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, incidelands 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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1 Highlights
   Eelco Blok

2 Operational and financial performance
   Jan Kees de Jager

3 Outlook and concluding remarks
   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

---

1. End Q1 ’15 vs. end Q4 ’13
Differentiating through innovative products
Leading IPTV product supported by continuous innovation

Strong innovation roadmap...

TV Everywhere

2016

Live TV Pausing

2015

Play. by KPN

2014

Start-over TV

Continued increase IPTV NPS¹

Q1 ’14
+3
Q1 ’15
+10

Growing TV market share²

Q1 ’14
26%
Q1 ’15
27%

Play. by KPN: addressing shift to on demand consumption

Unique OTT TV service

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

<table>
<thead>
<tr>
<th></th>
<th>Q1 ’14</th>
<th>Q1 ’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G</td>
<td>~260</td>
<td>~310</td>
</tr>
<tr>
<td>4G</td>
<td>~660</td>
<td>~1,040</td>
</tr>
</tbody>
</table>

Average Data Per User (MB)\(^1\)

...leading to increased upsell

<table>
<thead>
<tr>
<th></th>
<th>Feb - Mar’14</th>
<th>Feb - Mar’15</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of sales data bundles &gt;1GB(^2)</td>
<td>~20%</td>
<td>~40%</td>
</tr>
</tbody>
</table>

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

NPS Consumer Residential
- Q1 ’14: -4
- Q1 ’15: 4
- Improvement: +8

NPS Consumer Mobile
- Q1 ’14: -5
- Q1 ’15: 3
- Improvement: +8

NPS Business
- Q1 ’14: -19
- Q1 ’15: -11
- Improvement: +8

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...

...driving coverage of 100Mbps

Percentage of households FttH / FttC

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q1 '15</th>
<th>end 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>FttH</td>
<td>22%</td>
<td>27%</td>
<td>~80%</td>
</tr>
<tr>
<td>FttC</td>
<td>45%</td>
<td>55%</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of households 100Mbps

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q1 '15</th>
<th>end 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23%</td>
<td>57%</td>
<td>~85%</td>
</tr>
</tbody>
</table>
Expanding superior 4G network
Leverage full spectrum portfolio to further increase available speeds

Best national 4G coverage in Europe

Increasing capacity and speed

Triple carrier aggregation

Fully modernized backhaul

Most time spent on LTE in Europe

Orange (FRA) 54%
Telefonica (ESP) 60%
Telenor (NO) 64%
DT (NL) 67%
Swisscom (SUI) 70%
TeliaSonera (SE) 73%
KPN (NL) 79%
Vodafone (NL) 80%
Telefónica España (ESP) 85%
Orange (FRA) 90%

Up to 297Mbps download speed achieved in live network

Q1 '14 Q1 '15

Modernized microwaves 23% 75%
Fiber-to-the-Site 63% 75%

1 OpenSignal: The state of LTE (March 2015)
Building efficient and lean operating model
Structurally lower spend through Simplification program

**Simplification program on track**
- **Run-rate savings**
  - End 2013: ~€ 170m
  - End Q1 ’15: ~€ 170m
  - End 2016: >€ 400m
- **FTE reductions**
  - End 2013: ~950
  - End Q1 ’15: ~950
  - End 2016: 2,000-2,500

**Rebranding Hi to KPN**
- **Marketing cost reduction**
  - FY ’14: ~10%
  - FY ’16: ~10%
- **Reduction # of shops**
  - FY ’14: ~20%
  - FY ’16: ~20%

---
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

Transformation

- Standardized portfolio
- Bundled customer propositions
- Simplified organization

Actions

- Portfolio reduction\(^1\)  
  \(-30\%\)
- Process simplification
- FTE Reduction\(^1\)  
  \(-700\)

Targets

- Improve customer satisfaction (NPS)
- Improve First Time Right
- Improve profitability

\(^1\) End Q1 ’15 vs. end Q4 ’13
Attractive consideration for BASE Company

Commitment to create shareholder value

---

### Attractive valuation

- **SOTP value**: €1,047m
- **Transaction value**: €1,325m
- **Transaction multiple**: 8.9x
- **Trading multiple KPN**: 7.2x

### Successful Challenger strategy led to strong market position

- **Customer base**: ~21%
- **Market share**: 3.3m

---

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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1  Highlights
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   Eelco Blok
Continued base growth in Consumer Residential

