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CREDIT OPINION
5 April 2022

Update

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RATINGS

PPF Telecom Group B.V.

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

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.

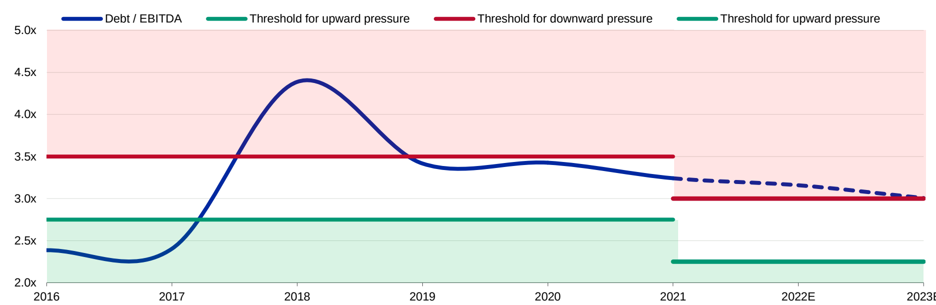
Update following outlook change to negative

Summary

PPF Telecom Group B.V.'s (PPF Telecom) Ba1 corporate family rating (CFR) reflects the company's leading position as the integrated incumbent in the Czech Republic (Aa3 stable) with a corporate structure that separates service provision from infrastructure management; the group's good geographical diversification in the Central and Eastern European (CEE) region; its higher revenue growth potential than the European average; its financial policy and commitment to preserve leverage within management's public guidance; and its good margins and solid operating cash flow generation.

The rating also reflects the group's moderate scale; the mobile-centric position of its assets in Hungary, Serbia and Bulgaria; its low Moody's-adjusted expected retained cash flow (RCF) as a result of large dividend payments, in line with its financial policy; and PPF Telecom's structurally subordinated position relative to debt raised at operating companies.

Exhibit 1
We expect PPF Telecom's leverage to decline to 3.0x-3.2x over the next two years
Moody's-adjusted debt/EBITDA (2022-23E)



On 25 March 2022, we changed the leverage thresholds for the rating category due to our consideration of the liability arising from the minority owned portion of the Master Service Agreement (MSA) between CETIN and O2/Yettel
Source: Moody´s Investors Service

Credit strengths

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

» Structural separation of infrastructure management and service provision, and good geographical diversification in the CEE region

» Expectation of solid operating performance in the next 12-18 months

» Solid standalone financial profiles of CETIN Group N.V. (CETIN Group, Baa2 negative), CETIN a.s. (CETIN, Baa2 negative) and O2 Czech Republic a.s. (O2)

» Commitment to preserve leverage within management's public guidance

Credit challenges

» Moderate scale

» Weak free cash flow (FCF) because of high capital spending and dividend payment

» The European Commission's concerns about the network-sharing agreement in the Czech Republic

» Presence of a significant amount of external debt at operating companies, which leads to some structural subordination for PPF Telecom Group's debtholders

Rating outlook

The negative outlook reflects that PPF Telecom's leverage on a fully consolidated stood at 3.2x in 2021 and will not improve towards 3.0x, the new threshold for the Ba1 rating until 2023-2024, leaving no headroom for deviation in terms of operating underperformance. While the rating is weakly positioned in the category, we acknowledge the management's track record in executing the strategy and maintaining leverage within the required thresholds.

Factors that could lead to an upgrade

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

We could consider a rating upgrade if PPF Telecom's operating performance improves beyond our current expectation, such that its Moody's-adjusted debt/EBITDA remains comfortably below 2.25x (2.75x previously) and RCF/debt remains above 25% (20% previously) on a sustained basis.

Factors that could lead to a downgrade

We could downgrade the rating if PPF Telecom's operating performance deteriorates or the company enters into debt-financed acquisitions, such that its Moody's-adjusted debt/EBITDA remains at 3.0x or higher (3.5x previously) on a fully consolidated basis, and RCF/debt remains below 15% (10% previously). Additionally, negative rating pressure could be exerted if PPF Telecom's financial policies become more aggressive, the company needs to support lower-credit-quality entities within the broader PPF Group N.V., or its liquidity deteriorates.

Key indicators

Exhibit 2
PPF Telecom Group B.V.

€ millions	Dec-19	Dec-20	Dec-21	Dec-22 (proj)	Dec-23 (proj)
Revenue	3,162	3,159	3,336	3,549	3,650
Debt / EBITDA	3.4x	3.4x	3.2x	3.2x	3.0x
RCF / Debt	13.0%	10.4%	17.8%	22.1%	20.4%
(EBITDA - CAPEX) / Interest Expense	5.7x	6.1x	7.5x	5.6x	5.9x

Sources: Moody´s Financial Metrics™ and Moody's Investors Service estimates

Profile

PPF Telecom Group is a European telecommunications conglomerate with shareholdings in CETIN Group and CETIN (70%), O2 (100%), and three mobile operators in Hungary, Bulgaria and Serbia (all 100% owned except Yettel Hungary, which is only 75% owned).

