table>
<thead>
<tr>
<th>1P</th>
<th>2P</th>
<th>3P</th>
<th>4P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1x</td>
<td>~0.75x</td>
<td>~0.60x</td>
<td>~0.25x</td>
</tr>
</tbody>
</table>

\(^1\) Consumentenbond, the largest independent Dutch consumer organization

- **Increasing ARPU per customer**
  
<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>42</td>
</tr>
</tbody>
</table>
Best networks - Hybrid upgraded copper / FttH
Maintaining leading fixed network position

• Premium triple play requires ~40Mbps
  ▶ 70% access to download speeds >40Mbps
  ▶ 70% access to upload speeds of 20Mbps

• Excellent position to capture bandwidth demand
  ▶ ~55% access to download speeds of 200Mbps in 2015
  ▶ ~65% access to upload speeds of 30Mbps in 2015

Access network speeds¹

<table>
<thead>
<tr>
<th>Download speed</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;40Mbps</td>
<td>~70%</td>
<td>~80%</td>
</tr>
<tr>
<td>100Mbps</td>
<td>~30%</td>
<td>~65%</td>
</tr>
<tr>
<td>200Mbps</td>
<td>~25%</td>
<td>~55%</td>
</tr>
<tr>
<td>500Mbps</td>
<td>~25%</td>
<td>~30%</td>
</tr>
</tbody>
</table>

¹ Percentage of households

Optimizing hybrid network

<table>
<thead>
<tr>
<th>(Mbps)</th>
<th>VDSL2</th>
<th>VDSL2 vectoring</th>
<th>VDSL2 bonded vectoring</th>
<th>FttH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Download</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;40</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;100</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;200</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;500</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Upload

<table>
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<th>VDSL2</th>
<th>VDSL2 vectoring</th>
<th>VDSL2 bonded vectoring</th>
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<td>&gt;40</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>&gt;500</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
Best networks - Leading 4G network
Maintaining leading coverage and capacity position

Large 4G advantage

- Nationwide coverage, significantly ahead of competition\(^1\)
- Best mobile broadband network quality according to business customers\(^2\)

```
\[\begin{array}{c}
\text{2012} \\
\text{2013} \\
\text{2014}
\end{array}\]
\[\begin{array}{c}
63\% \\
81\% \\
100\%
\end{array}\]

Continued focus on network advantage

- Strong combination of 2G, 3G and 4G networks providing best customer services
- Secure and robust voice services via fully renewed 2G network (multi-RAN)

Fully modernized backhaul

1. Company research
2. Independent research (TNS NIPO survey)
Simple, low cost operating model
Key to outperformance in dynamic Telco landscape

1. Simplified product portfolio

2. Simplified client processes

3. Simplified network & IT

Significant cost savings
- >€ 300m run-rate
- Capex and opex savings by 2016

FTE reductions
- ~1,500-2,000

Next wave quality improvements
- Faster time-to-market
- Increasing customer satisfaction

Simple, low cost operating model
Key to outperformance in dynamic Telco landscape
Simple, low cost operating model

Simple and flexible product portfolio

**Simplified product portfolio**

- Simple converged product line-up
- Strong focus on integrated bundles
  - KPN Compleet in Consumer market
  - KPN ONE in Business market
- Active product life cycle management
- Legacy portfolio rationalization

**Phasing out products**

- ~10% of products generating 80% of revenues
  - Phase out ~40% of products by 2014
  - Phase out ~80% of products by 2015
- Example: 90% of broadband propositions phased out in Q1 2014
Simple, low cost operating model

Focus on online client processes

<table>
<thead>
<tr>
<th></th>
<th>Today</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Online</strong></td>
<td>Orientation</td>
<td>Transaction and self-help service</td>
</tr>
<tr>
<td><strong>Shops</strong></td>
<td>Transaction</td>
<td>Customer experience and full service</td>
</tr>
<tr>
<td><strong>Call center</strong></td>
<td>Service</td>
<td>Service and upsell</td>
</tr>
<tr>
<td><strong>Mechanics</strong></td>
<td>Installation and service</td>
<td>Customer experience and full service</td>
</tr>
</tbody>
</table>

- Significant increase online transactions
- 50% reduction in call ratio related to delivery by 2016
- Optimized distribution model at significantly lower cost
- Increased customer satisfaction
Simple, low cost operating model
Reducing complexity by simplifying networks & IT

Today
- Customized and complex network and IT infrastructure
- Simplified portfolio and processes allowing reduction of complexity in IT & networks

Going forward
- Standardized IP based network and IT systems based on worldwide adopted technologies
- Rationalization and selective extended use of network assets

Lower costs and shorten release cycles
Capex at less elevated levels
Towards stable financials

Increased investments since 2010

Capex-to-sales ratio development

- High investments in recent years
- Maintain best quality networks, investments at less elevated levels
- Continued higher speeds on upgraded copper leading to lower pace FttH roll-out

1 Euro Telco sector based on company reports, management estimates
2 Reggefiber Capex included per 2015
Building on strong fundamentals
Towards stable financials

Excellently positioned as the integrated access provider

- Strong customer focus by offering best services over best networks
- Best products to drive take-up of multi play
- Multi play to reduce churn and support ARPU
- Simple, low cost operating model leading to >€ 300m run-rate Capex and opex savings
- Capex at less elevated levels going forward

Towards stable financials

- Financial performance stabilizing
- Stable and cash generative company
Consumer
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19 February 2014

Jaap Postma
Head of Consumer
Dutch consumer market
Multi-brand approach to target all consumer segments

Targeting main stream markets with KPN and Telfort and niche segments through sub-brands.