Increasing revenues per household through upsell strategy

**Successful upsell strategy**
- Broadband net adds: 35k (Q1 '14), 62k (Q1 '15)
- IPTV net adds: 77k (Q1 '15)
- IPTV net adds: 62k (Q1 '14)

**Increasing triple play penetration**
- Triple play penetration: 46% (Q1 '14), 52% (Q1 '15)

**Increasing ARPU per customer**
- ARPU: €42 (Q1 '14), €44 (Q1 '15)

1. ARPU per customer figures have been restated
Strong competitive position in Dutch mobile market

Base growth driving improving service revenue trend Consumer Mobile

Strong retail postpaid net adds

- 59k net adds
- 46% growth

Retail postpaid net adds

- 26k net adds
- 20% growth

4G penetration

Derisked ARPU profile

- Q1 '14: €28
- Q1 '15: €26

% committed ARPU

- Q1 '14: 78%
- Q1 '15: 83%

Retail postpaid ARPU

Improving service revenue trend

- Service revenue growth y-on-y: -3.5%

- Q1 '14: -15%

Q1 '14 Q1 '15
Good multi-play growth in Consumer
Successful take-up driving customer loyalty and reducing churn

Number of households with fixed-mobile bundle rising

Q1 '14: 235k (9%)
Q1 '15: 539k (19%)

Mobile customers in fixed-mobile bundle continues to increase

Q1 '14: 323k (10%)
Q1 '15: 792k (24%)
Challenging environment in Business
Focus on growing multi play

### Challenging environment

**Wireless**
- **Net adds**: 61k
- **ARPU**: €39 (Q1 '14) - €34 (Q1 '15)
- **Subscribers**: 20k

**Wireline**
- **Line loss**: -34k, -60k
- **ARPU**: €53 (Q1 '14) - €52 (Q1 '15)

### Multi play growth

**Growth**
- **Seats**: 370k
- **ARPU**: €39 (Q1 '14) - €34 (Q1 '15)
- **Mobile customers in multi play as % of mobile customer base**: 8% (Q1 '14) - 17% (Q1 '15)

### Notes
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

Service revenue trend improving

-6.2%
-2.0%

Service revenue growth y-on-y

Q1 '14 Q1 '15

Lower customer intake due to competitive market

28k
-3k

Postpaid net adds

Q1 '14 Q1 '15

Adjusted EBITDA margin impacted by competitive environment

23.2%
-2.0%

Q1 '14 Q1 '15

22.5%
15.4%

Data usage growth continuing

~200
~370

Q1 '14 Q1 '15

Average Data Per User, Postpaid (MB)

1 Excluding € 12m site tax expense related to Q2-Q4 '15 period
Improvement financial results¹...
...driven by strong operational performance

<table>
<thead>
<tr>
<th>€m</th>
<th>Q1 ’15</th>
<th>Q1 ’14</th>
<th>y-on-y %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted revenues</td>
<td>1,919</td>
<td>1,989</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>622</td>
<td>621</td>
<td>0.2%</td>
</tr>
<tr>
<td>Net profit</td>
<td>15</td>
<td>3</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Capex</td>
<td>357</td>
<td>337</td>
<td>5.9%</td>
</tr>
<tr>
<td>FCF</td>
<td>34</td>
<td>-292</td>
<td>n.m.</td>
</tr>
</tbody>
</table>

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

Adjusted revenues declined by 3.5% vs -7.7% in Q1 '14

The Netherlands (€ -54m)
Continued improvement in EBITDA trend
Revenue decline offset by positive impact cost savings

Adjusted EBITDA margins
The Netherlands 37.0% 38.9%
Belgium 23.2% 22.5%
iBasis 15.4% 2.2%

y-on-y adjusted EBITDA growth
Q1 '14 -21% Q2 '14 -19% Q3 '14 -15% Q4 '14 -9.4% Q1 '15 0.2%

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

€ m

Adj. EBITDA Q1 ‘14
Consumer Residential
Consumer Mobile
Business
NetCo & Other NL
Belgium
iBasis
Other
621
1
6
19
21
12
15
The Netherlands (€ +9m)

Adj. EBITDA Q1 ‘15
622
0
7

Additional site tax expense

€m
Simplification to drive down Capex The Netherlands
Capex The Netherlands including Reggefiber lower y-on-y

