

Rating Action: Moody's assigns Aaa ratings to Temasek's new 6 year and 12 year EUR bonds

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Singapore, February 24, 2016 -- Moody's Investors Service has today assigned Aaa ratings to the 6-year EUR 600 million and 12-year EUR 500 million senior unsecured fixed-rate notes issued by Temasek Financial (I) Limited, a wholly owned financing subsidiary of Temasek Holdings (Private) Limited (Aaa stable "Temasek").

The outlook for the ratings is stable.

RATINGS RATIONALE

These notes are issued pursuant to Temasek's USD15 billion Guaranteed Global Medium-Term Note (MTN) Program ((P) Aaa) and are irrevocably and unconditionally guaranteed by Temasek. The proceeds will be provided to Temasek and its investment holding companies to fund their ordinary course of business.

'Temasek's Aaa rating reflects its strong fundamental credit profile as an investment holding company. This strength is supported by its steady and recurring dividend income as well as its large and high-quality investment portfolio. Temasek's largest investee companies and major dividend contributors have strong investment grade credit profiles,' says Vikas Halan, a Moody's Vice President and Senior Credit Officer.

'Furthermore, Temasek maintains low book and market value leverage at the holding company level. Its funds from operations (FFO) interest coverage consistently exceeds 10-15x. Its credit metrics are the strongest among Moody's rated investment holding companies and should remain solid,' adds Halan who is Moody's Lead Analyst for Temasek.

The rating also reflects Temasek's excellent liquidity profile. Moody's expects the company to maintain its sizeable reserve of cash and liquid securities. This reserve provides strong debt service coverage to mitigate the risk of any volatility in cash flow and asset value. Moody's further expects Temasek's internal funds (that is, cash, liquid investments, investment income and divestment proceeds) to cover its 12-month forward committed cash requirements (principally, interest, current debt payments, and operating overheads).

The principal methodology used in rating Temasek was the Investment Holding Companies and Conglomerates Methodology published in December 2015. Please see the Ratings Methodologies page on www.moodys.com for methodology.

Temasek is an Asian investment holding company based in Singapore and is 100% owned by the Minister for Finance, a body corporate under the Singapore Minister for Finance (Incorporation) Act (Chapter 183).

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