MOODY'S INVESTORS SERVICE

CREDIT OPINION
24 March 2020

Update

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RATINGS

PPF Telecom Group B.V.

Domicile	Netherlands
Long Term Rating	Ba1
Type	LT Corporate Family Ratings
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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PPF Telecom Group B.V.

Update to credit analysis

Summary

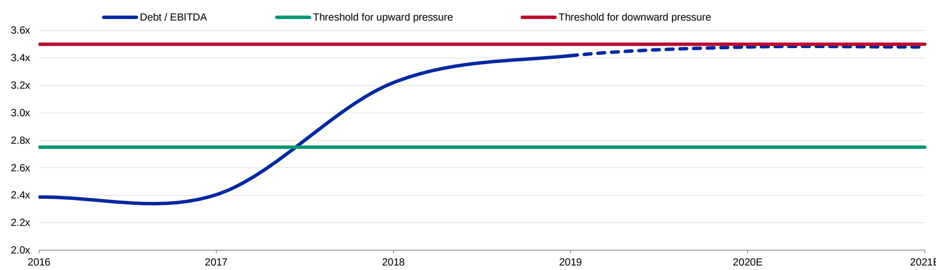
PPF Telecom Group B.V.'s (PPF Telecom) Ba1 corporate family rating (CFR) reflects (1) the company's leading position as the integrated incumbent in the Czech Republic with a corporate structure that separates the service provision from the infrastructure management; (2) the group's good geographical diversification in the Central and Eastern European (CEE) region; (3) the higher revenue growth potential compared with the European average; (4) its financial policy and commitment to manage leverage within management's public guidance; and (5) its good margins and resilient operating cash flow generation.

The rating also reflects (1) the group's moderate scale; (2) the mobile-centric position of the recently acquired assets in CEE; (3) potentially higher competition in the Czech Republic resulting from market consolidation; (4) low Moody's-adjusted retained cash flow (RCF) as a result of high dividend payments in line with financial policy; and (5) PPF Telecom's structurally subordinated position relative to debt raised at operating companies.

Exhibit 1

We expect PPF Telecom Group's leverage to remain at around 3.5x over the next two years

Moody´s - adjusted debt/EBITDA (2016-2021E)



Source: Moody´s Investors Service

THIS REPORT WAS REPUBLISHED APRIL 9, 2020 TO CORRECT THE O2´S TOTAL MOBILE SUSCRIBER BASE GROWTH IN 2019, THE NO INDEBTEDNESS STATUS OF TELENOR CEE AND A TYPO ON EXHIBIT 9 AND A TYPO ON THE NAME OF THE PPF GROUP FOUNDER.

Credit strengths

» Leading position in both fixed and mobile markets in the Czech Republic

» Structural separation of the infrastructure and the service provision

» Good geographical diversification in the CEE region

» Expected solid operating performance in the next 12-18 months

» CETIN a.s.'s (CETIN, Baa2 negative) and O2 Czech Republic a.s.'s (O2) solid stand-alone financial profiles

» Commitment to maximum leverage tolerance

Credit challenges

» Moderate scale

» Potentially higher competition in the retail market in the Czech Republic resulting from the recent consolidation

» Weak FCF generation owing to high dividend payments

» European Commission has raised concerns about the network-sharing agreement in the Czech Republic

» Presence of material amounts of external debt at operating companies, which leads to structural subordination for PPF Telecom Group's debt holders

Rating outlook

The stable outlook reflects our expectation that the group will achieve gradual organic deleveraging based on the strength of the cash flow generated at the operating subsidiaries and subject to the group's financial policy of sustaining net reported leverage between 2.8x and 3.2x, excluding IFRS 16.

Factors that could lead to an upgrade

Because of PPF Telecom complex group structure, upward rating pressure is unlikely until there is a simplification in the debt allocation within the broader group structure and a clearer policy on the debt distribution between PPF Telecom and the operating subsidiaries to minimise structural subordination.

Over the long term, we could consider a rating upgrade if PPF Telecom Group's operating performance improves beyond our current expectation, such that adjusted debt/EBITDA remains comfortably below 2.75x and RCF/debt remains above 20% on a sustained basis.

Factors that could lead to a downgrade

We could consider a rating downgrade if PPF Telecom Group's operating performance materially deteriorates, such that adjusted debt/EBITDA increases above 3.5x and RCF/debt declines below 10% on a sustained basis. Additionally, negative pressure could be exerted if PPF Telecom Group´s financial policies become more aggressive or if it needs to support entities of lower credit quality within the broader PPF Group N.V.