The company is ultimately 100% owned by PPF Group N.V., an investment company focused on activities mainly in telecommunications, real estate, media, banking and financial services. The company seeks investment opportunities in the developing markets in the CEE region and the Far East, as well as in the developed markets of Europe and United States. PPF Group N.V. is headquartered in Amsterdam, the Netherlands.

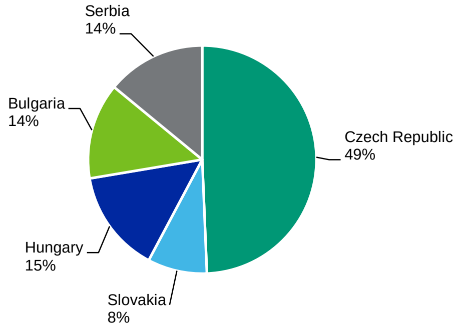
In July 2018, the company completed the acquisition of telecom assets in Hungary, Bulgaria, Serbia and Montenegro for €2.8 billion. With this acquisition, PPF Telecom Group emerged as a key telecommunications operator in the CEE region, with 18.3 million subscribers in five countries and a Moody's-adjusted EBITDA of €1.5 billion as of year-end 2021. On 21 December 2021, PPF Telecom Group confirmed the sale of 100% shares of Telenor Montenegro to Hungary's 4iG Nyrt.

As of December 2020, PPF Telecom Group completed the separation of the infrastructure segment of its Telenor businesses in Bulgaria, Hungary and Serbia, and the incorporation of these newly created entities into the new CETIN Group, which also includes their infrastructure business in the Czech Republic through CETIN.

On 18 October 2021, PPF Telecom Group announced an agreement with GIC, a leading global investment firm based in Singapore, to sell a 30% stake in CETIN Group, retaining a majority 70% ownership of the telecom infrastructure operator. On 10 March 2022, the company announced the completion of the transaction.

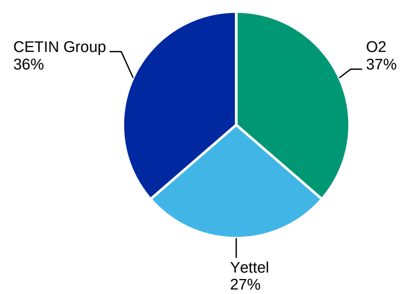
In February 2022, the company announced the completion of O2 squeeze-out, after acquiring a 9.48% free-float minority stake.

Exhibit 3
The Czech Republic is PPF Telecom Group's main country of operation
2021 EBITDA split by geography



Source: Company reports

Exhibit 4
EBITDA is equivalently distributed across the business segments
2021 EBITDA split by business segment



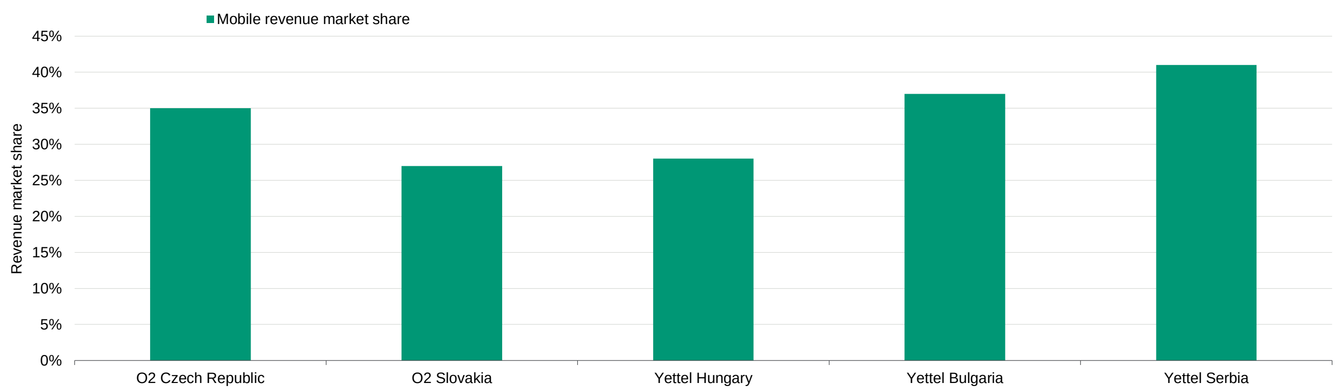
Source: Company reports

Detailed credit considerations

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 35% retail mobile market share and a 28% retail fixed broadband market share in terms of revenue as of September 2021. Additionally, the company holds a strong challenger position in Slovakia (a 27% mobile revenue market share), Hungary (28%), Bulgaria (37%) and Serbia (41%).

