Tentative agreement reached on potential settlement KPNQwest

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Royal KPN N.V. ("KPN") has reached a tentative agreement on the principal financial terms of a potential settlement of the litigation initiated by the bankruptcy trustees of KPNQwest (the "trustees"). KPN's cash contribution to the potential settlement will be EUR 50 million.

The trustees commenced litigation against KPN, Qwest (which has been acquired by CenturyLink) and certain former directors of KPNQwest related to the bankruptcy of KPNQwest in 2002. The trustees claim mismanagement by KPNQwest and in connection therewith hold KPN, as one of the shareholders, liable for damages. The total claim of the trustees amounts to approximately EUR 2.2 billion.

KPN, CenturyLink and the trustees together reached a tentative agreement for a total potential settlement of EUR 260 million, of which KPN will contribute EUR 50 million. The tentative agreement is subject to several conditions, including the negotiation and execution of a definitive settlement agreement and the approval of the Dutch bankruptcy court. After reaching a definitive settlement agreement the trustees' litigation will be terminated. Furthermore, KPN will waive certain claims against the bankruptcy estate, which have been contested by the trustees.

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