

Third Quarter 2015 Results

27 October 2015





Non-GAAP measures and management estimates

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

KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including impairments) of intangible assets. Note that KPN's definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS as adopted by the European Union. In the Net Debt / EBITDA ratio, KPN defines Net Debt as the nominal value of interest bearing financial liabilities excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments, less net cash and short-term investments, and defines EBITDA as a 12 month rolling total excluding restructuring costs, incidentals and major changes in the composition of the Group (acquisitions and disposals). Free Cash Flow is defined as cash flow from continuing operating activities plus proceeds from real estate, minus capital expenditures (Capex), being expenditures on PP&E and software. Revenues are defined as the total of revenues and other income unless indicated otherwise. Adjusted revenues and adjusted EBITDA are derived from revenues (including other income) and EBITDA, respectively, and are adjusted for the impact of restructuring costs and incidentals.

The term service revenues refers to wireless service revenues.

All market share information in this financial report is based on management estimates based on externally available information, unless indicated otherwise. For a full overview on KPN's non-financial information, reference is made to KPN's quarterly factsheets available on 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 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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Jan Kees de Jager

3 **Outlook and concluding remarks**

Eelco Blok

Highlights Q3 '15

Focus on excellent customer experience yielding positive results



Services & Innovation

- Integrated OTT apps in IPTV platform
 - Including Netflix
- Successfully up- and cross-selling SIMs within converged households
- Further improving customer satisfaction
- Increasing fiber penetration: 59% of households FttC / FttH

Operational

- Strong base growth Consumer
 - +33k broadband net adds
 - +55k IPTV net adds
 - +80k postpaid net adds
- Growth fixed-mobile bundles Consumer
 - 28% of retail postpaid base
 - 23% of broadband base
- Transformation Business on track in rapidly changing environment

Financial¹ & Portfolio

- Adjusted revenues Q3 '15: € 1,764m, -2.6% y-on-y
- Adjusted EBITDA Q3 '15: € 640m, +4.6% y-on-y
- FCF YTD '15 (excl. TEFD dividend): € 329m vs. € 28m YTD '14
- On track for outlook 2015
- Sale of BASE Company on track

- Good progress Simplification program: ~€ 250m run-rate savings realized²
- CSR initiatives recognized: KPN in Dow Jones Sustainability Index for 4th consecutive year

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

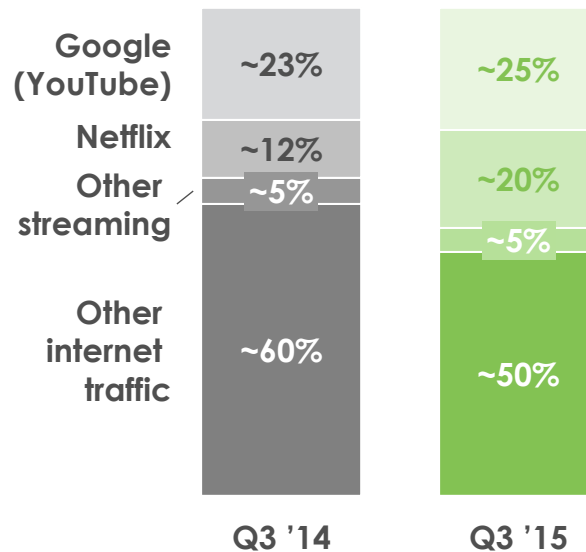
² End Q3 '15 vs. end Q4 '13

Differentiating through innovative services

Embracing OTT as an opportunity to increase customer satisfaction



~50% of fixed internet traffic
is video streaming



Fixed internet traffic

Integrated OTT apps in IPTV platform
to increase customer satisfaction



Consistent value creation in Consumer Mobile

Focus on upselling customer base



Upsell potential: ~55%
base¹ still in bundles ≤1GB

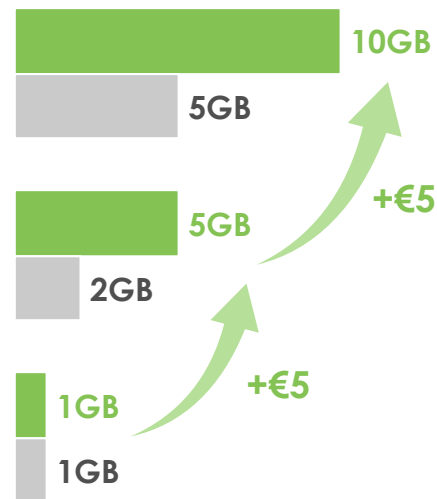


Q3 '15

Customer distribution per bundle

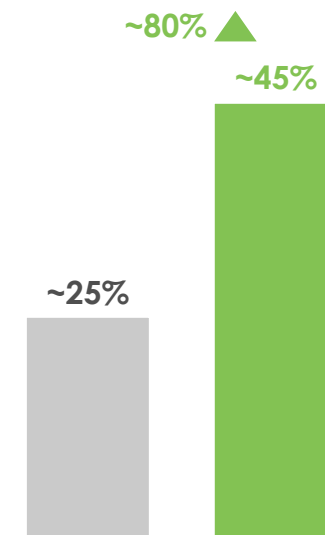
■ <1GB ■ 1GB ■ 5GB ■ 10GB

Improved value
perception...



■ Current line up (February '15)²
■ Old line up²

...leading to improved
value intake



Q3 '14 Q3 '15
% of sales >1GB data bundles¹

¹ KPN brand

² Unlimited voice and SMS bundles KPN brand

Increasing SIMs per converged household...

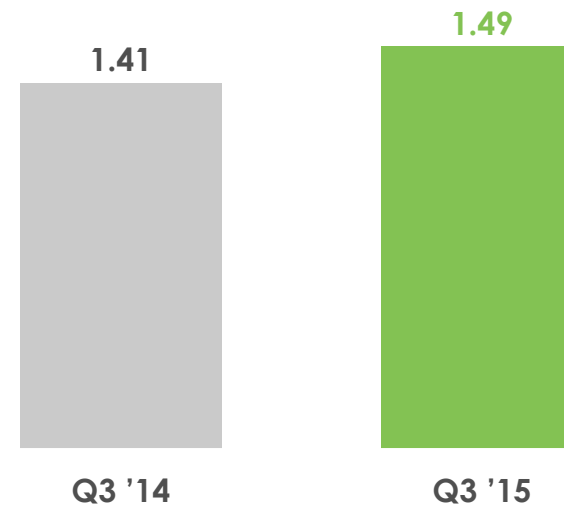
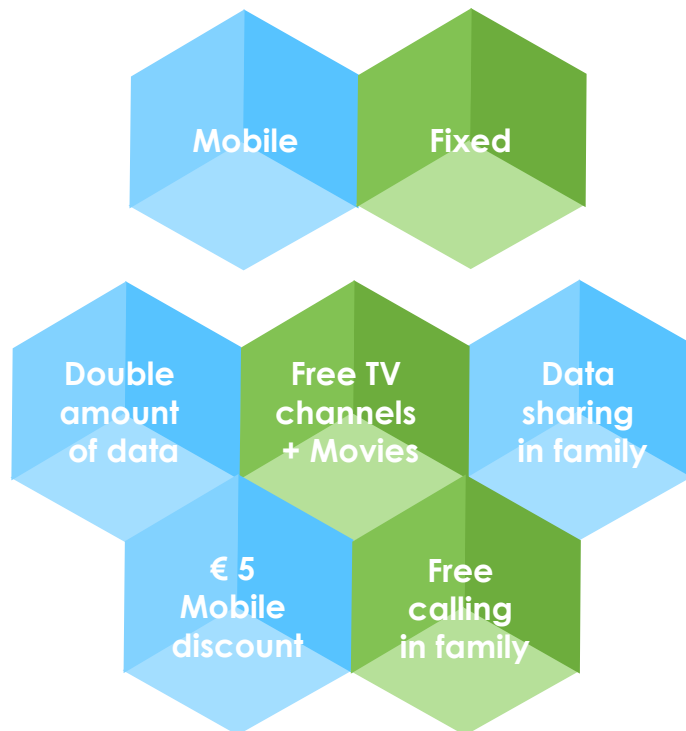
...driven by successful family bundles



Successful up- and cross-sell strategy



Increasing number of SIMs per household



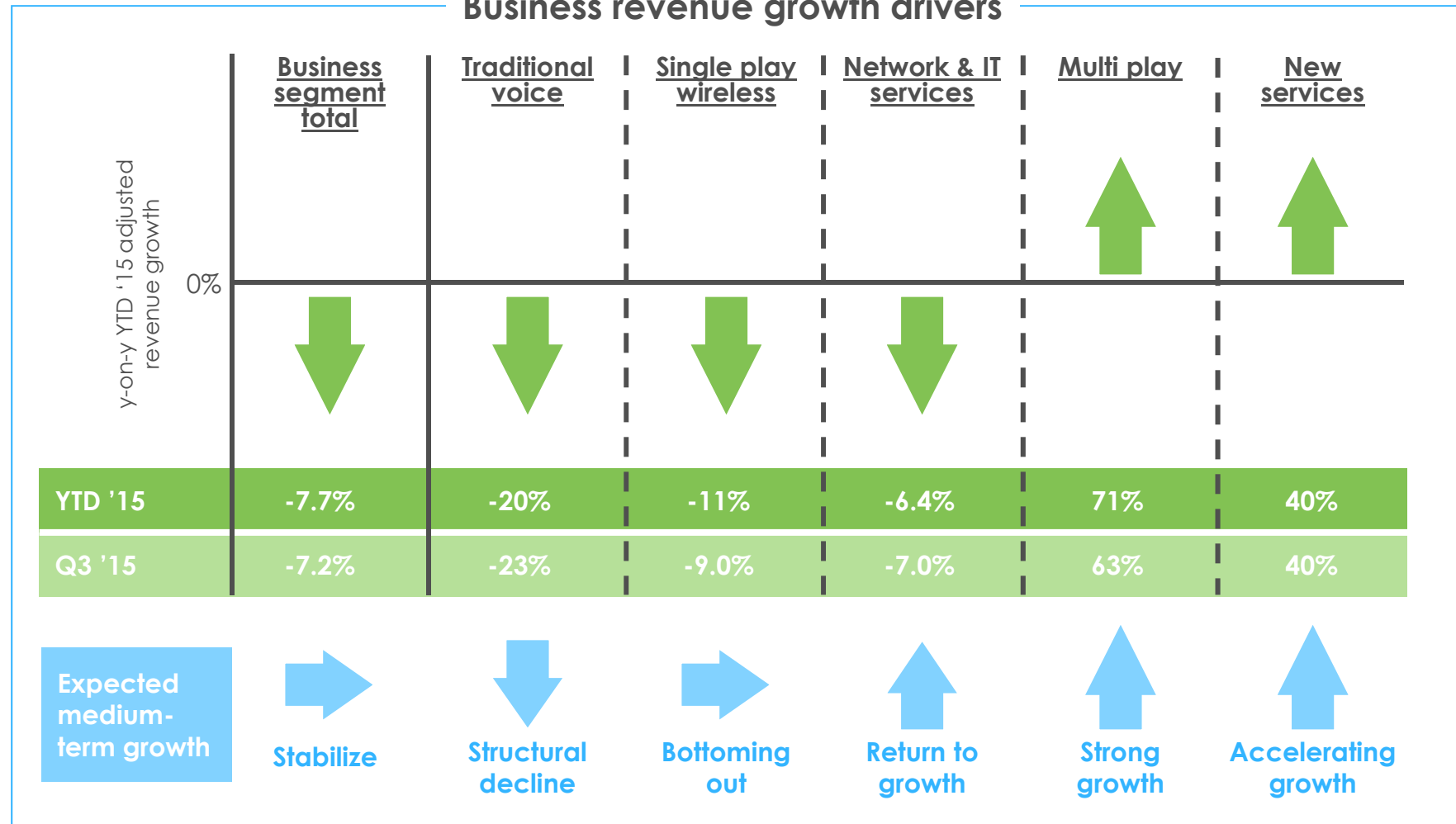
Average # of SIMs per fixed-mobile household