Exhibit 5
PPF Telecom Group ranks number one or two in most of the countries in which it operates
Mobile revenue market share by country as of September 2021



Source: Company reports

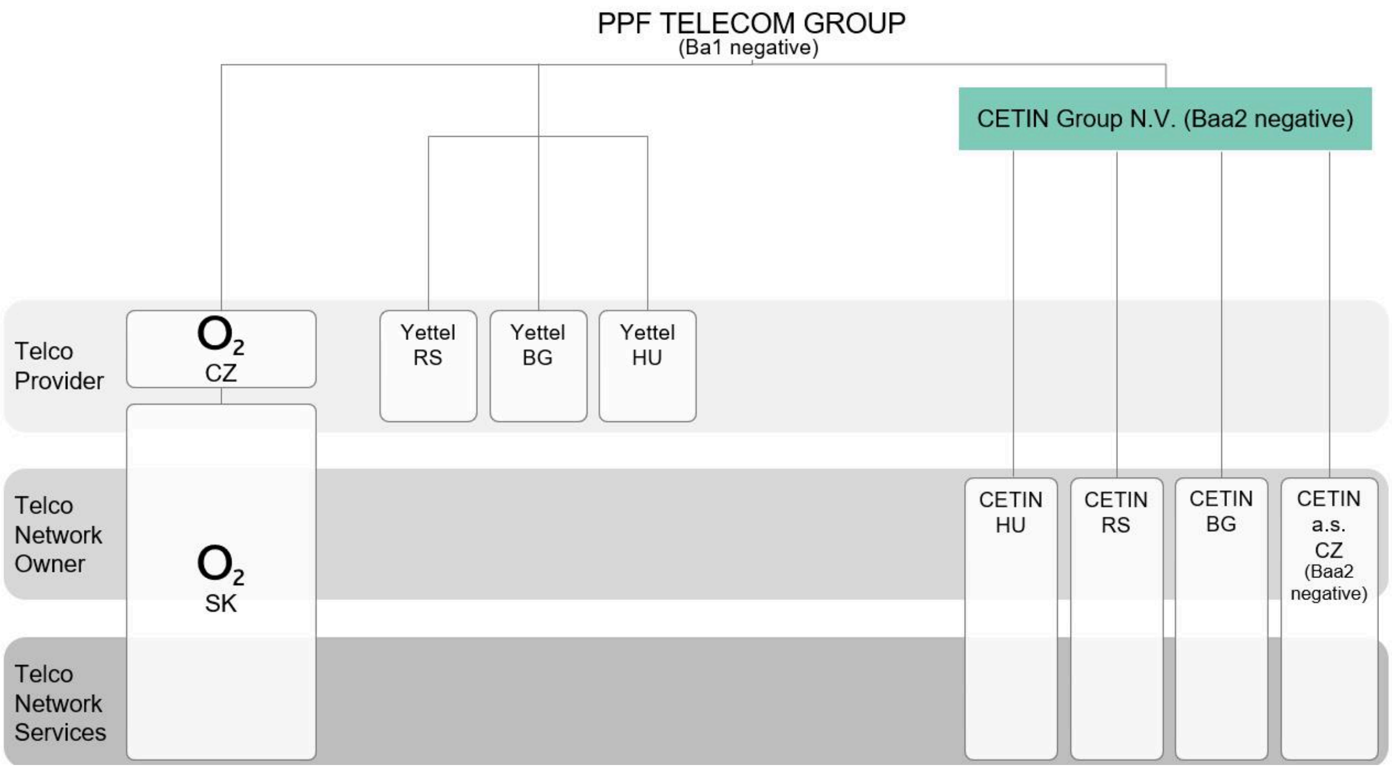
The company's strategy focuses on maintaining leading positions in all its markets by ensuring high-quality services and infrastructure, integrating and expanding the group's culture and know-how to Telenor CEE's operations, and maintaining sound and disciplined financial management and practices. The recent spectrum auctions in PPF Telecom Group's main markets, including 700 megahertz (MHz), 2100MHz and 3,600MHz in Hungary; 700MHz and 3,500MHz in Czech Republic; 700MHz, 900MHz and 1,800MHz in Slovakia; 2,100MHz, 2,600MHz and 3,700MHz in Bulgaria, and renewals in Czech Republic, Hungary and Bulgaria, have provided a clear picture of the competitive landscape, because there was no fourth operator entering any of the markets, effectively removing the threat for years to come. In addition, prices paid for the spectrum are lower than in other markets, which strengthens PPF Telecom Group´s position.