Key indicators

Exhibit 2
PPF Telecom Group

PPF Telecom Group

EUR Billions	Dec-17	Dec-18	Dec-19	Dec-20 (proj)	Dec-21 (proj)
Revenue	1.8	2.4	3.1	3.2	3.3
Debt / EBITDA	2.4x	4.4x	3.4x	3.5x	3.5x
RCF / Debt	22.2%	15.7%	13.0%	6.8%	11.9%
(EBITDA - CAPEX) / Interest Expense	12.0x	6.5x	5.7x	6.5x	6.2x

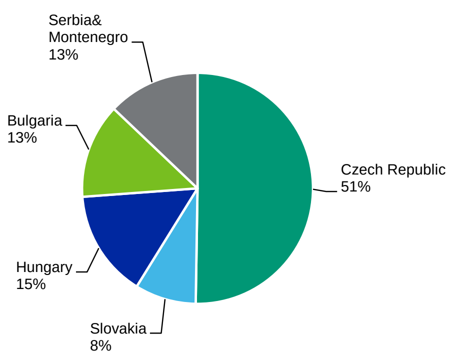
Audited FY2018 figures includes Telenor Central and Eastern European assets since August 2018
Source: Moody´s Financial Metrics™ and Moody's Investors Service estimates

Profile

PPF Telecom Group B.V. (PPF Telecom) is a European telecommunications group organised as a telecommunications conglomerate with shareholdings in CETIN (89.73%), a Czech telecom infrastructure operator, O2 (67.83%), an integrated telecommunications operator in the Czech Republic, and four mobile operators in Hungary, Bulgaria, Serbia and Montenegro (all 100% owned). The company completed the acquisition of telecom assets in Hungary, Bulgaria, Serbia and Montenegro in July 2018 for €2.8 billion. With this acquisition, PPF Telecom Group emerged as a key telecommunications operator in the CEE region with 17.2 million subscribers in six countries and EBITDA of €1.4 billion as of 2019.

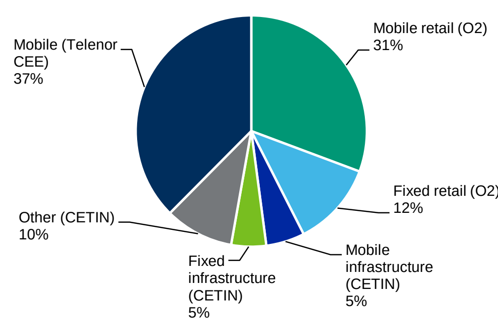
The company is ultimately 100% owned by PPF Group NV, an investment company focused on activities mainly in telecommunications, real estate, banking and financial services. The company seeks investment opportunities in the developing markets in CEE, Russia, the Commonwealth of Independent States and the Far East. PPF Group was founded by Petr Kellner in 1991 and is headquartered in Amsterdam, the Netherlands.

Exhibit 3
The Czech Republic is PPF Telecom Group´s main country of operations
2019 EBITDA split by geography



Source: Company reports

Exhibit 4
Mobile retail represents around 68% of PPF Telecom Group´s revenue
December 2019 revenue split by business segment



Before eliminations.
Source: Company reports

Detailed credit considerations

Limited exposure to the current coronavirus outbreak; visibility into future development remains modest

We view PPF Telecom's exposure to the current coronavirus outbreak as limited. This is because of the nature of its subsidiaries´ businesses. The infrastructure and the service experienced increased traffic volumes. Although this could require some additional costs and put pressure on its margin, it should not result in any major contraction in the company´s profitability.

An economic slowdown could hurt telecom revenue growth because of the correlation between GDP evolution and telecom revenues, typically with a one-year lag. Customer bad debt will rise as the economic consequences of the coronavirus develop. However, telecom services have become so essential that they will not be one of the first things consumers cut back on to save money. The hardest-hit segment will be small and medium-sized enterprises.