Building on strong fundamentals
Uniquely positioned for move towards integrated market

Today

- Residential market
  - Full focus on TV and triple play

- Mobile market
  - Full focus on 4G

Going forward

- Integrated market
  - Full focus on multi play

- Mobile-only market
  - Multi-brand approach in mobile-only
Residential market
Outperforming in advanced residential market

Outperforming on RGU growth

\[\text{Ziggo}^1\]

\[\begin{array}{c|c|c}
\text{Year} & \text{2012} & \text{2013} \\
\hline
\text{Residential} & 7,113 & 7,235 \\
\text{Triple play} & 3,686 & 3,683 \\
\text{Other} & 5,991 & 6,082 \\
\end{array}\]

Benefitting from growing ARPU

\[\text{Ziggo}^1\]

\[\begin{array}{c|c|c}
\text{Quarter} & \text{Q4 '12} & \text{Q4 '13} \\
\hline
\text{Residential} & 41 & 43 \\
\text{Triple play} & 41 & 43 \\
\end{array}\]

Limited loss of unique access lines

\[\text{Ziggo}^1\]

\[\begin{array}{c|c|c}
\text{Year} & \text{2012} & \text{2013} \\
\hline
\text{Residential} & 3,434 & 3,310 \\
\text{Triple play} & 1,732 & 1,634 \\
\text{Other} & 2,776 & 2,661 \\
\end{array}\]

Outperforming on triple play growth

\[\text{Ziggo}^1\]

\[\begin{array}{c|c|c}
\text{Year} & \text{2012} & \text{2013} \\
\hline
\text{Residential} & 979 & 1,216 \\
\text{Triple play} & 1,410 & 1,506 \\
\end{array}\]

1 Management estimates

- Outperforming on RGU growth: 2013 shows a +1.7% increase compared to 2012, with a slight decrease in 2013. 2013 shows a +1.5% increase in other categories.

- Benefitting from growing ARPU: ARPU for both categories increased by 4.9%.

- Limited loss of unique access lines: A slight decrease in residential and triple play categories, with a more significant decrease in other categories.

- Outperforming on triple play growth: A significant increase in both categories, with 2013 showing a +6.8% increase over 2012.
Residential - IPTV
Market leading IPTV proposition driving multi play

Largest interactive customer base

- IPTV fully interactive, KPN TV base 70% interactive
  - Interactive base Ziggo ~20% and UPC ~35%
- IPTV access at any time and on any device
  - Multi-channel recording, live pausing, start over TV

Most complete content package

- Driven by access, not exclusivity
- Partnerships with content providers

Best user experience leading to highest NPS

Reducing capital intensity

- Cloud based IPTV infrastructure resulting in simple and advanced STB
  - Centralized software upgrades
  - >50% reduction in costs per set-top box realized since 2011

TV everywhere

+
Residential - Triple play
Growing interactive TV base leading to increased triple play take-up

**Growing TV market share**

- 2010: 15%
- 2011: 17%
- 2012: 23%
- 2013: 25%
- 2016: >30%

**Growing interactive TV base**

- 2010: 25%
- 2011: 41%
- 2012: 57%
- 2013: 70%
- 2016: ~90%

1 As percentage of total KPN TV base

**Increasing triple play packages**

- 2010: 481 (19%)
- 2011: 658 (26%)
- 2012: 979 (36%)
- 2013: 1,216 (44%)
- 2016: (approximately 60%)

**Triple play as % broadband customers**

- 2010: 19%
- 2011: 25%
- 2012: 36%
- 2013: 44%
- 2016: ~55%
Residential - Hybrid upgraded copper / FttH
Successful in FttH areas and with copper upgrades

**Successful in FttH areas…**

**Above average market share**  
+5%-points  
National average  
FttH areas  
Broadband market share

**Above average ARPU**  
+€ 14  
ARPU per customer (national average)  
ARPU per FttH customer  
ARPU

**Lower churn**  
1x  
~0.55x  
Copper  
FttH  
Triple play churn

**Higher market share**  
+3%-points  
Non-upgrade  
Upgrade area  
Broadband market share

**Higher ARPU**  
+€ 2  
ARPU

**Lower churn**  
1x  
~0.85x  
Non-upgrade  
Upgrade area  
Broadband churn
Mobile market
Challenges in KPN’s mobile market

KPN maintaining postpaid base...

