KPN welcomes regulatory approval for sale of BASE Company and announces use of proceeds

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Important milestone in transformation to fully converged operator

70% of excess cash to be distributed to shareholders

EUR 1.2bn (28ct per share) to be returned to shareholders from sale of BASE Company and Telefónica Deutschland shares sold in 2015

Royal KPN N.V. ("KPN") has been informed that the European Commission has approved the sale of BASE Company to Telenet, as announced on 20 April 2015. Completion of the transaction is expected in the coming days.

Eelco Blok, CEO of KPN: *"With the regulatory approval for the sale of BASE Company we have reached another important milestone in the transformation of our Company. We will now fully focus on the execution of our successful strategy in The Netherlands, which is centered around fixed-mobile bundles, and has delivered strong base growth supported by rising customer satisfaction over the past years. We will return a significant part of the proceeds to our shareholders, illustrating our strong commitment to shareholder returns, while maintaining a solid financial profile."*

KPN will sell and transfer 100% of its interest in BASE Company to Telenet for EUR 1,325m. After compensating for the loss of EBITDA from BASE Company, EUR 900m is regarded as excess cash. KPN will distribute approximately 70% of this amount to its shareholders in the form of a capital repayment.

The cash distribution resulting from the sale of BASE Company will be combined with the earlier announced distribution in relation to the sale of 150 million shares in Telefónica Deutschland in November 2015. The combined distribution of EUR 1.2bn in the form of a capital repayment, equivalent to EUR 28 cents per share, is subject to shareholder approval at the AGM on 13 April 2016 and is expected to be made payable in June 2016.