

# Building for Tomorrow

Temasek Review 2011



TEMASEK



## Building for Tomorrow

Temasek marks its 37<sup>th</sup> year as an investment company.

Our mission is to deliver sustainable long term value for our stakeholders.

Our MERITT values guide us as individuals and the institution as a whole.

In this *Temasek Review*, we present our performance and our people.

Open, candid and decisive moments showcase the Temasek spirit as we patiently invest in Building for Tomorrow.

Meritocracy

Excellence

Respect

Integrity

Teamwork

Trust

# Contents

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## 5 Temasek Charter

---

## 6 Year in Review

---

## 8 From Our Chairman

---

## 14 Portfolio Highlights

- 16 Portfolio by Geography, Sector and Liquidity
  - 18 Portfolio Value since Inception
  - 19 Total Shareholder Return
- 

## 20 Group Financial Summary

- 22 Statement by Auditors
  - 23 Statement by Directors
  - 24 Group Financial Highlights
  - 26 Group Income Statements
  - 27 Group Balance Sheets
  - 28 Group Cash Flow Statements
  - 29 Group Statements of Changes in Equity
- 

## 30 Financing Framework

## 32

### Shaping Our Portfolio

- 34 Investment Framework
  - 36 Wealth Added Framework
  - 38 Investment Highlights
- 

## 40

### Shaping Our Institution

- 42 Governance Framework
  - 48 Board of Directors
  - 50 Senior Management
  - 52 Risk Framework
  - 58 MERITT Values
  - 59 Compensation Framework
  - 62 The Temasek Spirit
- 

## 64

### Shaping Our Perspectives

- 66 Engaging Friends
  - 68 Temasek International Panel
  - 69 Temasek Advisory Panel
- 

## 70

### Shaping Our Community Support

- 72 Community Engagement Platforms
  - 79 Touching Lives
- 

## 82

### Major Portfolio Companies

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## 90

### Our Contact Points

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“There was a persistent search for practical solutions,  
a patient building of institutions and infrastructure,  
a generous allocation of funds,  
an accumulated collection of talented staff.  
In the end, it paid off.”

Dr Goh Keng Swee (1918 – 2010)  
Former Deputy Prime Minister, Singapore  
*The Economics of Modernization, 1972*

# Temasek Charter

## **Temasek Holdings is an investment company**

managed on commercial principles to create and deliver sustainable long term value for our stakeholders.

## **Temasek is an active value-oriented investor**

and may increase, reduce or hold its investments in companies or other assets, or pioneer innovative products or businesses in order to create and maximise shareholder value.

## **Temasek is an active shareholder**

and aims to achieve sustainable returns by engaging the boards and managements of its portfolio companies to:

- **Values**

Foster a deep culture of integrity, meritocracy and excellence;

- **Focus**

Maintain a clear focus on core competence, customer fulfilment, innovation, commercial discipline and consistent value creation;

- **Human Capital**

Cultivate high calibre board and management leadership, as well as committed and responsible employees;

- **Sustainable Growth**

Institutionalise superior business leadership, financial discipline, operational excellence and sound corporate governance;

- **Strategic Options**

Create strategic options to build significant international or regional brands or businesses.

## **Temasek is a responsible corporate citizen**

and is committed to contributing part of its returns to encourage the growth and development of the wider community.

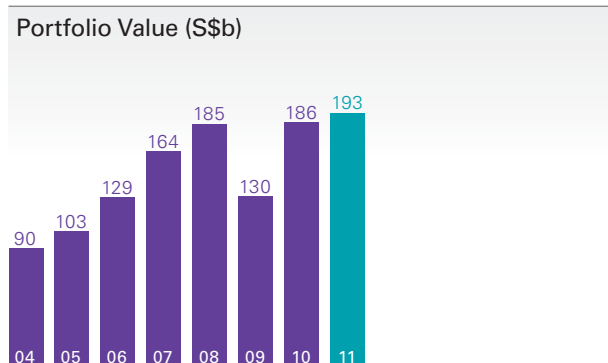
# Year in Review

We remain anchored in Asia, investing and divesting steadily in preparation for the opportunities ahead. We extended our presence in growth markets, strengthened our people and institution, and supported our wider communities.

## Portfolio Value

Our portfolio grew by S\$7 billion over the year.