Capex The Netherlands incl. Reggefiber

€ m

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>353</td>
<td>332</td>
</tr>
<tr>
<td>Customer driven</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Converged network</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>Mobile network</td>
<td>31</td>
<td>38</td>
</tr>
<tr>
<td>Fixed network</td>
<td>182</td>
<td>169</td>
</tr>
</tbody>
</table>

Capex-to-sales ratio improving

- Q1 '10: 30%
- Q1 '11: 25%
- Q1 '12: 22%
- Q1 '13: 21.6%
- Q1 '14: 21.6%
- Q1 '15: 21.6%

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

Lower net debt y-on-y

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ bn</td>
<td>12.4</td>
<td>10.4</td>
<td>9.6</td>
</tr>
</tbody>
</table>

- **Gross debt**:
  - Q1 '14: 2.7x
  - Q4 '14: 2.8x
  - Q1 '15: 2.8x

- **Net debt**:
  - Q1 '14: 9.6
  - Q4 '14: 7.3
  - Q1 '15: 7.3

- **Net cash**:
  - Q1 '14: xx
  - Q4 '14: xx
  - Q1 '15: xx

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)
<table>
<thead>
<tr>
<th></th>
<th>Highlights</th>
<th>Jan Kees de Jager</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Highlights</strong></td>
<td>Eelco Blok</td>
</tr>
<tr>
<td>2</td>
<td><strong>Operational and financial performance</strong></td>
<td>Jan Kees de Jager</td>
</tr>
<tr>
<td>3</td>
<td><strong>Outlook and concluding remarks</strong></td>
<td>Eelco Blok</td>
</tr>
</tbody>
</table>
### 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)
Q1 2015 - Information Pack

For further information please contact

KPN Investor Relations
+31 70 44 60986
ir@kpn.com
www.kpn.com/ir
1 KPN ADR program
2 Group results analysis
3 Group KPI overview
4 Debt overview
5 Regulation & Spectrum
6 Fixed infrastructure
7 Telefónica Deutschland stake
**KPN ADR program**

KPN has a sponsored Level 1 ADR program

<table>
<thead>
<tr>
<th>ADR program</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomberg ticker</td>
<td>KKPNY</td>
</tr>
<tr>
<td>Trading platform</td>
<td>Over-the-counter (OTC)</td>
</tr>
<tr>
<td>CUSIP</td>
<td>780641205</td>
</tr>
<tr>
<td>Ratio</td>
<td>1 ADR : 1 Ordinary Share</td>
</tr>
<tr>
<td>Depositary bank</td>
<td>Deutsche Bank Trust Company Americas</td>
</tr>
<tr>
<td>Depositary bank contact</td>
<td>Begonia Roberts</td>
</tr>
<tr>
<td>ADR broker helpline</td>
<td>+1 212 250 9100 (New York) +44 207 547 6500 (London)</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:adr@db.com">adr@db.com</a></td>
</tr>
<tr>
<td>ADR website</td>
<td><a href="http://www.adr.db.com">www.adr.db.com</a></td>
</tr>
<tr>
<td>Depositary bank’s local custodian</td>
<td>Deutsche Bank, Amsterdam</td>
</tr>
</tbody>
</table>
Contents

1 KPN ADR program
2 Group results analysis
3 Group KPI overview
4 Debt overview
5 Regulation & Spectrum
6 Fixed infrastructure
7 Telefónica Deutschland stake
# Group results Q1 ’15

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

1 Continuing operations, unless stated otherwise. BASE Company will be classified as discontinued operation as of Q2 ’15
### Group cash flow Q1 ’15

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

<sup>1</sup> Continuing operations, unless stated otherwise. BASE Company will be classified as discontinued operation as of Q2 ’15

<sup>2</sup> Excluding changes in deferred taxes
Financials by segment

**Consumer Residential**
- €m
  - Q1 '14: 483, 100
  - Q4 '14: 480, 97
  - Q1 '15: 483, 101

**Consumer Mobile**
- €m
  - Q1 '14: 347, 55
  - Q4 '14: 352, 39
  - Q1 '15: 344, 61

**Business**
- €m
  - Q1 '14: 730, 146
  - Q4 '14: 747, 149
  - Q1 '15: 680, 127

**NetCo**
- €m
  - Q1 '14: 562, 297
  - Q4 '14: 566, 322
  - Q1 '15: 547, 314

Legend:
- Gray: Adjusted revenues
- Light gray: Adjusted EBITDA
- Green: Adjusted EBITDA margin
Financials by segment (cont’d)

