

Fourth Quarter and Annual Results 2015

3 February 2016





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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Eelco Blok

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Jan Kees de Jager

3 **Outlook and concluding remarks**

Eelco Blok

Highlights Q4 and 2015

Record base growth driven by differentiating customer experience



Services & Innovation

- Leading innovative TV services
 - TV Everywhere and Play by KPN launched
 - Netflix integrated in IPTV platform
- Enlarged data bundles Consumer Mobile drive high value intake
- Best-in-class customer experience through leading networks
 - 68% 100Mbps coverage in fixed network
 - Average 4G download speed of 50Mbps

Operational

- Strong base growth Consumer in 2015
 - +139k broadband net adds (Q4 '15: +40k)
 - +289k postpaid net adds (Q4 '15: +80k)
- Growth fixed-mobile bundles Consumer
 - 33% of retail postpaid base
 - 28% of broadband base
- Transformation of Business segment ongoing
- Rising customer satisfaction

Financial¹ & Portfolio

- Adjusted revenues FY '15 € 7,018m, -4.5% y-on-y
 - Q4 '15: € 1,745m, -5.9%² y-on-y
- Adjusted EBITDA FY '15 € 2,419m, 0.1% y-on-y
 - Q4 '15: € 582m, -0.7%² y-on-y
- FCF FY '15 (excl. TEFD dividend): € 552m vs. € 423m³ FY '14
- Growing DPS and additional dividends via TEFD stake
- BASE Company sale on track

- Good progress Simplification program: ~€ 280m run-rate savings realized⁴
- Run-rate savings target upgraded from >€ 400m to ~€ 450m by end FY '16 vs. end FY '13

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

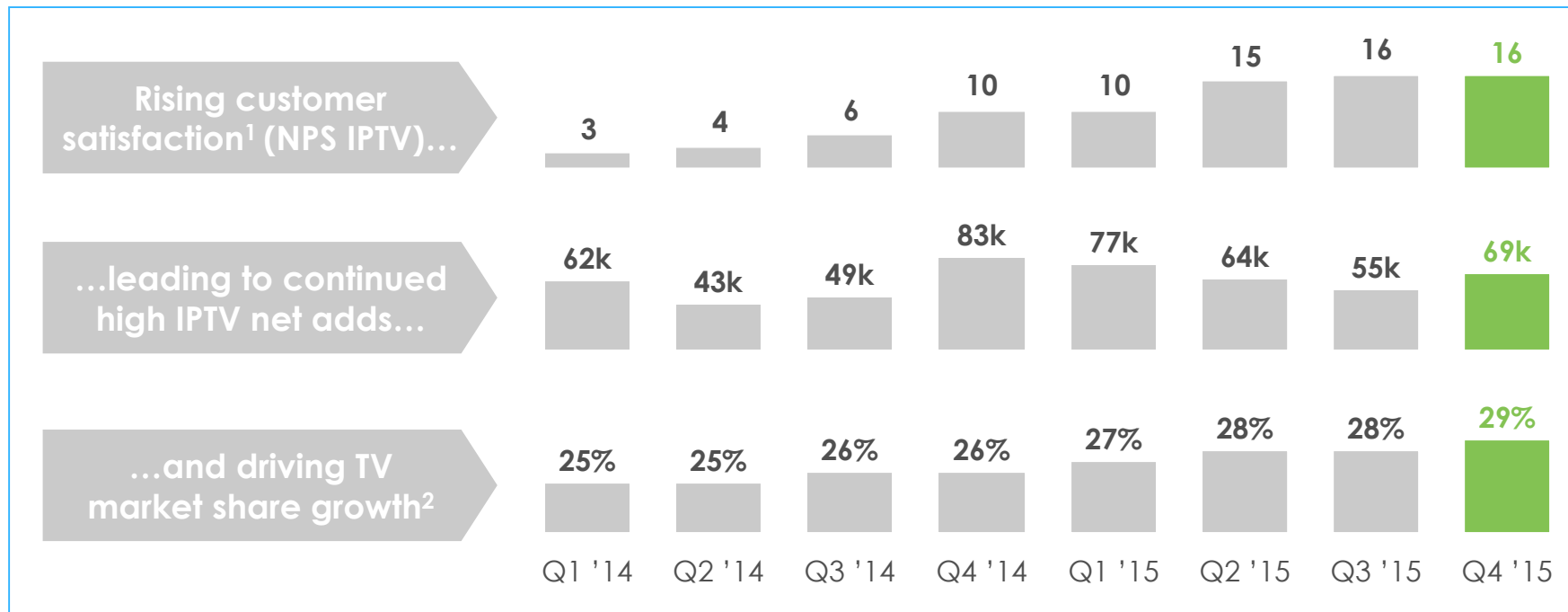
² y-on-y percentage excludes € 44m tax settlement benefit in Q4 '14

³ FCF FY '14 normalized for non-recurring items

⁴ End Q4 '15 vs. end Q4 '13

Differentiating through innovative services

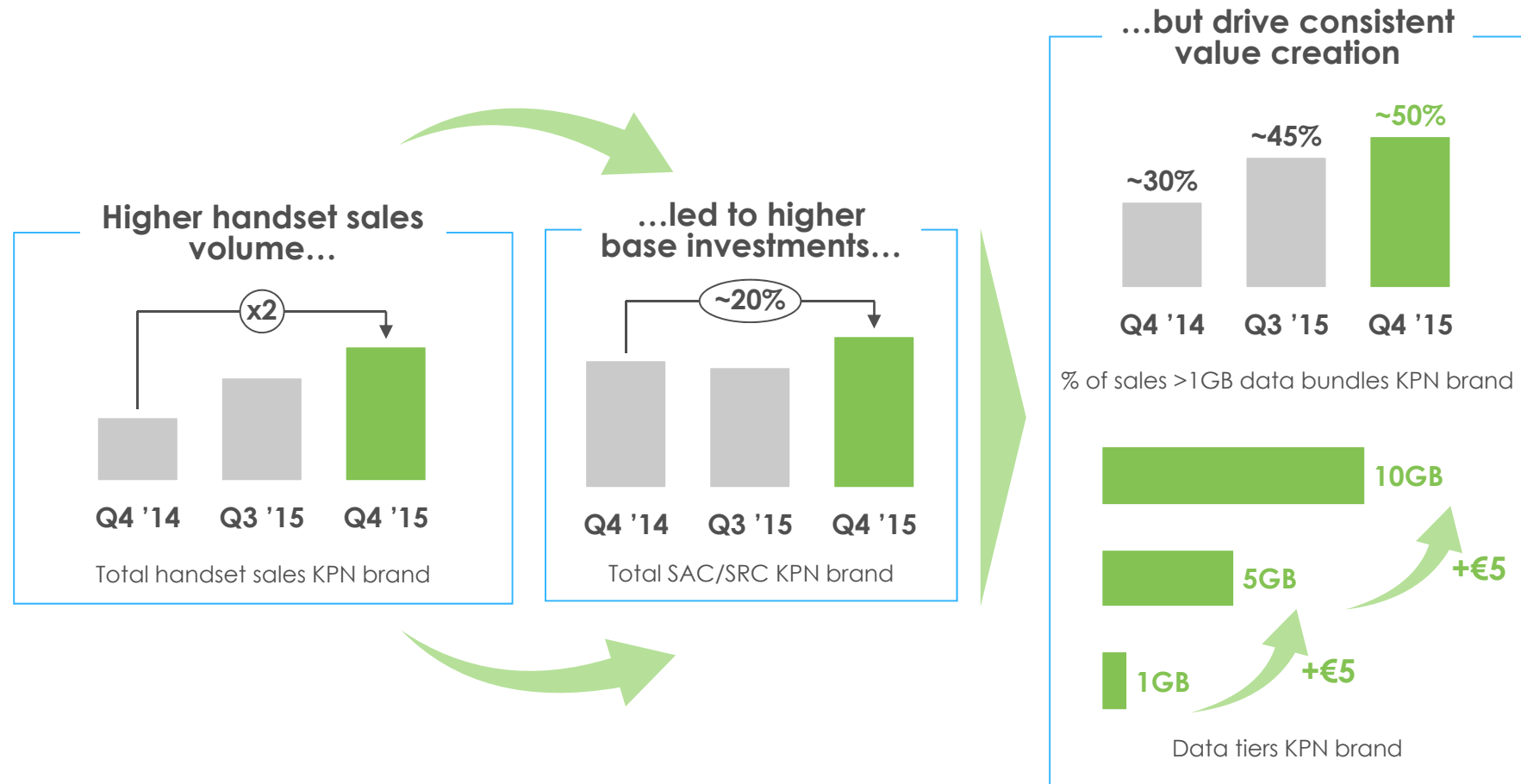
Leading innovative TV service driving clear operational benefits



1 Source: TNS NIPO, KPN brand
2 Based on number of subscribers

Consistent value creation in Consumer Mobile

Investments in customer base drive high value inflow

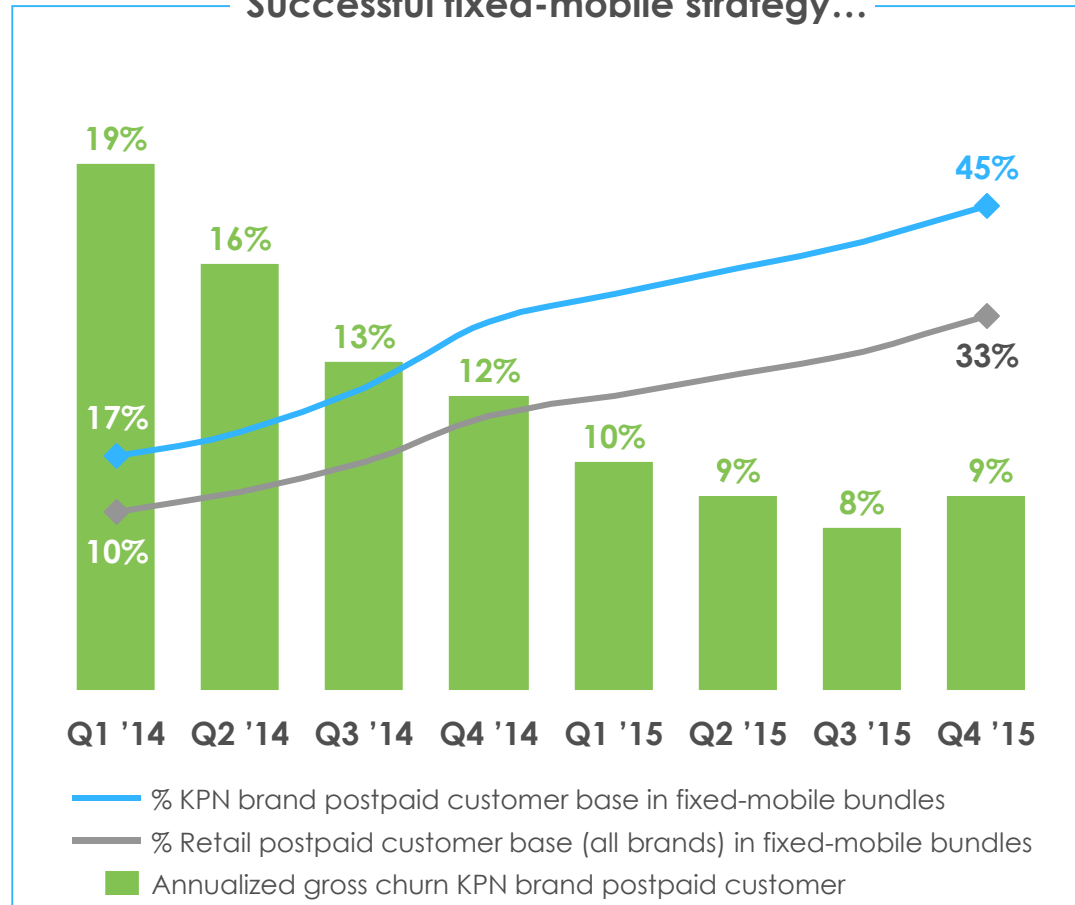


Successful fixed-mobile strategy

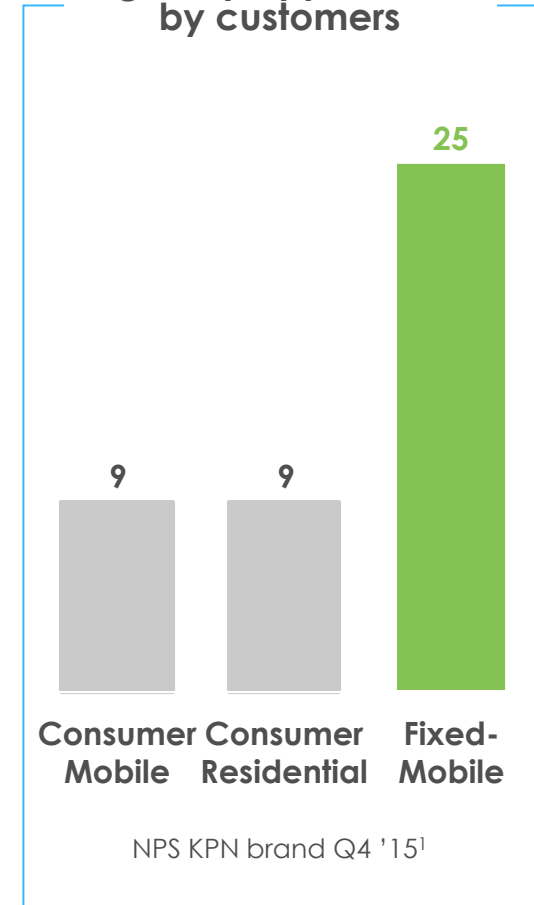
KPN brand leading the way in convergence



Successful fixed-mobile strategy...