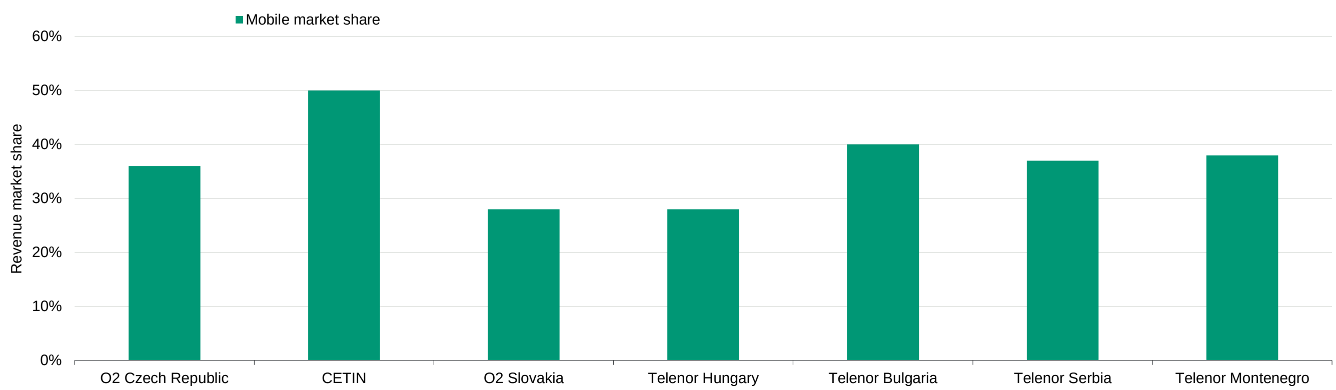
Leading integrated position in the Czech Republic and broad geographical diversification in CEE

PPF Telecom's rating reflects its leading position as the incumbent operator in the Czech Republic, with a 36% retail mobile market share and a 30% retail fixed broadband market share in terms of revenue. Additionally, the company holds a strong challenger position in Slovakia (28% mobile revenue market share), Hungary (28%), Bulgaria (40%), Serbia (37%) and Montenegro (38%).

Exhibit 5

PPF Telecom Group ranks number one or two in most of the countries in which it operates

Mobile revenue market share and relative position by country as of 2019



Source: Company information

The company's strategy focuses on maintaining leading market positions in all its markets by ensuring high-quality services and infrastructure, integrating and spreading the group's culture and know-how to Telenor CEE's operations, and maintaining sound and disciplined financial management and practices.

One of PPF Telecom's unique characteristics is its position as the leading integrated operator with a corporate structure that separates service provision from infrastructure management. The voluntary separation of the business took effect in June 2015. Management believes this structural separation has eased regulation and allowed the group to streamline the business while optimising network utilisation and financial policy.

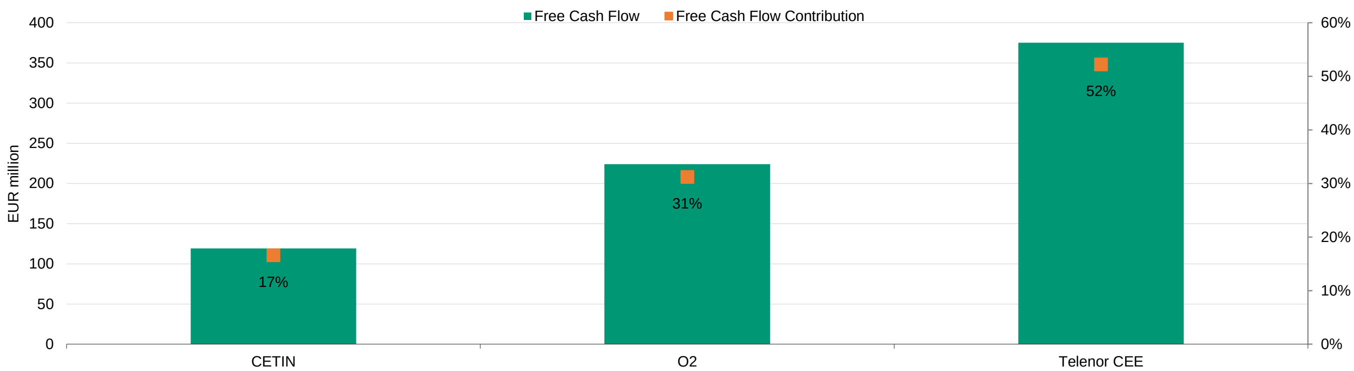
Additionally, the company's cash flow is well diversified in terms of geography and business segments. The recently acquired mobile assets in Hungary, Bulgaria, Serbia and Montenegro are the major contributors to PPF Telecom's earnings and cash flow, representing 41% of EBITDA and around 45% of the company's free cash flow (FCF) in 2019. The group provides mobile services in the CEE region to around nine million subscribers and generated EBITDA of €573 million in 2019. In these countries, Telenor's mobile offers are focused on attracting and retaining the most valuable customers through differentiation.

