Safe harbor

Alternative performance measures and management estimates

This financial report contains a number of alternative performance measures (non-GAAP figures) to provide readers with additional financial information that is regularly reviewed by management, such as EBITDA and Free Cash Flow (FCF). These non-GAAP figures should not be viewed as a substitute for KPN’s GAAP figures and are not uniformly defined by all companies including KPN’s peers. Numerical reconciliations are included in KPN’s quarterly fact sheets and in the Integrated Annual Report 2018. KPN’s management considers these non-GAAP figures, combined with GAAP performance measures and in conjunction with each other, most appropriate to measure the performance of the Group and its segments. The non-GAAP figures are used by management for planning, reporting (internal and external) and incentive purposes. KPN’s main alternative performance measures are listed below. The figures shown in this financial report are based on continuing operations and were rounded in accordance with standard business principles. As a result, totals indicated may not be equal to the precise sum of the individual figures.

Financial information is based on KPN’s interpretation of IFRS as adopted by the European Union as disclosed in the Integrated Annual Report 2018 and do not take into account the impact of future IFRS standards or interpretations. Note that certain definitions used by KPN in this report deviate from the literal definition thereof 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. KPN defines revenues as the total of revenues and other income. Adjusted revenues are derived from revenues (including other income) and are adjusted for the impact of incidents. KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including impairments) of intangible assets. Adjusted EBITDA after leases (‘adjusted EBITDA AL’) are derived from EBITDA and are adjusted for the impact of restructuring costs and incidents (‘adjusted’) and for lease costs, including depreciation of right-of-use assets and interest on lease liabilities (‘after leases’ or ‘AL’). KPN defines Gross Debt as the nominal value of interest-bearing financial liabilities representing the net repayment obligations in Euro, excluding derivatives, related collateral, and leases, taking into account 50% of the nominal value of the hybrid capital instruments. In its Leverage Ratio, KPN defines Net Debt as Gross Debt less net cash and short-term investments, divided by 12 month rolling adjusted EBITDA AL, excluding major changes in the composition of the Group (acquisitions and disposals). The Lease adjusted leverage ratio is calculated as Net Debt including lease liabilities divided by 12 month rolling adjusted EBITDA excluding major changes in the composition of the Group (acquisitions and disposals). Free Cash Flow (FCF) 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 and adjusted for repayments of lease liabilities.

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 ir.kpn.com.

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. A number of these factors are described (not exhaustively) in the Integrated Annual Report 2018. All forward-looking statements and ambitions stated in this financial report that refer to a growth or decline, refer to such growth or decline relative to the situation per 31 December 2018, unless stated otherwise.

Comparative figures regarding IFRS 16 and amendment IAS12

The impact of the adoption of IFRS 16 is unaudited and may be subject to change until the publication of KPN’s Financial Statements 2019.
Highlights Q3 2019

Strong cost management

Net indirect opex savings

€ 37m

€ 103m YTD 2019

Smart converged infrastructure

Successful

5G test

~70k

FttH homes passed YTD

Recognized for sustainability efforts

#2

most sustainable telco worldwide

Dow Jones Sustainability Index
The best converged smart infrastructure.

Focus on profitable growth segments.

Acceleration of simplification and digitalization.
Update: accelerated fiber roll-out strategy

Further ramping up capacity

>60 projects up and running

Connecting more and more homes

~70k homes passed YTD

Using latest technology

~1Gbps
First live G-PON connection with customers
# Update: mobile network modernization
first sites upgraded in The Hague area

<table>
<thead>
<tr>
<th>Typical current site</th>
<th>Typical modernized site</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 frequency bands</td>
<td>6-8 frequency bands</td>
</tr>
<tr>
<td>2x2 MIMO</td>
<td>4x4 or higher order MIMO</td>
</tr>
<tr>
<td>1Gbps backhaul</td>
<td>10Gbps backhaul</td>
</tr>
<tr>
<td>2 antennas</td>
<td>1 antenna</td>
</tr>
<tr>
<td>Not 5G ready</td>
<td>5G ready</td>
</tr>
<tr>
<td>~150 site configurations</td>
<td>3 site configurations</td>
</tr>
<tr>
<td>~80% FttS</td>
<td>~95% FttS</td>
</tr>
</tbody>
</table>
Best household access and customer experience.