**iBasis**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted Revenues (€m)</th>
<th>Adjusted EBITDA (€m)</th>
<th>Adjusted EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 ’14</td>
<td>226</td>
<td>5</td>
<td>2.2%</td>
</tr>
<tr>
<td>Q4 ’14</td>
<td>248</td>
<td>6</td>
<td>2.4%</td>
</tr>
<tr>
<td>Q1 ’15</td>
<td>227</td>
<td>5</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

**Belgium**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted Revenues (€m)</th>
<th>Adjusted EBITDA (€m)</th>
<th>Adjusted EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 ’14</td>
<td>177</td>
<td>41</td>
<td>23.2%</td>
</tr>
<tr>
<td>Q4 ’14</td>
<td>178</td>
<td>38</td>
<td>21.3%</td>
</tr>
<tr>
<td>Q1 ’15</td>
<td>169</td>
<td>26</td>
<td>15.4%¹</td>
</tr>
</tbody>
</table>

¹ Including € 12m site tax expense related to Q2-Q4 ’15 period
Analysis of adjusted results
Impact incidentals and restructuring costs on revenues & EBITDA

<table>
<thead>
<tr>
<th>Revenues (€ m)</th>
<th>Q1 '15</th>
<th>Q1 '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment contract revenues NetCo</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>KPN Group</td>
<td>-</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA (€ m)</th>
<th>Q1 '15</th>
<th>Q1 '14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring costs Group</td>
<td>-19</td>
<td>-4</td>
</tr>
<tr>
<td>Adjustment contract revenues NetCo</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>KPN Group</td>
<td>-19</td>
<td>3</td>
</tr>
</tbody>
</table>
### Restructuring costs

<table>
<thead>
<tr>
<th>(€ m)</th>
<th>Q1 ’15</th>
<th>Q1 ’14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Mobile</td>
<td>-3</td>
<td>-</td>
</tr>
<tr>
<td>Consumer Residential</td>
<td>-1</td>
<td>-3</td>
</tr>
<tr>
<td>Business</td>
<td>-7</td>
<td>3</td>
</tr>
<tr>
<td>NetCo</td>
<td>-3</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-1</td>
<td>1</td>
</tr>
<tr>
<td><strong>The Netherlands</strong></td>
<td><strong>-15</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td>iBasis</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Belgium</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other activities</td>
<td>-4</td>
<td>-5</td>
</tr>
<tr>
<td><strong>KPN Group</strong></td>
<td><strong>-19</strong></td>
<td><strong>-4</strong></td>
</tr>
</tbody>
</table>
### Dutch wireless disclosure

<table>
<thead>
<tr>
<th>Service revenues (€ m)</th>
<th>Q1 '15</th>
<th>Q1 '14</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer retail</td>
<td>271</td>
<td>277</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Business(^1,^2)</td>
<td>178</td>
<td>190</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Other(^3)</td>
<td>37</td>
<td>40</td>
<td>-7.5%</td>
</tr>
<tr>
<td><strong>KPN The Netherlands</strong></td>
<td><strong>486</strong></td>
<td><strong>507</strong></td>
<td><strong>-4.1%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SAC/ SRC per subscriber (€)</th>
<th>Q1 '15</th>
<th>Q1 '14</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer retail(^4,^5)</td>
<td>163</td>
<td>182</td>
<td>-10%</td>
</tr>
<tr>
<td>Business</td>
<td>195</td>
<td>214</td>
<td>-8.9%</td>
</tr>
</tbody>
</table>

---

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)

<table>
<thead>
<tr>
<th>Regions</th>
<th>P&amp;L</th>
<th>Cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 ’15</td>
<td>Q1 ’14</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>-10</td>
<td>-14</td>
</tr>
<tr>
<td>Belgium</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-3</td>
</tr>
<tr>
<td><strong>Total reported tax</strong></td>
<td><strong>-7</strong></td>
<td><strong>-16</strong></td>
</tr>
</tbody>
</table>

**Effective tax rate**

<table>
<thead>
<tr>
<th></th>
<th>Q1 ’15</th>
<th>Q1 ’14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.8%</td>
<td>80.3%</td>
</tr>
</tbody>
</table>