Business market changing rapidly

Opportunities to retain value and stabilize revenues in medium-term

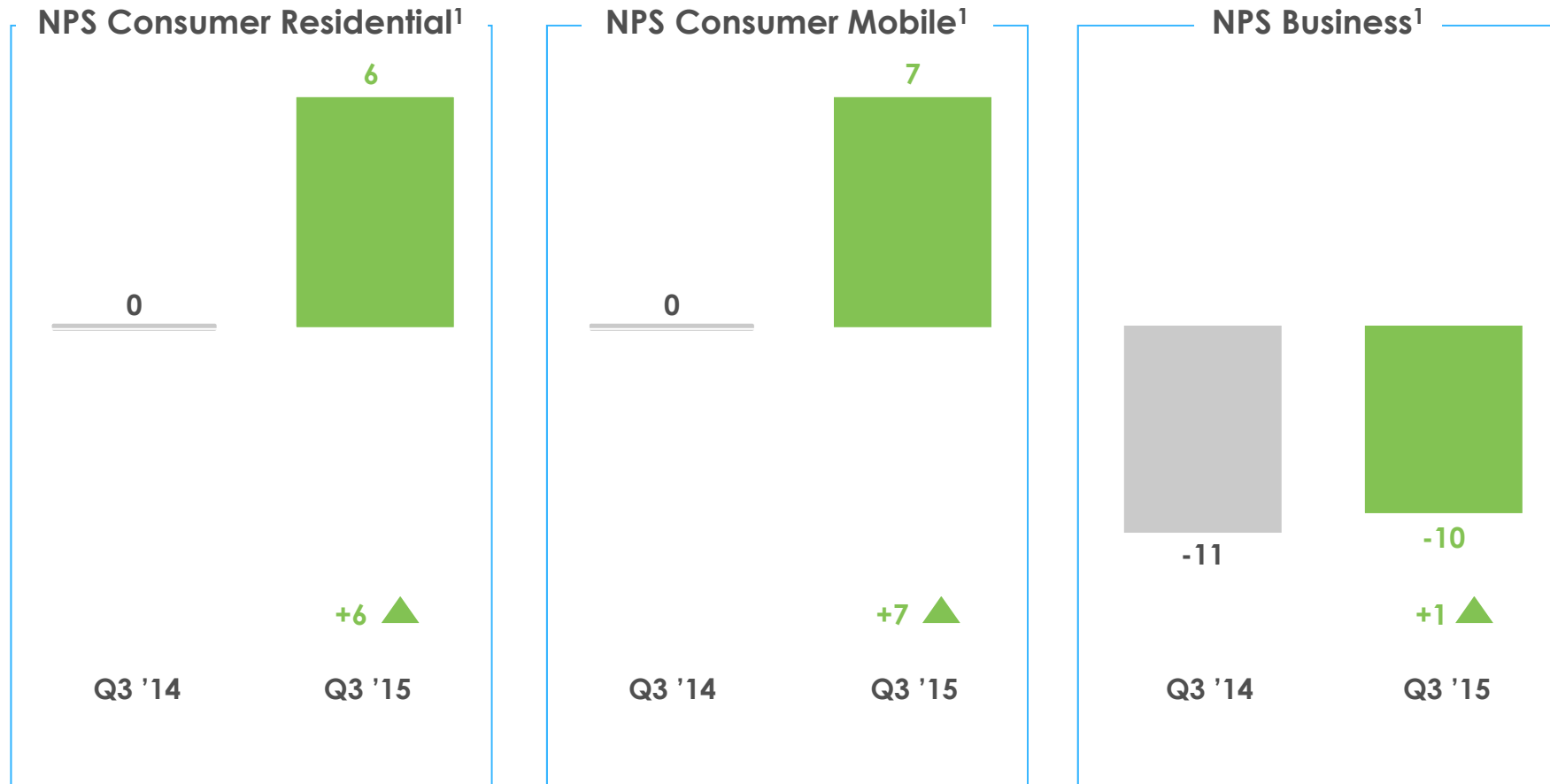


Business revenue growth drivers



Developing as best-in-class service provider

NPS continues to improve across all segments



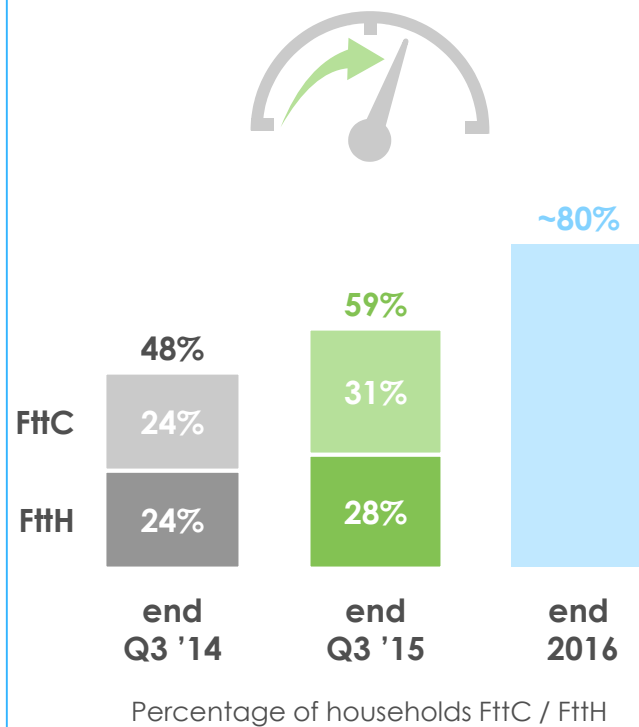
¹ Source: TNS NIPO. Consumer Residential (all brands), Consumer Mobile (all brands), Business (KPN brand)

Enhancing best-in-class networks

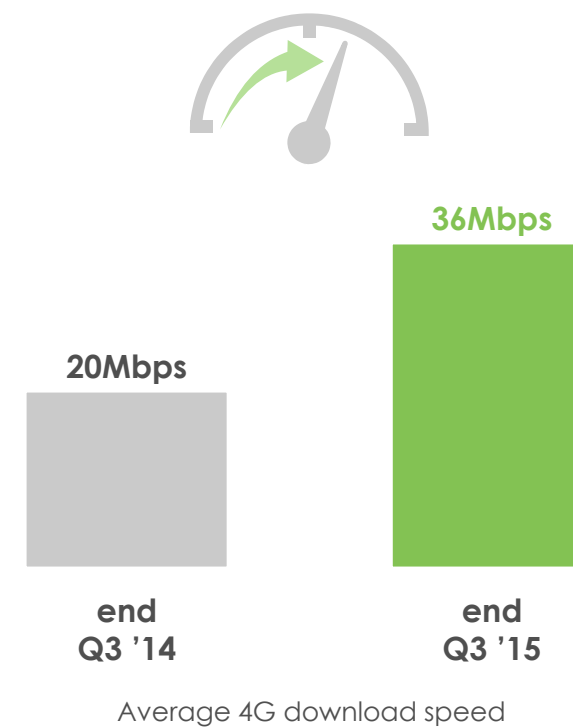
Continued investments to increase capacity and speeds



Increasing fiber penetration in fixed network

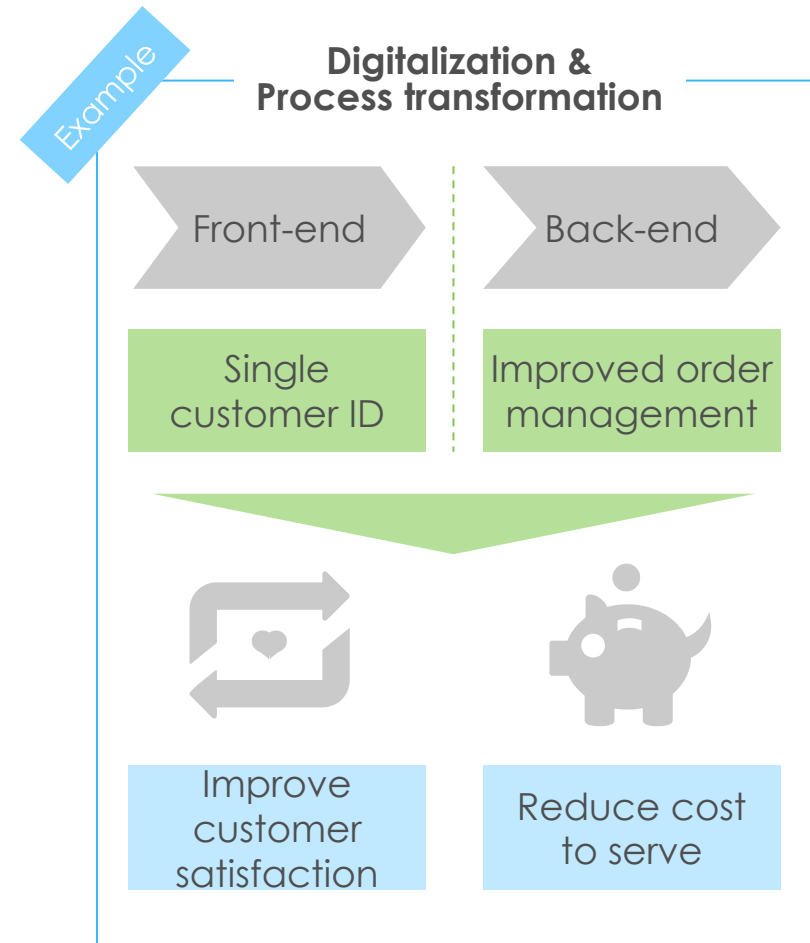
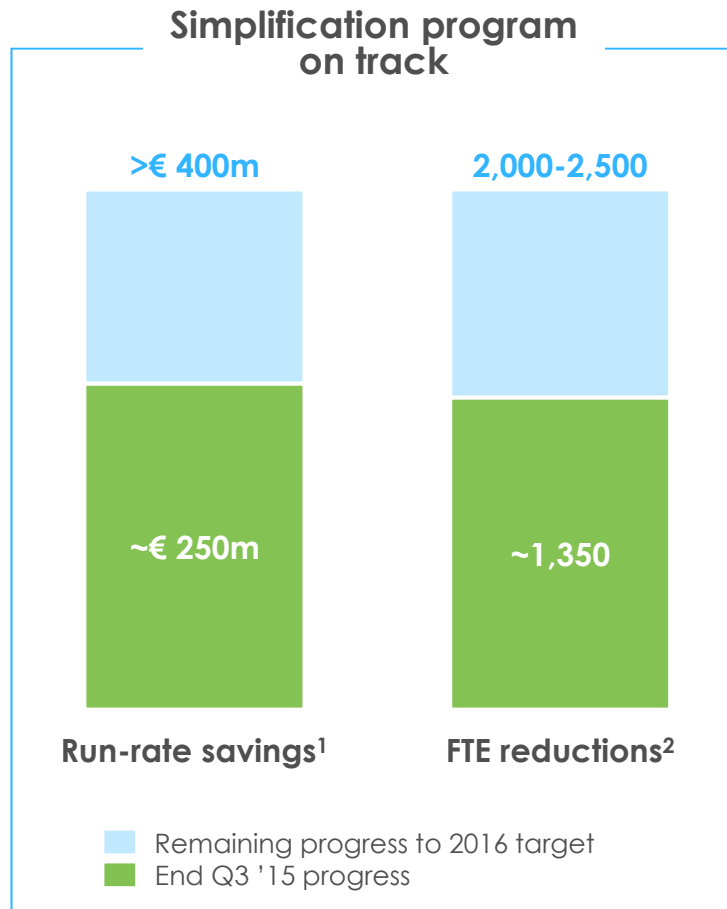