Growing converged base and product penetration.

Focus on delivering value.
Introduced a new converged proposition: KPN Hussel targeting higher Customer Lifetime Value

Fully flexible household proposition: complete freedom to mix & match services

One converged customer journey

Introducing new benefits including unlimited mobile data and kids SIM

ONE-STOP-SHOP: BROADBAND + MOBILE + TV + ENTERTAINMENT
Customer experience & recognition
record-high Consumer NPS

Consumer NPS¹

Q3 2019: 18
Q3 2018: 17

Business NPS¹

Q3 2019: -1
Q3 2018: -2

Awards

Strongest
Dutch brand²

Best
retail chain³

1. 2018 restated as a result of recalibration of relative weights of underlying businesses; source: Kantar TNS
2. Source: Brand Finance
3. Category Telecoms; source: Retailer of the Year (O&A)
Consumer convergence in the quarter

Households

+5k converged households
1,404k total converged households

49% converged broadband customers
Q3 2018: 45%

Postpaid

+15k converged postpaid base
2,246k total converged SIMs

62% converged all brands
Q3 2018: 56%

73% converged KPN brand
Q3 2018: 68%

SIM cards

1.60 SIMs per household
Q3 2018: 1.53
Consumer Fixed in the quarter

**Broadband base**

-17k
Impact by brand strategy

**Fixed ARPU**

€ 48 +5.4% y-on-y
Price increase effective from 1 June 2019

**Fixed revenues**

Flat y-on-y
Bundled services ↑
Traditional voice + Digitenne ↓

---

1. Corrected for migrations to and new customers of small business propositions (7k)
Consumer Mobile in the quarter

Growing postpaid base KPN brand

+36k net adds KPN brand
Q2 2019: +17k

-3k customer base all brands

Postpaid ARPU stable q-on-q

€ 17
Q3 2018: € 18

-6.3% y-on-y

Mobile service revenues

€ 194m
Q3 2018: € 210m

-7.6% y-on-y
Business revenue trend in the quarter continues to be impacted by strategic actions

Adjusted revenues y-on-y growth trend

<table>
<thead>
<tr>
<th></th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication Services</strong></td>
<td>-8.9%</td>
</tr>
<tr>
<td>Mobile service revenues</td>
<td>-7.7%</td>
</tr>
<tr>
<td>IoT</td>
<td>24%</td>
</tr>
<tr>
<td>Broadband &amp; Network Services</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Fixed Voice</td>
<td>-21%</td>
</tr>
<tr>
<td>Other</td>
<td>-17%</td>
</tr>
<tr>
<td><strong>IT Services</strong> (a.o. security, cloud, workspace)</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>Professional Services &amp; Consultancy</strong></td>
<td>9.3%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>-3.6%</td>
</tr>
</tbody>
</table>

Revenue y-on-y trend Q3 2019 considerably impacted by migrations & ‘value over volume’

1 Based on management estimates
Migrations from legacy portfolio

SME customers

68% SME base migrated¹
Q2 2019: 59%

100% mid-2020

LE customers

45% LE base migrated¹
Q2 2019: 33%

100% in 2020

Small business portfolio

35% converged customers
Q2 2019: 34%

+7k net adds in Q3 2019

1 Migrated from traditional fixed voice and legacy broadband services
Financial highlights Q3 2019

Adjusted revenues
€ 1,372m
-1.8% y-on-y
Q3 2018: € 1,398m

Adjusted EBITDA after leases
€ 599m
+2.9% y-on-y
Q3 2018: € 582m

Free Cash Flow (excl. TEFD dividend)
€ 226m
-2.2% y-on-y
Q3 2018: € 231m
# Financial performance Q3 and YTD 2019