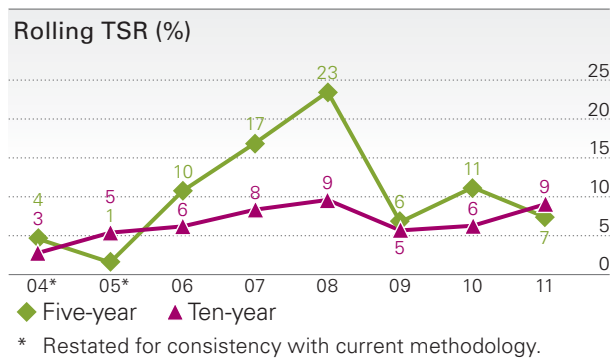
**S\$193b**  
Portfolio value



## Total Shareholder Return

Since inception, we delivered an annualised compounded return of 17%.

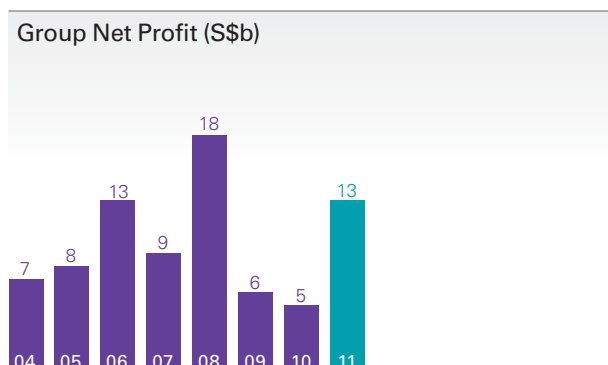
**4.60%**  
One-year TSR



## Group Financial Highlights

Group net profit more than doubled.

**S\$13b**  
Group net profit





(as at 31 Mar)

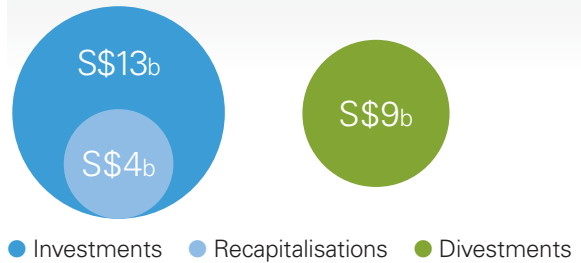
### Investment Activities

We invested and divested steadily, ending the year with net cash.

**S\$4b**

Net investments

### Investments & Divestments



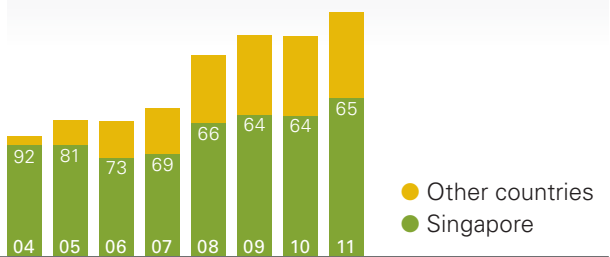
### Our People

Our diverse team of over 400 shares the Temasek spirit across Asia and Latin America.

**21**

Nationalities

### Staff Origin (%)



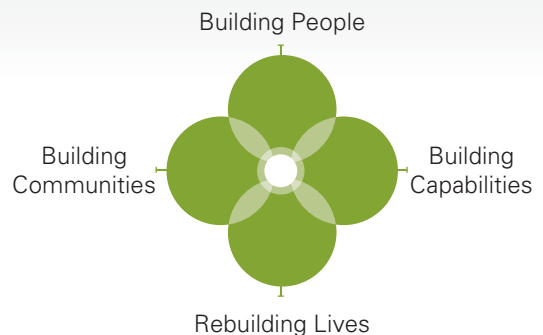
### Our Wider Communities

We supported our wider communities individually and as an institution.

**Over S\$1b**

Commitment to date

### Engaging Our Communities



## From Our Chairman

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**The world economy stabilised in 2010. This recovery from the global financial crisis of 2008/2009 was due to the unprecedented and massive response by various governments.**

Asia rebounded swiftly. The USA and Eurozone – about half of the global economy – continued to contend with their rising debt burdens. The monetary stimulus from the USA and elsewhere flowed into the global markets and seeded inflation risks for the medium term.

Geopolitical events and a spate of natural disasters – including the March earthquake in Japan – continued to test the resilience of the economic recovery. Political upheaval has troubled the Middle East. Isolated local or regional events assumed a wider prominence as the world became more connected.