Expanding superior 4G network through carrier aggregation



Building efficient and lean operating model

IT investments to drive customer satisfaction and efficiency gains



¹ Run-rate Capex and opex savings target vs. FY 2013 level

² FTE reduction target vs. end 2013 level

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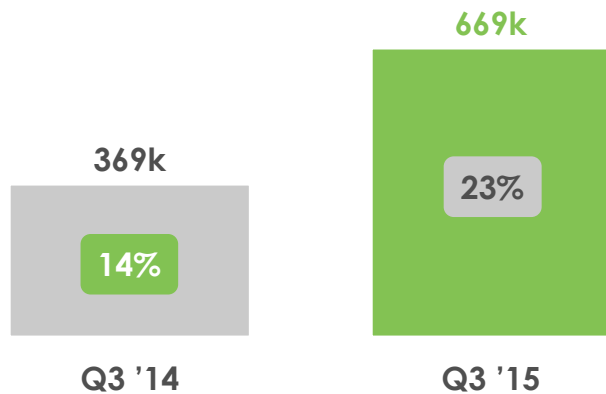
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Eelco Blok

Multi play penetration increasing in Consumer

Successful take-up driving customer loyalty and reducing churn

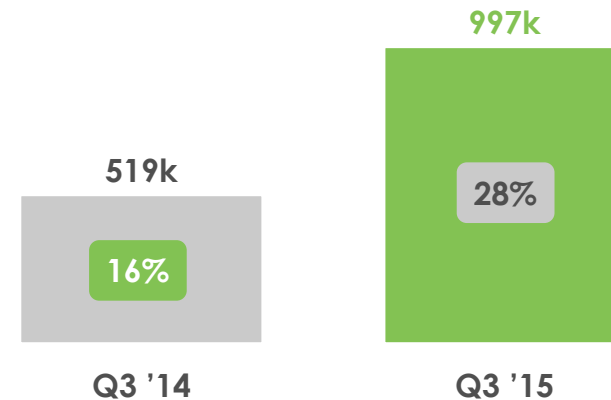


Households in Fixed-Mobile bundles



■ # of fixed-mobile bundles
■ Fixed-mobile bundles as % of broadband customers

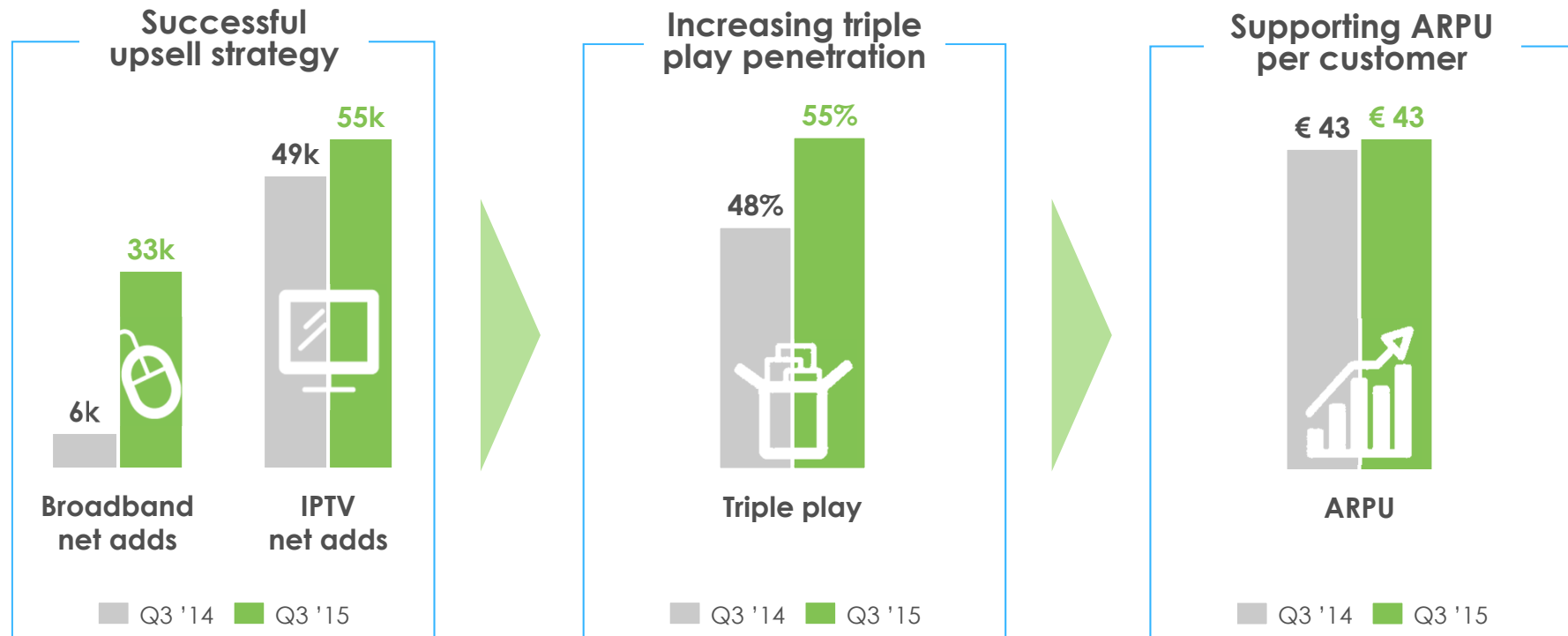
Mobile customers in Fixed-Mobile bundles



■ Retail postpaid customers in fixed-mobile bundles
■ % retail postpaid customer base in fixed-mobile bundles

Investments Consumer Residential paying off

Strong market position supporting base growth



Consumer Mobile growth continuing

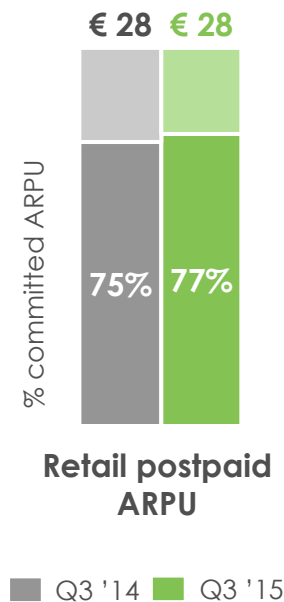
High value customer intake fuels service revenue growth



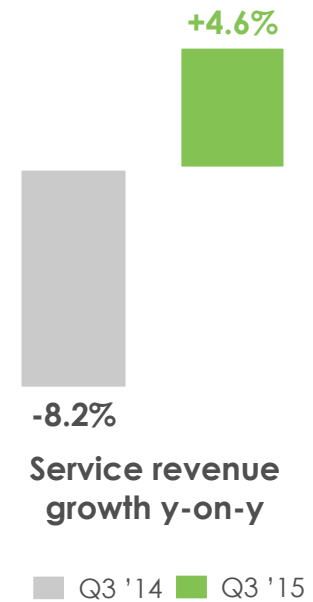
Continued strong retail postpaid net adds



Derisking ARPUs profile



Driving service revenue growth

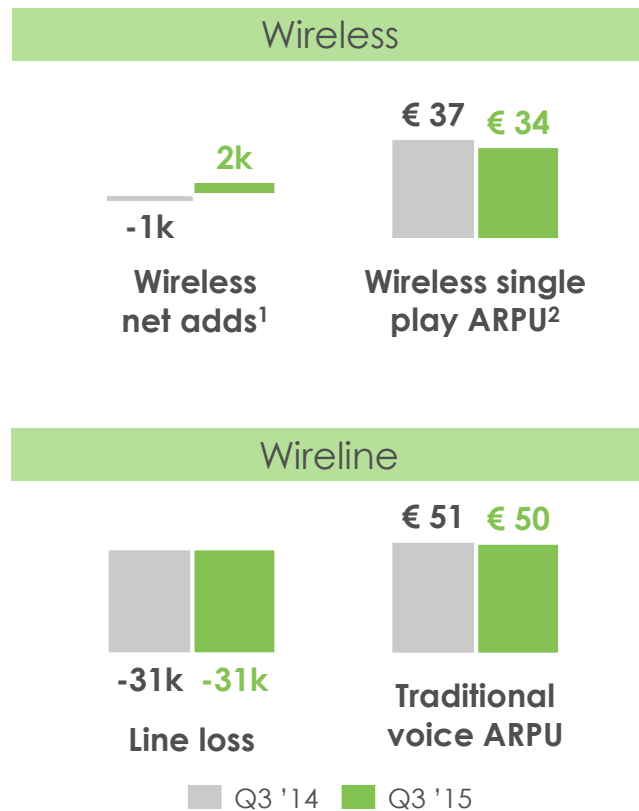


Challenging environment in Business

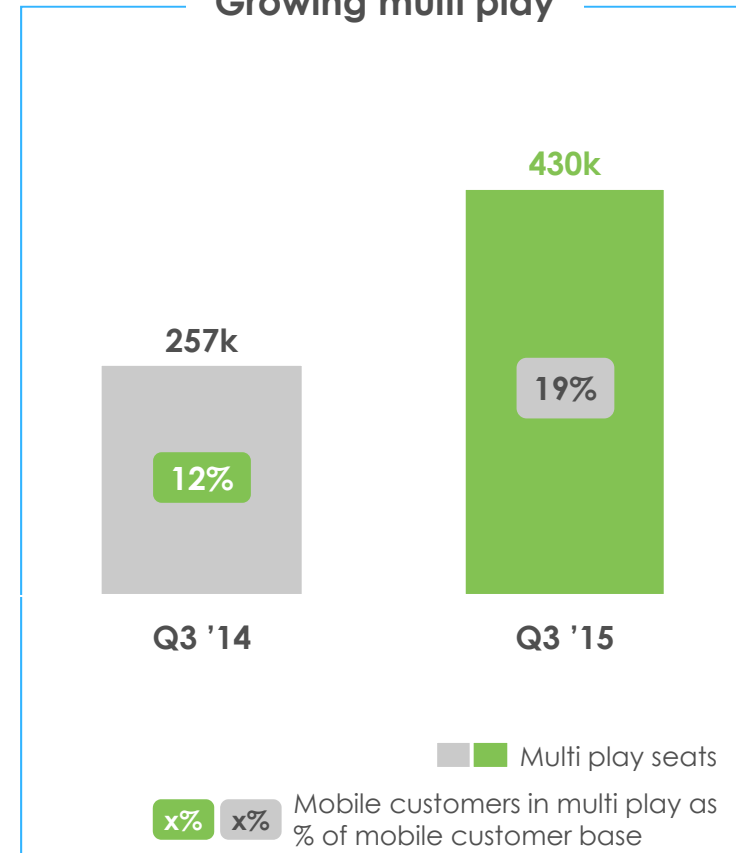
Focus on growing multi play and new services



Challenging environment



Growing multi play



1 Excluding M2M

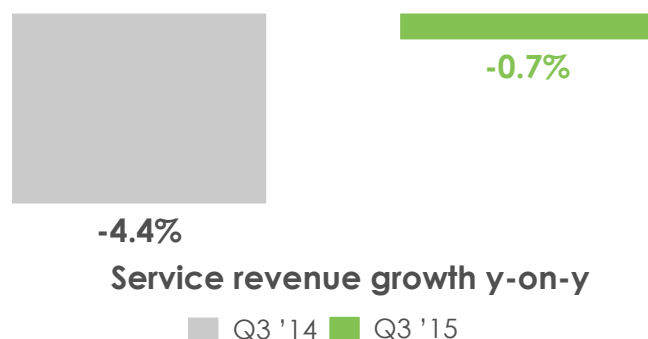
2 Excluding M2M and multi play customers

BASE Company's¹ results improving

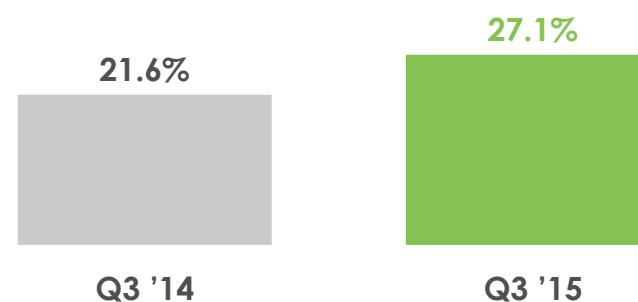
Improving service revenue trend and profitability