## Key P&L metrics

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
<th>Δ y-on-y</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>Δ y-on-y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>748</td>
<td>731</td>
<td>-2.2%</td>
<td>2,230</td>
<td>2,182</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Business</td>
<td>520</td>
<td>502</td>
<td>-3.6%</td>
<td>1,589</td>
<td>1,514</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>157</td>
<td>166</td>
<td>5.2%</td>
<td>465</td>
<td>482</td>
<td>3.6%</td>
</tr>
<tr>
<td>Other</td>
<td>-28</td>
<td>-26</td>
<td>-4.6%</td>
<td>-81</td>
<td>-85</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Adjusted revenues</strong>¹</td>
<td>1,398</td>
<td>1,372</td>
<td>-1.8%</td>
<td>4,202</td>
<td>4,093</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Adjusted direct costs¹</td>
<td>330</td>
<td>328</td>
<td>-0.7%</td>
<td>978</td>
<td>939</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Adjusted indirect costs after leases¹</td>
<td>486</td>
<td>446</td>
<td>-8.3%</td>
<td>1,505</td>
<td>1,398</td>
<td>-7.1%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA after leases</strong>¹</td>
<td>582</td>
<td>599</td>
<td>2.9%</td>
<td>1,720</td>
<td>1,756</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

**Reported**

- EBITDA: 588 - 808 - 37\%
- EBIT: 202 - 429 - >100\%
- Net profit: 94 - 314 - >100\%

1. Adjusted for the impact of restructuring costs and incidentals
Adjusted revenues declined y-on-y

-1.8%

€ m

1,398 17 19 8 1 1,372

Adj. revenues Q3 2018 Consumer Business Wholesale Other (incl. eliminations) Adj. revenues Q3 2019
Solid growth Adjusted EBITDA AL supported by simplification and digitalization

€m

582

-26

2

28

11

1

599

Adj. EBITDA after leases Q3 2018
Revenues
Cost of goods & services
Personnel expenses
IT/TI
Other operating expenses\(^1\)
Adj. EBITDA after leases Q3 2019

\(^1\) Incl. lease-related expenses
Indirect opex savings program on track

€ 103m net savings YTD

~€ 350m target 2019 – 2021
FCF Q3 and YTD 2019

YTD mainly impacted by change in working capital

<table>
<thead>
<tr>
<th>€ m</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
<th>Δ y-on-y</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>Δ y-on-y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA after leases</td>
<td>582</td>
<td>599</td>
<td>2.9%</td>
<td>1,720</td>
<td>1,756</td>
<td>2.1%</td>
</tr>
<tr>
<td>Interest lease liabilities</td>
<td>8</td>
<td>7</td>
<td>-11%</td>
<td>25</td>
<td>22</td>
<td>-12%</td>
</tr>
<tr>
<td>Depreciation right-of-use asset</td>
<td>37</td>
<td>34</td>
<td>-7.6%</td>
<td>111</td>
<td>104</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-39</td>
<td>-23</td>
<td>-42%</td>
<td>-74</td>
<td>-93</td>
<td>25%</td>
</tr>
<tr>
<td>Incidentally</td>
<td>-</td>
<td>190</td>
<td>n.m.</td>
<td>-</td>
<td>190</td>
<td>n.m.</td>
</tr>
<tr>
<td>EBITDA</td>
<td>588</td>
<td>808</td>
<td>37%</td>
<td>1,782</td>
<td>1,980</td>
<td>11%</td>
</tr>
<tr>
<td>Interest paid / received</td>
<td>-85</td>
<td>-97</td>
<td>14%</td>
<td>-262</td>
<td>-265</td>
<td>1.3%</td>
</tr>
<tr>
<td>Tax paid / received</td>
<td>-</td>
<td>-</td>
<td>n.m.</td>
<td>-25</td>
<td>-7</td>
<td>-71%</td>
</tr>
<tr>
<td>Change in provisions</td>
<td>27</td>
<td>-36</td>
<td>n.m.</td>
<td>36</td>
<td>-32</td>
<td>n.m.</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-16</td>
<td>8</td>
<td>n.m.</td>
<td>-98</td>
<td>-157</td>
<td>60%</td>
</tr>
<tr>
<td>Other movements (incl. TEFD dividend)</td>
<td>1</td>
<td>-170</td>
<td>n.m.</td>
<td>44</td>
<td>-146</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net CF from operating activities</td>
<td>515</td>
<td>513</td>
<td>-0.3%</td>
<td>1,477</td>
<td>1,372</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Capex</td>
<td>-257</td>
<td>-262</td>
<td>2.2%</td>
<td>-737</td>
<td>-793</td>
<td>7.6%</td>
</tr>
<tr>
<td>Proceeds from real estate</td>
<td>-</td>
<td>-</td>
<td>n.m.</td>
<td>5</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>Repayments of lease liabilities</td>
<td>-27</td>
<td>-25</td>
<td>-7.2%</td>
<td>-116</td>
<td>-114</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>231</td>
<td>226</td>
<td>-2.2%</td>
<td>628</td>
<td>466</td>
<td>-26%</td>
</tr>
<tr>
<td>TEFD dividend</td>
<td>-</td>
<td>-</td>
<td>n.m.</td>
<td>54</td>
<td>24</td>
<td>-56%</td>
</tr>
<tr>
<td>Free cash flow (excl. TEFD dividend)</td>
<td>231</td>
<td>226</td>
<td>-2.2%</td>
<td>574</td>
<td>442</td>
<td>-23%</td>
</tr>
</tbody>
</table>