...greatly appreciated by customers

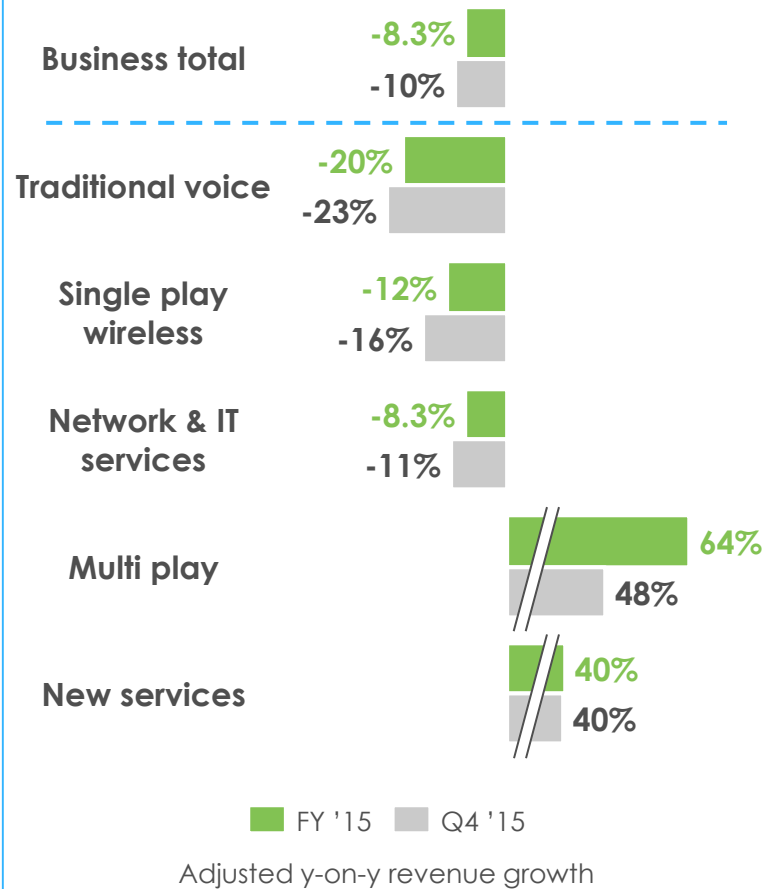


Business market transformation ongoing

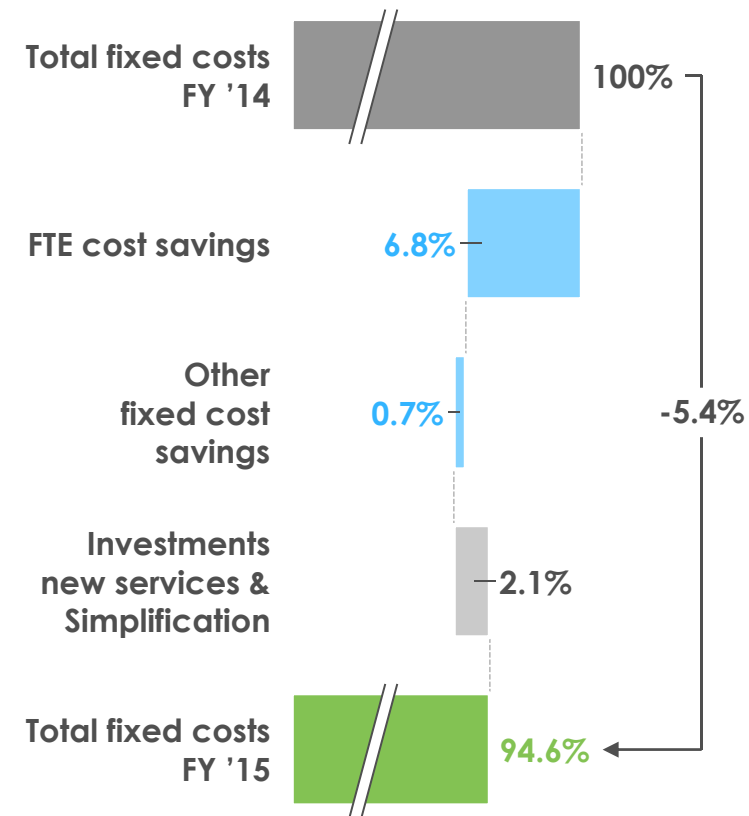
Focus to improve profitability and stabilize revenues in medium-term



Business revenue growth drivers



Fixed cost savings partly offset by investments in new services

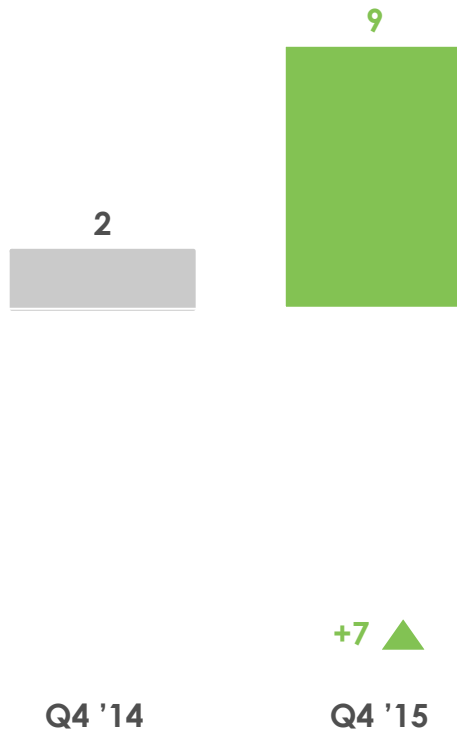


Developing as best-in-class service provider

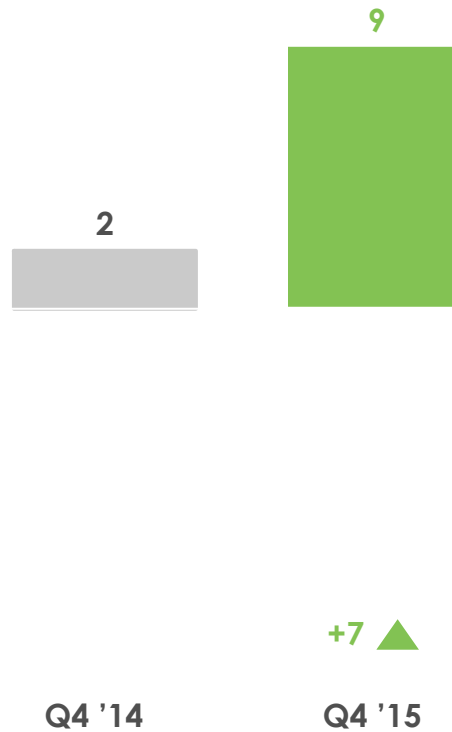
NPS continues to improve across all segments



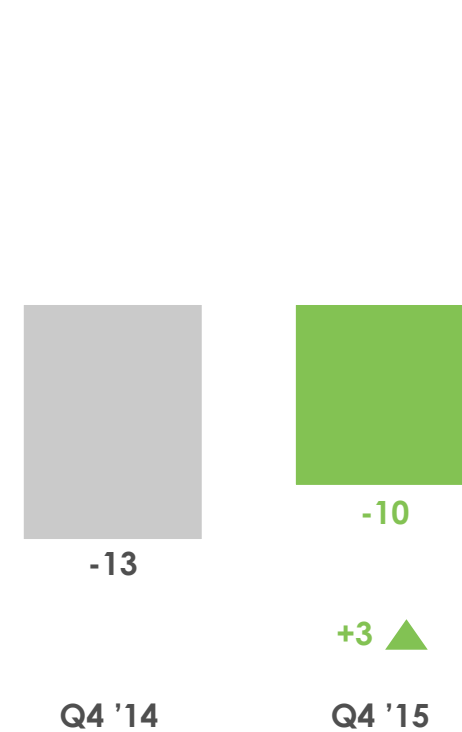
NPS Consumer Residential¹



NPS Consumer Mobile¹



NPS Business¹



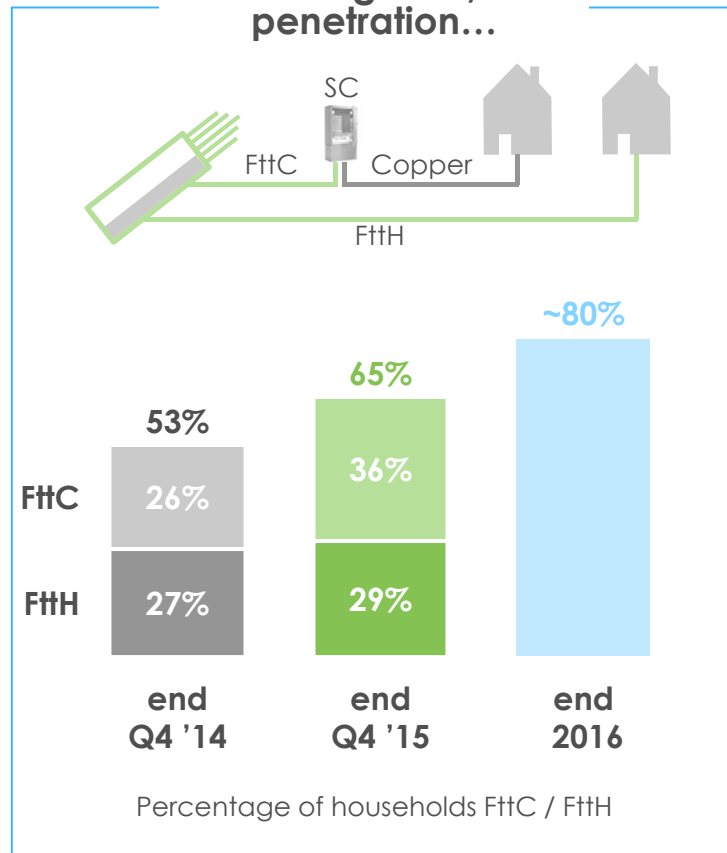
¹ Source: TNS NIPO. Consumer Residential (all brands), Consumer Mobile (all brands), Business (KPN brand)

Improving customer experience fixed network

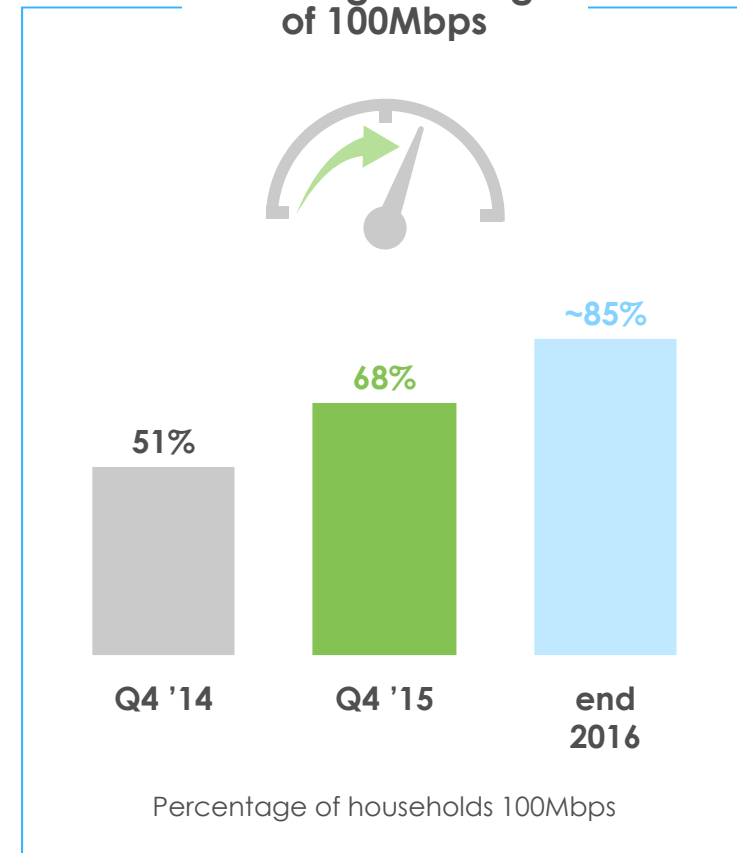
Copper speeds enhanced through FttC, vectoring and pair bonding



Increasing FttC / FttH penetration...