Against this backdrop, Temasek continued its steady investment pace, closing the financial year with a net cash position in anticipation of opportunities ahead.

As at 31 March 2011, our portfolio value was S\$193 billion, an increase of S\$7 billion from S\$186 billion a year earlier.

Asia accounted for 77% of our underlying portfolio exposure. This included Singapore at 32%. Latin America and the non-Asia growth regions were a growing 3% of our portfolio exposure, while North America & Europe plus Australia & New Zealand were a steady 20%.

Group net profit was S\$13 billion, up 176% or S\$8 billion from a year earlier. Higher contributions came from both Temasek investment activities and the improved profits from our portfolio companies.

One-year Total Shareholder Return (TSR) by market value was 4.60%.

Five-year and 10-year compounded TSRs were 7% and 9% respectively, while 20-year TSR remained robust at 15%.

**S\$193<sub>b</sub>**

Portfolio value

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**S\$13<sub>b</sub>**

Group net profit

TSR since our inception in 1974 was just under 17%.

Our portfolio return for the year fell short of our internal risk-adjusted hurdle by S\$8.8 billion.

### Investing for Sustainable Returns

We invested and divested steadily, as we continued to shape our portfolio for resilience and sustainable risk-adjusted returns for the long term.

We supported our portfolio companies through their rights issues, and stepped up investments in energy and resources as well as in new markets such as Latin America.

We made S\$13 billion of investments and S\$9 billion of divestments.

China remained our largest investment destination. Investments during the year included a further S\$2 billion in China Construction Bank. Investments post March 2011 included Shanghai Pharmaceuticals, one of China's largest integrated pharmaceutical companies.

In the energy and resources space, we invested an initial S\$500 million in Odebrecht Oil & Gas, a leading Brazilian offshore oilfield services company.

In the USA, we invested S\$700 million in Chesapeake Energy Corporation, a prominent oil and gas producer. This was followed post March 2011 by our participation in a consortium that bought a majority stake in Frac Tech, a US-based oilfield service company.

In Singapore, we were a cornerstone investor in the IPO of Hutchison Port Holdings Trust, investing over S\$100 million in the first container port business trust listed on the Singapore Exchange.

Key divestments during the year included Fraser and Neave, Hana Financial Group and Fortescue Metals Group.

9%  
Ten-year TSR

7%  
Five-year TSR

### Building our Stakeholder Base

We steadily expanded our stakeholder base over the years as part of our commitment to foster good governance and long term institutional discipline.

In 2004, our 30<sup>th</sup> anniversary year, we initiated the publication of our annual *Temasek Review* to share our key financial highlights, as well as our overall investment performance. Credit ratings by Standard & Poor's and Moody's in 2004 were the prelude to our maiden 10-year Temasek Bond in 2005. This was followed by a series of Temasek Bonds over the last two years to build out our long end debt maturity curve.

In all, we have issued S\$10 billion<sup>1</sup> of Temasek Bonds in Singapore dollars, US dollars and British pounds sterling. Our groundbreaking 40-year Singapore Dollar Temasek Bond in late 2010 extended our debt maturity to 2050. This gave us an average debt maturity of about 16 years. Our Bond Programme and the Temasek Bonds are all triple-A rated.

In February 2011, we established a US\$5 billion Euro-commercial Paper (ECP) Programme to cover the short end of our debt maturity curve. Together, the ECP and Bond Programmes form the major building blocks of our financing framework.

The annual *Temasek Review*, our credit ratings and Temasek Bonds are not just public markers of our credit quality. They also anchor our institutional framework for financial discipline over the longer term, and help us expand our stakeholder base.

### Contributing to our Communities

We launched two philanthropic foundations last August with S\$165 million of endowment commitments. The Temasek International Foundation promotes international scholarship and fellowship, while the Temasek Education Foundation focuses on nurturing talent in Singapore. We have since added a further S\$35 million to support two Singapore orchestras and music education.

Overall community commitment has exceeded S\$1 billion since Temasek's inception in 1974.

**S\$13<sub>b</sub>**  
Investments

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**S\$9<sub>b</sub>**  
Divestments

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<sup>1</sup> Exchange rates as at 31 March 2011.

## Looking Ahead

Medium term global recovery is clouded by deep structural issues and imbalances.

Longer term, we remain bullish on Asia, despite medium term inflationary and other pressures in various parts of the world.