1. Q3 2019 and YTD 2019 incl. € 171m book profit from the sale of NLDC
2. Q3 2019 and YTD 2019 incl. € 20m release of revenue related provisions
FCF development YTD 2019

€ m

YEAR TO DATE 2019

-€132m y-on-y

YTD 2018: €574m

Adj EBITDA AL YTD 2019
Lease-related expenses
Restructuring & incidentals
EBITDA YTD 2019
Change in provisions
Change in working capital
Interest paid
Taxes paid
Capex
Other
FCF (excl. TEFD dividend) YTD 2019

1 Incl. €171m book profit from the sale of NLDC in Q3 2019
2 Incl. €20m release of revenue related provisions in Q3 2019
3 Incl. repayments of lease liabilities
Solid financial position

Q3 2019 leverage ratio
2.3x
Q2 2019: 2.4x
### Outlook 2019 and 2019 – 2021 ambitions

**organic sustainable growth**

<table>
<thead>
<tr>
<th></th>
<th><strong>Outlook 2019</strong></th>
<th><strong>2019 – 2021 ambitions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBITDA AL</strong></td>
<td>Slightly growing compared with 2018</td>
<td>Organic growth</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>€ 1.1bn</td>
<td>Stable at € 1.1bn annually</td>
</tr>
<tr>
<td><strong>FCF</strong> (excl. TEFD dividend)</td>
<td>At least € 700m(^1)</td>
<td>Three-year mid-single digit CAGR(^2) driven by EBITDA AL growth</td>
</tr>
<tr>
<td><strong>Regular DPS</strong></td>
<td>€ 12.5 cents</td>
<td>Progressive dividend, supported by FCF</td>
</tr>
</tbody>
</table>

---

\(^1\) Previous outlook “Incidentally lower FCF compared with 2018 due to front-end loaded restructuring charges and adverse phasing of working capital”

\(^2\) Three-year CAGR calculated from the end of 2018 to the end of 2021
Value over volume.
Lean operating model.
INFORMATION PACK

CSR
New converged proposition
Tax
KPI overview
Debt portfolio
Treatment of hybrid bonds
Fixed infrastructure
Spectrum
Doing business in a sustainable manner

Leading position in benchmarks

MEMBER OF

Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Member of

EURONEXT
vigeo eiris

Reputation ranking
#1 Dutch companies
RepTrak Pulse 2019

Achievements in Q3 2019

Reuse & recycle
KPN introduces improved and more economical TV receiver with recycled plastic

Awards
KPN again in top 3 most sustainable telecom companies in the world (DJSI)

76 New KlasseContact placements in Q3 2019

1. Industry adjusted, source: Reputation institute
## New converged proposition set-up

### FMC benefits on Mobile and/or Entertainment

<table>
<thead>
<tr>
<th>Broadband</th>
<th>Mobile</th>
<th>TV</th>
<th>Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed</td>
<td>Data</td>
<td>Options</td>
<td>e.g.</td>
</tr>
<tr>
<td></td>
<td>€ / month</td>
<td>€ / month</td>
<td></td>
</tr>
<tr>
<td>50 Mbps</td>
<td>1GB</td>
<td>7.50</td>
<td>1 STB</td>
</tr>
<tr>
<td></td>
<td>0GB</td>
<td>10</td>
<td>4K</td>
</tr>
<tr>
<td>100 Mbps</td>
<td>2GB</td>
<td>15</td>
<td>Recording</td>
</tr>
<tr>
<td>200 Mbps</td>
<td>5GB</td>
<td>17.50</td>
<td>&gt;1 STB</td>
</tr>
<tr>
<td>500 Mbps</td>
<td>10GB</td>
<td>22.50</td>
<td>5 each, incl recording</td>
</tr>
<tr>
<td>Tech desk</td>
<td>20GB</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unlimited</td>
<td>36</td>
<td></td>
</tr>
</tbody>
</table>