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 CETIN Czechia took effect in June 2015, followed by the separation of CETIN in Hungary, Serbia and Bulgaria in July 2020. Management believes that this structural separation has eased regulatory constraints and allowed the group to streamline the business while optimising network utilisation and financial policy.

Exhibit 6

PPF Telecom is diversified as a Telco service provider and network owner through its different subsidiaries

PPF Telecom Group's structure as of March 2022



Source: Company

Additionally, the company's cash flow is well diversified in terms of geography and business segments. Yettel and CETIN Hungary, Bulgaria and Serbia generated approximately half of PPF Telecom's cash flow, in 2021 while the other half was generated by O2 and CETIN Czechia. Yettel provides mobile services in the CEE region to around 10 million subscribers and generated reported EBITDA of €410 million in 2021, excluding CETIN in those regions. Yettel is the number one mobile operator in Bulgaria and Serbia, and number two in Hungary in terms of revenue market share. Yettel generated around 35% of the group's FCF in 2021, followed by O2 with 33% and CETIN Group with 32%, including CETIN Hungary, Bulgaria and Serbia.

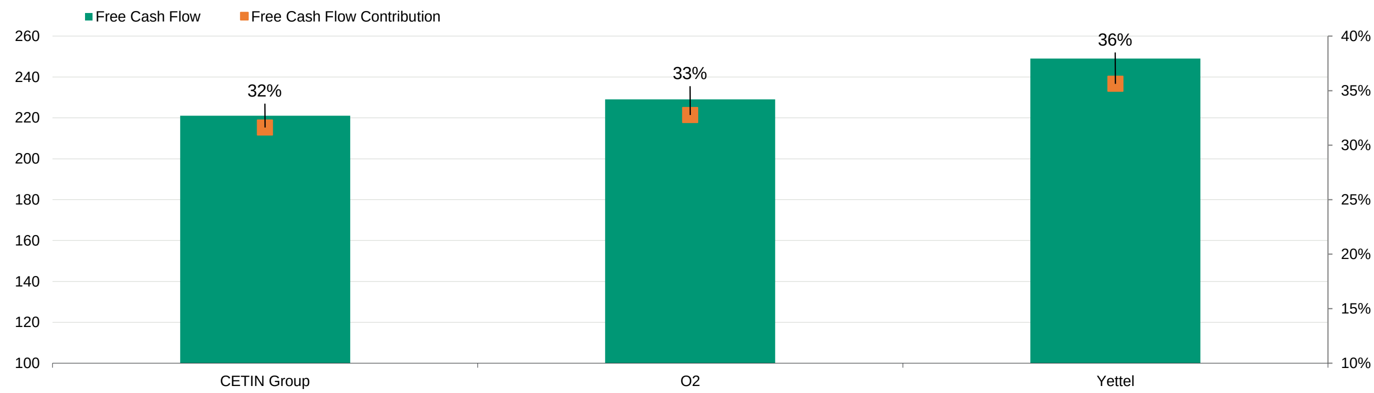
O2 is the largest integrated telecommunications operator in the Czech Republic. It offers fixed broadband (FBB), data Internet Protocol Television (IPTV), Information and communications technology (ICT), mobile, fixed voice, data centre housing and cloud services to consumers, businesses and the public segment. O2 is a 100% owned subsidiary after PPF Telecom acquired the 9.48% minority stake through a squeeze-out procedure. The company also operates in Slovakia through its wholly owned subsidiary O2 Slovakia. In Slovakia, O2 is the number three operator after Orange (Baa1 stable) and T-Mobile Czech Republic (T-Mobile), with a 27% mobile revenue market share in 2021.

CETIN is the Czech Republic's sole national telecommunications infrastructure provider with a strong market position. The company operates and manages fixed and mobile infrastructure in the Czech Republic, and provides transit services abroad, with a presence in Europe and Asia. The company has an adaptable and differentiated business model as a telecom infrastructure operator, underpinned by strong commercial agreements with O2 and T-Mobile. After the corporate restructuring, CETIN in the Czech Republic, together with CETIN Bulgaria, CETIN Hungary and CETIN Serbia, fall under a broader new group, CETIN Group. The company expects this separation to strengthen the retail and infrastructure businesses and enable the two separated entities in each country to wholly focus on two different market segments and meet the increasing demands of the CEE telecommunications market in the most efficient way.