...also due to shift to SIM-only...

...but ARPU remains under pressure...

...but SIM-only price level already low

1 Telecompaper: EU benchmark monitor 2013
Mobile - Market approach
Full service and no frills segments

Full service segment
- Focus on maintaining value in higher ARPU segment

% of revenues\textsuperscript{1} \hspace{1cm} % of subscribers\textsuperscript{2}

No frills segment
- Focus on volumes in growing value for money segment

% of revenues\textsuperscript{1} \hspace{1cm} % of subscribers\textsuperscript{2}

\textsuperscript{1} Based on total Consumer Mobile service revenues
\textsuperscript{2} Based on total Consumer Mobile subscribers
Mobile - 4G
Leverage impressive 4G head start

4G providing upsell opportunity to higher data bundles

- Nationwide 4G coverage, significantly ahead of competition
- 4G accessible for all customers
  - Included in all KPN and Hi propositions
  - Add-on available for no frills segment
- Significantly higher data usage 4G customers
  - MB per user:
    - 3G: ~300 MB
    - 4G: ~750 MB
  - ~2.5x
  - 3G: ~450 MB
  - 4G: ~1,800 MB
  - ~4x

Customer growth

- 4G to support focus on increasing postpaid subscriber base
- Overall mobile NPS highest in the market supported by 4G

4G customers (Consumer)
- 2013: 323k
- 2016: ~10x

~323k
~1,800
Mobile - Committed revenues
Reducing risk profile through focus on committed revenues

- Aim to further reduce risk profile towards sustainable committed ARPU
- Focus on committed revenues
- All-in-one bundles to drive increase in committed revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Committed Revenues</th>
<th>Out of Bundle</th>
<th>Above Bundle</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>12%</td>
<td>12%</td>
<td>19%</td>
<td>57%</td>
</tr>
<tr>
<td>2012</td>
<td>6%</td>
<td>11%</td>
<td>15%</td>
<td>65%</td>
</tr>
<tr>
<td>2013</td>
<td>11%</td>
<td>10%</td>
<td>72%</td>
<td>82%</td>
</tr>
<tr>
<td>2016</td>
<td>8%</td>
<td>4%</td>
<td>6%</td>
<td>82%</td>
</tr>
</tbody>
</table>
Integrated market - Multi-brand approach
Focus on loyal customers reducing churn

No discounts, value added services at marginal costs

45 additional IPTV channels
Free unlimited calls within family
Doubling voice, SMS and data credits

Attractive mobile offer for existing broadband customers

Mobile offer
- 300 min → 500 min
- 100 SMS → 1000 SMS
- 500MB → 1GB

Reduce mobile churn by leveraging fixed

~50%

Quad play
Mobile only

Multi play significantly reduces fixed churn

1x
~0.75x
~0.6x
~0.25x

Churn relative to single play

Quad play
Triple play
Dual play
Single play

Quad play significantly reduces fixed churn
Concluding remarks

- Investments in fixed and mobile networks have resulted in a strong competitive position
- KPN and Telfort integrated service offerings give us a unique position in The Netherlands
- Innovative and high quality IPTV product is driving growth in triple play
- We will leverage our impressive head start on 4G into quad play
- Multi play is significantly reducing churn
Business

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19 February 2014

*John van Vianen*
Head of Business
Business market positioning
Strong customer focus with innovative services

Managed customer devices → Integrated Access

- Mobile voice & data
- Fixed voice & data
- Datacenter services

Telco core → Cloud

ICT, cloud, advisory and new applications to support Telco core
Business market positioning (cont’d)
Focus on 4 strategic building blocks

1. Tailored approach
   - LME / Corporate
   - SME
   - SoHo
   - Verticals

2. Best services

3. Innovative new services
   - New revenue stream to offset decline Telco core

4. Strong cost focus
   - Towards lean operating model
   - Strong quality and cost focus to offset margin pressure
1. Tailored approach
Market approach focused on customer needs

Distribution
- Direct sales
- Indirect sales (business partners)
- Shops & online

Portfolio
- Mobile voice & data
- Fixed voice & data
- Datacenter services
- IAAS/SAAS services
- ICT services

Segments (% of KPN Business revenues)
- LME/Corporate (~65%)
- SME (~20%)
- SoHo (~15%)

Verticals
- Healthcare
- Education
- Local government
- Critical communications

Distribution
Portfoli
LME/Corpo
SME
SoHo

Segments (% of KPN Business revenues)

Distribution
- Direct sales
- Indirect sales (business partners)
- Shops & online

Portfolio
- Mobile voice & data
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- Healthcare
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- Critical communications

Distribution
Portfolio
Segments (% of KPN Business revenues)
Verticals
- Healthcare
- Education
- Local government
- Critical communications
1. Tailored approach (cont’d)
Stable market positions in competitive landscape

Brands
- kpn
- Telfort
- yes

Segments
- LME/Corporate
- SME
- SoHo

Main competitors
- Atos