...driving coverage of 100Mbps

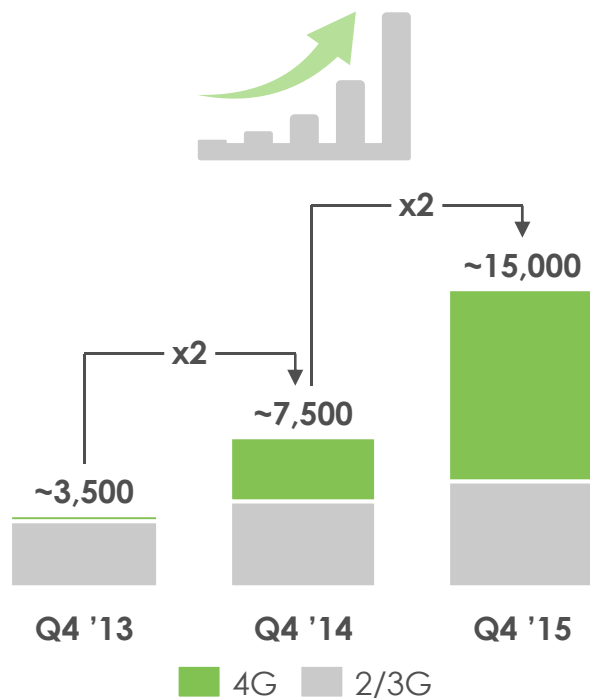


Expanding superior 4G network

Investments in capacity securing best-in-class customer experience

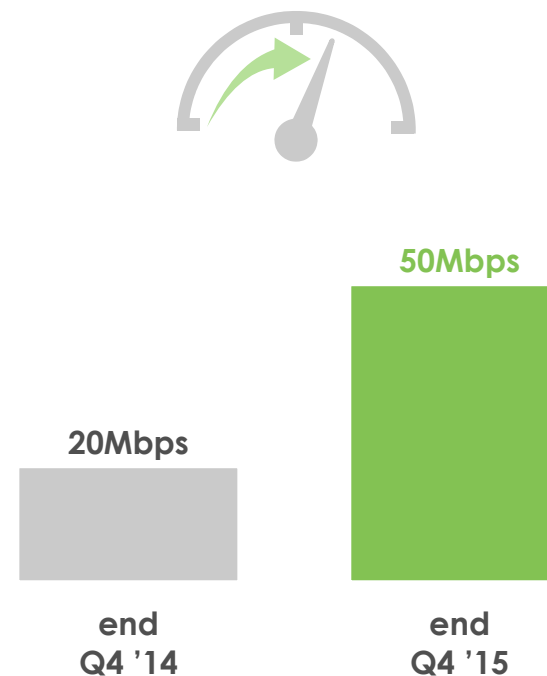


Introduction of 4G boosted mobile data growth



Total mobile data volume (in TB) per quarter

Investments in capacity driving higher average 4G download speed

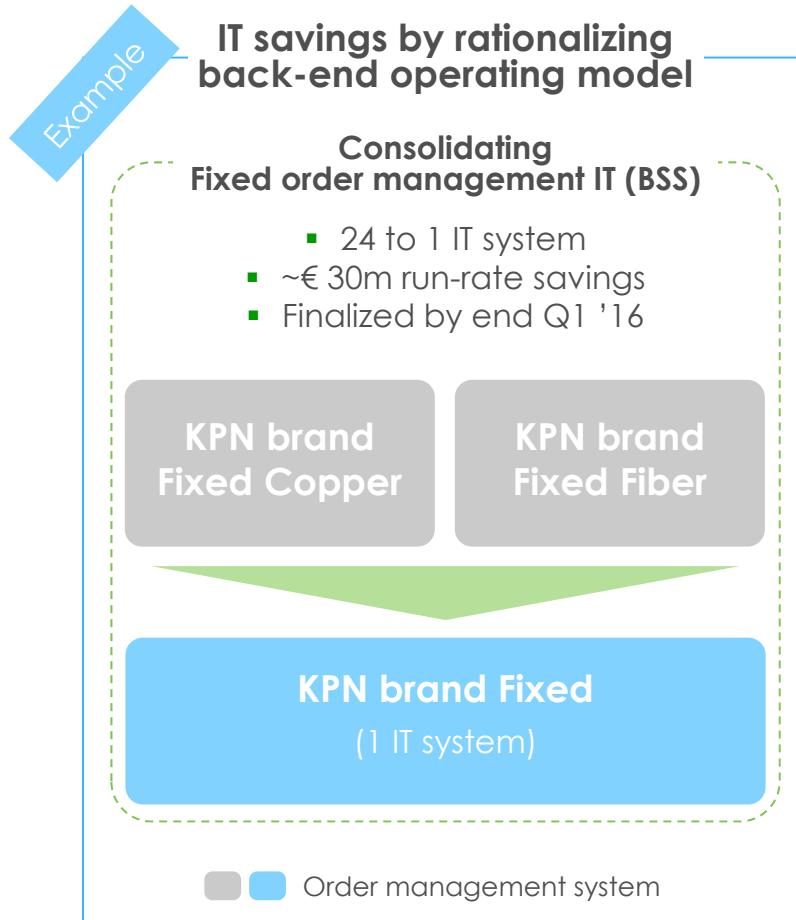
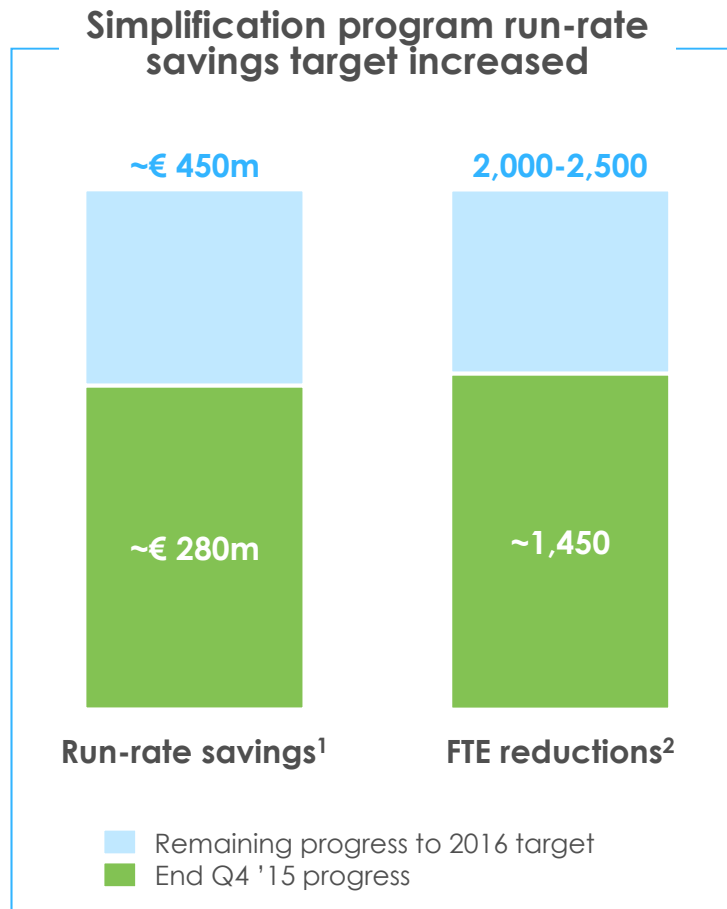


Average 4G download speed

Simplification target raised to ~€450m due to IT savings



Building efficient and lean operating model



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

2 FTE reduction target vs. end 2013 level

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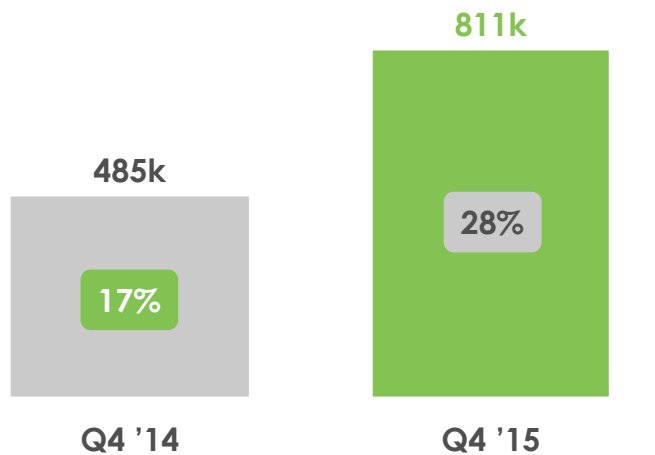
Eelco Blok

Multi play penetration increasing in Consumer

Successful take-up driving customer loyalty and reducing churn

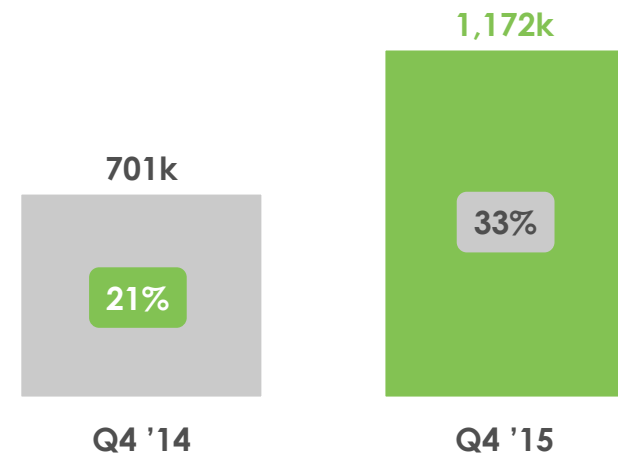


Households in Fixed-Mobile bundles



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

Mobile customers in Fixed-Mobile bundles



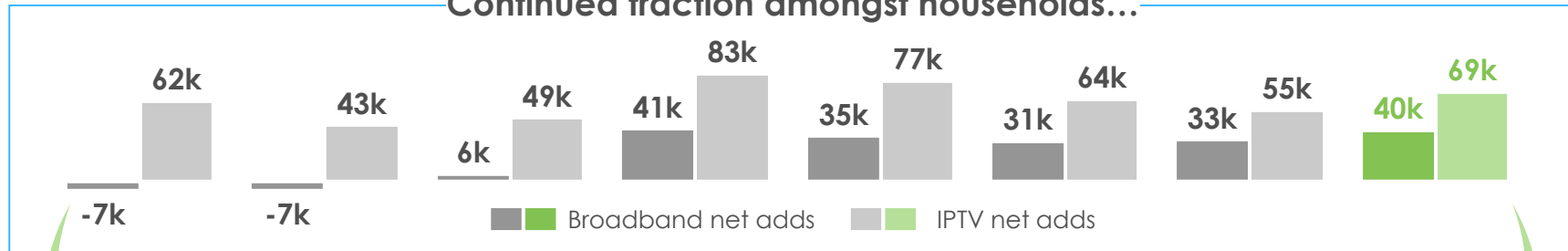
■ Retail postpaid customers in fixed-mobile bundles
■ % retail postpaid customer base in fixed-mobile bundles

Investments Consumer Residential paying off

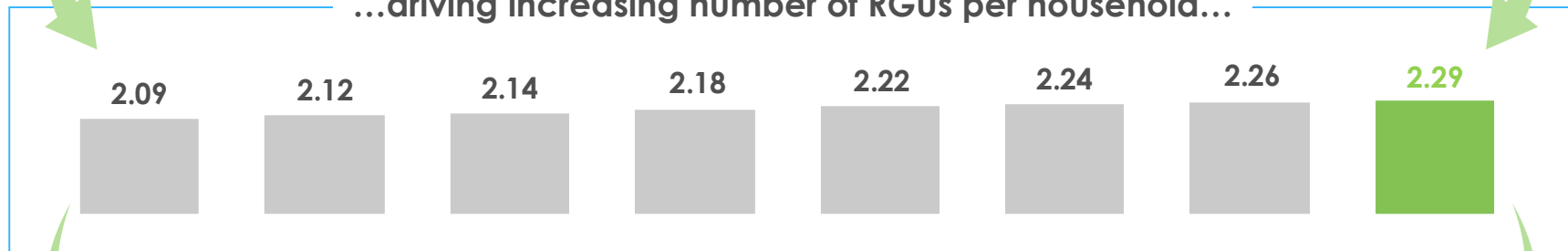
Strong market position continues to drive operational growth



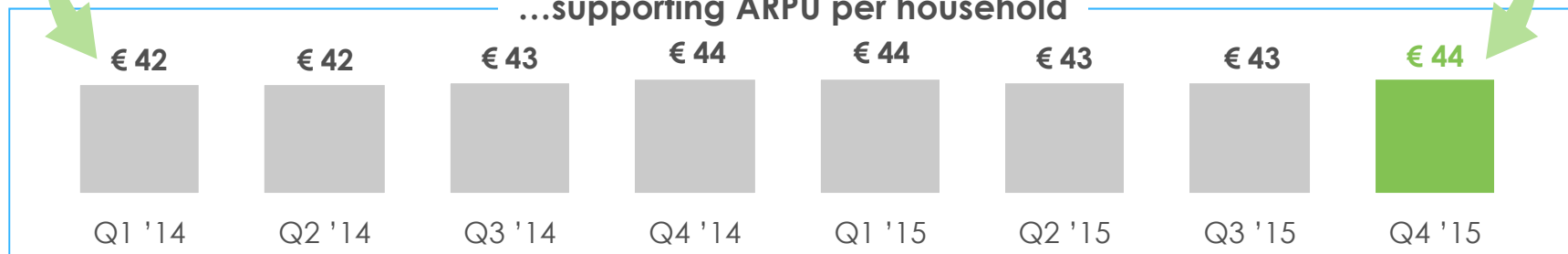
Continued traction amongst households...



...driving increasing number of RGUs per household...

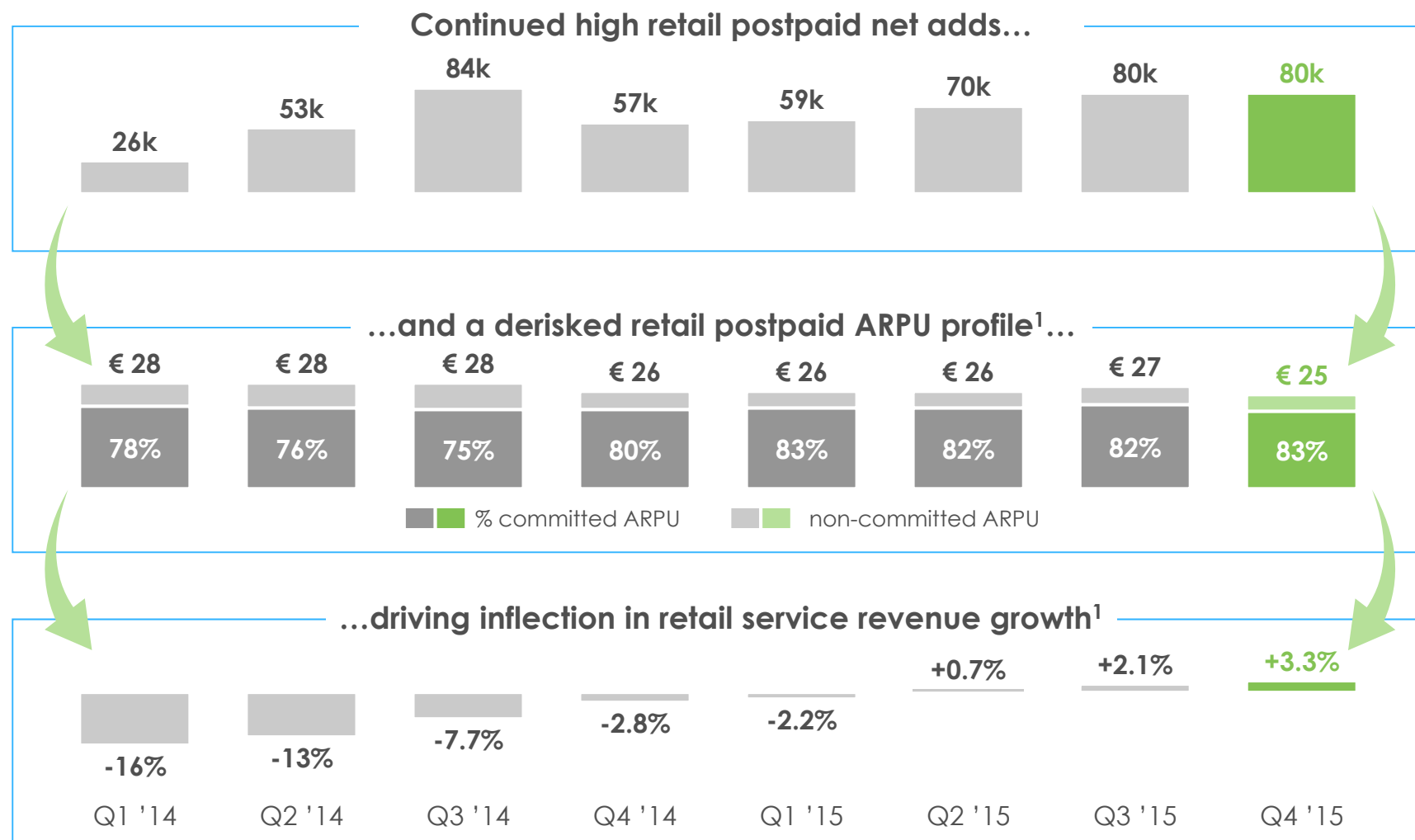


...supporting ARPU per household



Excellent position in Dutch consumer mobile market

High value customer intake driving service revenue growth



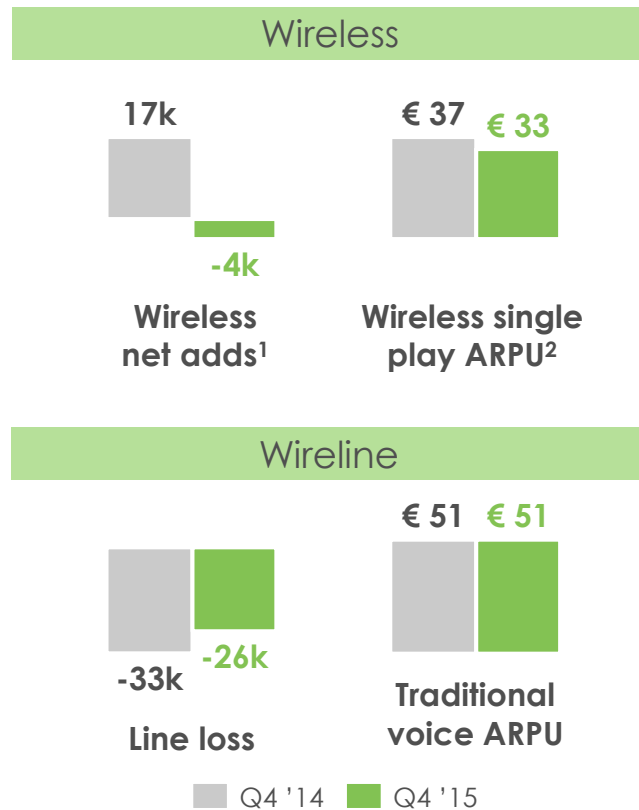
¹ Excluding tax benefit recorded in Q2 '15 and Q3 '15

