



(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 25 August 2005 (as amended))

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## **ANNOUNCEMENT**

### **MOODY'S UPGRADES MAPLETREE COMMERCIAL TRUST'S RATING TO Baa1**

*10 November 2014* – Mapletree Commercial Trust Management Ltd., as Manager of Mapletree Commercial Trust (“MCT”), wishes to announce that Moody's Investors Service (“Moody's”) has upgraded MCT's issuer rating to Baa1 from Baa2.

Moody's has also upgraded the programme rating for Mapletree Commercial Trust Treasury Company Pte. Ltd.'s (“MCTTC”) S\$1 billion Multicurrency Medium Term Note Programme (“the Programme”) to (P)Baa1 from (P)Baa2, and the senior unsecured ratings for the notes issued by MCTTC under the Programme to Baa1 from Baa2.

The upgrade reflects an improved and strong operating performance across MCT's property portfolio since MCT's listing in April 2011 as well as the trust's proactive approach to capital management.

The press release issued by Moody's on 10 November 2014 is attached for information.

By order of the Board  
Wan Kwong Weng  
Joint Company Secretary  
Mapletree Commercial Trust Management Ltd.  
(Company Registration No. 200708826C)  
As Manager of Mapletree Commercial Trust

#### **Important Notice**

The value of units in MCT (“**Units**”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, Mapletree Commercial Trust Management Ltd., as Manager of MCT (the “**Manager**”), or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of MCT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of MCT is not necessarily indicative of the future performance of MCT.

# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's upgrades Mapletree Commercial Trust to Baa1; outlook stable**

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Global Credit Research - 10 Nov 2014

Singapore, November 10, 2014 -- Moody's Investors Service has upgraded Mapletree Commercial Trust's (MCT) issuer and senior unsecured rating to Baa1 from Baa2.

Moody's has also upgraded the senior unsecured debt ratings under Mapletree Commercial Trust Treasury Co. Pte. Ltd. to Baa1 from Baa2 and the program rating to (P)Baa1 from (P)Baa2.

The outlook on the ratings is stable.

#### RATINGS RATIONALE

"The upgrade reflects an improved and strong operating performance across MCT's property portfolio -- especially at its largest asset, VivoCity, a shopping mall located in the southern precinct of Singapore -- since the trust's listing in April 2011," says Jacintha Poh, a Moody's Vice President and Analyst.

MCT has a portfolio of four properties comprising: VivoCity; PSA Building (comprising an office building and Alexandra Retail Centre); Bank of America Merrill Lynch HarbourFront; and Mapletree Anson.

The portfolio had an occupancy rate of 98.5% as at 30 September 2014.

The performance of VivoCity has improved significantly since MCT's initial public offering (IPO).

The mall's revenue grew at a compounded annual growth rate of 8% from 31 March 2011 to 31 March 2014, while its occupancy rate remained close to 100%.

Moody's expects VivoCity's performance to remain resilient despite a tougher operating environment ahead for retailers.

The mall is strongly positioned as a destination mall, attracting shopper traffic from all over Singapore. More importantly, competing malls and new supply are absent in the immediate vicinity.

MCT also managed to improve the occupancy rate at the office component of the PSA Building to 100% since September 2013, up from 92.8% at the IPO.

The strong operating performance across the trust's assets has led to consistent EBITDA growth and improvement in EBITDA margin. For 1H FY2014/2015, adjusted EBITDA was SGD94 million, an increase of 9% year-on-year, while its EBITDA margin improved to 67.5% from 65.7% in the previous year.

"The rating upgrade also reflects the trust's proactive approach to capital management, as it repays SGD40 million of debt using the cash proceeds from its distribution reinvestment program. The improvement in EBITDA and the reduction in debt have strengthened MCT's financial metrics to levels consistent with a Baa1 rating", adds Poh, who is also the Lead Analyst for MCT.

In 1H FY2014/2015, MCT had a debt/total deposited property ratio of 38%; debt/annualized EBITDA of 8.3x; and EBITDA/interest coverage of 5.4x.

The ratios were an improvement from the previous year when the trust had a debt/total deposited property ratio of 41%; debt/annualized EBITDA of 9.3x; and EBITDA/interest coverage of 4.9x.

The rating outlook is stable, reflecting our expectation of continued predictable cash generation from MCT's current portfolio, driven by steady occupancy levels.

Moody's also expects MCT to maintain its financial discipline when pursuing growth, and to keep its credit profile within targeted parameters.

The rating could be further upgraded if MCT's credit metrics improve, such that debt/total deposited assets falls below 35% and EBITDA/interest coverage is maintained above 4x. However, upward rating pressure is likely to be limited, given MCT's high revenue concentration.

On the other hand, the rating could be downgraded if: (1) the operating environment deteriorates, leading to higher vacancy levels and declines in operating cash flows, and/or (2) the trust's financial metrics deteriorate, with debt/total deposited assets exceeding 40%-45% and EBITDA/interest coverage falling below 3x on a consistent basis.

The principal methodology used in these ratings was Moody's Global Rating Methodology for REITs and Other Commercial Property Firms published in July 2010. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

Mapletree Commercial Trust is a Singapore-focused REIT, with a portfolio of four properties, VivoCity -- Singapore's largest mall; the PSA Building -- a mixed-use development; and two office buildings - Bank of America Merrill Lynch HarbourFront and Mapletree Anson. The properties had a total appraised value of SGD4.03 billion as of 31 March 2014.

MCT's sponsor, Mapletree Investments Pte Ltd (unrated) -- a wholly owned subsidiary of the Singapore government-owned Temasek Holdings (Aaa stable) -- held a 38.5% interest in MCT as of 31 March 2014.

## REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moody.com](http://www.moody.com).

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