Exhibit 7

FCF generation is equivalently diversified across the three main business segments

PPF Telecom Group´s FCF by subgroup in 2021 (left axis) and contribution to the group's FCF (right axis)



The company's definition of FCF is cash flow from operations, and includes paid capital spending and proceeds from the sale of assets, and excludes the IFRS 16 effect.
Source: Company reports

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

We expect revenue to grow 6.5% in 2022, driven by growth in all markets. Particularly, we expect solid growth in O2 as a result of good mobile momentum in the Czech market and upselling opportunities in the CEE markets.

PPF Telecom's revenue increased by 5.6% in 2021, driven by upselling to the customer base in response to the continued significant demand for data, and the positive momentum of the fixed business in the Czech Republic. Excluding the effect of international transit, total revenue increased to €3.1 billion in 2021.

In 2021, O2's revenue grew in both of its markets, and the Czech mobile subscriber base increased by 1.3% to more than 6 million subscribers. In Slovakia, total revenue also increased, and the customer base increased by 1% to more than 2.2 million subscribers.

Yettel's revenue increased significantly in 2021, including Hungary (6.75% revenue growth), Bulgaria (6.2% revenue growth) and Serbia (8.2% revenue growth, including Montenegro). The number of mobile subscribers increased by 1.8% to around 10 million, excluding those in Montenegro. Management expects good performance in all three markets in 2022 as a result of growth in mobile revenue, higher average revenue per user (ARPU), upselling to customers and its high-quality mobile network.

CETIN's Czech Republic reported a revenue increase of 4.8% in 2021 (excluding transit revenue), driven mainly by international voice transit revenue. 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 fixed revenue to grow, 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 10% in 2021, driven by growth in all businesses and countries where the company operates, and cost stabilisation. We expect the company's Moody's-adjusted EBITDA to be flat in the next two years, as cost inflation pressures would offset revenue.

Diversified operating cash flow generation, but 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 last-mile access. In the mobile segment, the company's mobile coverage extends to 100% 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 and 97% in Serbia as of September 2021.

We expect the group's capital spending/sales (excluding spectrum) to increase at 21% over the next two years. A larger part of the investment will be executed by CETIN, with capital spending/sales of 33%-35%. We expect both Yettel's and O2's capital investments to also increase as a percentage of sales. We expect the company's Moody's-adjusted FCF (after dividends according to our definition) to be slightly positive in 2022-23 as a result of a step-up in capital spending in mobile infrastructure and fixed network. The company will face spectrum payments in the next two years in all the markets in which it operates. However, it has a high cash balance to cover the negative cash flow.

The 30% dilution in CETIN Group is credit negative

On 10 March 2022, the company announced the completion of the 30% stake sale in CETIN Group. We view the ownership dilution as credit negative because although PPF telecom retains control, there is a dilution in the cash flow derived from the minority ownership. However, this was partially offset by the elimination of 32% minorities in O2.

Limited prospects for reduction in leverage

We expect Moody's-adjusted group leverage to be 3.2x-3.0x in the next 12-18 months, which is equivalent to company's net debt of 2.8x-2.6x. The company aims to maintain reported net consolidated leverage between 2.8x and 3.2x. The company's reported net leverage was 2.7x as of year-end 2021. We estimate that the group will distribute most of its FCF, such that it maintains leverage within the stated range. In addition, PPF Telecom Group does not fully own CETIN Group (ownership of 70%) 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, with weaker credit quality

PPF Telecom Group is indirectly owned by PPF Group NV, a conglomerate with activities mainly in telecommunications, media, banking and financial services, with significant exposure to China and Russia (supervised by European banking regulations), and real estate. We view these other activities outside PPF Telecom as having lower credit quality and, therefore, subject to the marginal risk of needing financial support. 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 will be a key determinant to the future cash flow distribution within the broader group. PPF Group assets in Russia are currently valued at around €1 billion and represents approximately 10% of the value of the group. Any potential devaluation of these assets would not affect PPF Telecom's financial strategy.

Also, liabilities related to the telecom operations outside PPF Telecom Group are relatively small. These mainly relate to the deferred purchase price for the Yettel acquisition, which amounted to €100 million as of December 2021.

Exhibit 8

Telecommunications represents around 36% of PPF Group NV's revenue generation

PPF Group NV's segmental data

PPF Group NV (EUR million, 2020)

	Finanical Services	Telecommunications	Media	Real Estate	Insurance	Mechanical Engineering	Other
Total Revenues	4,809	3,162	180	162	63	421	50
Assets	24,765	7,969	2,078	2,197	191	986	1,472
Liabilities	21,907	7,114	1,252	1,428	143	708	-1,410
Net Profit + D&A - Capex	-477	464	36	54	6	-79	-204
Equity	2,858	855	826	769	48	278	2,882
% Revenues	54%	36%	2%	2%	1%	5%	1%
% Assets	62%	20%	5%	6%	0%	2%	4%
% Liabilities	70%	23%	4%	5%	0%	2%	-5%

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 said 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 reputational issues, as well as increased operational costs to mitigate cyberattacks and reduce exposure to the loss of private data. Although telecom operators have low direct business exposure to environmental risks, data security and data privacy issues are prominent in the sector.