Challenging environment in Business

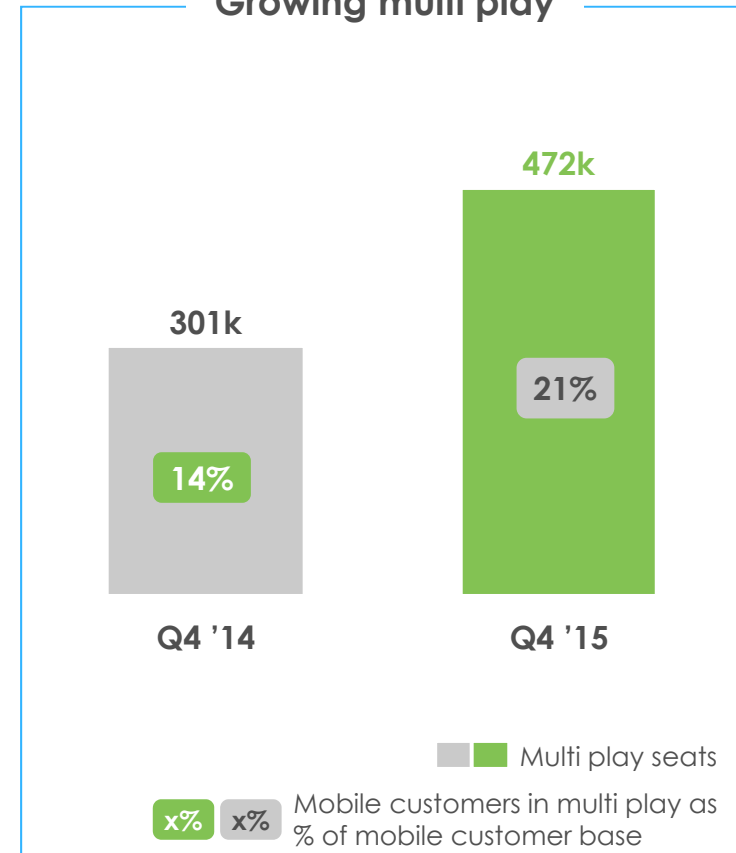
Focus on growing multi play and new services



Challenging environment



Growing multi play



¹ Excluding M2M

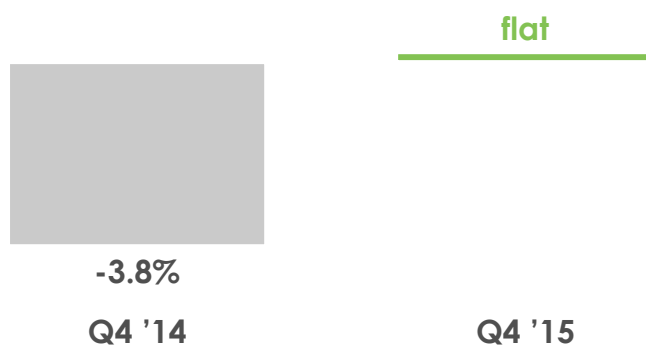
² Excluding M2M and multi play customers

BASE Company's¹ results improving

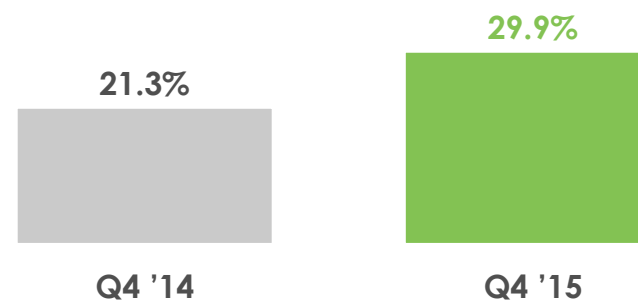
Improving service revenue trend and profitability



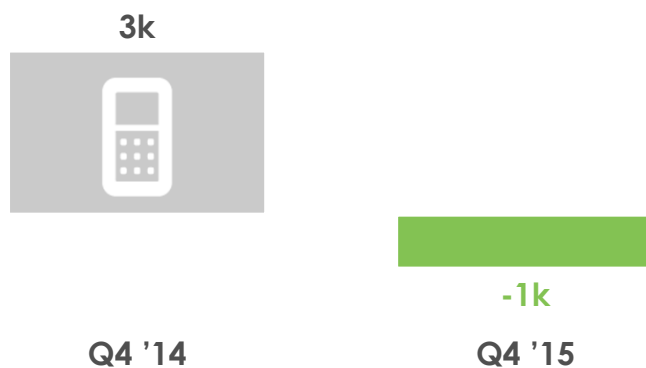
Service revenue growth y-on-y



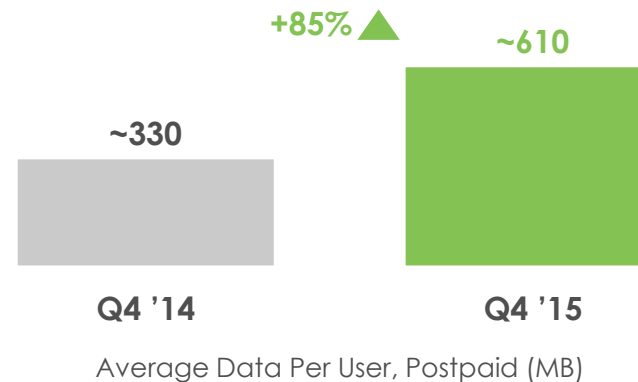
Adjusted EBITDA margin



Postpaid net adds



Data usage growth continuing



¹ BASE Company classified as discontinued operation

Improving financial results (continuing operations)¹



€ m	Q4 '15	Q4 '14	Q4 y-on-y %	FY '15	FY '14	FY y-on-y %
Adjusted revenues	1,745	1,898	-8.1% (-5.9%) ²	7,018	7,352	-4.5%
Adjusted EBITDA	582	630	-7.6% (-0.7%) ²	2,419	2,417	0.1%
Net profit	254	-16	n.m.	524	261	>100%
Capex	355	414	-14%	1,300	1,239	4.9%
FCF	223	-179	n.m.	698 ³	-151	n.m.

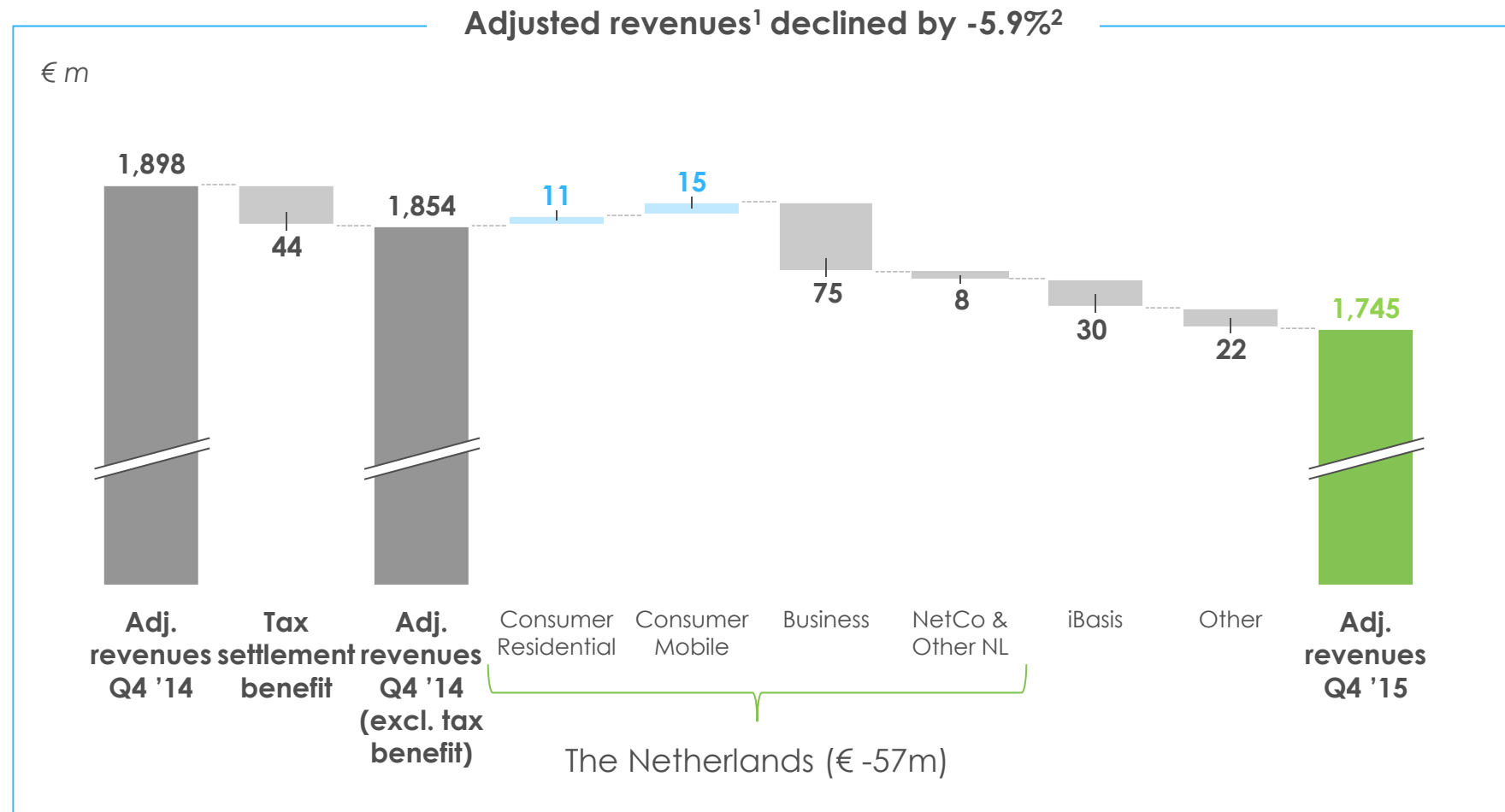
¹ All figures based on continuing operations, unless stated otherwise. BASE Company classified as discontinued operation

² y-on-y percentage excluding € 44m tax settlement benefit in Q4 '14

³ Free cash flow FY '15 was € 552m, excluding Telefónica Deutschland dividend of € 146m

Q4 '15: Revenue trend

Consumer growth offset by Business & iBasis

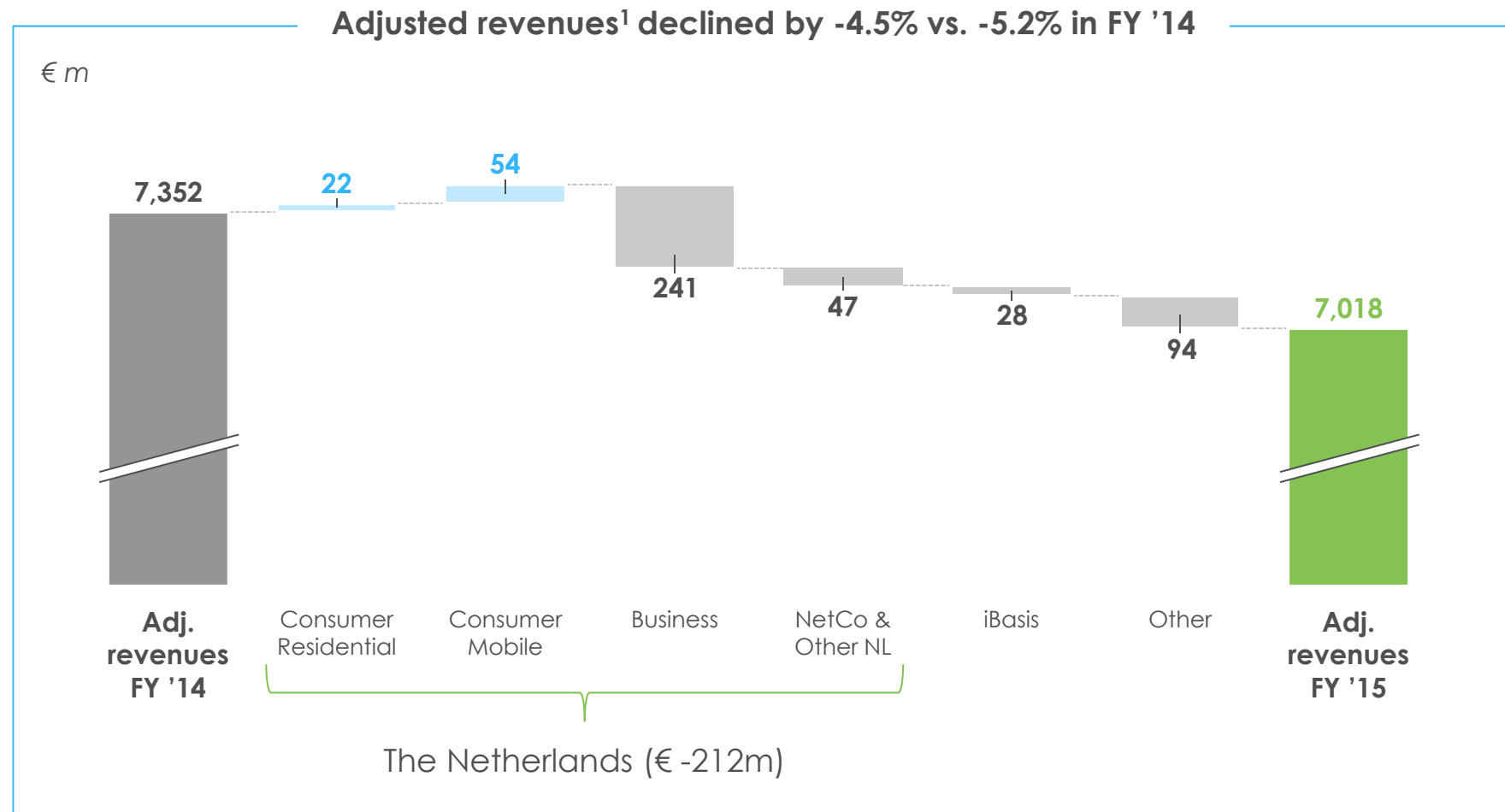


¹ All figures based on continuing operations, unless stated otherwise. BASE Company classified as discontinued operation

