(Constituted in Republic of Singapore pursuant to a Trust Deed dated 29 January 2008 (as amended))

ANNOUNCEMENT

FITCH AFFIRMS MAPLETREE INDUSTRIAL TRUST'S 'BBB+' RATINGS

26 August 2015 – Mapletree Industrial Trust Management Ltd., as manager (the "Manager") of Mapletree Industrial Trust ("MIT"), wishes to announce that Fitch Ratings ("Fitch") has affirmed MIT's Long-Term Issuer Default Rating at 'BBB+' with a Stable Outlook. Fitch has also affirmed 'BBB+' ratings to senior unsecured notes issued under the S$1 billion Multicurrency Medium Term Note Programme. To date, S$245 million worth of unsecured fixed-rate notes have been issued under the programme. The press release issued by Fitch is attached for information.

By order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree Industrial Trust Management Ltd.
(Company Registration No. 201015667D)
As Manager of Mapletree Industrial Trust

FitchRatings

Fitch Affirms Mapletree Industrial Trust at 'BBB+'; Outlook Stable

Fitch Ratings-Singapore-26 August 2015: Fitch Ratings has affirmed Mapletree Industrial Trust's (MIT) Long-Term Issuer Default Rating at 'BBB+'. The Outlook is Stable. The agency has also affirmed MIT's SGD245m outstanding senior unsecured medium-term notes at 'BBB+'.

KEY RATING DRIVERS

Granular Portfolio, Good Assets: MIT is one of the largest industrial property real estate industrial trusts (REITs) listed in Singapore, with investment properties worth SGD3.4bn at the end of the financial year to 31 March 2015 (FYE15), and over 2,300 clients. MIT's ratings are supported by its granular portfolio of good-quality industrial assets in Singapore. Its property portfolio is well-diversified with 84 assets across five property types, with its 10 largest tenants accounting for only 17.2% of income, while no single trade sector accounts for more than 16% of income.

Strong Financial Profile: MIT's ratings also reflect its strong balance sheet and sound financing flexibility. At FYE15 MIT reported a net debt/investment property value (LTV) ratio of 29%, FFO net leverage of 5.1x, FFO fixed-charge cover of 8.8x, and unencumbered asset cover of unsecured creditors of 3.2x. Additionally, MIT's liquidity is sound - at FYE15 it had SGD497m of unutilised credit lines plus SGD72m of cash reserves compared with SGD265m of aggregate debt maturities and SGD170m of committed capex in FY16 and FY17. At FYE15, MIT paid fixed interest rates on 87% of its debt. Fitch estimates that MIT's credit profile can withstand a capitalisation rate increase of over 200bp and still comfortably maintain its 'BBB+' rating.

Geographical Concentration, Limited Scale: MIT's rating is constrained by the geographic concentration of its assets in Singapore, as well as its smaller scale compared to higher-rated global peers.

Improving Asset Profile Reduces Risks: Over the last three years, MIT has repositioned some of its properties through asset enhancement initiatives in favour of BTS properties catering to higher-value industrial users. This, in Fitch's view, has strengthened MIT's business risk profile. MIT completed the development of a SGD50m BTS property for precision engineering company Kulicke & Soffa in FY14, a SGD108m BTS data center for Equinix in FY15, and is working on delivering a SGD226m BTS property for Hewlett-Packard in 2017.

BTS properties have longer leases and built-in annual rental escalations, providing income stability.

This, together with the fact that MIT's in-place rents are lower than the current market average and median across its asset segments, will help cushion its credit profile against the expected decline in industrial property rents in Singapore across some asset types.

Strong Supportive Sponsor: MIT has conserved around SGD60m-80m of its operating cash flows each year since the launch of its dividend reinvestment programme (DRP) in FY13, which has been largely used for funding its build-to-suit (BTS) projects that meet customers' specifications. MIT's sponsor, Mapletree Investments Pte Limited (MIPL), owns 33% of MIT and usually subscribes to its full share of the DRP. MIPL is in turn owned by the Singapore's (AAA/Stable) state-owned investment company, Temasek Holdings Pte Ltd. Fitch believes MIT's strong access to capital and credit markets is also supported by its sponsor's profile.

KEY ASSUMPTIONS

Fitch's key assumptions within our rating case for the issuer include:
- Low single digit organic revenue growth in the medium term, boosted by revenue from several BTS projects coming on stream
- EBITDA margins to remain over 63%, and to improve towards FY18 as a result of the income boost from BTS projects
- Maintenance capex to remain at historical levels; SGD170m for the HP BTS to be incurred in FY16 and FY17.
- Dividend payout to remain at historical levels; around 40% of the payout to be taken up as DRP, particularly by the sponsor who owns 33% of MIT

RATING SENSITIVITIES

Positive: No positive rating action is expected in the medium term given MIT's geographic concentration in Singapore and limited scale in relation to higher-rated global property investment companies.

Negative: Future developments that may, individually or collectively, lead to negative rating action include
- FFO fixed-charge coverage sustained below 5x (FY15: 8.8x)
- FFO adjusted net leverage sustained above 6x (FY15: 5.1x) and the ratio of gross debt net of readily available cash to investment property value (LTV) sustained above 40%-45% (FY15: 29%)
- Unencumbered assets / unsecured debt below 2x (FY15: 3.2x)
- A sustained and material weakening in the competitive position of MIT's assets, as evidenced in weaker rental renewal rates and occupancy levels, resulting in EBITDA margin sustained below 60% (FY15: 64.2%).

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Applicable Criteria
Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage (pub. 17 Aug 2015) (https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=869362)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form
(https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=989938)
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