Mid-sized cities in growing markets are projected to deliver almost 40% of global growth by 2025<sup>2</sup>. We continue to see the rising middle income populations driving rapid urbanisation and housing demands. Innovation will spur demand for new services.

In Latin America, economic growth is bolstered by the demand for commodities and other natural resources.

In the decade ahead, we expect our four investment themes to serve us well:

- Transforming Economies
- Growing Middle Income Populations
- Deepening Comparative Advantages
- Emerging Champions

These are our guideposts as we focus on our core purpose as a responsible investor to deliver sustainable long term value for our stakeholders.

## Strengthening the Institution

While we continued our steady reshaping of our portfolio amidst a rapidly changing world, we remained focused on building our people, capabilities and capacities for the future.

Our leadership bench strength was deepened during the financial year – Hsieh Fu Hua was appointed Executive Director & President; Gregory Curl as President; Dilhan Pillay Sandrasegara as Head of Portfolio Management and concurrently Co-Head of Singapore; and Ding Wei as Head of China to anchor Temasek’s active long term presence in China.

Over **S\$1b**  
Cumulative  
community  
commitment

<sup>2</sup> *Urban world: Mapping the economic power of cities*, McKinsey Global Institute, March 2011.

Our management continues to forge a partnership culture with an ownership mindset among our people. Integral to this ownership ethos is our value system and incentive philosophy that puts the institution above self, emphasises long term over short term, and aligns employee interests with long term shareholder value.

#### Appreciation and Thanks

I would like to thank Koh Boon Hwee who retired from the Board last October, for his 14 years of insightful counsel to our leadership. He has brought significant experience and thoughtful views into our Board deliberations.

Simon Israel retired as Executive Director & President effective 1 July 2011. Since joining us in 2006, he has contributed much to Temasek's growth as an international investor. We are fortunate that he will remain actively engaged in his individual capacity as a director on the boards of some of our portfolio companies.

Ng Yat Chung was recruited by Neptune Orient Lines Ltd to take up a leadership position in the company on 1 May. As part of Temasek's senior leadership, his invaluable contributions ranged from our international outreach to the building of internal systems and platforms.

We wish Boon Hwee, Simon and Yat Chung every success in their new endeavours.

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Longer term,  
we remain  
bullish on Asia.

I would also like to thank past and present members of the Temasek International Panel (TIP) and Temasek Advisory Panel, and TIP emeritus members for the tremendous value that they have added to our perspective and understanding of major trends and developments.

To the past and present board members, management and staff of Temasek and our portfolio companies, I express my deepest appreciation for your dedication to building Temasek as a sustainable institution for the long term – not just for ourselves, but for our shared future with the wider community and for the benefit of tomorrow's generations.

Finally, I wish to thank all our stakeholders, including our shareholder, bondholders, business partners, advisers, investors, regulators, philanthropic organisations, friends and the broader public, for their strong and continued support.



S DHANABALAN

Chairman

July 2011

We remained  
focused on building  
our people for  
the future.



## Meritocracy

"I'm given many opportunities to play a role in decision making. I feel free to speak up, and I know my contributions are recognised."

Charu Venkateshwaran, Secretary, India





## Portfolio Highlights

- 16 Portfolio by Geography, Sector and Liquidity
- 18 Portfolio Value since Inception
- 19 Total Shareholder Return