² Amended for tax settlement benefit in Q4 '14

FY '15: Revenue trend improving vs. FY '14

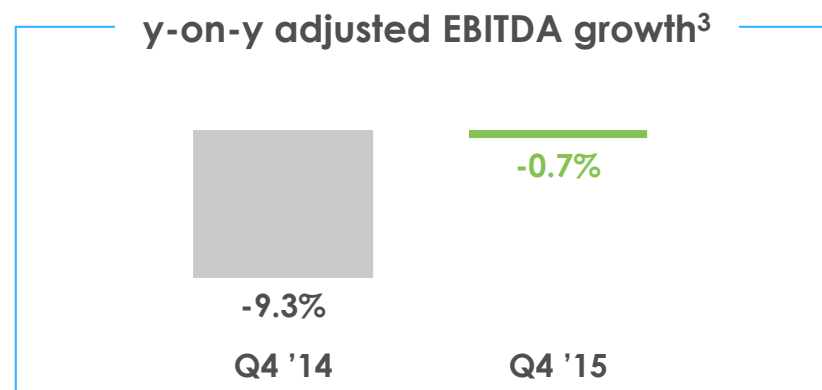
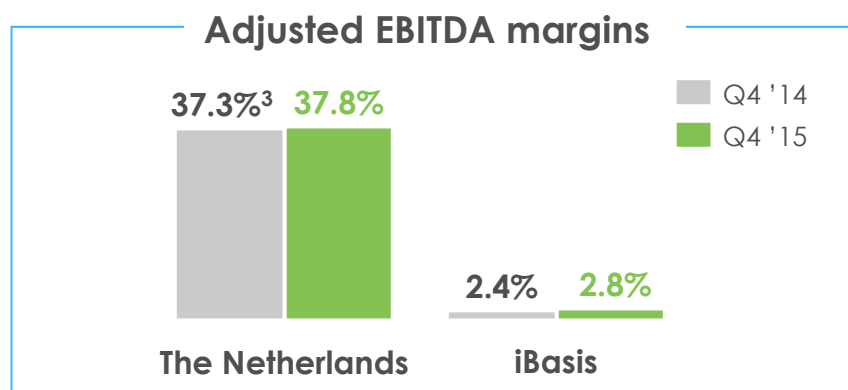
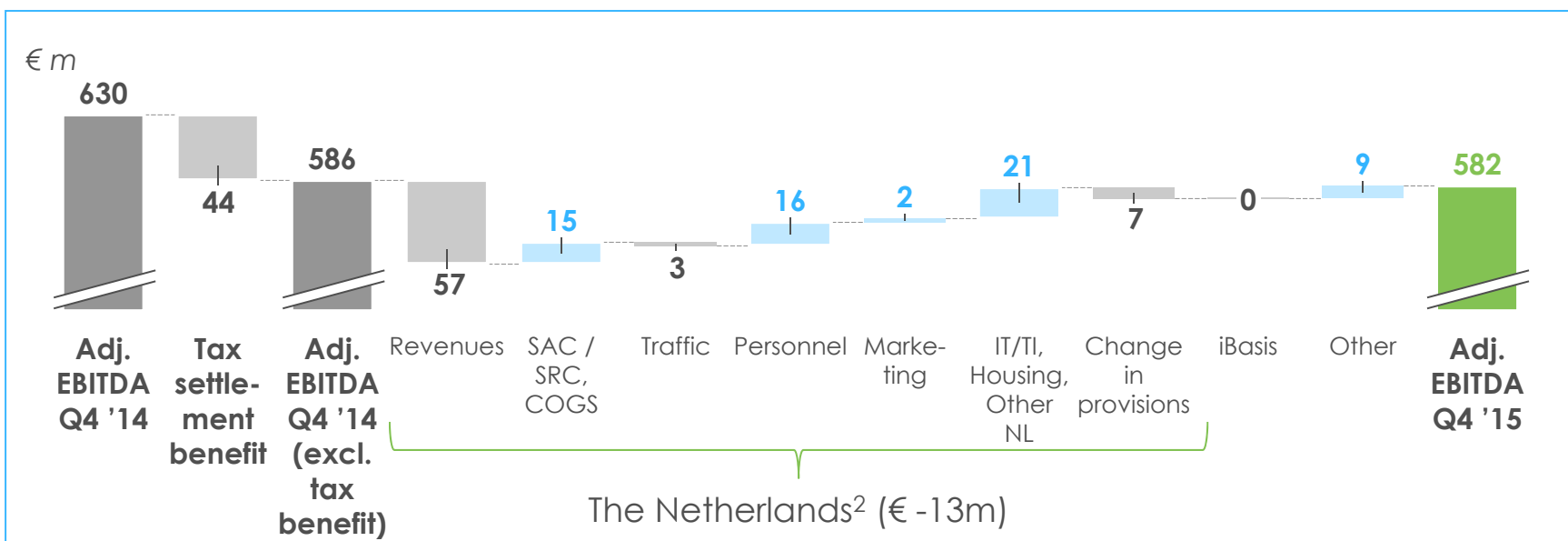
Inflection in Consumer still offset by declining business market



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

Q4 '15: Adjusted EBITDA¹ relatively stable

Positive impact of cost savings offset revenue decline



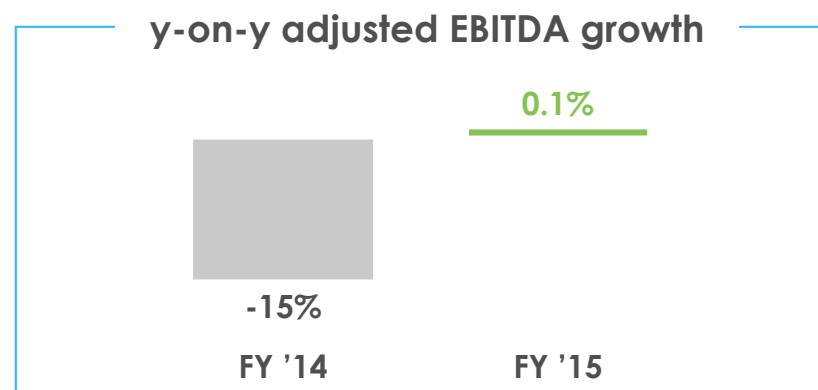
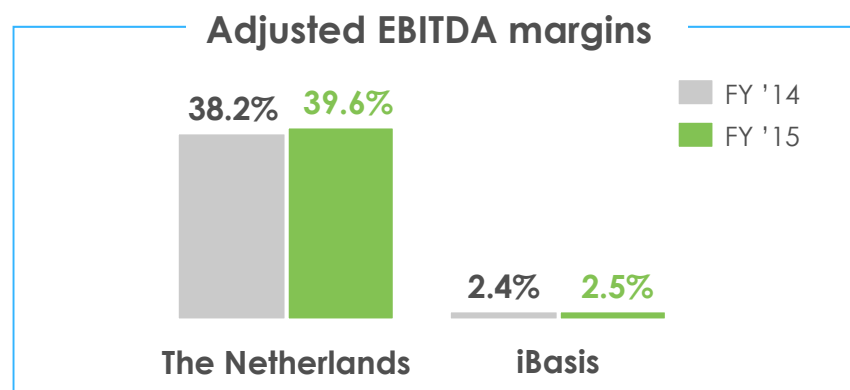
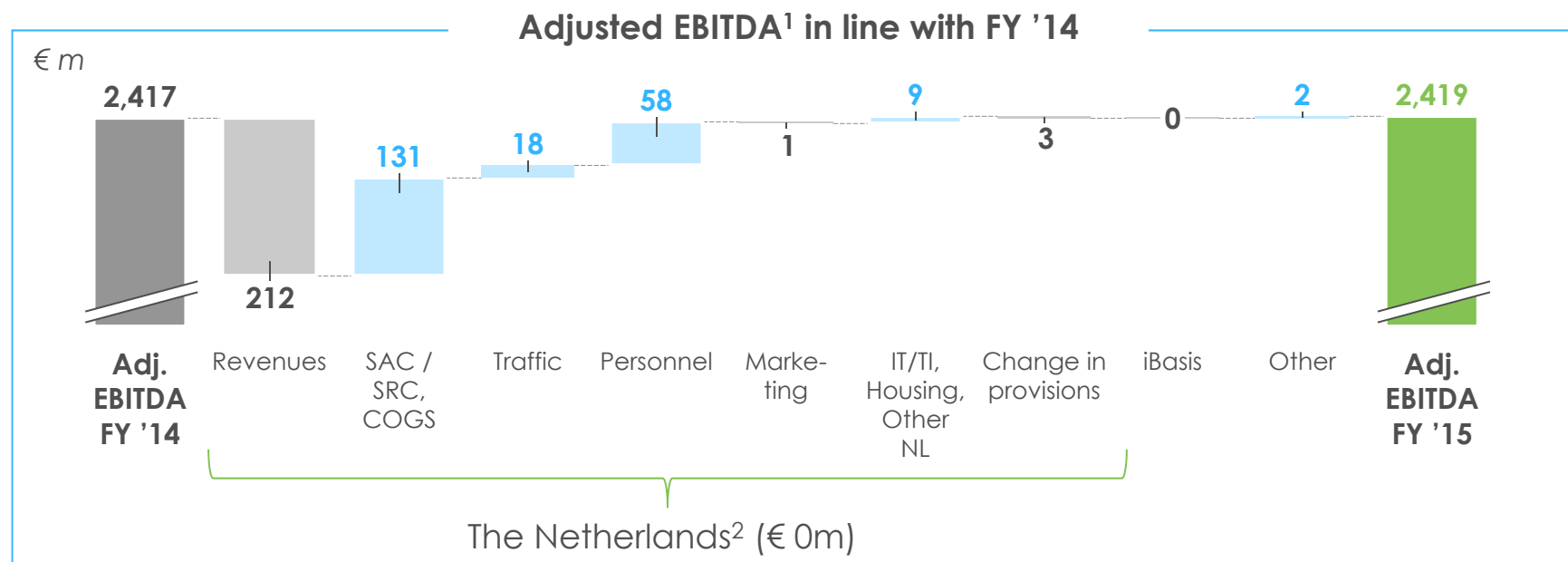
¹ All figures based on continuing operations, unless stated otherwise. BASE Company classified as discontinued operation

² The presented categories differ from the opex breakdown as presented in KPN's Integrated Annual Report 2014

³ Excluding € 44m tax settlement benefit in Q4 '14

FY '15: Adjusted EBITDA stable y-on-y

Positive impact of cost savings offset revenue decline

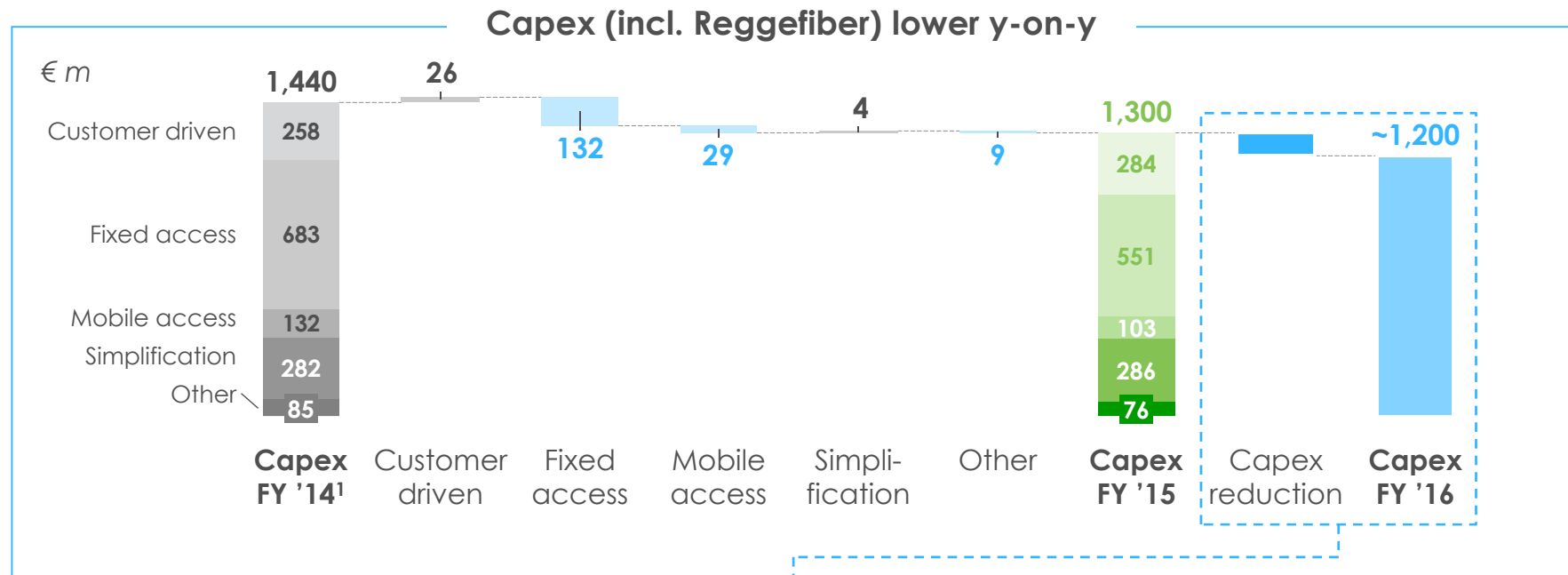


¹ All figures based on continuing operations, unless stated otherwise. BASE Company classified as discontinued operation

² The presented categories differ from the opex breakdown as presented in KPN's Integrated Annual Report 2014