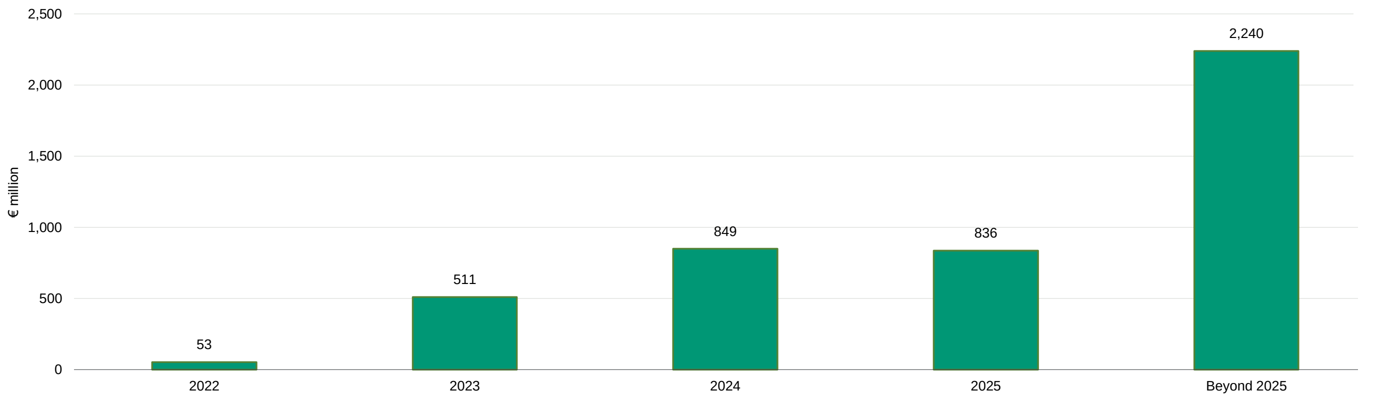
In terms of governance, we note the complexity of the broader group of companies outside PPF Telecom and that the entire group is owned and controlled by one single shareholder. We expect PPF Telecom group to perform within the stated operating and financial strategies, maintaining its shareholder remuneration within its dividend payout limits. See our environmental risks heat map and social risks heat map for further information.

Liquidity analysis

PPF Telecom's liquidity is adequate. As of December 2021, its €700 million term loan maturing in 2026 was fully drawn to refinance CETIN's €625 million bond maturing in December 2021. PPF Telecom's liquidity benefits from cash and cash equivalents of €633 million as of December 2021; full availability under its €200 million revolving credit facility, maturing in 2026, with ample capacity under the covenants as of December 2021 (with proportionate net debt/EBITDA of 4.5x and interest coverage of 3.0x); and internally generated cash flow (defined as EBITDA net of cash interest, tax obligations and dividends received) of around €1.2 billion per year.

These internally generated cash sources plus existing cash balances compare favorably with cash requirements, including annual capital spending of around €966 million (including lease payments and the estimated spectrum payment in 2022) and cash dividends of €300 million-€600 million per year.

Exhibit 9
PPF Telecom Group's significant debt maturities are beyond 2025
Debt maturity profile as of March 2022