- Capgemini
- Verizon
- Orange
- Vodafone
- T-Mobile
- Ziggo
- TELE2
- upec

Main competition by segment:
- LME/Corporate: Atos, Capgemini, Verizon
- SME: Orange, Vodafone, T-Mobile, Ziggo
- SoHo: TELE2, upec
1. Tailored approach - Verticals
Customized sector approach

Customized approach

• Combining sales, marketing and product management

• Added value through customized sector approach and sector knowledge

• Dedicated sector solutions via integrated service portfolio

• Focus on dedicated sector solutions to support Telco core services

Verticals

Healthcare

Critical communications

Education

Local government
1. Tailored approach - Verticals (cont’d)

Example: Healthcare

**CareSmart**
- Contributes to labor productivity by using ICT

**Health cloud**
- Access anywhere to healthcare info (secure Dutch health cloud)

**CareTogether**
- Reduces healthcare errors by improving exchange of healthcare information

**Remote consult**
- Remote consult for second opinions (sharing medical images)

**CareFree**
- Increases comfort for patient (living independently at home)

**Mobile alert, tracking & tracing**
- Mobile devices used for tracking & tracing (including geofencing)
2. **Best services**

Strong customer focus by providing high quality services

### Best mobile services

- **Most mobile network quality according to business customers**
  - KPN: 58%
  - Competitor 1: 24%
  - Competitor 2: 7%

- All mobile data customers are expected to have 4G subscriptions by 2016:
  - 2013: 220k
  - 2016: ~1.5m

### Strong customer recognition

- **Best ICT service provider for SME**
- **Best ICT company in The Netherlands**
- **Better NPS than main Telco competitors**

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1. Research TNS NIPO survey Q4 2013; % of respondents indicating which operator offers best mobile network quality; other representing 11%
2. Excluding M2M customers
3. Computable award 2013
4. Management team magazine (June 2013)
5. Research TNS; NPS Q4 2013
2. Best services (cont’d)
KPN best positioned to offer integrated services

KPN ONE

- One bill
- One contract
- One price/employee
- One helpdesk
- One contact

- One online service portal
- One address book
- One phone number
- One voicemail

Calling
Instant Messaging
Availability
E-Mail
SMS
Voicemail
Sharing Documents
Social Media
Audio and Video Conference
Software Online

Cloud
Landline
Mobile
Tablet
Laptop

4G
2. Best services (cont’d)
Major steps towards fully committed revenues

Grow bundled services
- KPN ONE to reach ~1/5 of addressable customer base by 2016

- KPN ONE seats (k)

De-risking ARPU

- % flat fees fixed¹
- % committed ARPU mobile

¹ As % of addressable base

KPN ONE to reach ~1/5 of addressable customer base by 2016

De-risking Telco core revenues
3. Innovative new services
To offset revenue decline Telco core

**Cloud**

- **Software Online**
  - 30% yearly growth achieved since 2007

**Big Data**

- **Guiding customers**
  - Big data platform as a service (privacy ensured)
  - Location based insights (privacy ensured)

**Mobile payments**

- **Successful pilot**
  - Pilot for retailers & customers with leading Dutch banks

**Internet of Things**

- **RFID Monitoring**
  - Passive RFID enable real-time monitoring of logistics and cargo conditions
4. Strong cost focus
Strong quality and cost focus to offset margin pressure

Optimize end-to-end chains
• Improve delivery time by reducing handling time
• Offshoring with improving level of service
• Improve first-time-right
• Higher customer satisfaction

Simplification
• Reducing product portfolio
  ➢ More than 50% reduction in products driven by focus on convergence

Integration IT Solutions
• Fits customer need for integrated Telco and ICT services
• Further efficiencies expected through FTE reductions

Strong contribution to Simplification program
Concluding remarks
Stabilizing financial performance

Stabilization of revenues

1. Tailored approach
2. Best services
3. Innovative new services

Illustrative

Revenues from innovative new services
Main revenue stream

Strong quality and cost focus

• Towards lean operating model
  I. Optimize end-to-end chains
  II. Simplification product portfolio
  III. Integration IT Solutions

• Stable market positions in competitive landscape
• Stabilizing financial performance
BASE Company
KPN Capital Markets Day

19 February 2014

Jos Donvil
CEO BASE Company
Fundamentals of the BASE Company strategy
Key building blocks for continued success

Mobile centric Challenger – Building blocks

- Service leadership
- Leading network quality
- Customer
- Price leadership
- Low cost operating model

Fundamentals for continued growth

Data

Postpaid

Network

Fixed

B2B
Successful Challenger strategy
Strong market outperformance

Service revenue market share growing

BASE Company’s innovative offerings – BASE Company was first to...