O2 generated around 33% of the group's FCF, followed by CETIN with 16%. O2 is the largest integrated telecommunications operator in the Czech Republic. It offers FBB, data IPTV, ICT, mobile, fixed voice, data centre housing and cloud services to consumers, businesses and the public segment. O2 is listed on the Prague Stock Exchange with a 16% free float and a market capitalisation of CZK72 billion (around €2.9 billion) as of December 2019. The company also operates in Slovakia through its wholly owned subsidiary O2 Slovakia. In Slovakia, O2 is the number three operator after Orange and T-Mobile Czech Republic (T-Mobile), with a 28% mobile revenue market share.

CETIN is the Czech Republic's sole national telecommunications infrastructure provider. The company operates and manages fixed and mobile infrastructure in the Czech Republic and provides transit services abroad, with a presence in Europe, Africa and Asia. CETIN's main customer is O2, which accounts for almost 80% of the company's EBITDA. The company has a differentiated business model as a telecom infrastructure operator. As the Czech Republic's only national fixed telecom infrastructure provider, it has a strong market position, with a resilient business model underpinned by strong commercial agreements with O2 and T-Mobile.

Exhibit 6

Telenor CEE´s assets represent around 52% of PPF Telecom Group´s reported free cash flow
2019 company´s FCF by operating subsidiary



Company´s definition of free cash flow is cash flow from operations includes paid CAPEX and proceeds from sale of assets and excludes the IFRS 16 effect.
Source: Company information

Solid revenue growth, balancing service provision, infrastructure and international revenue

We expect revenue to grow at around 2% in the next two years, driven by growth in all markets. Particularly, we expect solid growth in O2 and Telenor CEE as a result of good mobile momentum in the Czech market and upselling opportunities in the CEE markets.

PPf Telecom´s revenue growth was limited to 0.1% in 2019 mainly because the -12% on CETIN´s international revenue. Excluding the effect of international transit, total revenue increased by an estimated 1.5% in 2019 from the 2018 level.

In 2019, O2's revenue growth in the Czech Republic was 2.1%, and the mobile subscriber base increased by 7.2%. In Slovakia, total revenue increased by 2.2%, driven by an increase of 6% in the subscriber base as a result of continued investments in O2's mobile network. O2's total mobile subscriber base grew 6.8% in 2019 as a result of strong postpaid customer base growth.

Telenor CEE's revenue grew by 2.4% in 2019, driven by growth in Bulgaria (2.3% in 2019), Hungary (+1.9%) and Serbia and Montenegro (+3.5%), mainly as a result of ARPU growth of around 3.5%. Mobile subscribers decreased by 1.5% to around 9.2 million subscribers. This decrease is explained by decreasing share of the prepaid segment due to a successful prepaid to postpaid migration. And a flattish postpaid subscriber base of 6.2 million, representing 68% of all subscribers, as a result of focus on high-value ARPU customers reflected in above-inflationary ARPU growth. Management expects good performance in all four markets for 2020 as a result of positive macroeconomic trends, relatively moderate competition in these countries with stable market shares and ARPU increases driven by growing demand for data and multiplay services.

CETIN's revenue growth, excluding international transit, was +2.5% in 2019. We expect CETIN's mobile revenue to continue to grow as a result of network upgrades and new network construction contracts. The telecommunications market in the Czech Republic has stabilised, and we expect its fixed revenue to return to growth, given the signs of stabilisation in O2's churn and xDSL line growth from new customers because of CETIN's past investments in the network.

The company's reported EBITDA was up by 14% in 2019, driven by double-digit EBITDA growth in percentage terms in all business and countries where the company operates. We expect the company's EBITDA growth of around 2%-5% in the next two years to be driven by revenue growth, operational efficiencies resulting from digitalisation initiatives and the realisation of synergies stemming from the acquisition of Telenor's CEE assets.

Solid, diversified operating cash flow generation, while FCF is constrained by sustained capital spending investments and high dividend payments

In the Czech Republic, CETIN is the only Czech operator with a copper network, covering around 85% of households. Despite the rollout of fibre, this network will remain crucial for the last mile access. In the mobile segment, the company's mobile coverage extends to 99.6% of the Czech population through a network-sharing agreement with T-Mobile. The company also operates its own mobile network in the CEE region with 100% 4G coverage in Hungary (through a network-sharing agreement with T-Mobile), 97% in Bulgaria, 96% in Serbia and 98% in Montenegro in 2018.