Capex trending down

Continued investments in capacity and Simplification



Capex projects 2016



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



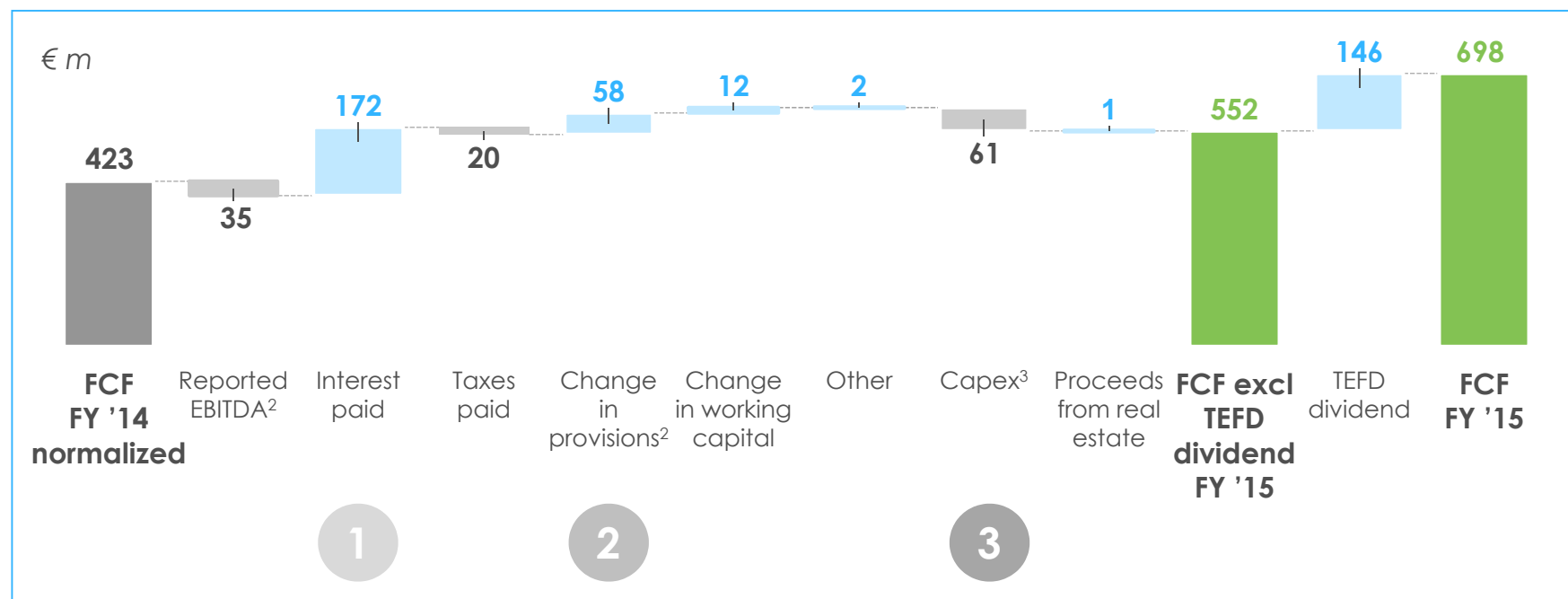
Roll-out carrier aggregation to increase capacity and speed mobile network



Continued Simplification investments in networks & IT

Growing free cash flow¹

Free cash flow growth 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 provisions of € 477m in FY '14

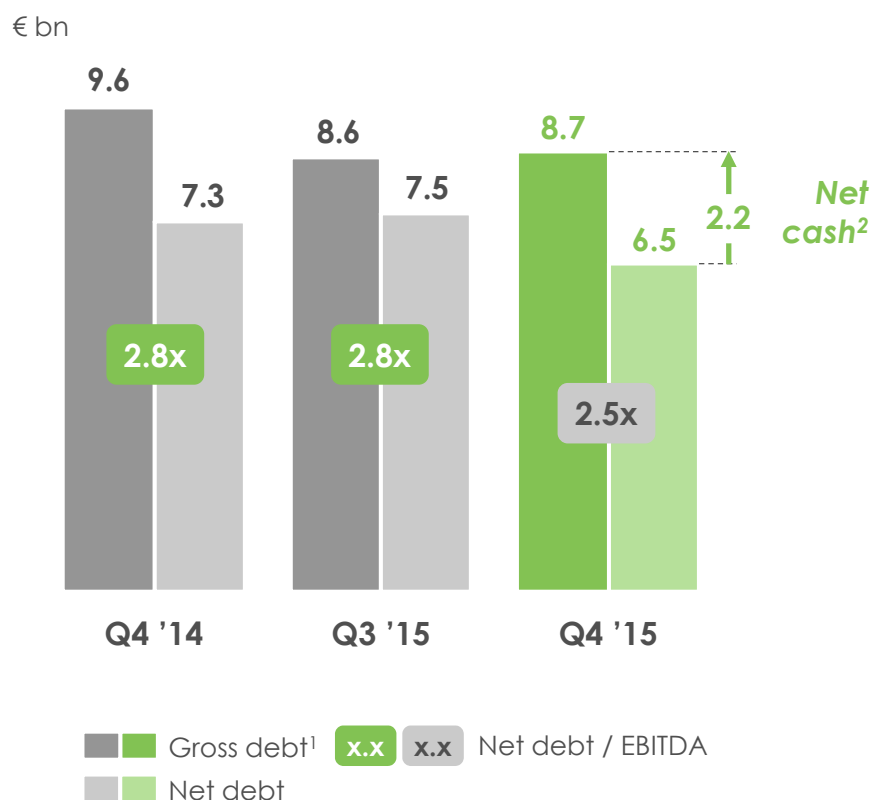
³ Reggefiber included as per 1 November '14

Solid financial position

Telefónica Deutschland stake provides additional financial flexibility



Lower net debt y-on-y



Debt portfolio

- Net debt € 1.0bn lower vs. Q3 '15
 - ~5% TEFD sold for € 805m, ~70% expected to be distributed to KPN shareholders in June 2016
- Bond redemptions (€ 0.8bn) in Q1 '16 repaid by available cash
- Average maturity senior bonds 6.9 years
- Average coupon senior bonds 5.1%

Financial flexibility

- 15.5% stake in Telefónica Deutschland
- Expected cash proceeds 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 15.5% Telefónica Deutschland stake)

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Eelco Blok

Priorities for 2016



Accelerate up- and cross-sell in bundles



Grow in TV and new services



Transformation of Business segment



Differentiate on network quality by deploying innovative technologies and increasing fiber penetration



Further Simplification to build efficient and lean operating model

Outlook 2016



Adjusted EBITDA

In line with 2015

Capex

~ € 1.2bn

Free cash flow
(excl. TEFD dividend)

> € 650m

Additional cash flow via expected dividend from
15.5% stake in Telefónica Deutschland

Continuing attractive shareholder remuneration

DPS of € 10ct plus additional € 13ct announced in respect of 2016



Attractive shareholder remuneration policy

- Intended regular DPS of € 8ct in respect of 2015
 - € 5ct final dividend expected in April '16
- Intended regular DPS of € 10ct in respect of 2016
- Intention to grow regular DPS in line with FCF growth profile

Clear guiding principles for additional shareholder remuneration

- Excess cash could be utilized for
 - Operational / financial flexibility
 - (Small) in-country M&A
 - Shareholder remuneration
- € 13ct distribution as a capital repayment from proceeds ~5% TEFD sale
 - Expected to be distributed in June 2016
- 15.5% stake TEFD treated as financial investment



Q&A

Q4 2015 – Information Pack

For further information please contact

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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 Q4 '15 (continuing operations)



(€ m)	Q4 '15	Q3 '15	Q4 '14	y-on-y %
Revenues	1,745	1,764	1,933	-9.7%
Adjusted revenues	1,745	1,764	1,898	-8.1%
Operating expenses (excl. D&A)	1,167	1,162	1,277	-8.6%
EBITDA	578	602	656	-12%
Adjusted EBITDA	582	640	630	-7.6%
Depreciation	282	276	285	-1.1%
Amortization	136	122	136	0.0%
Operating expenses	1,585	1,560	1,698	-6.7%
Operating profit	160	204	235	-32%
Financial income/expense	127	-108	-328	n.m.
Share of profit of associates and joint ventures	1	1	-1	n.m.
Profit before taxes	288	97	-94	n.m.
Income tax	-34	-10	78	n.m.
Profit after taxes	254	87	-16	n.m.

Group results FY '15 (continuing operations)



(€ m)	FY '15	FY '14	y-on-y %
Revenues	7,008	7,409	-5.4%
Adjusted revenues	7,018	7,352	-4.5%
Operating expenses (excl. D&A)	4,684	4,543	3.1%
EBITDA	2,324	2,866	-19%
Adjusted EBITDA	2,419	2,417	0.1%
Depreciation	1,105	1,129	-2.1%
Amortization	511	525	-2.7%
Operating expenses	6,300	6,197	1.7%
Operating profit	708	1,212	-42%
Financial income/expense	-105	-901	-88%
Share of profit of associates and joint ventures	2	-5	n.m.
Profit before taxes	605	306	98%
Income tax	-81	-45	80%
Profit after taxes	524	261	>100%

Group cash flow Q4 '15 (continuing operations)



(€ m)	Q4 '15	Q4 '14	y-on-y %
EBITDA	578	656	-12%
Interest paid/received	-71	-119	-40%
Tax paid/received	31	66	-53%
Change in provisions ¹	-43	-280	-85%
Change in working capital ¹	81	-94	n.m.
Other movements	1	6	-83%
Net cash flow from operating activities	577	235	>100%
Capex	-355	-414	-14%
Proceeds from real estate	1	-	n.m.
Free cash flow	223	-179	n.m.
Coupon on perpetual hybrid	-	-	n.m.

¹ Excluding changes in deferred taxes

Group cash flow FY '15 (continuing operations)



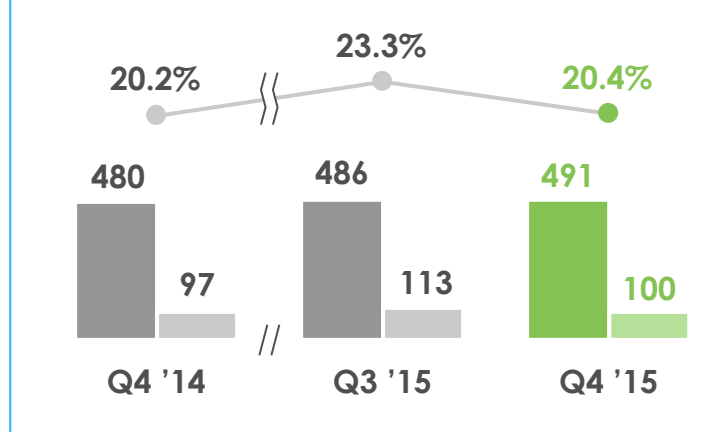
(€ m)	FY '15	FY '14	y-on-y %
EBITDA	2,324	2,866	-19%
Interest paid/received	-485	-704	-31%
Tax paid/received	18	38	-53%
Change in provisions ¹	-44	-894	-95%
Change in working capital ¹	30	-224	n.m.
Other movements (incl. TEFD dividend)	153	5	>100%
Net cash flow from operating activities	1,996	1,087	84%
Capex	-1,300	-1,239	4.9%
Proceeds from real estate	2	1	100%
Free cash flow	698	-151	n.m.
Coupon on perpetual hybrid	-67	-67	0.0%

¹ Excluding changes in deferred taxes

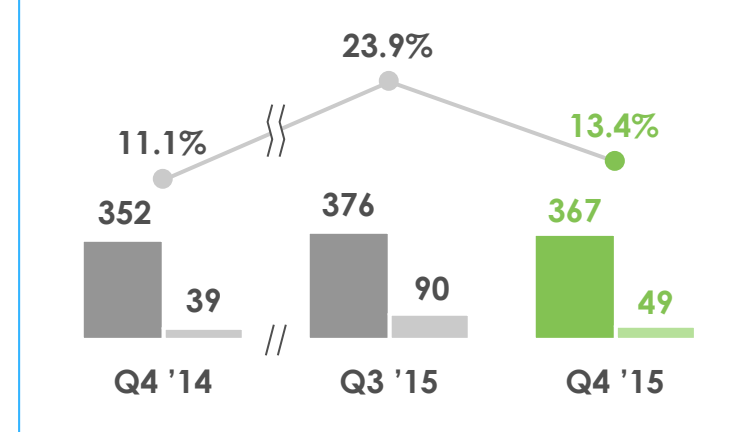
Financials by segment



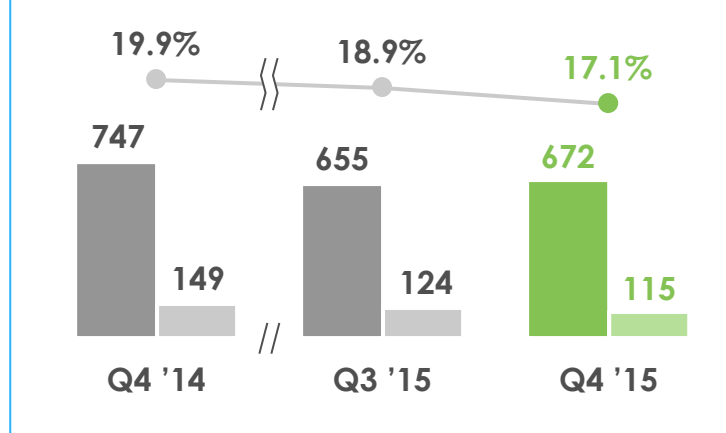
Consumer Residential



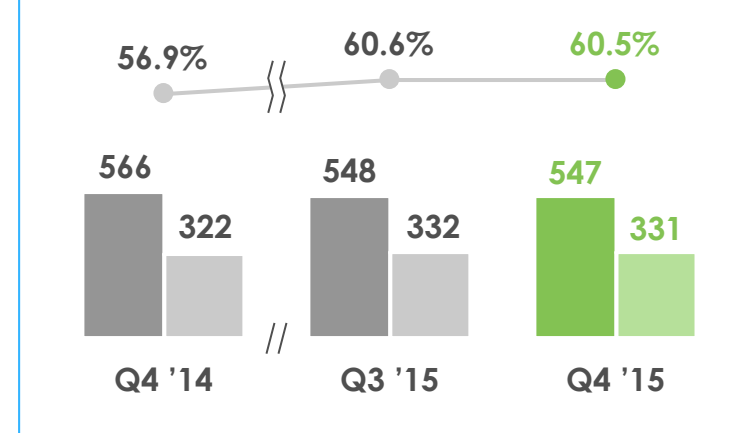
Consumer Mobile



Business



NetCo

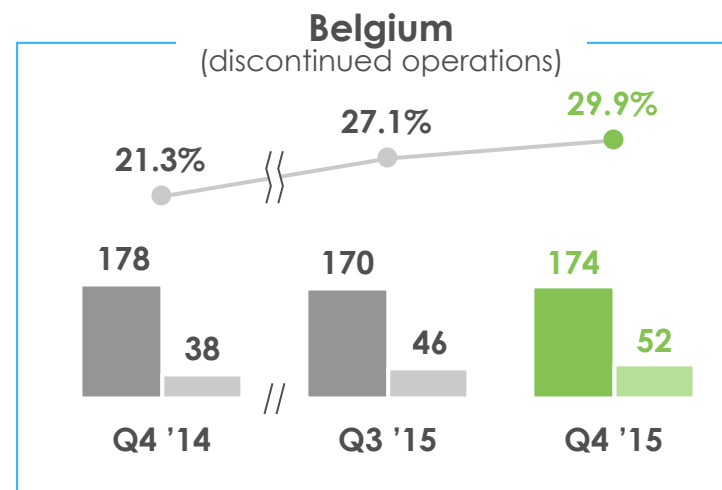
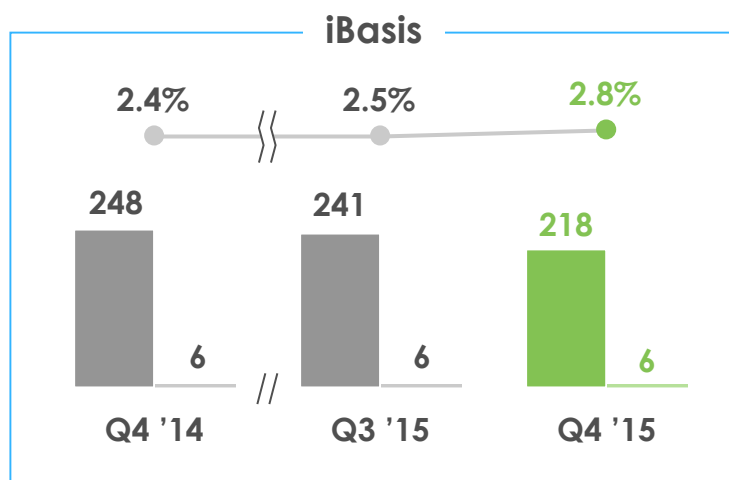