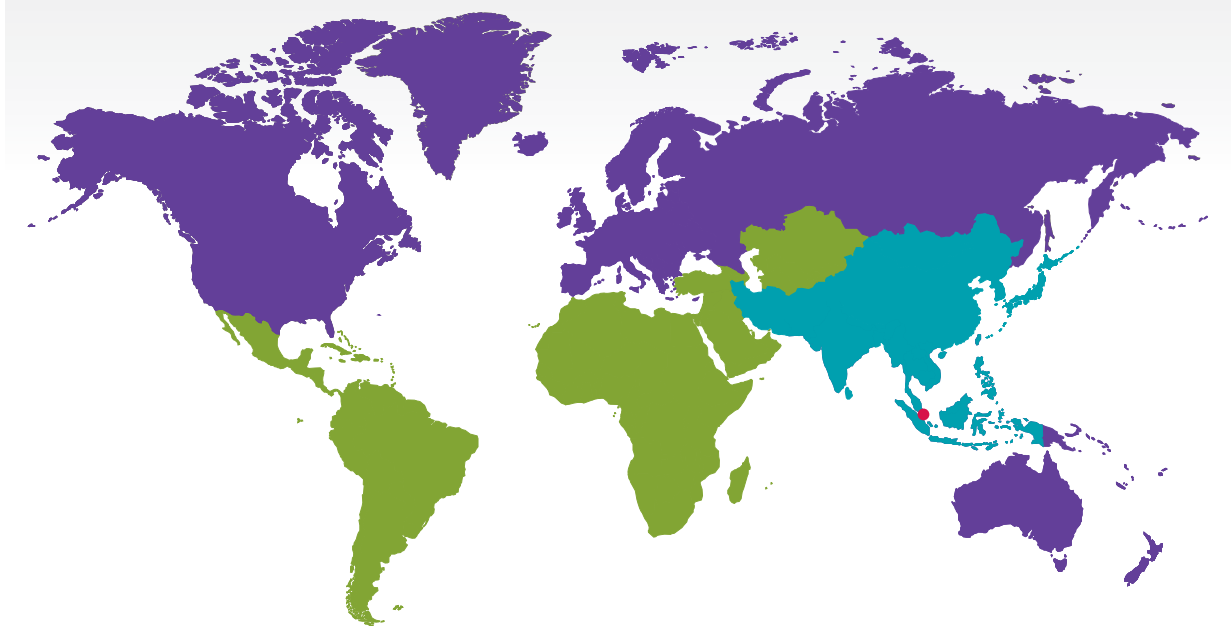
**Main photo**  
Exchanging ideas during the  
*Young LEADERS!* programme.

## Portfolio Highlights

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Temasek has a predominantly equity portfolio of S\$193 billion. Our portfolio is largely liquid, with an underlying exposure that is balanced between mature economies and growth regions.

### Global Exposure



**45%**  
Asia ex-Singapore

**32%**  
Singapore

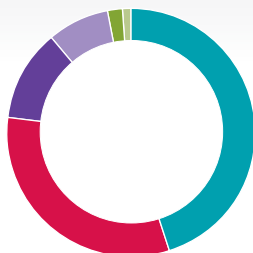
**20%**  
Australia &  
New Zealand,  
North America  
& Europe

**3%**  
Latin America,  
Africa, Central Asia  
& the Middle East<sup>1</sup>

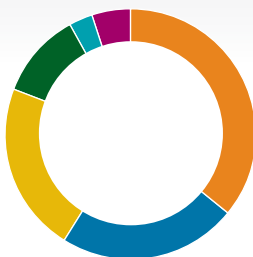
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<sup>1</sup> The Middle East refers to countries in West Asia as defined by the United Nations geographical regions.

(as at 31 Mar)

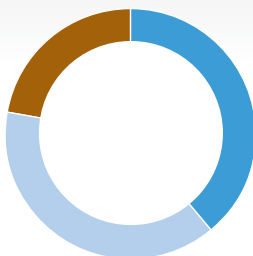
Geography<sup>2</sup> (%)

	2011	2010 <sup>3</sup>
● Asia ex-Singapore	45	46
● Singapore	32	32
● Australia & New Zealand	12	12
● North America & Europe	8	8
● Africa, Central Asia & the Middle East <sup>1</sup>	2	1
● Latin America	1	1

Sector<sup>2</sup> (%)

	2011	2010 <sup>3</sup>
● Financial Services	36	35
● Transportation & Industrials	23	23
● Telecommunications, Media & Technology	22	24
● Life Sciences, Consumer & Real Estate	11	11
● Energy & Resources	3	2
● Others	5	5

## Liquidity (%)



	2011	2010 <sup>3</sup>
● Liquid & sub-20% listed assets	39	38
● Listed large blocs (≥20% share)	39	41
● Unlisted assets	22	21

<sup>2</sup> Distribution based on underlying assets.<sup>3</sup> Restated on a comparative basis.