We expect the group's capital spending/sales (excluding spectrum) to remain at around 14%-15% over the next two years. A larger part of the investment will be executed by CETIN, with capital spending/sales of around 23%-24%. We expect both Telenor's and O2's investments in the network to be around 10%-11% of sales. We expect the company's Moody's-adjusted FCF (after dividends as per our definition) to be negative in 2020 and 2021 as a result of higher dividend payments. The company will face spectrum payments in the next two years in all the markets in which it operates. We note that the company has a high cash balance to cover the negative cash flow.

Limited deleveraging prospects

We expect the company's Moody's-adjusted group leverage to be around 3.3x in the next 12-18 months, which is equivalent to reported net debt of around 3.1x. The company targets to maintain reported net consolidated leverage between 2.8x and 3.2x, excluding IFRS 16 while net leverage at the operating subsidiaries is limited to a maximum of 1.5x. We estimate that the group will distribute most of the FCF that it will generate such that it maintains leverage within the stated range.

In addition, PPF Telecom Group does not fully own O2 (67.83% voting rights ownership) or CETIN (89.73%) but fully consolidates these assets. We do not expect significant M&A transactions in the next two years. Additionally, the company may consider small, bolt-on acquisitions from time to time. PPF Telecom Group´s rating reflects our expectation that small acquisitions will not have a significant impact on its leverage.

Broadly diversified owner with exposure to different geographies and sectors, but non-telecom activities have weaker credit quality than PPF Telecom Group

PPF Telecom Group is indirectly owned by PPF Group NV, a conglomerate with activities mainly in telecommunications, banking and financial services, with significant exposure to China and Russia (supervised by the European banking regulation), and real estate. These other activities outside PPF Telecom are considered by us to be of lower credit quality and therefore subject to the marginal risk of needing financial support in the future. However, PPF Telecom, being the strongest cash contributor to PPF Group NV, has clearly defined and publicly communicated its financial policy (including dividend distributions within leverage objectives), which we believe will be a key determinant to the future cash flow distribution within the broader group.

We also note the presence of liabilities related to the telecom operations outside of PPF Telecom Group, which are considered relatively small in size. These liabilities mainly relate to the deferred purchase price for the Telenor CEE acquisition, which amounts to €400 million.

Exhibit 7
Telecommunications represents around 40% of PPF Group NV´s cash generation
PPF Group NV´s segmental data

PPF Group NV (EUR million, 2018)	Financial Services	Telecommunications	Real Estate	Insurance	Mechanical engineering
Total Revenues	5,610	2,424	158	60	376
Assets	32,272	7,580	1,787	165	901
Liabilities	29,346	6,029	1,294	127	575
Net profit + D&A - Capex	473	325	122	3	31
Equity	2,970	1,552	713	38	340
% Revenues	64.9%	28.0%	1.8%	0.7%	4.3%
% Assets	74.5%	17.5%	4.1%	0.4%	2.1%
% Liabilities	77.7%	16.0%	3.4%	0.3%	1.5%
% Net profit + D&A - Capex	58.2%	40.0%	15.0%	0.4%	3.8%

Source: Company reports

ESG considerations

In terms of environmental and social risks, PPF Telecom Group's exposure is low and in line with the overall industry. Electromagnetic radiation (for example, from mobile antennas or mobile handsets) has repeatedly been claimed to be potentially harmful to the environment and health. While the need for higher mobile data speeds will increase electromagnetic radiation, we do not see it as a significant environmental risk for global telecommunication providers, given the existing regulatory radiation limits and ongoing technology improvements. In terms of social risks, data security and data privacy issues are prominent in the sector. Telecommunications providers exchange large amounts of data, and a breach could cause legal, regulatory or reputation issues. In addition, a breach could result in increased operational costs to mitigate cyberattacks and reduce exposure to the loss of private data. If on one hand, telecom operators have low direct business exposure to environmental risks, on the other, data security and data privacy issues are prominent in the sector.

In terms of governance, we note the complexity of the broader group of companies outside PPF Telecom and the fact that the entire group is owned and controlled by one single shareholder (Petr Kellner). We expect PPF Telecom group to perform within the stated operating and financial strategies maintaining its shareholder remuneration within its dividend payout limits.