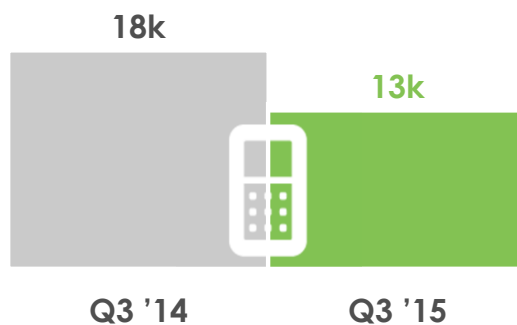
Service revenues



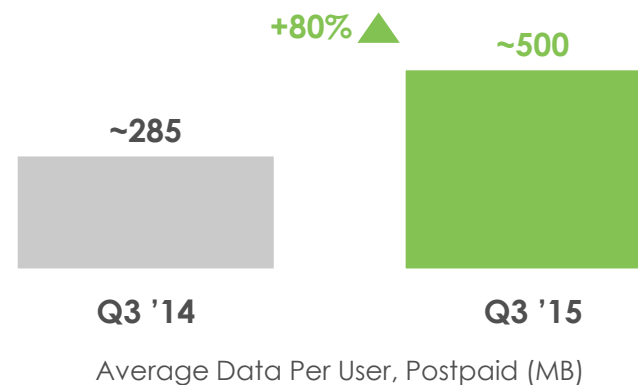
Adjusted EBITDA margin



Postpaid net adds



Data usage growth continuing



¹ BASE Company classified as discontinued operation

Improving financial results (continuing operations)¹

Driven by strong operational performance and cost discipline

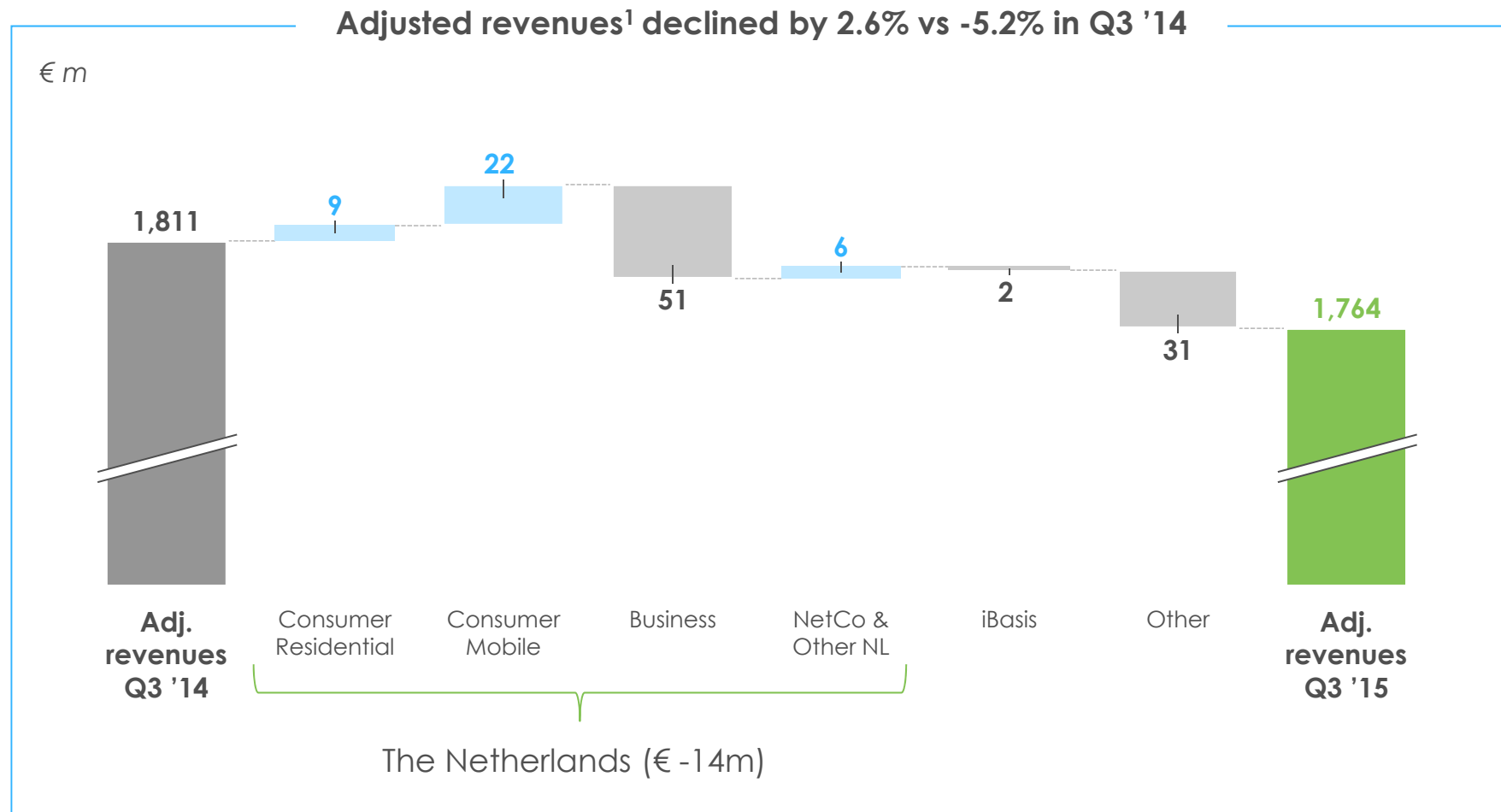


€ m	Q3 '15	Q3 '14	y-on-y %
Adjusted revenues	1,764	1,811	-2.6%
Adjusted EBITDA	640	612	4.6%
Net profit	87	-75	n.m.
Capex	-305	-251	22%
FCF	213	234	-9.0%

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

Revenue trend improving

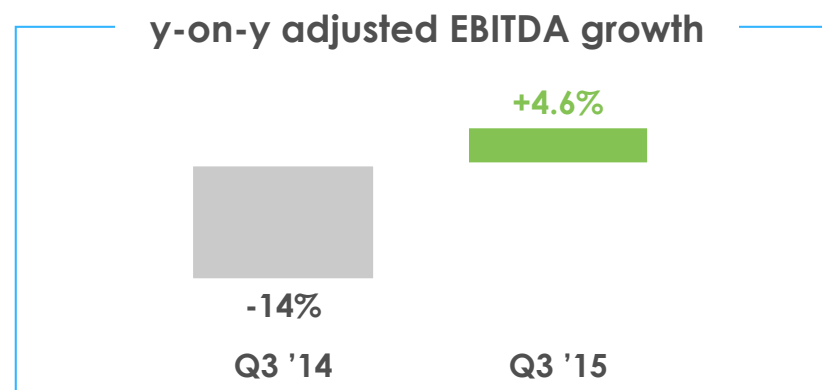
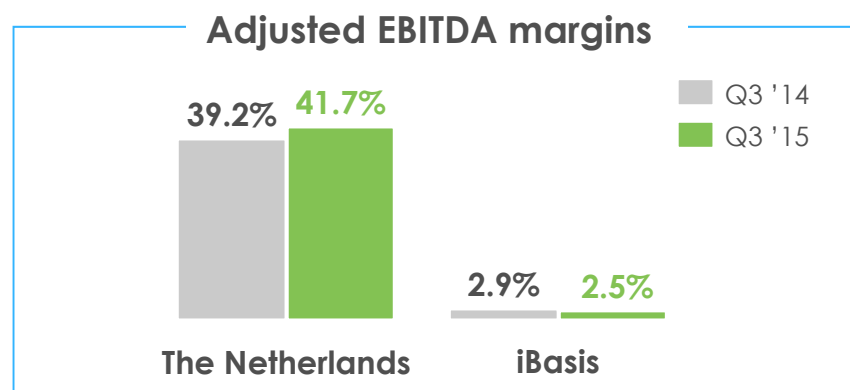
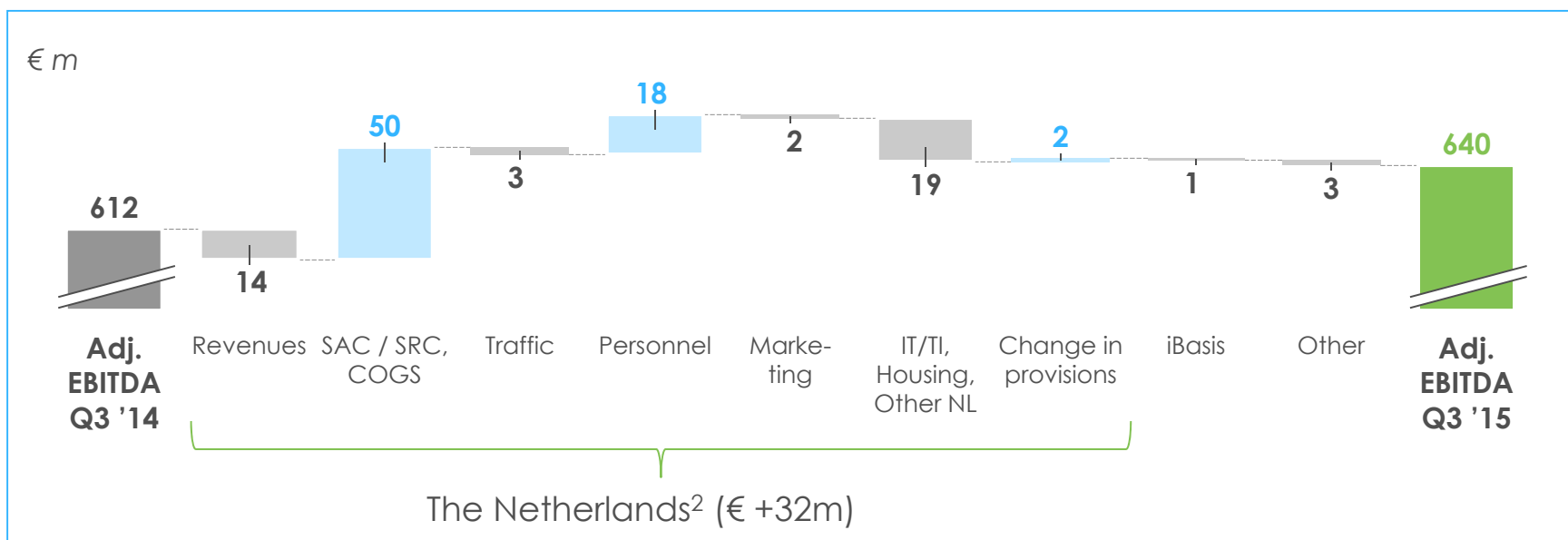
Inflection in Consumer still offset by declining business market



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

Adjusted EBITDA¹ benefiting from cost savings

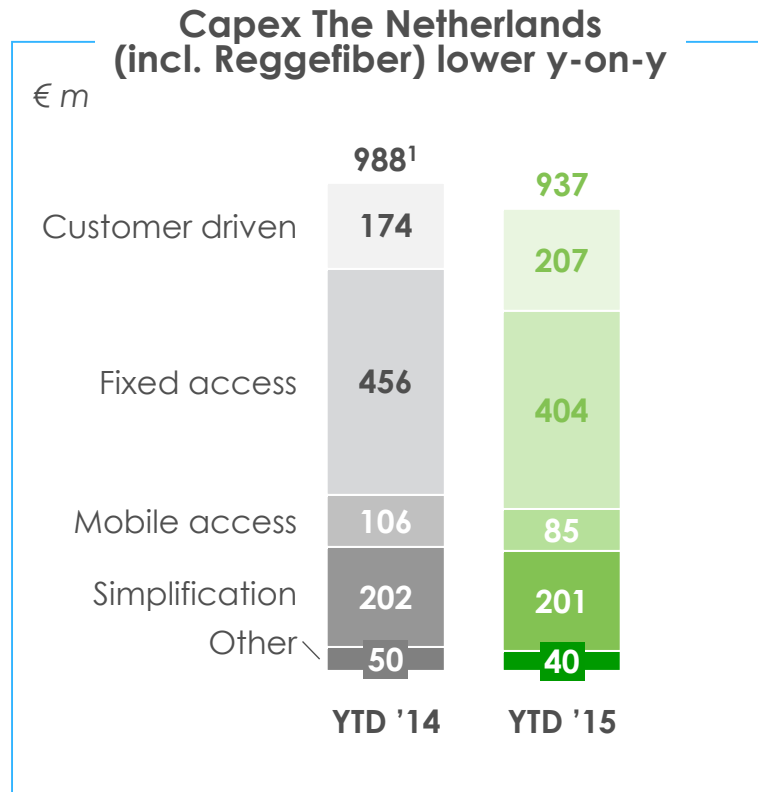
Positive impact cost savings offset revenue decline