- 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
Contents

1 KPN ADR program
2 Group results analysis
3 Group KPI overview
4 Debt overview
5 Regulation & Spectrum
6 Fixed infrastructure
7 Telefónica Deutschland stake
Consumer Residential

---

**Broadband**

- Net adds (k)
- Broadband market share

- Q1 '14: 40%
- Q4 '14: 40%
- Q1 '15: 40%

- 41

- 35

- -7

---

**IPTV**

- Net adds (k)
- TV market share

- Q1 '14: 26%
- Q4 '14: 27%
- Q1 '15: 27%

- 62

- 83

- 77

---

**RGUs and ARPU per customer**

- ARPU per customer (€)
- RGUs per customer

- Q1 '14: 2.09
- Q4 '14: 2.18
- Q1 '15: 2.22

- 42

- 44

---

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

### Postpaid net adds

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>26</td>
<td>57</td>
<td>59</td>
</tr>
<tr>
<td>Wholesale</td>
<td>-20</td>
<td>7</td>
<td>-24</td>
</tr>
</tbody>
</table>

### Retail postpaid ARPU

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>% committed ARPU</td>
<td>~78%</td>
<td>~80%</td>
<td>~83%</td>
</tr>
</tbody>
</table>

### Service revenues

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail (€ m)</td>
<td>314</td>
<td>309</td>
<td>303</td>
</tr>
<tr>
<td>Wholesale (€ m)</td>
<td>277</td>
<td>275</td>
<td>271</td>
</tr>
<tr>
<td>Total market share NL1,2</td>
<td>6%</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Committed ARPU breakdown

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out of bundle</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Above bundle</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Incoming (MTA)</td>
<td>78%</td>
<td>80%</td>
<td>83%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless service revenues</td>
<td>€m</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>190</td>
<td>186</td>
<td>178</td>
</tr>
<tr>
<td>% committed single play ARPU</td>
<td>69%</td>
<td>75%</td>
<td>81%</td>
</tr>
<tr>
<td>Wireless single play ARPU (€)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wireless customers (k)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,694</td>
<td>1,726</td>
<td>1,787</td>
</tr>
<tr>
<td>Wireless service revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Voice & Internet wireline**

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional voice ARPU (€)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access lines (k)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>960</td>
<td>864</td>
<td>804</td>
</tr>
<tr>
<td>Mobile customers in multi play as % of mobile customer base</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Multi play**

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi play seats (k)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>181</td>
<td>301</td>
<td>370</td>
</tr>
<tr>
<td>Mobile customers in multi play as % of mobile customer base</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

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

**Net adds**

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postpaid</td>
<td>28</td>
<td>3</td>
<td>-3</td>
</tr>
<tr>
<td>Prepaid</td>
<td>42</td>
<td>31</td>
<td>3</td>
</tr>
<tr>
<td>Customers (m)</td>
<td>3.4</td>
<td>3.3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

**ARPU**

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postpaid</td>
<td>31</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>Prepaid</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

**Service revenues**

<table>
<thead>
<tr>
<th></th>
<th>Q1 '14</th>
<th>Q4 '14</th>
<th>Q1 '15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postpaid</td>
<td>152</td>
<td>152</td>
<td>149</td>
</tr>
<tr>
<td>Prepaid</td>
<td>~21%</td>
<td>~21%</td>
<td>~21%</td>
</tr>
</tbody>
</table>

Service revenues (€ m) and Service revenue market share.
1. KPN ADR program
2. Group results analysis
3. Group KPI overview
4. Debt overview
5. Regulation & Spectrum
6. Fixed infrastructure
7. Telefónica Deutschland stake
## Debt summary

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

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 debt\(^1\) including hybrid bonds

Breakdown nominal debt\(^1\) (total €10.6bn)

- Hybrid bonds: 19%
- Global bonds: 7%
- Other: 2%
- Eurobonds: 72%

Nominal debt by currency

- EUR: 68%
- GBP\(^2\): 20%
- USD\(^2\): 12%

Bond redemption profile

- Eurobonds:
  - 2015: 1.0
  - 2016: 0.8
  - 2017: 0.8
  - 2018: 1.1
  - 2019: 1.2
  - 2020: 0.9
  - 2021: 0.9
  - 2022: 0.6
  - 2023: 0.5
  - 2024: 0.6
  - 2025: 0.5
  - 2026: 1.0
  - 2027: 0.8

Fixed vs. floating interest

- Fixed: 100%

---

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.