- Introduce Wholesale partnerships
- Introduce flat fee tariff plans
- Include data in all plans
- Stop contract duration
- Leader in price, service & network

<table>
<thead>
<tr>
<th>Year</th>
<th>Proximus</th>
<th>BASE Company</th>
<th>Mobistar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>64%</td>
<td>28%</td>
<td>8%</td>
</tr>
<tr>
<td>2007</td>
<td>50%</td>
<td>15%</td>
<td>35%</td>
</tr>
<tr>
<td>2008</td>
<td>49%</td>
<td>16%</td>
<td>35%</td>
</tr>
<tr>
<td>2009</td>
<td>48%</td>
<td>17%</td>
<td>35%</td>
</tr>
<tr>
<td>2010</td>
<td>46%</td>
<td>18%</td>
<td>36%</td>
</tr>
<tr>
<td>2011</td>
<td>46%</td>
<td>19%</td>
<td>35%</td>
</tr>
<tr>
<td>2012</td>
<td>45%</td>
<td>~20%</td>
<td>35%</td>
</tr>
<tr>
<td>2013-Q3</td>
<td>45%</td>
<td>35%</td>
<td>&gt;20%</td>
</tr>
</tbody>
</table>
Belgian mobile market has changed significantly
Since mid 2012, the mobile market transformed

Key market developments

- Increased price competition
- Entrance of Telenet on mobile market
- Telecom law limiting contract duration to 6 months
- Dare-to-compare campaign

Mobile service revenue evolution

% change y-o-y

<table>
<thead>
<tr>
<th></th>
<th>BASE Company</th>
<th>LTM Sep 11</th>
<th>LTM Sep 12</th>
<th>LTM Sep 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G</td>
<td></td>
<td>-2.3%</td>
<td>-6.3%</td>
<td>-10.9%</td>
</tr>
<tr>
<td>Network quality</td>
<td></td>
<td>-3.6%</td>
<td>-8.9%</td>
<td></td>
</tr>
<tr>
<td>Price leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-brand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BASE Company’s response to the changed market

- New mobile portfolio shifting focus to postpaid & data
- Launched 4G and 3G Dual Carrier
- Leadership in price, service & network quality
- Launch of SNOW challenging fixed market

Market positioning

<table>
<thead>
<tr>
<th></th>
<th>Mobile centric</th>
<th>Fixed + mobile</th>
<th>Mobile</th>
<th>Fixed + mobile (MVNO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G</td>
<td>✔️</td>
<td>✔️</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Network quality</td>
<td></td>
<td>✔️</td>
<td>✔️</td>
<td>X</td>
</tr>
<tr>
<td>Price leadership</td>
<td>✔️</td>
<td></td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Multi-brand</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>X</td>
</tr>
</tbody>
</table>
Clear market positioning
Recognized as leader in price, service and network quality

Leading network quality

<table>
<thead>
<tr>
<th></th>
<th>3G network</th>
<th>4G network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upload (Mbps)</td>
<td>2.2</td>
<td>x</td>
</tr>
<tr>
<td>Download (Mbps)</td>
<td>7.9</td>
<td>19.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>BASE</th>
<th>Proximus</th>
<th>Mobistar</th>
<th>Telenet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of users recognizing price difference consider the operator the cheapest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>BASE</td>
<td>Proximus</td>
<td>Mobistar</td>
<td>Telenet</td>
</tr>
<tr>
<td>49.6</td>
<td>31.7</td>
<td>18.7</td>
<td>5.6</td>
<td>17.4</td>
</tr>
<tr>
<td>2009</td>
<td>BASE</td>
<td>Proximus</td>
<td>Mobistar</td>
<td>Telenet</td>
</tr>
<tr>
<td>51.1</td>
<td>30.5</td>
<td>18.4</td>
<td>15.0</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>BASE</td>
<td>Proximus</td>
<td>Mobistar</td>
<td>Telenet</td>
</tr>
<tr>
<td>56.1</td>
<td>25.9</td>
<td>18.0</td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>BASE</td>
<td>Proximus</td>
<td>Mobistar</td>
<td>Telenet</td>
</tr>
<tr>
<td>58.7</td>
<td>27.1</td>
<td>14.2</td>
<td>17.4</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>BASE</td>
<td>Proximus</td>
<td>Mobistar</td>
<td>Telenet</td>
</tr>
<tr>
<td>55.3</td>
<td>26.6</td>
<td>12.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2013</td>
<td>BASE</td>
<td>Proximus</td>
<td>Mobistar</td>
<td>Telenet</td>
</tr>
<tr>
<td>47.6</td>
<td>20.1</td>
<td>17.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Service leadership

NPS scores December 2013

<table>
