

Rating Action: Moody's upgrades Mapletree Logistics's ratings to Baa1; outlook stable

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Singapore, June 27, 2011 -- Moody's Investors Service has today upgraded Mapletree Logistics Trust's ("MLT") corporate family rating to Baa1 from Baa2. The outlook is stable.

RATINGS RATIONALE

"The upgrade reflects MLT's sustained operating and financial performance, as evidenced by its good revenue growth and high occupancy rates from its portfolio, recent improvements in its liquidity profile following refinancing of shorter term debt, as well as the expectation that it will manage its balance sheet prudently and in line with high Baa ratings," says Alan Greene, a Moody's Vice President and Senior Credit officer.

"While MLT's current financial profile could weaken moderately due to its acquisitive growth strategy, the rating upgrade factors in the trust's plan to maintain its gearing below the targeted 45% level", adds Greene, who is also Moody's Lead Analyst for MLT.

MLT's Baa1 rating recognises its stable and dependable earnings and cash flow streams from its direct ownership in a diversified portfolio of well-located logistics properties. The rating also reflects its capacity to leverage its relationship with its sponsor, Mapletree Investments, for financial support and portfolio expansion. Furthermore, the use of unsecured debt also provides the trust with financial flexibility.

The stable outlook reflects Moody's expectation that Mapletree will execute its expansion strategy prudently, while maintaining its current credit profile within its targeted parameters and maintaining a reasonably spread debt maturity profile.

The rating could be upgraded if Mapletree shows improvements in its liquidity profile and credit metrics, including Debt/Total Assets below 35% and EBITDA/Interest exceeding 3.5-4.0x on a sustained basis.

On the other hand, Mapletree's rating could experience downward pressure if a) occupancy rates fall, or profitability declines due to a high level of supply in the market or adverse changes in market conditions; or (b) it makes any significant debt-funded acquisitions -- such that EBITDA/Interest coverage falls below 2.5-3x, or Debt/Total Assets rises above 45%.

The principal methodology used in this rating was Moody's Approach for REITs and Other Commercial Property Firms published in July 2010.

MLT was the first Singapore-based, Asia-focused logistics REIT and was listed on the Singapore Stock Exchange in July, 2005.

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Singapore
Alan Greene
VP - Senior Credit Officer
Corporate Finance Group
Moody's Investors Service Singapore Pte. Ltd.
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (65) 6398-8308

Singapore
Philipp L. Lotter
Senior Vice President
Corporate Finance Group
Moody's Investors Service Singapore Pte. Ltd.
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (65) 6398-8308

Moody's Investors Service Singapore Pte. Ltd.

50 Raffles Place #23-06
Singapore Land Tower
Singapore 48623
Singapore
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (65) 6398-8308



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