1. Internet-only pricing; expert customer service desk available + € 5/m
2. Kid SIM and Unlimited only available as converged customer; pricing incl. convergence discount (€ 5/m on bundles of 0-10GB, € 7.50/m on 20GB); double mobile data FMC benefit removed
3. Inc. 65 channels, replay, on-demand options, Fox 1
4. Free TV channels FMC benefit removed
## Example new propositions: KPN Hussel

<table>
<thead>
<tr>
<th>Singles (example)</th>
<th>Couples (example)</th>
<th>Family (example)</th>
<th>SoHo (example)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>Mobile</td>
<td>Mobile</td>
<td>Mobile</td>
</tr>
<tr>
<td>Broadband</td>
<td>Broadband</td>
<td>Broadband</td>
<td>4x Unlimited</td>
</tr>
<tr>
<td>TV</td>
<td>TV</td>
<td>TV</td>
<td>100Mbps</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Entertainment</td>
<td>Entertainment</td>
<td>2x STB</td>
</tr>
<tr>
<td>10GB</td>
<td>10GB+5GB</td>
<td>10GB+5GB+2x kids</td>
<td>100Mbps</td>
</tr>
<tr>
<td>50Mbps</td>
<td>100Mbps</td>
<td>200Mbps</td>
<td>2x STB</td>
</tr>
<tr>
<td>1x STB</td>
<td>2x STB</td>
<td>3x STB+4K Netflix+ Fox Sports</td>
<td>VoIP</td>
</tr>
<tr>
<td>Spotify</td>
<td>Netflix</td>
<td></td>
<td>24/7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Business</td>
</tr>
<tr>
<td><strong>€ 79</strong></td>
<td><strong>€ 105.5</strong></td>
<td><strong>€ 144.5</strong></td>
<td><strong>€ 192 excl. VAT</strong></td>
</tr>
</tbody>
</table>

vs. € 815 for previous proposition

vs. € 105.5 for previous proposition

vs. € 136.5 for previous proposition

vs. € 187 for previous proposition

1. Previous proposition includes mobile 10GB+4GB
2. Previous proposition includes mobile 10GB+4GB+2x 0GB+100min/text
3. Previous proposition includes mobile 4x100GB
## Tax Q3 and YTD 2019

<table>
<thead>
<tr>
<th>Regions (€ m)</th>
<th>P&amp;L</th>
<th>Cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Netherlands</td>
<td>-23</td>
<td>-42</td>
</tr>
<tr>
<td>Other</td>
<td>-3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total reported tax</strong></td>
<td>-26</td>
<td>-42</td>
</tr>
<tr>
<td>Of which discontinued operations</td>
<td>-3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Reported tax from continuing operations</strong></td>
<td>-23</td>
<td>42</td>
</tr>
<tr>
<td>Effective tax rate continuing operations</td>
<td>20.2%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

The effective tax rate for Q3 2019 was mainly influenced by the participation exemption and the Innovation Box facility.

Without one-off effects the effective tax rate would have been ~23% in Q3 2019.

For 2019, the effective tax rate is expected to be ~23% excluding one-off effects.

---

1. Among others, tax law changes, settlements with tax authorities, impairments, revaluations.
## KPI overview

### Consumer fixed

<table>
<thead>
<tr>
<th>Household base (k)</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-M households</td>
<td>1,325</td>
<td>1,404</td>
</tr>
<tr>
<td>Fixed-only households</td>
<td>2,139</td>
<td>1,877</td>
</tr>
</tbody>
</table>


### Consumer mobile

<table>
<thead>
<tr>
<th>Postpaid base (k)</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-M postpaid customers</td>
<td>2,032</td>
<td>2,246</td>
</tr>
<tr>
<td>Mobile-only postpaid customers</td>
<td>1,598</td>
<td>1,357</td>
</tr>
</tbody>
</table>