Source: Company reports

Structural considerations

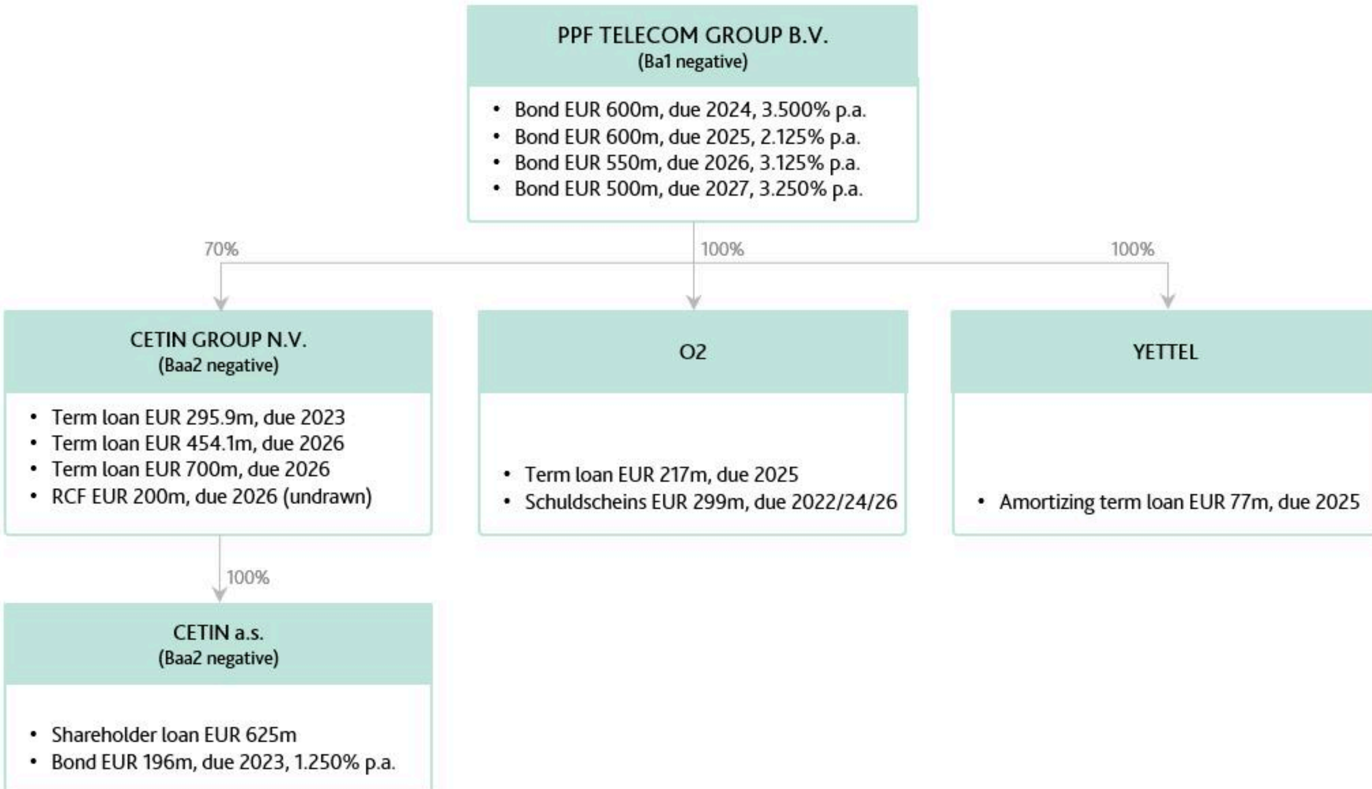
The group has a complex structure, with debt allocated across the holding company and the operating subsidiaries. As of December 2021, more than 50% of debt was raised at PPF Telecom Group (including four bonds amounting to €2.3 billion), with the balance being allocated at CETIN Group (37%), O2 (11%) and Yettel (2%).

As of December 2021, financial debt at the operating subsidiaries included around CZK4.8 billion of bonds issued by CETIN and around €1.4 billion in term loans at CETIN Group level; €299 million of Schuldschein debt and a term loan of CZK7 billion at O2's level; and a €77 million term loan at Yettel's level. Part of the proceeds from the CETIN Group's 30% stake sale will be used to reduce €325 million of debt at the O2 level.

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 the 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 10
Half of the debt has been raised at PPF Telecom Group level
PPF Telecom Group as of March 2022



Source: Company

Rating methodology and scorecard factors

The principal methodology used in rating PPF Telecom Group is our Telecommunications Service Providers rating methodology, published in January 2017. The scorecard-indicated outcome for our 12-18-month forward view is Baa3, one notch above PPF's rating of Ba1.

The difference reflects the group's complexity, including the different debt allocation and the ownership structure.

Exhibit 11

Rating factors

PPF Telecom Group B.V.

Telecommunications Service Providers Industry Scorecard [1][2]	Current FY 12/31/2021		Moody's 12-18 Month Forward View As of 03/24/2022 [3]	
Factor 1 : Scale (12.5%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$4.0	B	$4.0	B
Factor 2 : Business Profile (27.5%)				
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	3.2x	Ba	3.1x	Ba
b) RCF / Debt	15.8%	B	21.2%	Ba
c) (EBITDA - CAPEX) / Interest Expense	7.5x	Aa	5.7x	A
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Baa3		Baa3
b) Actual Rating Assigned				Ba1

[1] All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for nonfinancial Corporations.
[2] As of 12/31/2021.
[3] This represents our forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Appendix