The rapid and widening spread of the coronavirus outbreak, deteriorating global economic outlook, falling oil prices, and asset price declines are creating a severe and extensive credit shock across many sectors, regions and markets. The combined credit effects of these developments are unprecedented. We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety.

Liquidity analysis

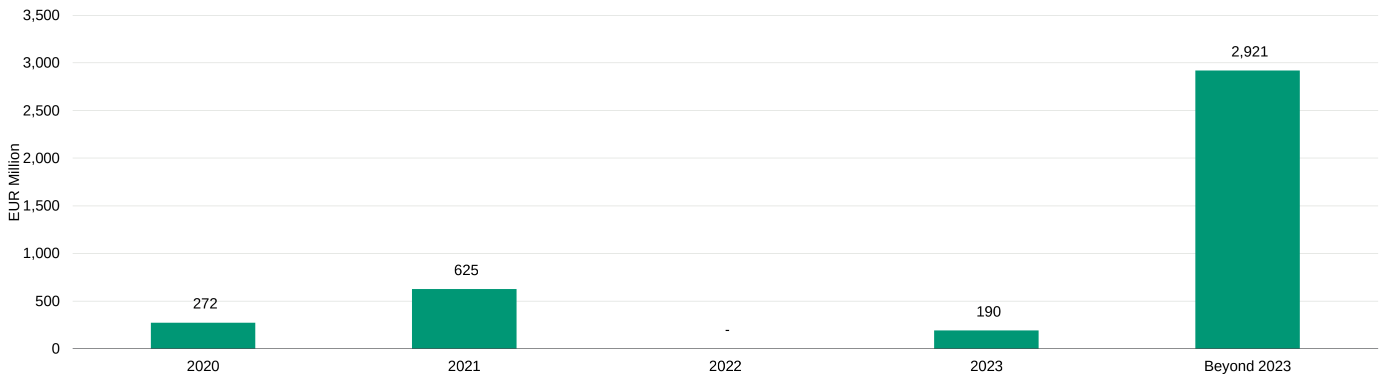
PPF Telecom's liquidity is currently adequate. We note that there is an upcoming debt maturity in December 2021 at CETIN level and that the rating assumes a prudent liquidity management with a proactive refinancing of debt at least 1 year ahead of maturity. PPF Telecom´ liquidity benefits from (1) cash and cash equivalents of €795 million as of December 2019; (2) full availability under its €200 million revolving credit facility, maturing in 2023, with ample capacity under the covenants as of December 2019, proportionate net debt/EBITDA of 4.5x and interest coverage of 3.0x; and (3) internally generated cash flow (defined as EBITDA net of cash interest, tax obligations and dividends received) of around €1.1 billion per year.

These internally generated cash sources plus existing cash balances compare favorably with cash requirements including: (1) annual capital expenditures of around €800 million (including estimated spectrum to be paid in 2020); and (2) cash dividends of around €800 million-€500 million per year.

Exhibit 8

PPF Telecom Group´s debt maturities shows a significant debt maturity upcoming in 2021