<thead>
<tr>
<th></th>
<th>BASE</th>
<th>Proximus</th>
<th>Mobistar</th>
<th>Telenet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>9</td>
<td>-2</td>
<td>-14</td>
<td>-6</td>
</tr>
</tbody>
</table>

1 Company research
2 Commsquare October 2013
Low cost operating model
High quality at low costs

Small and flat organisation\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASE Company</td>
<td>~900</td>
</tr>
<tr>
<td>Belgacom</td>
<td>~15,750</td>
</tr>
<tr>
<td>Mobistar</td>
<td>~1,800</td>
</tr>
<tr>
<td>Telenet</td>
<td>~2,150</td>
</tr>
</tbody>
</table>

Smart networks

- BASE Company spectrum management allows for cost efficient 3G and/or 4G roll-out
- Partnership deals with ZTE and TechMahindra - major challengers in IT and Network environment
- With less sites compared to competition achieving highest quality

Cost efficient growth by multi-brand strategy

- Mobile brands
- Branded Resellers
- MVNO partners
- Fixed

Optimization of operating model

- Accelerate various lean initiatives in operations & overhead
  - Shift towards online customer service
  - Simplification & harmonization in G&A
- Optimize footprint & improve store concept
- Increase share of online sales

1 Based on latest available information
Fundamentals for continued growth
Growth potential identified

i Postpaid

ii Data

iii Network

iv Fixed

v B2B
Fundamentals for continued growth (cont’d)
Building on strong postpaid and data strategy

Strong evolution postpaid in retail sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Postpaid (%)</th>
<th>Prepaid (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>29</td>
<td>71</td>
</tr>
<tr>
<td>2012</td>
<td>35</td>
<td>65</td>
</tr>
<tr>
<td>2013</td>
<td>47</td>
<td>53</td>
</tr>
</tbody>
</table>

Highest smartphone penetration¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2011</td>
<td>35</td>
</tr>
<tr>
<td>Dec 2012</td>
<td>40</td>
</tr>
<tr>
<td>Oct 2013</td>
<td>42</td>
</tr>
</tbody>
</table>

Origin postpaid gross adds Q4 2013

- Internal: 36%
- Competition: 64%

Growing data potential

- MB per customer:
  - Jan-12: 30
  - Jul-12: 40
  - Jan-13: 50
  - Jul-13: 64
  - Dec-13: 64

¹ Company research
Fundamentals for continued growth (cont’d)
Building further on strong network

4G triples average real speed experience

Aim to obtain nationwide 4G coverage by end-2014
Per 31 Dec 2013

4G coverage
203 cities, towns and villages
Fundamentals for continued growth (cont’d)
Building on additional growth opportunities

Competitive fixed line proposition\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Channels</th>
<th>D/L speed</th>
<th>Free fixed</th>
<th>Price</th>
<th>vs. SNOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASE</td>
<td>33</td>
<td>30</td>
<td></td>
<td>€ 39</td>
<td></td>
</tr>
<tr>
<td>SNOW</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgacom Pack Start</td>
<td>&gt; 70</td>
<td>30</td>
<td></td>
<td>€ 58</td>
<td>+49%</td>
</tr>
<tr>
<td>Telenet Whop</td>
<td>&gt; 75</td>
<td>60</td>
<td></td>
<td>€ 62.50(^2)</td>
<td>+60%</td>
</tr>
<tr>
<td>VOO Un Peu</td>
<td>&gt; 65</td>
<td>30</td>
<td></td>
<td>€ 49(^2)</td>
<td>+26%</td>
</tr>
</tbody>
</table>

- Disrupt and challenge established premium priced fixed line duopoly
- Cross-selling BASE Company mobile customer base

Currently underrepresented in B2B

B2B market share 3Q 2013\(^3\)

B2B growth potential

- Apply successful consumer market formula: leadership in price, service & network quality
- Further growth in SOHO/SME market
- Broaden price leadership with innovative propositions

---

1 Comparison at 1 Feb 2014, without temporary discounts
2 Telenet incl. € 8.20 decoder rental fee ; VOO incl. € 16.86 cable TV subscription fee
3 Management estimates
Fundamentals of the BASE Company strategy
Key building blocks for continued success

Reiterating ambitions

Mobile centric Challenger – Building blocks
- Price leadership
- Customer
- Service leadership
- Leading network quality
- Low cost operating model

Fundamentals for continued growth
