News

KPNQWEST NV FILES FOR BANKRUPTCY

Hoofddorp, The Netherlands, Friday 31 May 2002 – The administrators and the management board of KPNQwest N.V. announced today that they have continued to negotiate a transaction whereby a substantial part of the business of KPNQwest NV would be sold. These negotiations are still ongoing and it may still be possible for a substantial part of the business to be sold.

The efforts to try and sell certain non-critical assets in order to secure sufficient cash proceeds to meet the ongoing obligations of the company have not been successful. This situation is not expected to change over the next 24 hours.

This being the case, the administrators and the management board of KPNQwest N.V. have no other choice than to request the District Court of Haarlem, The Netherlands, to convert the moratorium into a bankruptcy for KPNQwest NV. This request is being filed at the court today.

At the same time, requests for a moratorium of certain of the Dutch group companies will be filed with the District Court of Amsterdam. A number of KPNQwest subsidiaries across Europe will also file for protection in their local jurisdictions, with the exception of the Central European subsidiaries, KPNQwest Portugal Telecomunicaoes Lda and KPNQwest Italy SA among others.

The Company is working with its customers to facilitate the implementation of contingency plans, should the current situation result in instablility or a total shut-down of the KPNQwest EuroRings network.

The Company continues to believe that there is substantial risk that there may be no underlying value to either its debt or equity securities.

About KPNQwest
KPNQwest (NASDAQ & ASE: KQIP), a leading pan-European data communications and hosting company, delivers a full range of carrier and corporate networking solutions, hosting and Internet services across an 18-country 25,000 km European footprint, interoperable with the 300,000km Qwest global network. The Company owns and operates the EuroRings™, the fastest, most advanced fibre-optic backbone in Europe, which connects 60 cities, 14 of them with extensive Metropolitan Area Networks, and a network of 28 ultra-secure hosting facilities, the KPNQwest CyberCentres™. For more information please visit the KPNQwest website at: www.kpnqwest.com

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