### Net adds (k)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postpaid</td>
<td>-14</td>
<td>-3</td>
</tr>
<tr>
<td>Prepaid</td>
<td>-39</td>
<td>-48</td>
</tr>
<tr>
<td>Postpaid ARPU (€)</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Wireless service revenues (€ m)</td>
<td>210</td>
<td>194</td>
</tr>
</tbody>
</table>

### Business

<table>
<thead>
<tr>
<th>Customer base (k)</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>1,863</td>
<td>1,819</td>
</tr>
<tr>
<td>Traditional Fixed voice</td>
<td>310</td>
<td>193</td>
</tr>
<tr>
<td>VoIP</td>
<td>532</td>
<td>606</td>
</tr>
<tr>
<td>Broadband</td>
<td>287</td>
<td>315</td>
</tr>
</tbody>
</table>

### ARPU (£)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Traditional Fixed voice</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>VoIP</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Broadband</td>
<td>73</td>
<td>69</td>
</tr>
</tbody>
</table>
Debt portfolio

Nominal debt\(^1\) by type

- Eurobonds: 74%
- Global bonds: 14%
- Hybrid bonds: 11%
- Other: 1%

Total: €6.5bn

Nominal debt by currency

- EUR: 52%
- USD\(^2\): 29%
- GBP\(^3\): 19%

Fixed vs. floating interest\(^3\)

- Fixed: 81%
- Floating: 19%

Bond redemption profile

- '19: 0.9bn
- '20: 0.6bn
- '21: 0.6bn
- '22: 0.5bn
- '23: 0.4bn
- '24: 0.6bn
- '25: 0.6bn
- '26: 1.0bn
- '27: 0.8bn
- '28: 0.1bn

\(^1\) Based on the nominal value of interest-bearing liabilities after swap to EUR, including 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**

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

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Nominal</th>
<th>KPN net debt</th>
<th>Maturity</th>
<th>Rates (swapped)</th>
<th>IFRS principal</th>
<th>IFRS coupon</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBP 0.4bn 6.875%</td>
<td>€ 460m</td>
<td>€ 230m</td>
<td>60 years (1st-call Mar-2020)</td>
<td>6.777%</td>
<td>Liability</td>
<td>Interest paid (incl. in FCF)</td>
</tr>
<tr>
<td>USD 0.6bn 7.000%</td>
<td>€ 465m</td>
<td>€ 233m</td>
<td>60 years (1st-call Mar-2023)</td>
<td>6.344%</td>
<td>Liability</td>
<td>Interest paid (incl. in FCF)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€ 925m</strong></td>
<td><strong>€ 463m</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 USD tranche has semi-annual coupon payments (March / September); GBP tranche has annual coupon payments in March
Fixed infrastructure

- CO → VDSL2 → ~50Mbps
- CO → VDSL2 pair bonding → ~100Mbps
- SC → Vectoring → ~120Mbps
- SC → Bonded vectoring → ~240Mbps
- SC → Bonded VPlus → ~400Mbps
- PoP → FttH – P2P → ~1Gbps
- CO → Passive split → FttH – G-PON → ~1Gbps
- CO → Passive split → FttH – XGS-PON → Up to 10Gbps

Fiber | Copper
## Spectrum in the Netherlands

<table>
<thead>
<tr>
<th>Frequency (GHz)</th>
<th>T-Mobile (Paired)</th>
<th>Vodafone (Paired)</th>
<th>KPN (Paired)</th>
<th>T-Mobile (Unpaired)</th>
</tr>
</thead>
<tbody>
<tr>
<td>800MHz</td>
<td>2*10</td>
<td>2*10</td>
<td>2*10</td>
<td></td>
</tr>
<tr>
<td>900MHz</td>
<td>2*10</td>
<td>2*10</td>
<td>2*15</td>
<td></td>
</tr>
<tr>
<td>1.8GHz</td>
<td></td>
<td>2*20</td>
<td>2*20</td>
<td>2*30</td>
</tr>
<tr>
<td>2.1GHz</td>
<td>2*14.6</td>
<td>2*14.8</td>
<td>2*10</td>
<td>2*5</td>
</tr>
<tr>
<td>2.6GHz</td>
<td>25</td>
<td>2*14.8</td>
<td>2*5</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>169.6MHz</td>
<td>179.2MHz</td>
<td>230MHz</td>
<td></td>
</tr>
</tbody>
</table>

- **T-Mobile including Tele2**

**Total Spectrum:** 578.8MHz