Debt maturity profile of PPF Telecom Group



Source: Company reports

Structural considerations

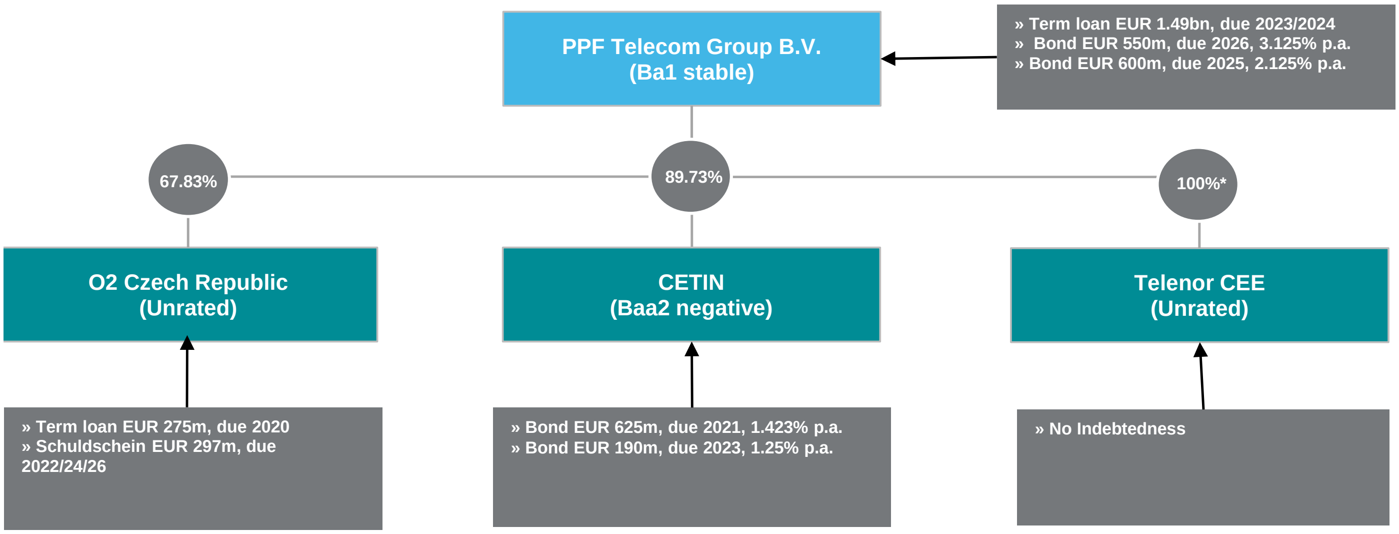
The group has a complex structure, with around 63% of debt raised at PPF Telecom Group, and the balance at CETIN (20%) and O2 (10%). Debt at the holdco level consists of a €1.7 billion senior syndicated facility, including a €1.49 billion term loan and a €200 million revolving credit facility. In addition, PPF Telecom Group issued two bonds of €550 million and €600 million due in 2026 and 2025, respectively.

Financial debt at the operating subsidiaries includes around €625 million and CZK4.8 billion bonds issued by CETIN and around €572 million in bank and Schuldschein debt at the O2 level as of December 2019. The rating reflects our expectation that PPF Telecom Group will maintain its current debt structure, with holdco debt representing around 63% of total group consolidated debt.

Regarding the Loss Given Default (LGD) assessment for PPF Telecom, we assume a family recovery rate of 50% as is customary for capital structures that include bank loans and bonds. As a result, the Probability of Default Rating of Ba1-PD is in line with the CFR.

The LGD assessment only includes financial liabilities at PPF Telecom level and excludes debt at the operating entities. However, we have considered the rating of the operating entity (CETIN) relative to the holding company (PPF Telecom Group). The two-notch gap reflects the structurally subordinated position of PPF Telecom Group's bondholders.

Exhibit 9
Presence of substantial debt at the operating subsidiaries creates structural subordination
PPF Telecom Group as of December 2019



Company owns 75% of its Hungarian subsidiary as a 25% was sold in 2019
Source: Company Information

Rating methodology and scorecard

The scorecard-indicated outcome for PPF Telecom Group, based on our 12-18-month forward-looking view, is Ba1, in line with the assigned rating.

Exhibit 10

PPF Telecom Group
Rating Factors

Methodology: Telecommunications Service Providers (1) (2)	FY2019		Moody's Forward View Next 12-18 months (as of Mar-20) (3)	
Factor 1: SCALE (12%)	Measure	Score	Measure	Score
a) Revenue (USD Billion)	$3.58	A	$3.7	B
Factor 2: BUSINESS PROFILE (28%)				
a) Business Model, Competitive Environment and Technical Positioning	A	A	A	A
b) Regulatory Environment	Ba	Ba	Ba	Ba
c) Market Share	Baa	Baa	Baa	Baa
Factor 3: PROFITABILITY AND EFFICIENCY (10%)				
a) Revenue Trend and Margin Sustainability	Baa	Baa	Baa	Baa
Factor 4: LEVERAGE AND COVERAGE (35%)				
a) Debt / EBITDA	3.4x	Ba	3.5x	Ba
b) RCF / Debt	12.9%	B	7%-12%	Caa-B
c) (EBITDA - CAPEX) / Interest Expense	5.73x	Aaa	6x-6.5x	A-Aa
Factor 5: FINANCIAL POLICY (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating Outcome:				
a) Indicated Rating from Grid		Ba1		Ba1
b) Actual Rating Assigned		Ba1		Ba1
a) Indicated Rating from Grid		Ba1		Ba1
b) Actual Rating Assigned				Ba1

(1)All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
(2) As of 12/31/2019.
(3) This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody´s Financial Metrics™