- Long-term market share\(^1\) goal 25%
- 25-30 medium-term EBITDA margin\(^2\)

---

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

*KPN Capital Markets Day*

19 February 2014

Eelco Blok
CEO KPN
Highlights of today
Building on strong fundamentals

- Major investments in networks and market positions significantly strengthened the Company
- KPN is now a frontrunner in Europe with 4G and fixed network upgrades
- Continued progress towards a lean operating model
- These strong fundamentals position KPN as a solid and cash generative company
- Sustainable and growing dividend balanced with a sound and stable financial profile
- Exposure to attractive growth and synergy potential through our 20.5% stake in Telefonica Deutschland
Building on strong fundamentals
A changing external environment

Regulation

Economy

Data growth

Technology

Competition

63
External environment
Regulatory impact largely absorbed; economy recovering

**Strict regulation absorbed**
- MTA rates reaching end of glide path
- ULL rates in The Netherlands amongst lowest in Europe
  - FttH ULL already regulated
- Key spectrum secured for foreseeable future

<table>
<thead>
<tr>
<th>Country</th>
<th>EU fully unbundled (ULL) tariffs per month</th>
<th>€ per line</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>GER</td>
<td>10.1</td>
<td></td>
</tr>
<tr>
<td>ITA</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>DEN</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>FRA</td>
<td>8.8</td>
<td></td>
</tr>
<tr>
<td>SPA</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>BEL</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>NL</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>AUT</td>
<td>5.9</td>
<td></td>
</tr>
</tbody>
</table>

1 Source: EU Electronic communications market indicators July 2013
2 Source: DNB and ECB
3 Source: OECD Economic Outlook

**Economy recovering**
- First signs of economic recovery in The Netherlands
- Belgian economy showing resilience to economic crisis

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP growth NL</th>
<th>GDP growth BEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-1.2%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>2013</td>
<td>-1.0%</td>
<td>+0.1%</td>
</tr>
<tr>
<td>2014E</td>
<td>+0.5%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>2015E</td>
<td>+0.9%</td>
<td>+1.5%</td>
</tr>
</tbody>
</table>

- MTA rates reaching end of glide path
- ULL rates in The Netherlands amongst lowest in Europe
  - FttH ULL already regulated
- Key spectrum secured for foreseeable future
External environment (cont’d)
Changing dynamics delivering new opportunities

Data growth
- Interconnectivity between devices / cloud
- OTT (mainly video)

Technology
- Greater capacity at lower cost per GB
- Faster copper techniques

Competition
- KPN best-placed for convergence

KPN ideally positioned for new opportunities

Convergence
- KPN ONE Quad play
- Leveraging success

Technology
- 4G NL
- 4G Belgium

Leveraging success
- Verticals
- Cloud

New services
- Security
- Location based services
Building on strong fundamentals
KPN today is stronger and future proof

Networks & products

Market positions

Operating model

E-Plus sale

Financial profile
Strong fundamentals: networks and products
Best-in-class mobile and fixed networks; leading products

**Mobile network**
- Best spectrum safeguarded
- High quality networks

**Fixed network**
- Copper network upgraded
- High FttH coverage of ~25%
- Continued higher speeds on copper
- Continue roll-out FttH, at lower pace

**Going forward**
- No major spectrum auctions
- Increasing capacity and speeds

**Leading products**
- Leading in bundles and IPTV product
- Flat fee data propositions
- Unique position for converged services
- Retain leading IPTV position
Strong fundamentals: market positions
Focusing on 4G, IPTV and bundles

Market positions improved

- **Growing:**
  - Broadband
  - Mobile NL
  - TV
  - Belgium

- **Stabilized**

Customer trends improved

- **Growing**
- **Stabilized**

Focus on bundled services...