¹ All figures based on continuing operations, unless stated otherwise. BASE Company classified as discontinued operation
² The presented categories differ from the opex breakdown as presented in KPN's Integrated Annual Report 2014

Simplification to drive down Capex The Netherlands

Continued investments in capacity and Simplification



Projects 2015 - 2016



IPTV and broadband base growth



FttC / FttH roll-out to increase capacity and speed fixed network



Roll-out carrier aggregation to increase capacity and speed mobile network

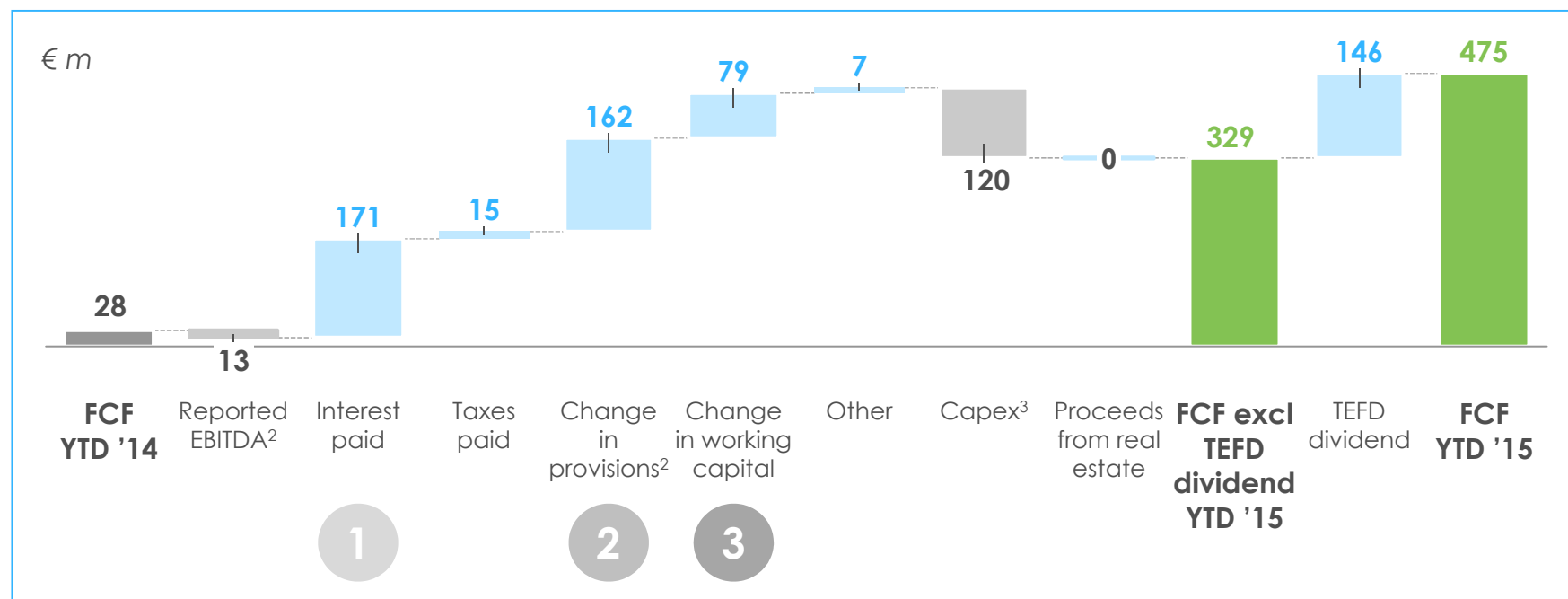


Simplification investments in 2015 to yield savings in 2016

¹ Capex adjusted to include Reggefiber Capex before consolidation

Improvement in free cash flow¹

Free cash flow YTD '15 higher y-on-y supported by lower interest paid



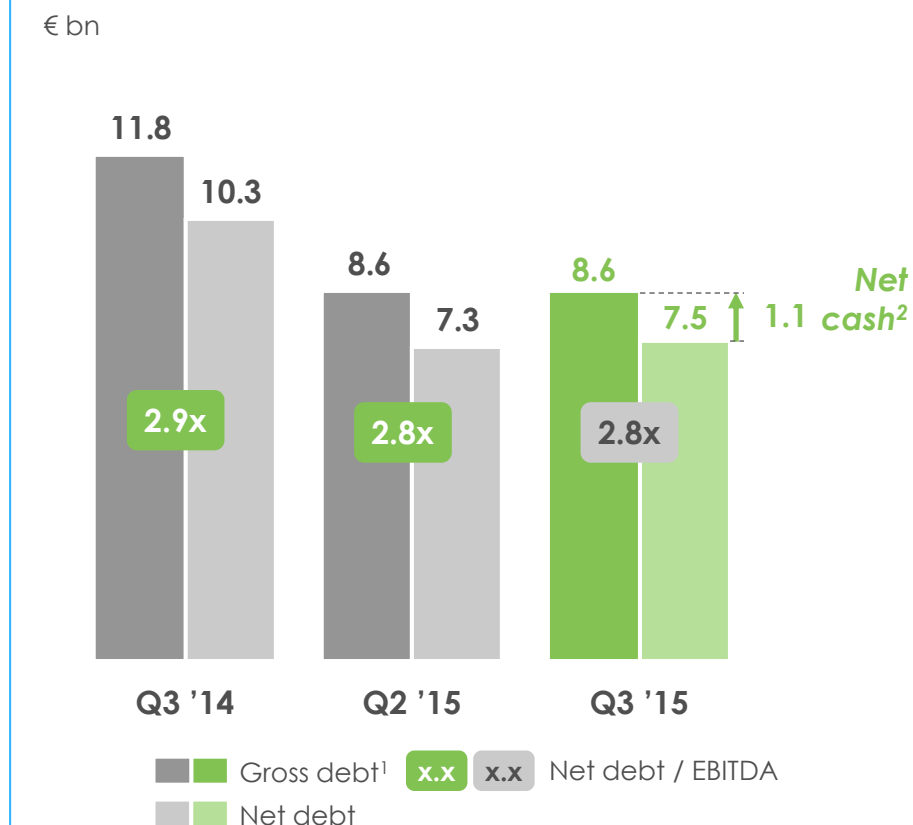
1 All figures based on continuing operations, unless stated otherwise. BASE Company classified as discontinued operation
 2 Excluding release of pension provision of € 451m in Q2 '14
 3 Reggefiber not yet included in YTD '14

Solid financial position

Telefónica Deutschland stake provides additional financial flexibility



Lower net debt y-on-y



Debt portfolio

- Gross debt flat at € 8.6bn vs. Q2 '15
- Average maturity senior bonds 7.2 years
- Average coupon senior bonds 5.1%

Financial flexibility

- 20.5% stake in Telefónica Deutschland
- Cash proceeds of € 1,325m related to sale of BASE Company

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

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

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Eelco Blok

On track for outlook 2015



Outlook continuing operations 2015

- Adjusted EBITDA in line with 2014
- Capex < € 1.3bn
- Free cash flow > € 500m (excl. TEFD dividend)
- Additional cash flow via dividend from 20.5% stake in Telefónica Deutschland

Shareholder remuneration

- Intended DPS of € 8.0ct in respect of 2015¹
 - € 3.0ct interim dividend paid in September '15
- Growing DPS expected in respect of 2016
- 20.5% stake Telefónica Deutschland treated as financial investment
 - TEFD dividend distributed to KPN shareholders, € 3.4ct paid in August '15
- Excess cash could be utilized for
 - Operational / financial flexibility
 - (Small) in-country M&A
 - Shareholder remuneration

¹ Excluding € 3.4ct distribution of Telefónica Deutschland dividend to KPN shareholders



Q&A

Q3 2015 – Information Pack

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KPN ADR program

KPN has a sponsored Level 1 ADR program



ADR program

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

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Group results Q3 '15 (continuing operations)



(€ m)	Q3 '15	Q2 '15	Q3 '14	y-on-y %
Revenues	1,764	1,741	1,811	-2.6%
Adjusted revenues	1,764	1,751	1,811	-2.6%
Operating expenses (excl. D&A)	1,162	1,173	1,216	-4.4%
EBITDA	602	568	595	1.2%
Adjusted EBITDA	640	602	612	4.6%
Depreciation	276	274	270	2.2%
Amortization	122	125	132	-7.6%
Operating expenses	1,560	1,572	1,618	-3.6%
Operating profit	204	169	193	5.7%
Financial income/expense	-108	19	-253	-57%
Share of profit of associates and joint ventures	1	-	-3	n.m.
Profit before taxes	97	188	-63	n.m.
Income tax	-10	-28	-12	-17%
Profit after taxes	87	160	-75	n.m.

Group results YTD '15 (continuing operations)



(€ m)	YTD '15	YTD '14	y-on-y %
Revenues	5,263	5,476	-3.9%
Adjusted revenues	5,273	5,454	-3.3%
Operating expenses (excl. D&A)	3,517	3,266	7.7%
EBITDA	1,746	2,210	-21%
Adjusted EBITDA	1,837	1,787	2.8%
Depreciation	823	844	-2.5%
Amortization	375	389	-3.6%
Operating expenses	4,715	4,499	4.8%
Operating profit	548	977	-44%
Financial income/expense	-232	-573	-60%
Share of profit of associates and joint ventures	1	-4	n.m.
Profit before taxes	317	400	-21%
Income tax	-47	-123	62%
Profit after taxes	270	277	-2.5%

Group cash flow Q3 '15 (continuing operations)



(€ m)	Q3 '15	Q3 '14	y-on-y %
EBITDA	602	595	1.2%
Interest paid/received	-113	-130	-13%
Tax paid/received	-1	-15	-93%
Change in provisions ¹	9	-7	n.m.
Change in working capital ¹	18	39	-54%
Other movements	3	2	50%
Net cash flow from operating activities	518	484	7.0%
Capex	-305	-251	22%
Proceeds from real estate	-	1	-100%
Free cash flow	213	234	-9.0%
Coupon on perpetual hybrid	-67	-67	-