Adjusted revenues (€ m)

 Adjusted EBITDA (€ m)

 Adjusted EBITDA margin

Financials by segment (cont'd)



■ Adjusted revenues (€ m) ■ Adjusted EBITDA (€ m) ● Adjusted EBITDA margin

Analysis of adjusted results Q4 '15 & FY '15

Impact incidentals on revenues



Revenues incidentals (€ m)		Q4 '15	Q4 '14	FY '15	FY '14
Change in revenue related provision	Business	6	-	-4	-
Adjustment deferred revenues	Business	-6	5	-6	5
Sale of fixed assets (hardware)	Business	-	-	-	5
Change in provision	NetCo	-	-	-	17
Tax settlement related to 2013	Other (The Netherlands)	-	30	-	30
Settlement claim	Belgium	66	-	66	-
Phase out SNOW	Belgium	-	2	-	2
KPN Group		66	37	56	59
<i>Of which discontinued operations</i>		66	2	66	2
KPN Group continuing operations		-	35	-10	57

Analysis of adjusted results Q4 '15 & FY '15 (cont'd)

Impact incidentals on EBITDA



EBITDA incidentals (€ m)		Q4 '15	Q4 '14	FY '15	FY '14
Change in revenue related provision	Business	6	-	-4	-
Adjustment deferred revenues	Business	-7	5	-7	5
Sale of fixed assets (hardware)	Business	-	-	-	5
Release of asset retirement obligation	NetCo	-	-	6	-
Change in provisions	NetCo	-	-	-	17
Tax settlement related to 2013	Other (The Netherlands)	-	30	-	30
Settlement claim	Belgium	66	-	66	-
Release tax accruals	Belgium	27	-	27	-
Phase out SNOW	Belgium	-	-3	-	-3
Change in provisions	Other activities	11	-	10	-
Release of pension provision	Other activities	-	26	-	477
Book loss related to asset held for sale classification SNT Deutschland	Other activities	-	-5	-	-5
KPN Group		103	53	98	526
<i>Of which discontinued operations</i>		93	-3	93	-3
KPN Group continuing operations		10	56	5	529

Restructuring costs



(€ m)	Q4 '15	Q4 '14	FY '15	FY '14
Consumer Mobile	-2	-	-10	-1
Consumer Residential	-1	-1	-4	-8
Business	-2	-8	-39	-26
NetCo	-3	-1	-14	-4
Other	-	-13	-8	-15
The Netherlands	-8	-23	-75	-54
iBasis	-	-	-	-
Belgium (incl. discontinued operations)	-1	-1	-1	-4
Other activities	-6	-7	-25	-26
KPN Group	-15	-31	-101	-84
<i>Of which discontinued operations</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>	<i>-4</i>
KPN Group continuing operations	-14	-30	-100	-80

Dutch wireless disclosure



Service revenues (€ m)	Q4 '15	Q4 '14	%	FY '15	FY '14	%
Consumer retail	284	275	3.3%	1,160	1,123	3.3%
Business ¹	176	186	-5.4%	711	748	-4.9%
Other ²	38	40	-5.0%	154	166	-7.2%
KPN The Netherlands	498	501	-0.6%	2,025	2,037	-0.6%

SAC/SRC per subscriber (€)	Q4 '15	Q4 '14	%
Consumer retail ³	195	183	6.6%
Business	199	211	-5.7%

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	
	Q4 '15	Q4 '14	Q4 '15	Q4 '14
The Netherlands	-34	78	31	66
Belgium	-28	-4	-	-
Other	-	-	-7	-49
Total reported tax	-62	74	24	16
<i>Of which discontinued operations</i>	28	4	7	49
Reported tax continuing operations	-34	78	31	66
<i>Effective tax rate continuing operations</i>	11.8%	83.9%		

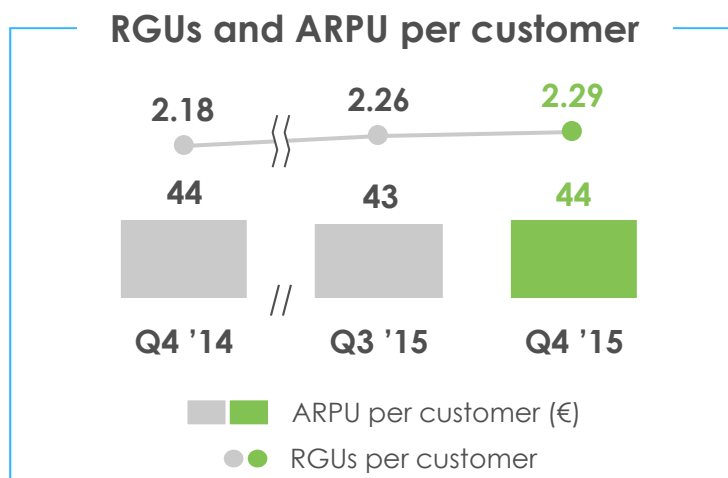
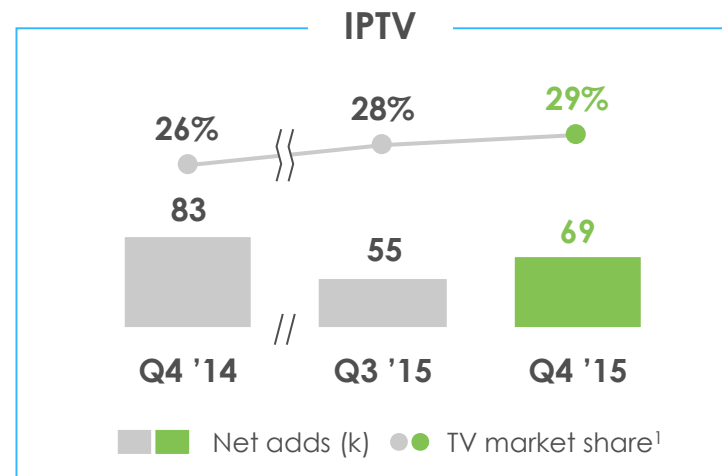
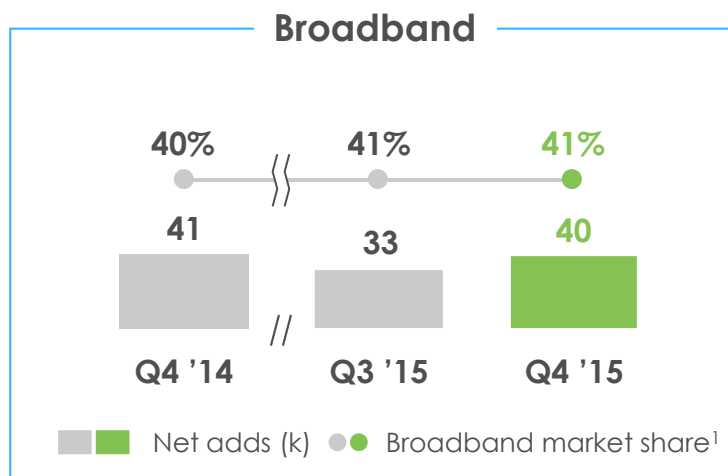
- The effective tax rate for Q4 '15 is influenced by mix of taxable results in various countries and by one-off items for tax purposes
 - Corrected for these non-deductible expenses, Q4 '15 effective tax rate would have been ~21%
- Effective tax rate, excluding one-off effects¹, expected to gradually increase to ~22% in 2017, driven by less favorable benefit of the innovation box facilities

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

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Consumer Residential

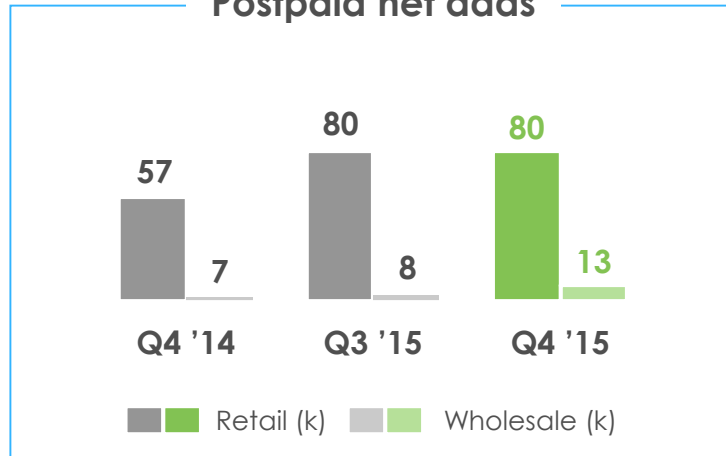


¹ Source: Telecompaper, management estimates for Q4 '15

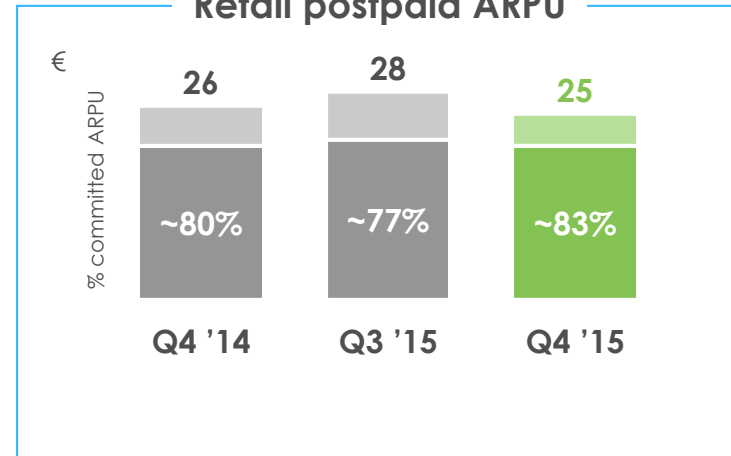
Consumer Mobile



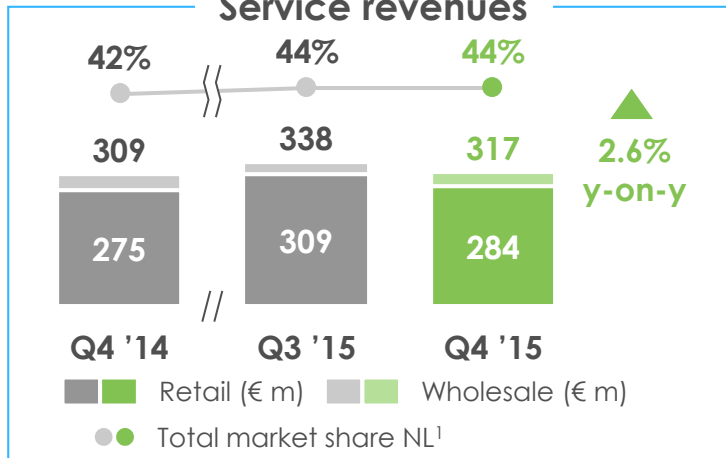
Postpaid net adds



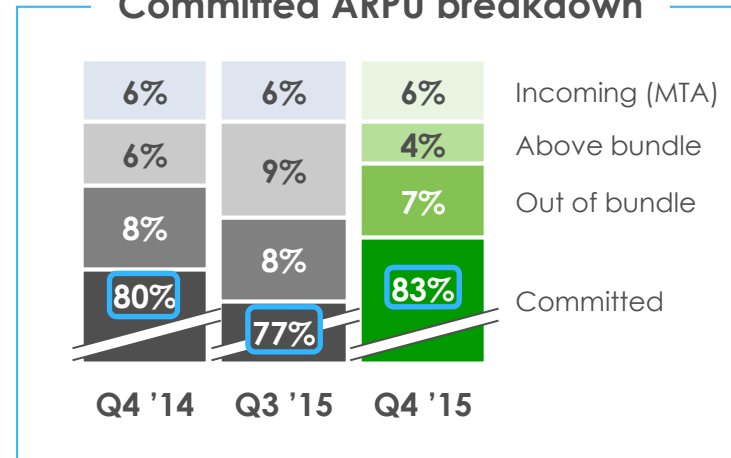
Retail postpaid ARPU



Service revenues



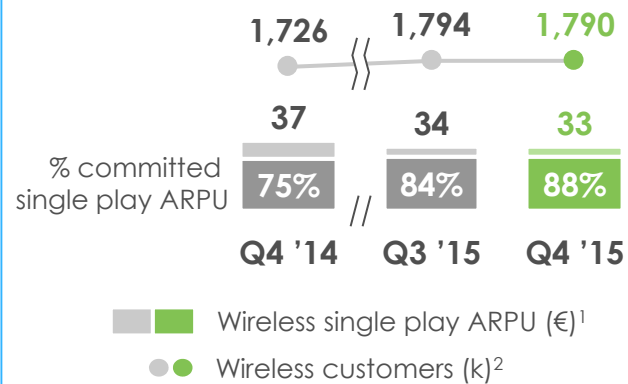
Committed ARPU breakdown



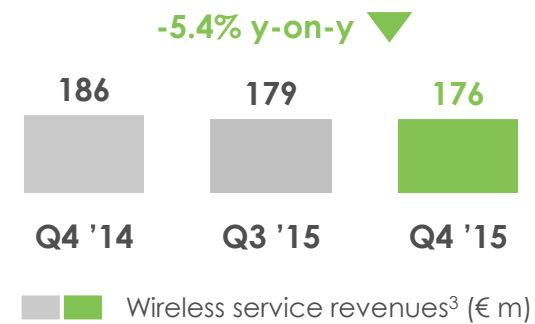
¹ Total Dutch (Consumer and Business) mobile service revenue market share



