KPN reaches agreement on tax book loss upon sale of E-Plus

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Royal KPN N.V. ("KPN") announces today that it has reached an agreement with the Dutch tax authorities related to the size of a tax book loss which is expected to be recognized upon completion of the sale of E-Plus to Telefónica Deutschland. This book loss amounts to approximately EUR 3.7bn and is expected to offset KPN's taxable income in The Netherlands in the coming years, starting in 2014. The statutory tax rate in The Netherlands is 25%. Dividends received and/or capital gains realized on KPN's 20.5% shareholding in Telefónica Deutschland will be subject to Dutch corporate income tax.

Eelco Blok, CEO of KPN
"Having reached an agreement with the Dutch tax authorities gives certainty about our tax position for the coming years. It is another important step for KPN to continue to invest in its operations and the latest technologies in The Netherlands."