¹ Excluding changes in deferred taxes

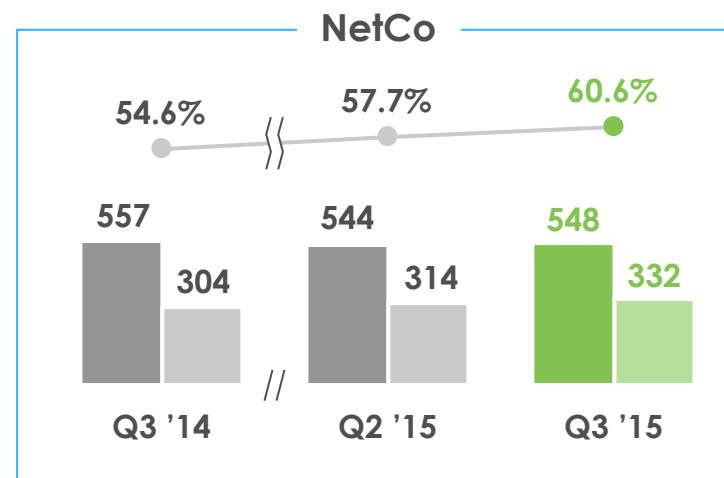
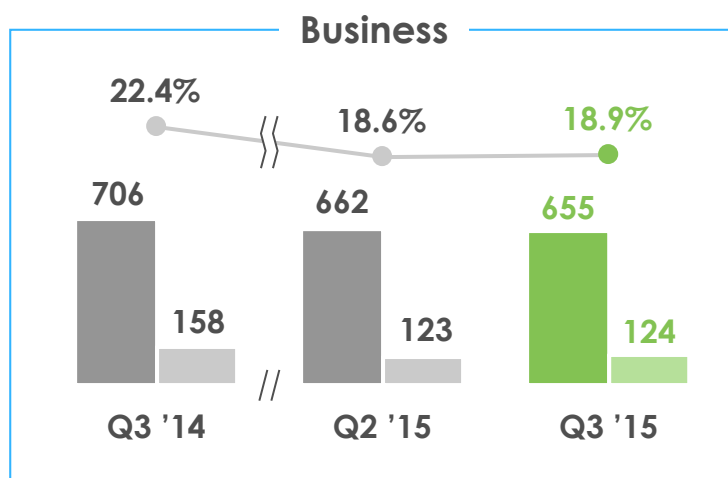
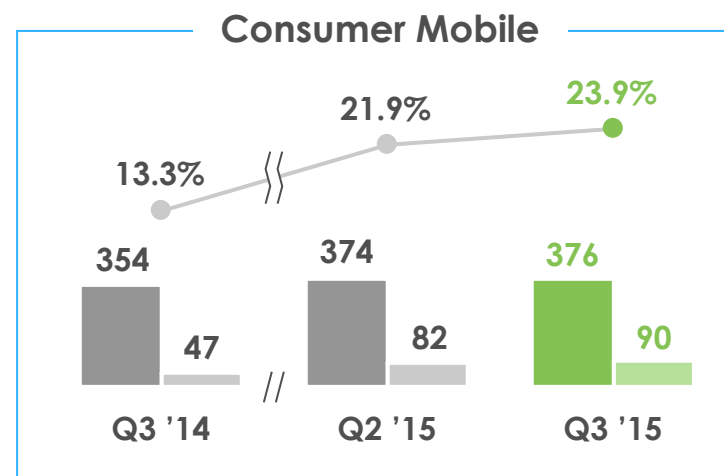
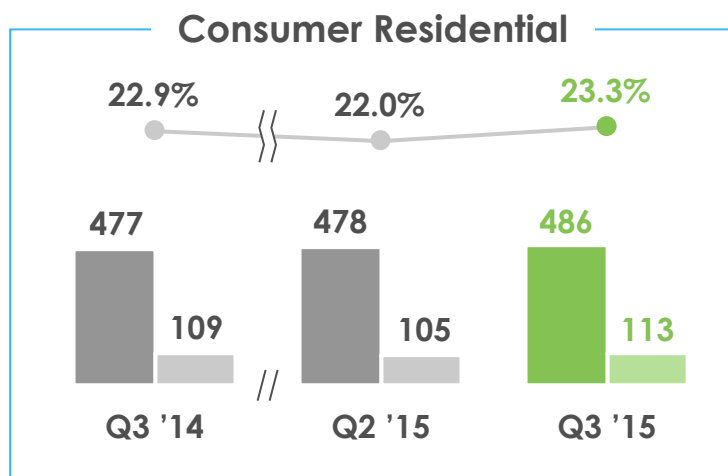
Group cash flow YTD '15 (continuing operations)



(€ m)	YTD '15	YTD '14	y-on-y %
EBITDA	1,746	2,210	-21%
Interest paid/received	-414	-585	-29%
Tax paid/received	-13	-28	-54%
Change in provisions ¹	-1	-614	-100%
Change in working capital ¹	-51	-130	-61%
Other movements (incl. TEFD dividend)	152	-1	n.m.
Net cash flow from operating activities	1,419	852	67%
Capex	-945	-825	15%
Proceeds from real estate	1	1	-
Free cash flow	475	28	>100%
Coupon on perpetual hybrid	-67	-67	-

¹ Excluding changes in deferred taxes

Financials by segment

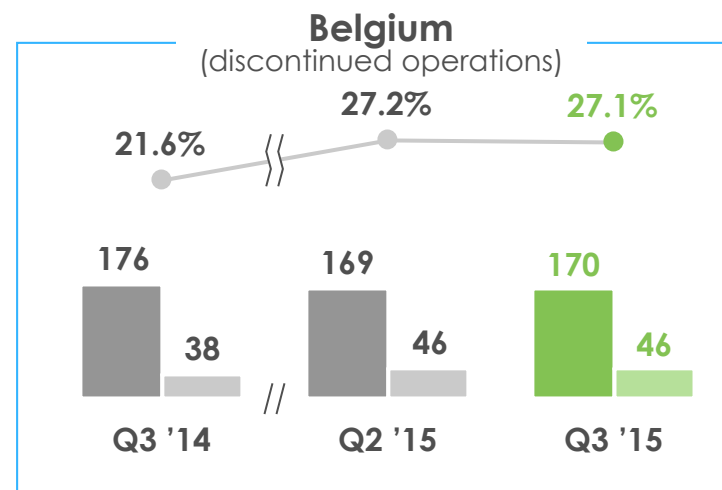
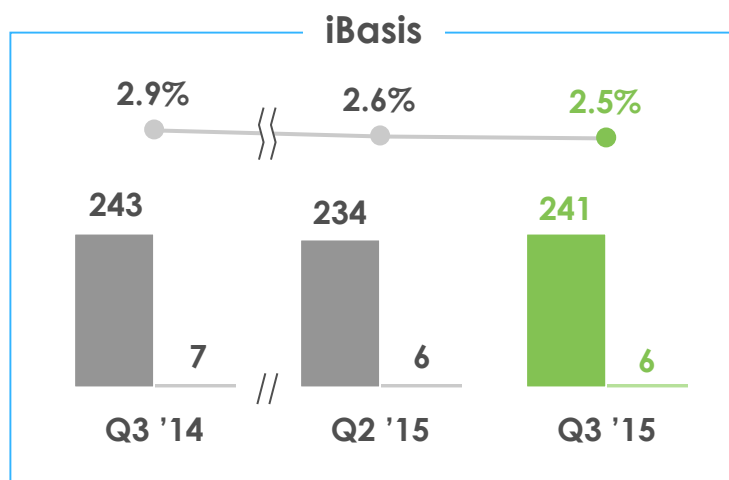


Adjusted revenues (€ m)

 Adjusted EBITDA (€ m)

 Adjusted EBITDA margin

Financials by segment (cont'd)



Adjusted revenues (€ m)

 Adjusted EBITDA (€ m)

 Adjusted EBITDA margin

Analysis of adjusted results Q3 '15

Impact incidentals and restructuring costs on revenues & EBITDA



Revenues (€ m)	Q3 '15	Q3 '14
KPN Group	-	-
<i>Of which discontinued operations</i>	-	-
KPN Group continuing operations	-	-

EBITDA (€ m)		Q3 '15	Q3 '14
Restructuring costs	Group	-32	-17
Change in provision	Other activities	-6	-
KPN Group		-38	-17
<i>Of which discontinued operations</i>		-	-
KPN Group continuing operations		-38	-17

Analysis of adjusted results YTD '15

Impact incidentals and restructuring costs on revenues & EBITDA



Revenues (€ m)		YTD '15	YTD '14
Revenue related provision	Business	-10	-
Sale of fixed assets (hardware)	Business	-	5
Change in provision	NetCo	-	17
KPN Group		-10	22
<i>Of which discontinued operations</i>		-	-
KPN Group continuing operations		-10	22

EBITDA (€ m)		YTD '15	YTD '14
Restructuring costs	Group	-86	-53
Revenue related provision	Business	-10	-
Sale of fixed assets (hardware)	Business	-	5
Release of asset retirement obligation	NetCo	6	-
Change in provision	NetCo	-	17
Change in provision	Other activities	-1	-
Release of pension provision	Other activities	-	451
KPN Group		-91	420
<i>Of which discontinued operations</i>		-	-3
KPN Group continuing operations		-91	423

Restructuring costs



(€ m)	Q3 '15	Q3 '14	YTD '15	YTD '14
Consumer Mobile	-5	-	-8	-1
Consumer Residential	-1	-1	-3	-7
Business	-5	-5	-37	-18
NetCo	-3	-2	-11	-3
Other	-10	1	-8	-2
The Netherlands	-24	-7	-67	-31
iBasis	-	-	-	-
Belgium (incl. discontinued operations)	-	-	-	-3
Other activities	-8	-10	-19	-19
KPN Group	-32	-17	-86	-53
<i>Of which discontinued operations</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-3</i>
KPN Group continuing operations	-32	-17	-86	-50

Dutch wireless disclosure



Service revenues (€ m)	Q3 '15	Q3 '14	%	YTD '15	YTD '14	%
Consumer retail	309	288	7.3%	876	848	3.3%
Business ¹	179	183	-2.2%	535	562	-4.8%
Other ²	37	40	-7.5%	115	126	-8.7%
KPN The Netherlands	525	511	2.7%	1,526	1,536	-0.7%

SAC/SRC per subscriber (€)	Q3 '15	Q3 '14	%
Consumer retail ³	193	210	-8.1%
Business	218	266	-18%

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

² Includes amongst other Consumer Mobile wholesale and visitor roaming revenues at NetCo

³ Including handset subsidies, commissions, SIM costs and capitalization of handsets adjusted for residual value



Regions (€ m)	P&L		Cash flow	
	Q3 '15	Q3 '14	Q3 '15	Q3 '14
The Netherlands	-8	-10	-1	-15
Belgium	1	1	-	-
Other	-2	-2	-	-
Total reported tax	-9	-11	-1	-15
<i>Of which discontinued operations</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>-</i>
Reported tax continuing operations	-10	-12	-1	-15
<i>Effective tax rate continuing operations</i>	<i>10.4%</i>	<i>-20.0%</i>		

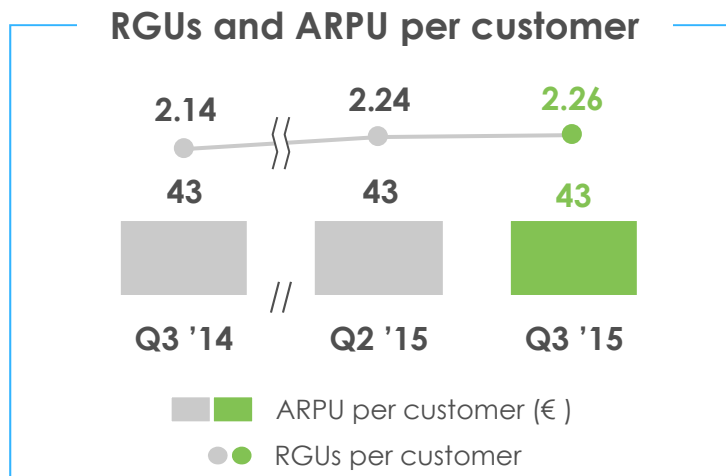
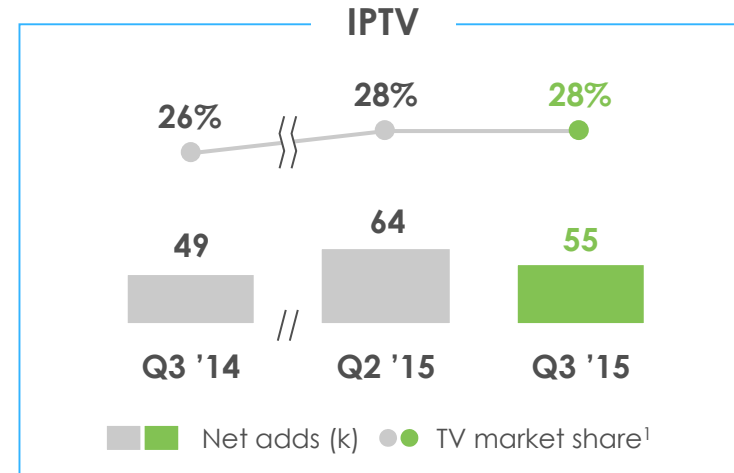
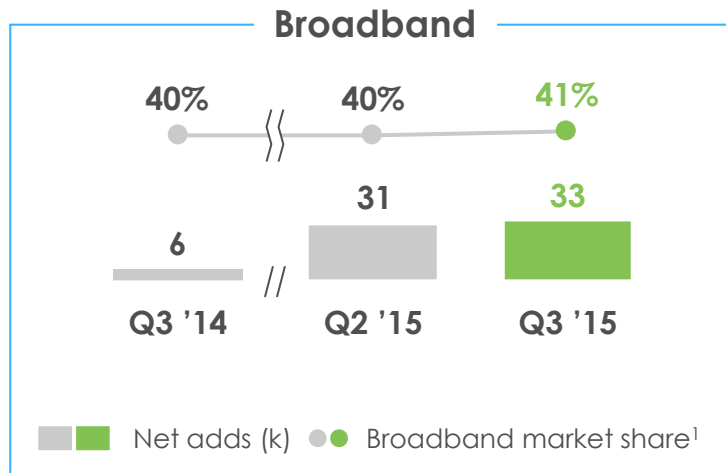
- The effective tax rate for Q3 '15 is influenced by mix of taxable results in various countries and by one-off items for tax purposes
 - Corrected for these non-deductible expenses, Q3 '15 effective tax rate would have been ~20%
- For the 2015-2016 period, the effective tax rate, excluding one-off effects¹, is expected to be ~20%