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.

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>Tranch</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>EUR 1.1bn 6.125%</td>
<td>€ 1,100m</td>
<td>€ 550m</td>
<td>Perpetual (non-call 5.5)</td>
<td>6.125%</td>
<td>Equity</td>
<td>Financing cash flow (not incl. in FCF)</td>
</tr>
<tr>
<td>GBP 0.4bn 6.875%</td>
<td>€ 460m</td>
<td>€ 230m</td>
<td>60 years (non-call 7)</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 (non-call 10)</td>
<td>6.344%</td>
<td>Liability</td>
<td>Interest paid (incl. in FCF)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>€ 2,025m</td>
<td>€ 1,013m</td>
<td></td>
<td>6.344%</td>
<td>Liability</td>
<td></td>
</tr>
</tbody>
</table>

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’
Contents

1 KPN ADR program
2 Group results analysis
3 Group KPI overview
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6 Fixed infrastructure
7 Telefónica Deutschland stake
### 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

<table>
<thead>
<tr>
<th>(€ ct / min)</th>
<th>Until 7 July ’10</th>
<th>7 July ’10</th>
<th>Sep ’10</th>
<th>Jan ’11</th>
<th>Sep ’11</th>
<th>Sep ’12</th>
<th>Sep ’13</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTA rate</td>
<td>7.00</td>
<td>5.60</td>
<td>5.60</td>
<td>4.20</td>
<td>2.70</td>
<td>2.40</td>
<td>1.861</td>
</tr>
</tbody>
</table>

#### 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

<table>
<thead>
<tr>
<th>(€ ct / min)</th>
<th>Until Aug ’10</th>
<th>Aug ’10</th>
<th>Jan ’11</th>
<th>Jan ’12</th>
<th>Jan ’13</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTA rate</td>
<td>11.43</td>
<td>5.68</td>
<td>4.76</td>
<td>2.92(^1)</td>
<td>1.08(^1)</td>
</tr>
</tbody>
</table>

\(^1\) 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

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line sharing (LLU)</td>
<td>€ 0.11 per line</td>
</tr>
<tr>
<td>Fully unbundled (LLU)</td>
<td>€ 7.87 per line</td>
</tr>
<tr>
<td>MDF colocation</td>
<td>€ 956.45 footprint per year</td>
</tr>
<tr>
<td>Wholesale Broadband Access (^1)</td>
<td>€ 5.32 per line shared</td>
</tr>
<tr>
<td></td>
<td>€ 13.00 per line non-shared</td>
</tr>
</tbody>
</table>

\(^1\) List prices WBA CM excluding PVC/VLAN tariffs

### Unbundling in network FttC

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line sharing (SLU)</td>
<td>€ 7.03 per line</td>
</tr>
<tr>
<td>Fully unbundled (SLU)</td>
<td>€ 7.03 per line</td>
</tr>
<tr>
<td>SDF colocation</td>
<td>€ 5.64 per unit</td>
</tr>
<tr>
<td></td>
<td>One-off € 516.23 per unit</td>
</tr>
<tr>
<td>Wholesale Broadband Access (^1)</td>
<td>€ 5.32 per line shared</td>
</tr>
<tr>
<td></td>
<td>€ 13.00 per line non-shared</td>
</tr>
</tbody>
</table>

\(^1\) List prices WBA CM excluding PVC/VLAN tariffs

### Unbundling in network FttH

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully unbundled (ODF FttH)</td>
<td>€ 14.36 - € 18.25 per line</td>
</tr>
<tr>
<td>ODF FttH colocation</td>
<td>≤ € 553 per month per Area Pop</td>
</tr>
<tr>
<td></td>
<td>One-off ≤ € 3,318 per Area Pop</td>
</tr>
<tr>
<td>ODF FttH backhaul</td>
<td>≤ € 664 per month</td>
</tr>
<tr>
<td>Wholesale Broadband Access (^2)</td>
<td>€ 26.38 - € 45.00 per line non-shared</td>
</tr>
</tbody>
</table>

\(^1\) List prices WBA CM excluding PVC/VLAN tariffs
\(^2\) List prices WBA CM including PVC/VLAN tariffs
### Spectrum in The Netherlands

