

Rating Action: [Mapletree Logistics Trust](#)

Moody's affirms MapletreeLog's Baa2 rating, outlook stable

Singapore, December 15, 2008 -- Moody's Investors Service has today affirmed MapletreeLog's Baa2 rating and changed the outlook to stable from negative.

"The affirmation of Mapletree's Baa2 rating reflects a significant improvement in the group's leverage and liquidity position following a rights offering that is largely supported by its sponsor, Mapletree Investments Pte Ltd," says Kathleen Lee, a Moody's VP/Senior Analyst, adding, "such that its financial metrics -- Debt/EBITDA of around 8x and EBITDA/Interest around 3.5x -- are more appropriate for its Baa2 rating."

"In addition, MapletreeLog has successfully alleviated material refinancing risk with the use of its rights proceeds from August partly paying down short term debt and committed acquisition payments as well as extending some short term debt to medium term bank lines" says Lee.

Going forward, Moody's expects MapletreeLog to observe financial metrics similar to those they now have and to be relatively measured in looking at new acquisitions. Even if they were to acquire new assets the company would look to have committed funding before committing to new asset acquisitions and maintain a well-laddered debt maturity profile.

The stable rating outlook reflects Moody's expectation that the expected weakness in the industrial property market over the next 12-18 months is manageable within the rating considering MapletreeLog's asset quality and its improved financial metrics.

On the other hand, Moody's does not see an upside rating potential in the next 12-18 months given the expected weakness in the operating environment and property fundamentals.

On the other hand, Baa2 rating could be downgraded if MapletreeLog's financial performance weakens due to a material weakening in the industrial operating environment beyond that expected. Financial indicators that could pressure the rating include: fixed interest coverage dropping below 2-3x or Debt/EBITDA coverage ratio increasing above 8x -- 10x. In addition negative rating pressure could emerge if the company does not continue to proactively extend its debt maturities to avoid any short term pressures in this context.

The last rating action was on 10 April, 2008 when the rating of MapletreeLog was confirmed at Baa2 with outlook negative.

The principal methodology used in rating FCT was Rating Methodology for REITs and Other Commercial Property Firms, which can be found at www.moody.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Credit Policy & Methodologies directory.

Mapletree Logistics Trusts was the first Singapore-based Asia-focused logistics REIT. It was listed on the Singapore Stock Exchange in July, 2005, and its portfolio has since increased from 15 to 79 properties by 30 September 2008, and valued at approximately S\$2.67 billion. Including its recently acquired assets, MapletreeLog has a fairly well diversified portfolio with 54% of its investment assets in Singapore, followed by Hong Kong (24%), Japan (12%), Malaysia (5%), China (4%) and South Korea (1%).

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