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

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Consumer Residential

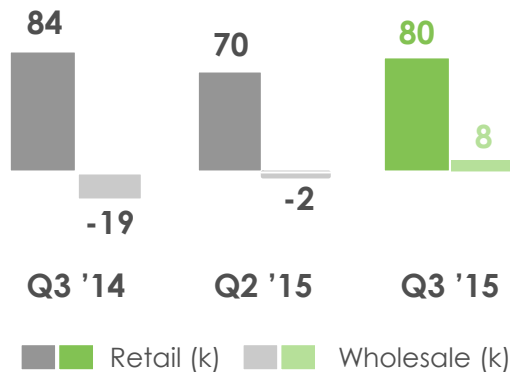


¹ Source: Telecompaper, management estimates for Q3 '15

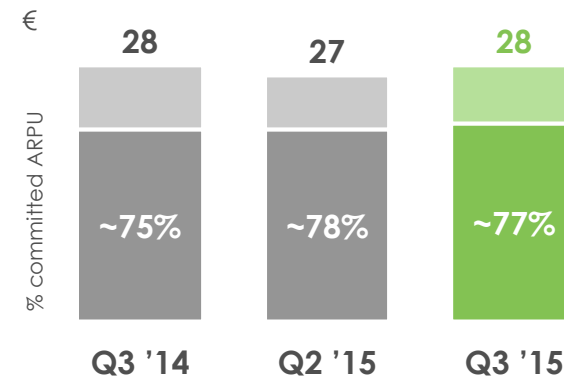
Consumer Mobile



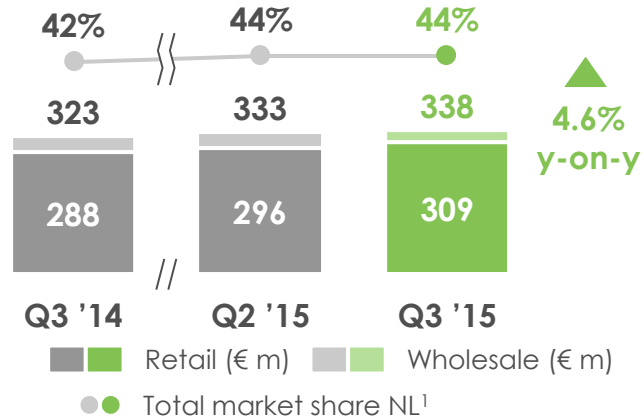
Postpaid net adds



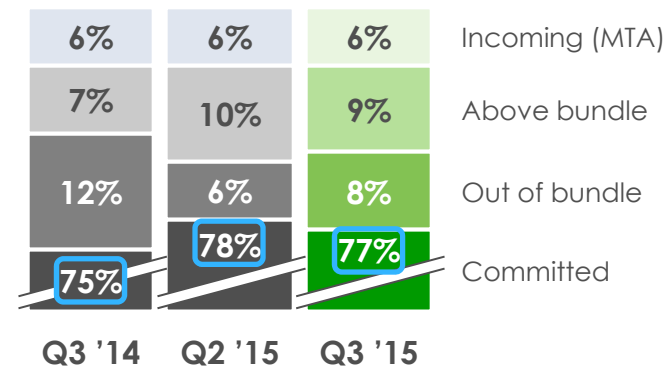
Retail postpaid ARPU



Service revenues



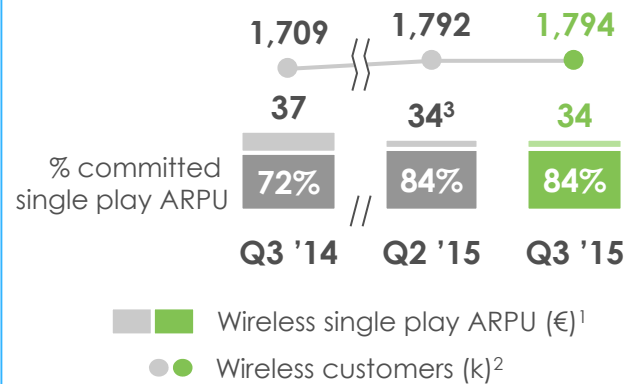
Committed ARPU breakdown



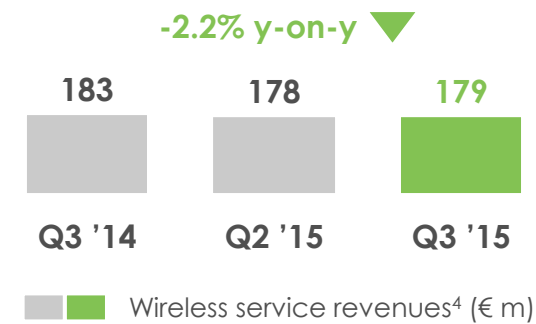
¹ Total Dutch (Consumer and Business) mobile service revenue market share



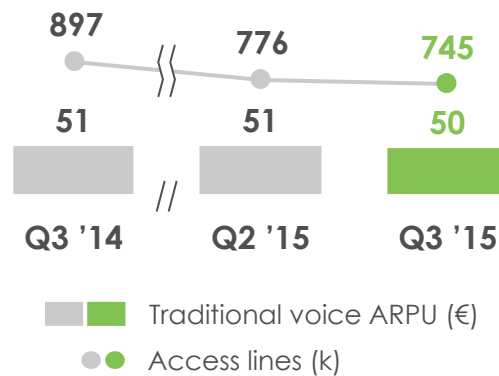
Wireless services



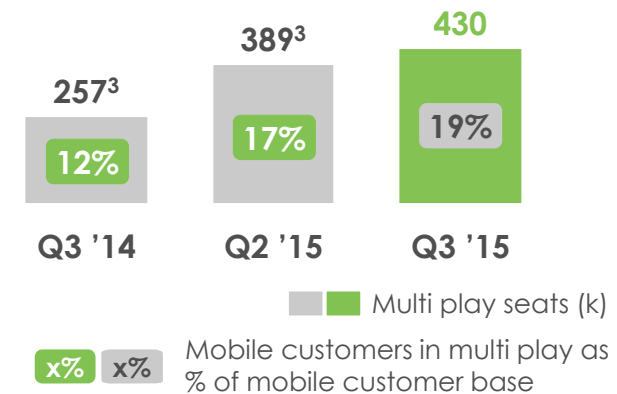
Wireless service revenues



Voice & Internet wireline



Multi play



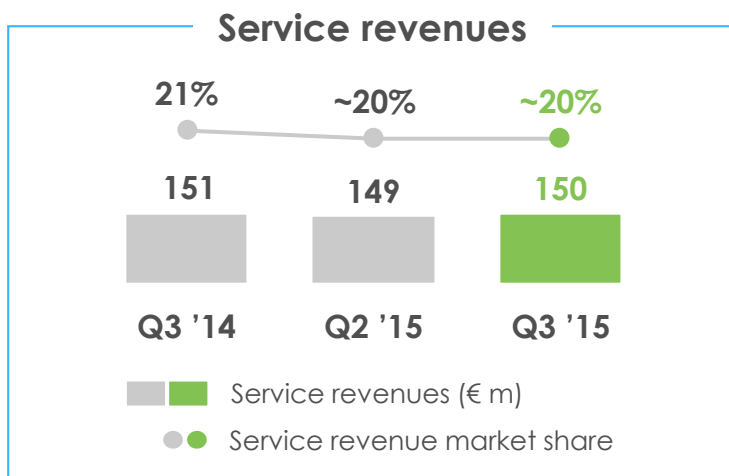
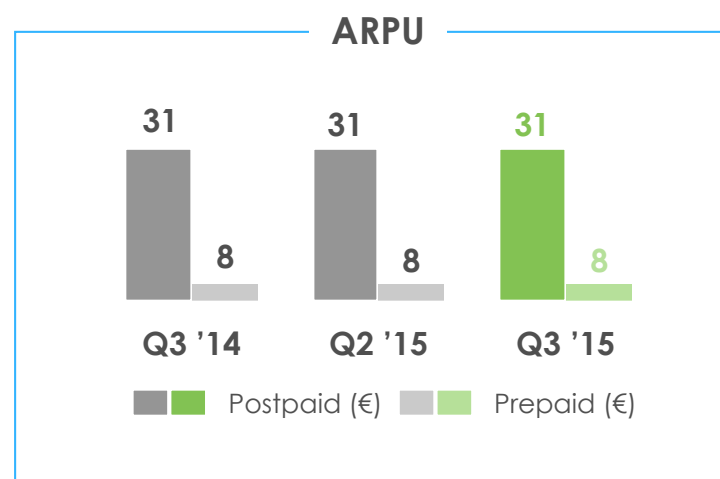
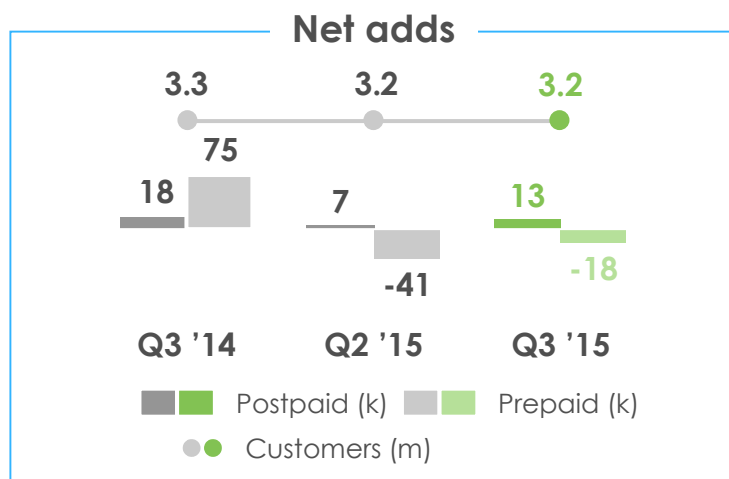
¹ Excluding M2M and multi play customers

² Excluding M2M

³ Restated due to better insights

⁴ Includes partial allocation of multi play revenues to mobile service revenues

Belgium (discontinued operations)



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Debt summary



(€ bn)	Q3 '15	Q2 '15	%
Eurobonds	6.67	6.67	-
Global bonds	0.76	0.76	-
Hybrid bonds	2.03	2.03	-
Financial leases and other loans	0.13	0.13	-
Nominal debt	9.59	9.59	-
Equity credit hybrid bonds	-1.01	-1.01	-
Cash collateral on derivatives	0.04	0.04	-
Adjustments to nominal debt	-0.97	-0.97	-
Gross debt¹	8.62	8.62	-
<i>Of which short-term</i>	<i>0.82</i>	<i>0.82</i>	<i>-</i>
Cash & cash equivalents	0.91	1.10	-17%
Bank overdraft	-0.02	-0.01	100%
Net cash & cash equivalents	0.89	1.09	-18%
Short-term investments	0.25	0.20	25%
Net debt	7.48	7.33	2.0%