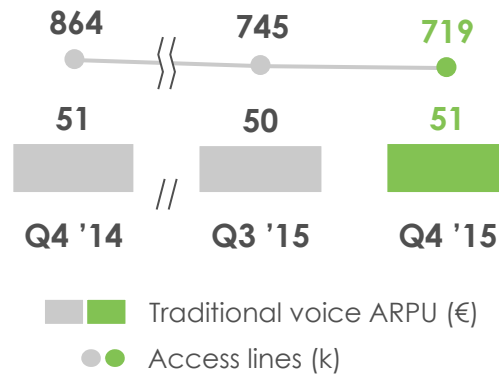
Wireless services



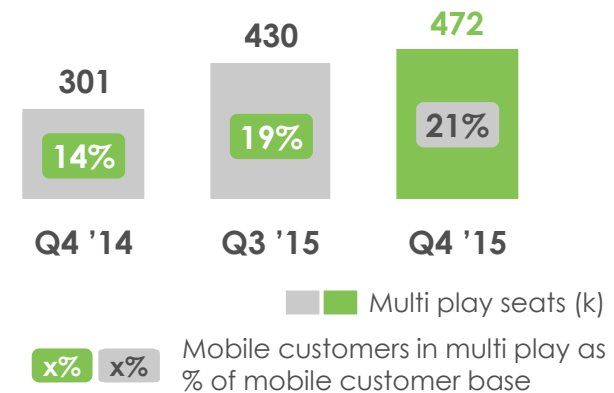
Wireless service revenues



Voice & Internet wireline



Multi play



¹ Excluding M2M and multi play customers

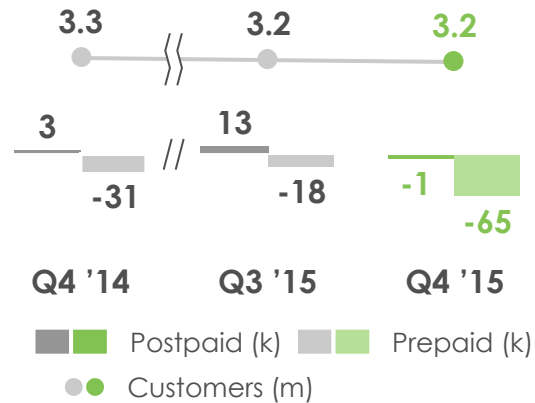
² Excluding M2M

³ Includes partial allocation of multi play revenues to mobile service revenues

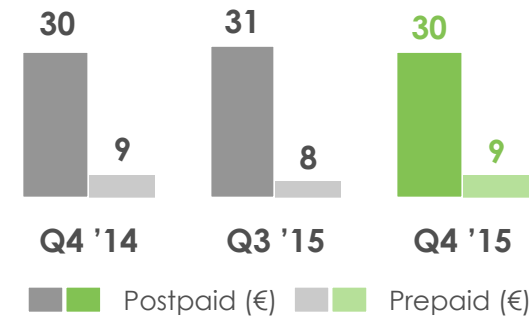
Belgium (discontinued operations)



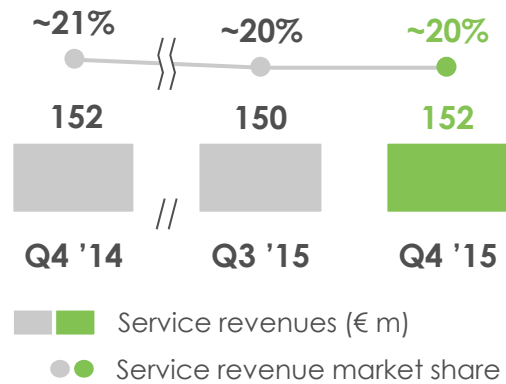
Net adds



ARPU



Service revenues



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Debt summary



(€ bn)	Q4 '15	Q3 '15	%
Eurobonds	6.67	6.67	0.0%
Global bonds	0.76	0.76	0.0%
Hybrid bonds	2.03	2.03	0.0%
Financial leases and other loans	0.13	0.13	0.0%
Nominal debt	9.59	9.59	0.0%
Equity credit hybrid bonds	-1.01	-1.01	0.0%
Cash collateral on derivatives	0.09	0.04	>100%
Adjustments to nominal debt	-0.92	-0.97	-5.2%
Gross debt¹	8.67	8.62	0.6%
<i>Of which short-term</i>	0.82	0.82	0.0%
Cash & cash equivalents	1.58	0.91	74%
Bank overdraft	-	-0.02	-100%
Net cash & cash equivalents	1.58	0.89	78%
Short-term investments	0.57	0.25	>100%
Net debt	6.52	7.48	-13%

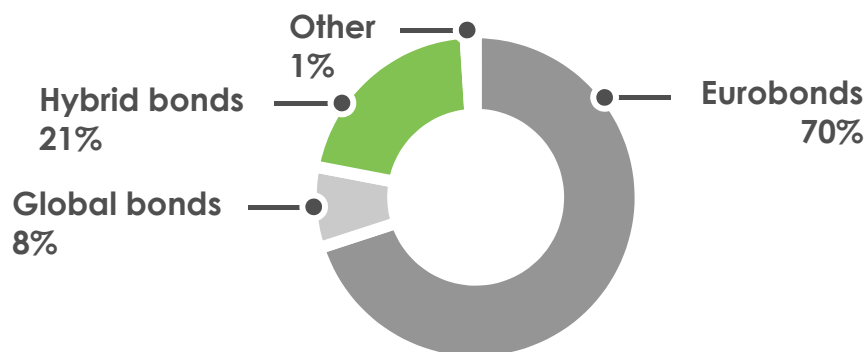
¹ Gross debt defined as the nominal value of interest bearing financial liabilities, excluding derivatives and related collateral, representing the net repayment obligations in Euro, taking into account 50% of the nominal value of the hybrid capital instruments

Debt portfolio

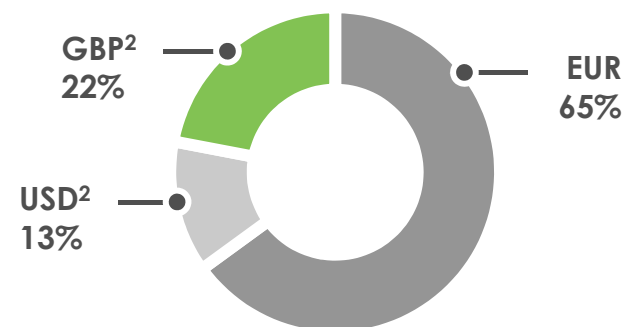
Breakdown of € 9.6bn nominal debt¹ including hybrid bonds



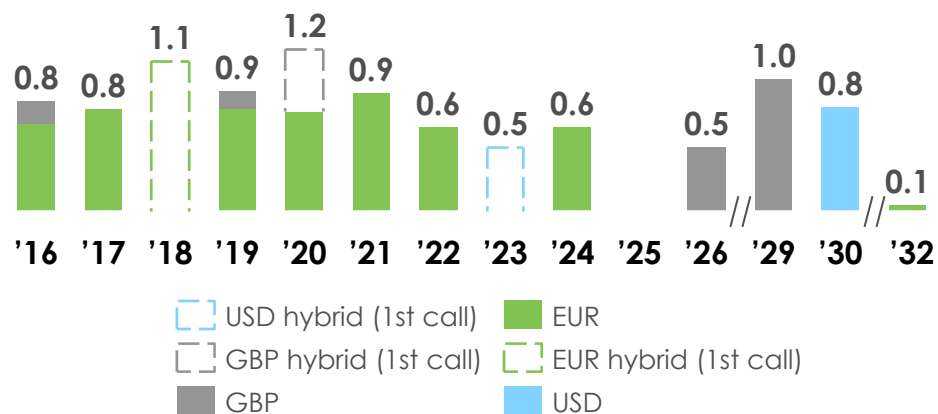
Breakdown nominal debt¹ (total € 9.6bn)



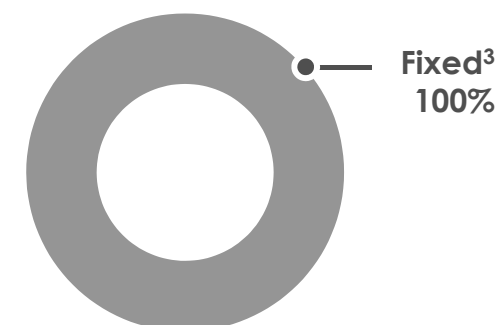
Nominal debt by currency



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

Tranche	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'

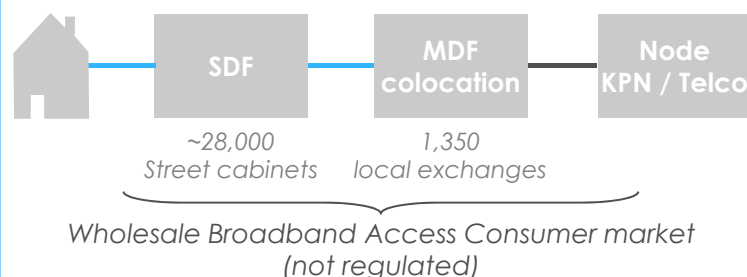
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Unbundling tariffs

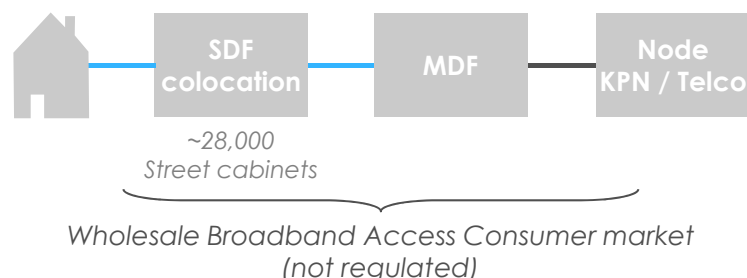


Unbundling in copper network



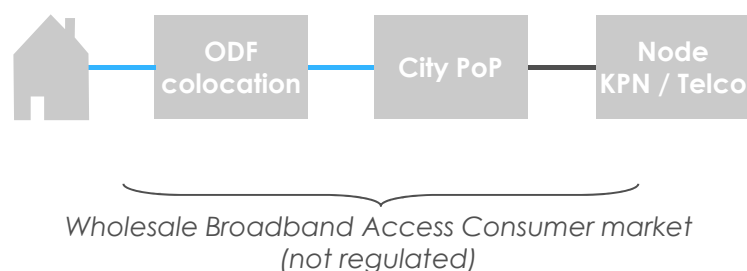
Category	Monthly tariff
Line sharing (LLU)	€ 0.11 per line
Fully unbundled (LLU)	€ 7.87 per line
MDF colocation	€ 956.45 footprint per year
Wholesale Broadband Access ¹	€ 5.32 per line shared € 13.00 per line non-shared

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 (Paired)	BASE 2*10.2	Proximus 2*12.2	Mobistar 2*11.8	2*34,2		
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 169MHz		BASE 154.6MHz	Mobistar 167.8MHz	Voya. 45MHz	536.4MHz

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Infrastructure

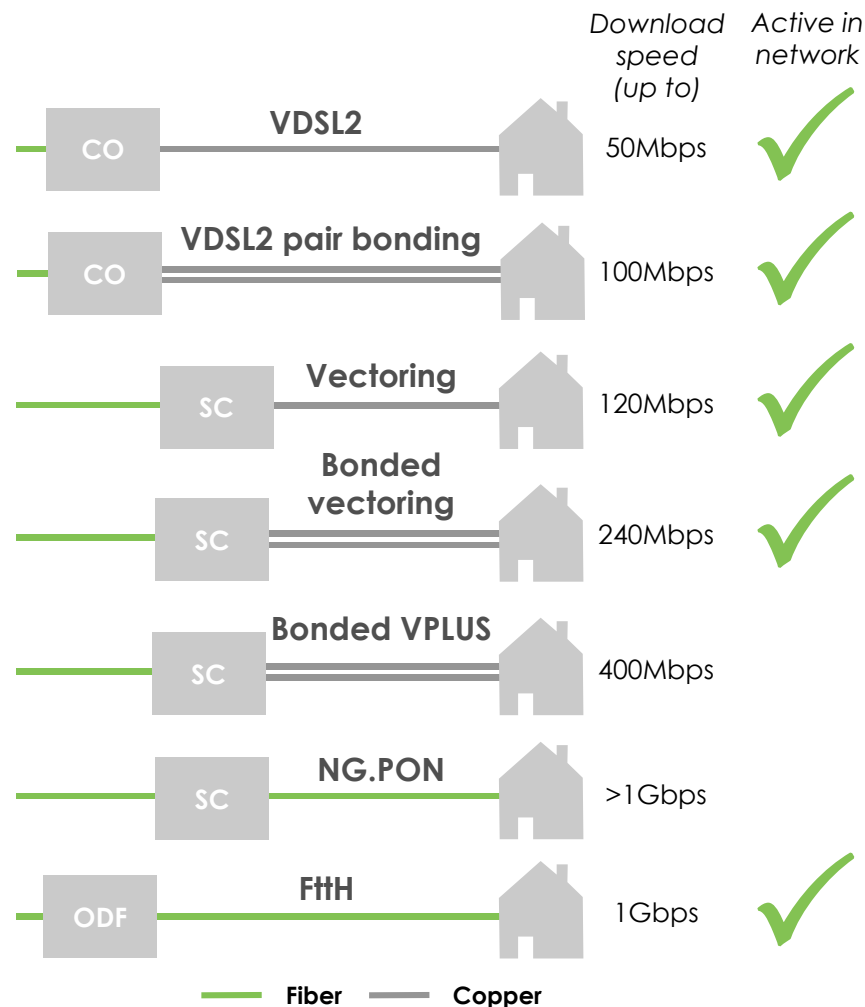
Fixed network ahead of customer demand



Download speed ahead of demand

Download speed ¹	2014	2015	2016
>40Mbps	~75%	~85%	~90%
100Mbps	~51%	~68%	~85%
≥200Mbps	~27%	~59%	~70%

Next round of upgrades



¹ Percentage of households

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Telefónica Deutschland stake

Accounting treatment



Balance sheet

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

P&L

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

Cash flow

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

Tax

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

¹ Defined under IFRS as available for sale financial asset