(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

24 August 2016 – 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$305 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-24 August 2016: Fitch Ratings has affirmed Singapore-based Mapletree Industrial Trust's (MIT) Long-Term Issuer Default Rating at 'BBB+'. The Outlook is Stable. The agency has also affirmed MIT's SGD305m outstanding senior unsecured medium-term notes at 'BBB+'; the notes are issued by MIT's subsidiary Mapletree Industrial Trust Treasury Company Pte. Ltd. and guaranteed by DBS Trustee Limited. DBS Trustee Limited acts as trustee for MIT.

KEY RATING DRIVERS

Strong Performance to Continue: Fitch expects MIT's strong performance to continue in FY17-FY18. MIT's portfolio-wide rental rates have increased each quarter since its listing in 3QFY11; in 1QFY17 portfolio rent rose 1.1% to SGD1.92 per square foot per month from SGD1.90 in 4QFY16, and increased 3.2% from SGD1.86 in 1QFY16. Fitch believes the trust will be able to manage the FY17 renewal of 14.1% of its portfolio leases by gross rental income without a major weakening in its portfolio average rent, despite the high supply of industrial assets expected and weak demand. This is because MIT's assets have occupancy rates that are above the industry average, and competitive rents across several of its asset types.

High Lease Expiries in FY18: Almost a third of MIT's portfolio is due for renewal in FY18 amid a continued glut in industrial space in Singapore, which may result in more pressure on portfolio rental income from existing properties. However, MIT's SGD226m build-to-suit (BTS) development project for Hewlett-Packard (part of Hewlett Packard Enterprise, rated A-/Stable) with 100% committed occupancy is due to be completed in FY18 and will support earnings. In addition, the SGD77m project in Kallang Basin Four, which is being developed without prior commitments from end users, is likely to be completed during the same period.

Robust Finances, Rating Headroom: MIT's ratings benefit from its strong financial profile, with continued EBITDA growth in the last few years, and EBITDA margin of 62%-65%. MIT's FFO fixed-charge coverage stood at 8.9x at FYE16, with net debt over investment property value at 27% at FYE16, and FFO-adjusted net leverage at 4.4x. These parameters are robust relative to MIT's peers, and are well within the rating thresholds.

Distribution Reinvestment Plan Cancelled: MIT has cancelled its distribution reinvestment plan (DRP) beyond 3QFY16; the plan allowed MIT to conserve around SGD60m-80m of its operating cash flows each year since its inception in FY13, which supported MIT's property development activities. Although this reduces MIT's financing flexibility, Fitch does not consider this a major risk given its robust financial profile, strong market access, and high rating headroom. The halt to the DRP comes at a time when MIT's medium-term property development pipeline appears to be tailing-off, with no visibility of substantial new developments beyond FY18.

Strong Liquidity, Market Access: MIT's liquidity is strong; its cash balance of SGD44m and sufficient committed undrawn credit facilities at its disposal will be able to comfortably fund debt maturities of SGD36.4m, as well as our estimates of a potential free cash flow deficit of SGD86m for FY17. Fitch believes MIT's relationship with its sponsor, Mapletree Investments Pte Ltd, which is owned by the Singapore (AAA/Stable) state investment company Temasek Holdings, underpins its strong access to capital and credit markets.

MIT is one of the few Singapore-listed real estate investment trusts that regularly issues bonds. It currently has SGD305m of senior unsecured debt outstanding off its SGD1bn multicurrency medium-term note programme, with maturities until 2026. MIT also routinely hedges a large portion of its interest-rate risk. At end-1QFY17, 87.6% of its borrowings were at fixed-interest rates or were hedged using interest-rate swaps.

KEY ASSUMPTIONS

Fitch's key assumptions within the rating case for MIT include;

- Revenue to grow by 0.3% in FY17 and 5.3% in FY18; rental rates and occupancy to remain under pressure for most asset types, but new developments to mitigate this in FY18
- EBITDA margin to remain higher than 64%, supported by an increasing share of earnings from new

developments
- Maintenance capex to remain at around 3% of revenue; the balance capex of SGD162m to be spent on MIT's ongoing development projects in FY17 and FY18

RATING SENSITIVITIES
Positive: No positive rating action is expected in the medium term given MIT's geographic concentration in Singapore and limited scale relative 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
- FFO-adjusted net leverage sustained above 6x and the ratio of net debt to investment property value sustained above 40%-45%
- The rating of MIT's senior unsecured notes may be downgraded if the ratio of unencumbered assets / unsecured debt falls below 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%

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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/site/re/869362)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form
(https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1010727)
Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1010727)
Endorsement Policy (https://www.fitchratings.com/jsp/creditdesk/PolicyRegulation.faces?context=2&detail=31)