Exhibit 12

Peer comparison

	PPF Telecom Group B.V. Ba1 Negative			Telekom Austria AG (P)Baa1 Stable			Koninklijke KPN N.V. Baa3 Stable			Cyfrowy Polsat S.A. Ba1 RuR			Telecom Italia S.p.A. Ba3 Negative		
(in USD millions)	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	LTM Sep-21	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-19	FYE Dec-20	LTM Sep-21	FYE Dec-19	FYE Dec-20	LTM Sep-21
Revenues	$3,540	$3,605	$3,670	$5,003	$5,095	$5,503	$6,156	$6,030	$6,236	$3,043	$3,074	$2,858	$20,122	$18,039	$17,106
EBITDA	$1,486	$1,570	$1,693	$1,717	$1,771	$1,841	$2,561	$2,813	$2,725	$1,073	$1,052	$982	$9,136	$7,736	$7,152
Total Debt	$5,089	$5,769	$5,502	$4,231	$4,386	$3,860	$8,603	$9,291	$8,461	$3,511	$3,764	$2,903	$42,187	$42,483	$36,392
Cash & Cash Equivalents	$892	$967	$697	$157	$258	$519	$1,169	$1,061	$1,202	$196	$364	$1,716	$4,507	$7,245	$6,566
EBITDA Margin	42.0%	43.6%	46.1%	34.3%	34.8%	36.4%	41.6%	46.7%	47.0%	35.3%	34.2%	34.4%	45.4%	42.9%	41.8%
(EBITDA-CAPEX) / Interest Expense	5.7x	6.1x	7.5x	4.7x	6.0x	6.5x	3.4x	4.7x	4.9x	5.6x	7.0x	9.1x	2.8x	2.1x	1.3x
Debt / EBITDA	3.4x	3.4x	3.2x	2.5x	2.3x	2.1x	3.3x	3.1x	3.1x	3.2x	3.4x	3.0x	4.6x	5.1x	5.1x
FCF / Debt	2.1%	0.6%	6.4%	4.9%	9.2%	5.5%	3.5%	3.6%	3.1%	5.9%	7.8%	5.2%	3.7%	5.8%	-1.9%
RCF / Debt	13.0%	10.4%	17.8%	32.1%	35.0%	33.3%	20.4%	21.0%	17.7%	20.1%	19.0%	21.1%	15.9%	11.5%	13.4%

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

Exhibit 13

Select historical and projected Moody's-adjusted financial data

PPF Telecom Group B.V.

(in EUR million)	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	2022 proj [1]	2023 proj
INCOME STATEMENT							
Revenue	1,826	2,415	3,162	3,159	3,336	3,549	3,650
EBITDA	759	992	1,327	1,376	1,539	1,534	1,597
BALANCE SHEET							
Cash & Cash Equivalents	182	262	795	790	633	585	654
Total Debt	1,825	4,353	4,534	4,715	5,002	4,844	4,802
CASH FLOW							
Capital Expenditures	(370)	(418)	(491)	(516)	(486)	(735)	(748)
Dividends	236	210	556	674	439	195	337
Retained Cash Flow (RCF)	405	688	589	490	892	1,068	980
RCF / Debt	22.2%	15.8%	13.0%	10.4%	17.8%	22.1%	20.4%
Free Cash Flow (FCF)	18	215	96	26	322	262	143
FCF / Debt	1.0%	4.9%	2.1%	0.6%	6.4%	5.4%	3.0%
PROFITABILITY							
% Change in Sales (YoY)	4.7%	32.3%	30.9%	-0.1%	5.6%	6.4%	2.8%
EBITDA margin %	41.6%	41.1%	42.0%	43.6%	46.1%	43.2%	43.8%
INTEREST COVERAGE							
EBITDA / Interest Expense	23.4x	11.3x	9.1x	9.8x	10.9x	10.7x	11.1x
(EBITDA - Capex) / Interest Expense	12.0x	6.5x	5.7x	6.1x	7.5x	5.6x	5.9x
LEVERAGE							
Debt / EBITDA	2.4x	4.4x	3.4x	3.4x	3.2x	3.2x	3.0x

[1] Any potential extraordinary dividend payment related to the cash proceeds generated by the 30% CETIN Group stake sale is excluded from Dividends, RCF and FCF metrics.
Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Ratings

Exhibit 14

Category	Moody's Rating
PPF TELECOM GROUP B.V.	
Outlook	Negative
Corporate Family Rating	Ba1
Bkd Senior Secured -Dom Curr	Ba1/LGD4
CETIN GROUP N.V.	
Outlook	Negative
Issuer Rating	Baa2
CETIN A.S.	
Outlook	Negative
Issuer Rating	Baa2
CETIN FINANCE B.V.	
Outlook	Negative
Bkd Senior Unsecured	Baa2

Source: Moody's Investors Service

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