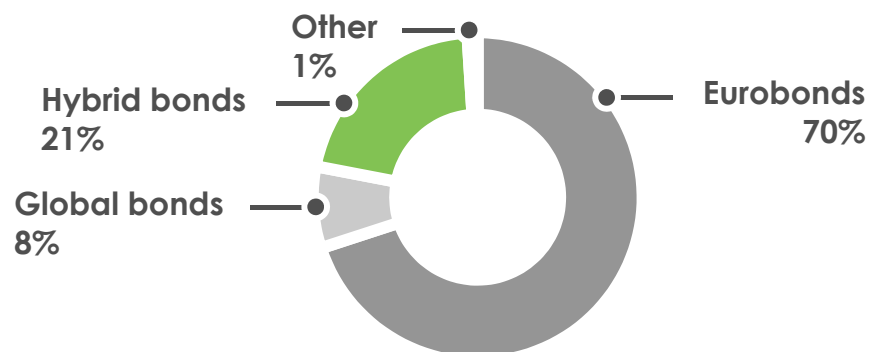
¹ Gross debt defined as the nominal value of interest bearing financial liabilities, excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments

Debt portfolio

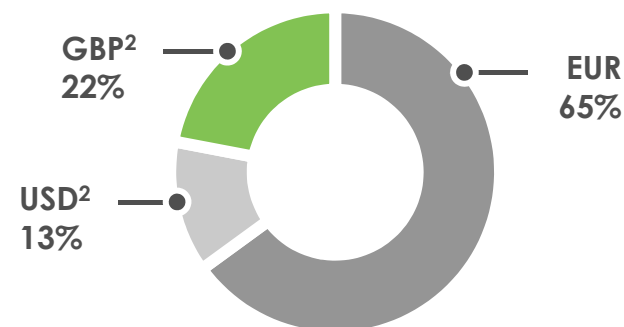
Breakdown of € 9.6bn nominal debt¹ including hybrid bonds



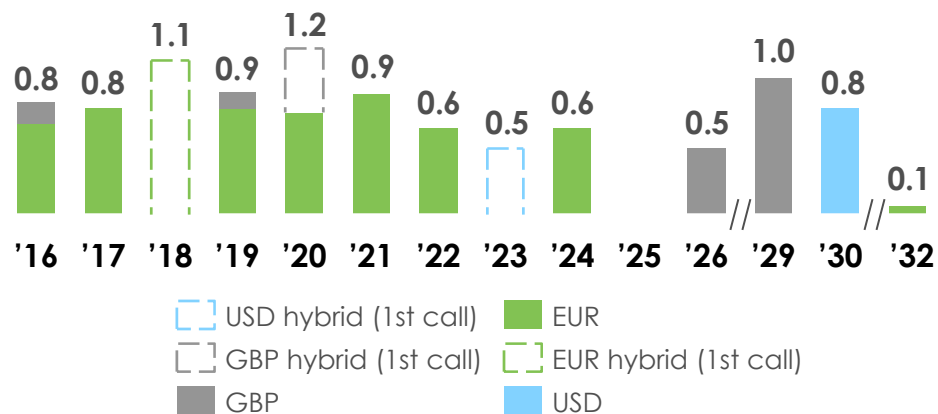
Breakdown nominal debt¹ (total € 9.6bn)



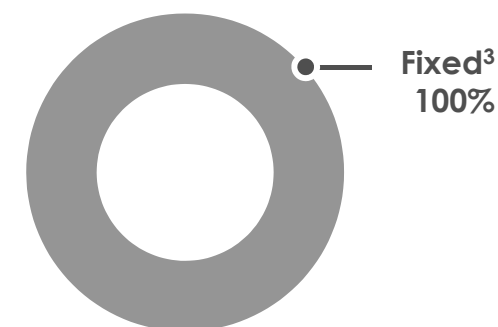
Nominal debt by currency



Bond redemption profile



Fixed vs. floating interest



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

Treatment of hybrid bonds



KPN & Credit rating agencies

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

IFRS

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

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

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

² Cash flow item 'Paid coupon perpetual hybrid bonds'

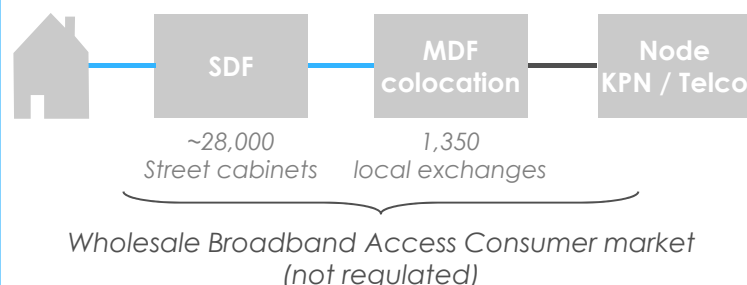
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Unbundling tariffs

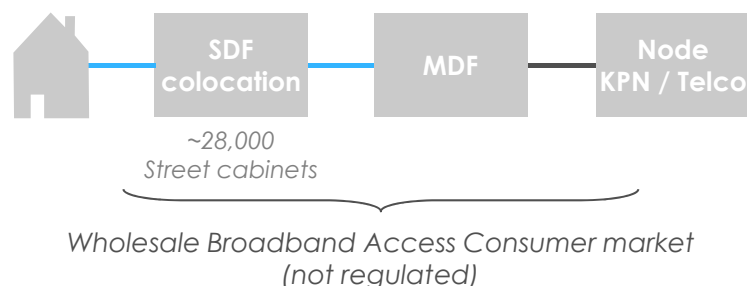


Unbundling in copper network



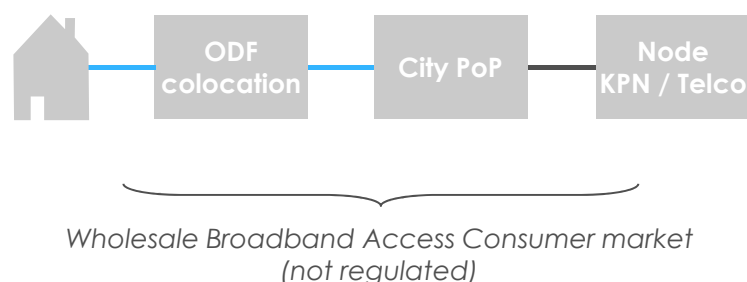
Category	Monthly tariff
Line sharing (LLU)	€ 0.11 per line
Fully unbundled (LLU)	€ 7.87 per line
MDF colocation	€ 956.45 footprint per year
Wholesale Broadband Access ¹	€ 5.32 per line shared € 13.00 per line non-shared

Unbundling in network FttC



Category	Monthly tariff
Line sharing (SLU)	€ 5.03 per line
Fully unbundled (SLU)	€ 7.03 per line
SDF colocation	€ 5.64 per unit One-off € 516.23 per unit
Wholesale Broadband Access ¹	€ 5.32 per line shared € 13.00 per line non-shared

Unbundling in network FttH



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

¹ List prices WBA CM excluding PVC/VLAN tariffs

² List prices WBA CM including PVC/VLAN tariffs

Spectrum in The Netherlands

Current status



800MHz (Paired)	Tele2 2*10	VOD 2*10	KPN 2*10					2*30	
900MHz (Paired)	VOD 2*10	KPN 2*10	T-Mob 2*15					2*35	
1.8GHz (Paired)	KPN 2*20		VOD 2*20		T-Mob 2*30			2*70	
1.9GHz (Unpaired)	T-Mob 10	KPN 5	VOD 5.4	T-Mob 14.6				1*35	
2.1GHz (Paired)	VOD 2*14.6		KPN 2*14.8		T-Mob 2*10	KPN 2*5	VOD 2*5	T-Mob 2*10	2*59.4
2.6GHz (Unpaired)	T-Mob 25			KPN 30			Tele2 5	1*60	
2.6GHz (Paired)	VOD 2*10	Ziggo4 2*20		T-Mob 2*5	KPN 2*10	Tele2 2*20		2*65	
Total	KPN 174.6MHz		VOD 144.6MHz		T-Mob 189.6MHz		Tele2 65MHz	Ziggo4 40MHz	613.8MHz

Spectrum in Belgium

Current status



800MHz (Paired)	BASE 2*10	Proximus 2*10	Mobistar 2*10	2*30		
900MHz ¹ (Paired)	BASE 2*10	Proximus 2*12	Mobistar 2*12	2*34		
1.8GHz (Paired)	BASE 2*24.8		Proximus 2*24.8	Mobistar 2*24.8	2*74.4	
2.1GHz (Paired)	Proximus 2*15		BASE 2*14.8	Mobistar 2*14.8	2*44.6	
2.1GHz (Unpaired)	BASE 5	Mob. 5	Prox. 5	1*15		
2.6GHz (Unpaired)	Voyacom 45				1*45	
2.6GHz (Paired)	Proximus 2*20		BASE 2*15	Mobistar 2*20	2*55	
Total	Proximus 168.6MHz		BASE 154.2MHz	Mobistar 168.2MHz	Voya. 45MHz	536MHz

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)

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Infrastructure

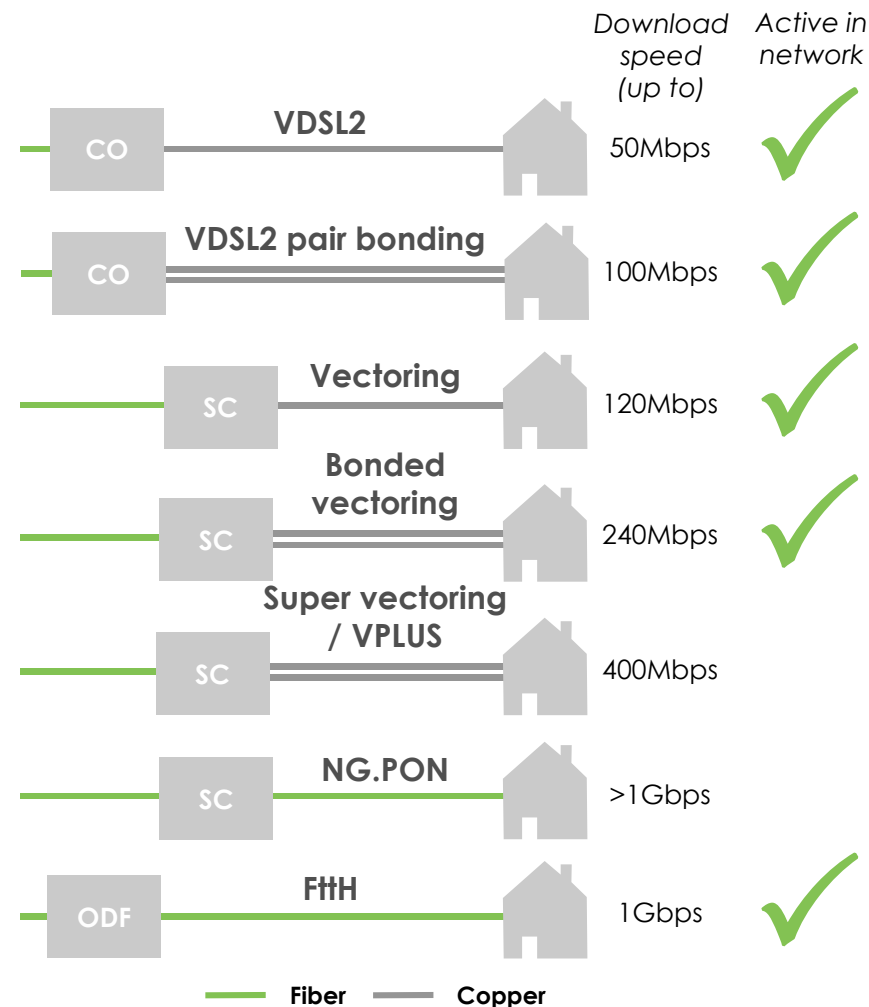
Fixed network ahead of customer demand



Download speed ahead of demand

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

Next round of upgrades



¹ Percentage of households

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Telefónica Deutschland stake

Accounting treatment



Balance sheet

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

P&L

- Dividends received will be 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 *financial income*
- Significant or prolonged value decreases will be booked as an impairment through the P&L within *net finance costs*

Cash flow

- Dividends received will be 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 will be subject to Dutch corporate income tax
- Deferred tax asset can be utilized to offset income related to KPN's stake

¹ Defined under IFRS as available for sale financial asset