



Moody's Investors Service

Rating Action: **Moody's assigns Aaa rating to Temasek's 10-year SGD notes**

Global Credit Research - 08 Feb 2010

Approximately SGD1 billion in debt securities affected

Hong Kong, February 08, 2010 -- Moody's Investors Service has today assigned a Aaa rating to the 10-year SGD1 billion unsecured fixed-rate notes to be issued by Temasek Financial (I) Limited, a wholly-owned financing subsidiary of Temasek Holdings (Private) Limited ("Temasek"). The rating outlook is stable.

These notes are irrevocably and unconditionally guaranteed by Temasek and are pursuant to its USD10 billion Medium-Term Note ("MTN") Program. The proceeds will be used for general corporate purposes.

"The Aaa ratings reflect Temasek's strong financial profile at the holding company level, and are underpinned by the company's low book and market value-based leverage, excellent liquidity position and high-quality investment portfolio", says Elizabeth Allen, a Moody's VP/Senior Credit Officer.

"Temasek's management's demonstration and commitment to financial discipline is an important driver in its rating, while its objective of maximizing long-term shareholder returns allows it to have a very flexible investment strategy and investment horizon," adds Allen, also Moody's lead analyst for the company.

The rating outlook is stable reflecting the expectation that Temasek's credit metrics will remain strong and the likelihood that management will continue to prudently manage its investments.

Temasek has a stand-alone Aaa rating. In the event that the company's underlying credit fundamentals were no longer rated Aaa, Moody's Joint Default Analysis ("JDA") methodology would become relevant to the analysis.

Nonetheless, based on Moody's expectation of a high likelihood of government support and dependency, the Aaa rating would come under pressure only if both the ratings of the company and of the Singapore government (Aaa/Stable) were lowered.

The principal methodology used in rating Temasek was 'Moody's Rating Methodology: Global Investment Holding Companies', published in October 2007 and available on www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab.

Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

Moody's last rating action with regard to Temasek occurred on 5 February 2010 when its Aaa ratings, and the MTN program irrevocably and unconditionally guaranteed by it, were affirmed.

Temasek is an Asia investment holding company headquartered in Singapore and is 100% owned by the Singapore government.

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