Appendix

Exhibit 11

Peer comparison

	PPF Telecom Group B.V. Ba1 Stable			Telekom Austria AG Baa1 Stable			Telecom Italia S.p.A. Ba1 Negative			Cyfrowy Polsat S.A. Ba1 Stable			Koninklijke KPN N.V. Baa3 Stable		
(in US millions)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-17	FYE Dec-18	LTM Sep-19	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-17	FYE Dec-18	FYE Dec-19
Revenues	$2,063	$2,852	$3,540	$4,836	$5,129	$5,003	$22,403	$22,366	$20,627	$2,610	$2,964	$3,043	$6,485	$6,652	$6,156
EBITDA	$858	$1,171	$1,486	$1,748	$1,826	$1,717	$10,788	$10,324	$9,594	$1,073	$1,126	$956	$2,725	$2,827	$2,563
Total Debt	$2,191	$4,976	$5,089	$4,145	$3,918	$4,231	$44,514	$42,782	$39,110	$4,046	$3,511	$3,511	$10,388	$9,553	$8,603
Cash & Cash Equivalents	$219	$300	$892	$243	$73	$157	$5,485	$3,479	$3,546	$334	$311	$196	$1,423	$736	$1,169
EBITDA Margin	41.6%	41.1%	42.0%	36.1%	35.6%	34.3%	48.2%	46.2%	46.5%	41.1%	38.0%	31.4%	42.0%	42.5%	41.6%
(EBITDA-CAPEX) / Interest Expense	12.0x	6.5x	5.7x	5.6x	5.7x	4.7x	2.6x	2.6x	2.8x	5.3x	5.6x	4.5x	2.9x	3.3x	3.4x
Debt / EBITDA	2.4x	4.4x	3.4x	2.2x	2.2x	2.5x	3.9x	4.3x	4.2x	3.5x	3.2x	3.6x	3.6x	3.5x	3.3x
FCF / Debt	1.0%	4.9%	2.1%	5.9%	6.1%	4.9%	-0.5%	0.7%	8.5%	11.3%	11.9%	5.9%	3.1%	3.4%	3.5%
RCF / Debt	22.2%	15.8%	13.0%	32.3%	34.0%	32.2%	17.9%	15.6%	16.3%	23.3%	22.5%	20.1%	19.1%	18.9%	20.4%

FYE = Financial year-end. LTM = Last 12 months. All figures and ratios are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 12

Select historical and projected Moody´s-adjusted financial data.

Summary Financials

	2016	2017	2018	2019	2020 proj	2021 proj
INCOME STATEMENT						
Revenue	1,744	1,826	2,415	3,162	3,246	3,311
EBITDA	728	759	992	1,327	1,354	1,424
BALANCE SHEET						
Cash & Cash Equivalents	168	182	262	795	354	176
Total Debt	1,737	1,825	4,353	4,534	4,758	4,984
CASH FLOW						
Capex = Capital Expenditures	344	370	418	491	530	589
Dividends	62	236	210	556	801	590
Retained Cash Flow	521	405	688	589	325	594
RCF / Debt	30.0%	22.2%	15.8%	13.0%	6.8%	11.9%
Free Cash Flow (FCF)	174	18	215	96	-319	-46
FCF / Debt	10.0%	1.0%	4.9%	2.1%	-6.7%	-0.9%
PROFITABILITY						
% Change in Sales (YoY)		4.7%	32.3%	30.9%	2.7%	2.0%
EBITDA Margin %	41.7%	41.6%	41.1%	42.0%	38.5%	40.0%
INTEREST COVERAGE						
EBITDA / Interest Expense	23.0x	23.4x	11.3x	9.1x	9.5x	9.5x
(EBITDA - CAPEX) / Interest Expense	12.1x	12.0x	6.5x	5.7x	6.5x	6.2x
LEVERAGE						
Debt / EBITDA	2.4x	2.4x	4.4x	3.4x	3.5x	3.5x

Source: Moody's Financial Metrics™ & Moody's Investors Service estimates

Ratings

Exhibit 13

Category	Moody's Rating
PPF TELECOM GROUP B.V.	
Outlook	Stable
Corporate Family Rating	Ba1
CETIN A.S.	
Outlook	Negative
Issuer Rating	Baa2
CETIN FINANCE B.V.	
Outlook	Negative
Bkd Senior Unsecured	Baa2

Source: Moody's Investors Service

REPORT NUMBER 1217322