#### Current status

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Carrier</th>
<th>Operator 1</th>
<th>Operator 2</th>
<th>Operator 3</th>
<th>Operator 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>800MHz</td>
<td>2*10</td>
<td>Tele2</td>
<td>VOD</td>
<td>KPN</td>
<td></td>
<td>2*30</td>
</tr>
<tr>
<td>900MHz</td>
<td>2*10</td>
<td>VOD</td>
<td>KPN</td>
<td>T-Mob</td>
<td></td>
<td>2*35</td>
</tr>
<tr>
<td>1.8GHz</td>
<td>2*20</td>
<td>KPN</td>
<td>VOD</td>
<td>T-Mob</td>
<td></td>
<td>2*70</td>
</tr>
<tr>
<td>1.9GHz</td>
<td>10</td>
<td>T-Mob</td>
<td>KPN 5</td>
<td>VOD 5.4</td>
<td>T-Mob 14.6</td>
<td>1*35</td>
</tr>
<tr>
<td>2.1GHz</td>
<td>2*14.6</td>
<td>VOD</td>
<td>KPN 2*14.8</td>
<td>T-Mob 2*10</td>
<td>KPN 2*5</td>
<td>2*59.4</td>
</tr>
<tr>
<td>2.6GHz</td>
<td>25</td>
<td>T-Mob</td>
<td>KPN 30</td>
<td>T-Mob 2*20</td>
<td>Tele2 5</td>
<td>1*60</td>
</tr>
<tr>
<td></td>
<td>2*10</td>
<td>VOD</td>
<td>KPN 2*10</td>
<td>T-Mob 2*5</td>
<td>Tele2</td>
<td>2*65</td>
</tr>
</tbody>
</table>
| Total      |        | KPN 174.6MHz| VOD 144.6MHz| T-Mob 189.6MHz| Tele2 65MHz| 613.8MHz
### Spectrum in Belgium

#### Current status

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Bandwidth</th>
<th>BASE</th>
<th>Proximus</th>
<th>Mobistar</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>800MHz</strong></td>
<td>2*30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>900MHz</strong></td>
<td>2*34</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.8GHz</strong></td>
<td>2*70.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2.1GHz</strong></td>
<td>2*44.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2.1GHz</strong></td>
<td>1*15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2.6GHz</strong></td>
<td>1*45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2.6GHz</strong></td>
<td>2*55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**: 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
Contents

1 KPN ADR program
2 Group results analysis
3 Group KPI overview
4 Debt overview
5 Regulation & Spectrum
6 Fixed infrastructure
7 Telefónica Deutschland stake
### Fixed infrastructure

#### Download speed ahead of demand

<table>
<thead>
<tr>
<th>Download speed¹</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;40Mbps</td>
<td>~75%</td>
<td>~85%</td>
<td>~90%</td>
</tr>
<tr>
<td>100Mbps</td>
<td>~50%</td>
<td>~70%</td>
<td>~85%</td>
</tr>
<tr>
<td>200Mbps</td>
<td>~27%</td>
<td>~55%</td>
<td>~70%</td>
</tr>
<tr>
<td>500Mbps</td>
<td>~27%</td>
<td>~30%</td>
<td>~33%</td>
</tr>
</tbody>
</table>

¹ Percentage of households

---

### Next round of upgrades

- **Download speed**
- **Active in network**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;40Mbps</td>
<td>~75%</td>
<td>~85%</td>
<td>~90%</td>
</tr>
<tr>
<td>100Mbps</td>
<td>~50%</td>
<td>~70%</td>
<td>~85%</td>
</tr>
<tr>
<td>200Mbps</td>
<td>~27%</td>
<td>~55%</td>
<td>~70%</td>
</tr>
<tr>
<td>500Mbps</td>
<td>~27%</td>
<td>~30%</td>
<td>~33%</td>
</tr>
</tbody>
</table>

- **VDSL2**: Up to 40 Mbps
- **Bonded vectoring**: Up to 200 Mbps
- **Super vectoring / VPLUS**: Up to 400 Mbps
- **NG.PON**: Up to 1 Gbps
- **FttH**: 1 Gbps

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1. Percentage of households
Contents

1 KPN ADR program
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Telefónica Deutschland stake
Accounting treatment

**Balance sheet**

- Stake included as financial asset\(^1\)
- 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

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\(^1\) Defined under IFRS as available for sale financial asset