

Sale of E-Plus completed; interim dividend to be paid in October

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Royal KPN N.V. ("KPN") announces that the sale of E-Plus to Telefónica Deutschland, as announced on 23 July 2013 and amended on 26 August 2013, has been completed.

KPN has sold and transferred 100% of its interest in E-Plus to Telefónica Deutschland. KPN receives EUR 5 billion on a cash and debt free basis and a 20.5% stake in Telefónica Deutschland. The transaction will unlock estimated synergies of more than EUR 5 billion, from which KPN will benefit through its 20.5% stake in Telefónica Deutschland.

Interim dividend

Today, KPN declares an interim dividend in respect of 2014 of EUR 0.02 per share, or in total EUR 85 million. The ex-dividend date for the interim dividend payment will be 8 October 2014, the record date 9 October 2014 and the interim dividend will be paid on 13 October 2014. KPN intends to pay a dividend of EUR 0.07 per share in respect of 2014. KPN expects the dividend per share in respect of 2015 to grow.

KPN post transaction

KPN will use the majority of the cash proceeds to increase its financial flexibility, providing a solid platform to execute its successful strategy in The Netherlands and Belgium.

Last year, KPN reached an agreement with the Dutch tax authorities related to a tax book loss which will be recognized as a result of the sale of E-Plus. The total tax book loss amounts to approximately EUR 4.8 billion per 30 September 2014. This is expected to offset KPN's taxable income in The Netherlands in the coming years, starting in 2014.

Thorsten Dirks

Following completion of the sale of E-Plus, Thorsten Dirks, CEO of E-Plus and member of the Board of Management of KPN, has stepped down as member of the Board of Management of KPN to become CEO of Telefónica Deutschland.

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