- Bundles growing:
  - 2013: 10, 173
  - 2016E: 1,216

- Lowering churn:
  - 1P: 1x
  - 2P: ~0.75x
  - 3P: ~0.60x
  - 4P: ~0.25x

...and 4G and IPTV

- **4G**
  - 2013: 220
  - 2016E: 323

- **IPTV**
  - 2013: 25%
  - 2016E: >30%

1 MS: Market share
Strong fundamentals: operating model
Towards a lean operating model

Completed

- NL FTE reduction program
  - ~4,650\(^1\) fewer FTE
  - Q4 '13: 14,782
  - Q1 '11: 19,054

- Streamlined portfolio
  - Non-core, lower margin assets divested
  - Focus on in-country M&A

- Simplification program
  - High quality networks in place
  - Significant savings through Simplification program

- Going forward

- NL FTE reduction program
  - Simplified product portfolio
  - Reducing Capex and opex
  - Reduce complexity

- Capex at less elevated level
  - Adjusted for M&A and accelerated investment strategy

\(^1\) Adjusted for M&A and accelerated investment strategy
Strong fundamentals: operating model (cont’d)
KPN taking responsibility within society

Society
- Healthcare
- Security
- Sponsor

Energy consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Δ Consumption compared to 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5.6%</td>
</tr>
<tr>
<td>2012</td>
<td>-1.7%</td>
</tr>
<tr>
<td>2013</td>
<td>-3.3%</td>
</tr>
</tbody>
</table>

Do nothing: -3.3%
Realization: 17.0%

Employee engagement
- Simplify
- Perform
- Work-Life
- Vitality

External recognition CSR program

- Top 10 ranking
- Only Dutch partner ahead on all targets
- Top 10 ranking
- Top 3 position transparency benchmark
- 95% of Business customers appreciate CSR performance
Strong fundamentals: E-Plus sale
E-Plus sale strengthening KPN Group

Confident on regulatory approval
- Increased competitiveness due to creation of stronger player in size and market presence
- Review by European Commission due to relevance for European landscape

Substantial benefits
- Combination Telefónica Deutschland and E-Plus to realize substantial synergies
- KPN expected to benefit from (dividend payments via) 20.5% stake in Telefónica Deutschland

20 December 2013
EC decision to start phase II

11 February 2014
EGM Telefónica Deutschland authorized acquisition and financing

May 2014
Expected final EC decision

Mid 2014
Rights issue Telefónica Deutschland

Mid 2014
Completion sale of E-Plus

1 European Commission indicated 14 May 2014, date subject to change
Strong fundamentals: financial profile
Sound and stable financial profile

Financial profile

- Sound and stable financial position
- Committed to investment grade credit profile

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt</th>
<th>Net debt / EBITDA</th>
<th>Pro forma¹ net debt</th>
<th>Pro forma¹ net debt / EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>€11.8bn</td>
<td>2.2x</td>
<td>Pro forma¹</td>
<td>~1.9x</td>
</tr>
<tr>
<td>2011</td>
<td>€11.7bn</td>
<td>2.3x</td>
<td>Pro forma¹</td>
<td>~1.9x</td>
</tr>
<tr>
<td>2012</td>
<td>€12.0bn</td>
<td>2.7x</td>
<td>Pro forma¹</td>
<td>~1.9x</td>
</tr>
<tr>
<td>2013</td>
<td>€9.8bn</td>
<td>2.4x</td>
<td>Pro forma¹</td>
<td>1.9x</td>
</tr>
</tbody>
</table>

¹ Including E-Plus sale and Reggefiber consolidation

Shareholder remuneration

- Sustainable and growing DPS, subject to sale of E-Plus
- Cash upside via potential dividend payments from 20.5% stake in Telefónica Deutschland
- Excess cash could be utilized for
  - Operational / financial flexibility
  - (Small) in-country M&A
  - Shareholder remuneration

2014 2015
€ 0.07 Growing
Outlook (continuing operations)

2014
• Financial performance stabilizing towards the end of 2014
• Capex < €1.4bn\(^1\)

2015
• Capex < €1.5bn, including Reggefiber\(^1\)
• Free cash flow (excl. TEFD dividend)\(^2\) growth expected in 2015
  – Limited tax cash out in The Netherlands in coming years due to tax loss on sale of E-Plus
  – Interest payments trending down due to reduction of gross debt in coming years
• Additional excess cash via potential dividend from 20.5% stake Telefónica Deutschland

\(^1\) Assuming Reggefiber consolidation per 31 December 2014
\(^2\) Free cash flow outlook defined as cash flow from operating activities, plus proceeds from real estate, minus Capex and excluding Telefónica Deutschland dividend
Highlights of today
Building on strong fundamentals

- Major investments in networks and market positions significantly strengthened the Company
- KPN is now a frontrunner in Europe with 4G and fixed network upgrades
- Continued progress towards a lean operating model
- These strong fundamentals position KPN as a solid and cash generative company
- Sustainable and growing dividend balanced with a sound and stable financial profile
- Exposure to attractive growth and synergy potential through our 20.5% stake in Telefonica Deutschland
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. 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 operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software and excluding tax recapture regarding E-Plus. Underlying revenues and other income and underlying EBITDA are derived from revenues and other income and EBITDA, respectively, and are adjusted for the impact of MTA and roaming (regulation), changes in the composition of the group (acquisitions and disposals), restructuring costs and incidentals.

The term service revenues refers to wireless service revenues.
All market share information in this presentation 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 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, KPN’s and its joint ventures’ share of new and existing markets, general industry and macro-economic trends and KPN’s performance relative thereto and statements preceded by, followed by or including the words “believes”, “expects”, “anticipates”, “will”, “may”, “could”, “should”, “intends”, “estimate”, “plan”, “goal”, “target”, “aim” or similar expressions.

These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside KPN’s control that could cause actual results to differ materially from such statements and speak only as of the date they are made. A number of these factors are described (not exhaustively) in the Annual Report 2012.