# Portfolio Value since Inception

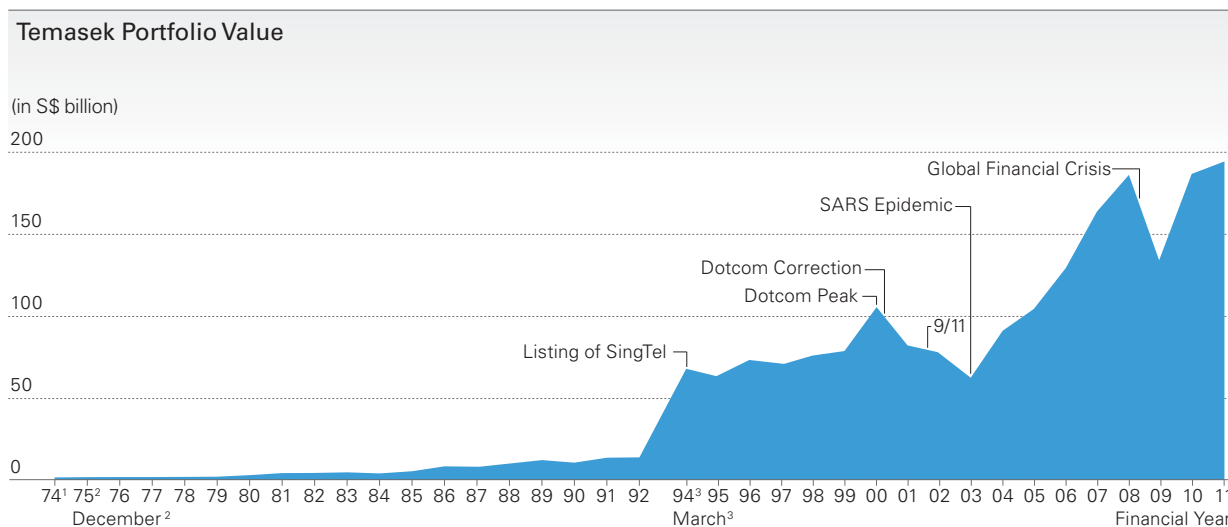
Temasek was incorporated as an independently managed commercial investment company in 1974.

Valued at S\$354 million, our initial portfolio of 35 investments included start-ups such as a hotel, an iron and steel mill, and a bird park.

In the 1990s, statutory entities such as SingTel, Singapore Power and PSA were corporatised and transferred to Temasek. SingTel has since been listed, growing its subscriber base beyond Singapore, while Singapore Power and PSA have transformed into regional and global players.

As at 31 March 2011, our portfolio value was S\$193 billion.

To date, our biggest single-year increase in portfolio value was S\$56 billion for the year ended 31 March 2010, reversing our steepest one-year decline in March 2009 due to the global financial crisis of 2008/2009.



<sup>1</sup> Incorporation of Temasek on 25 June 1974.

<sup>2</sup> Financial Year 75 began on 25 June 1974 and ended on 31 December 1975.

<sup>3</sup> Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.

## Total Shareholder Return

For the financial year ended 31 March 2011, our one-year Total Shareholder Return was 4.60%.

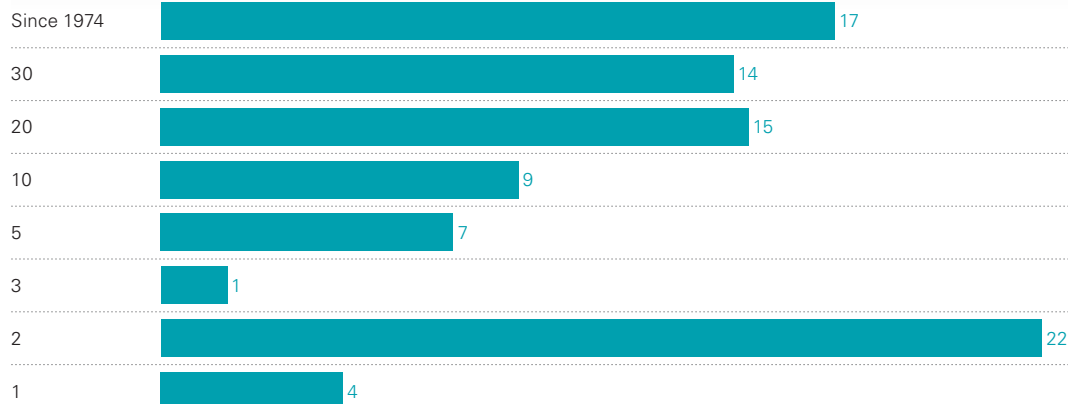
Total Shareholder Return (TSR) is the compounded annual return by market value over a specified number of years.

TSR takes into account changes in the market value of our portfolio plus dividends to shareholder, and nets off any new capital received. For unlisted investments, changes in shareholder funds are used.

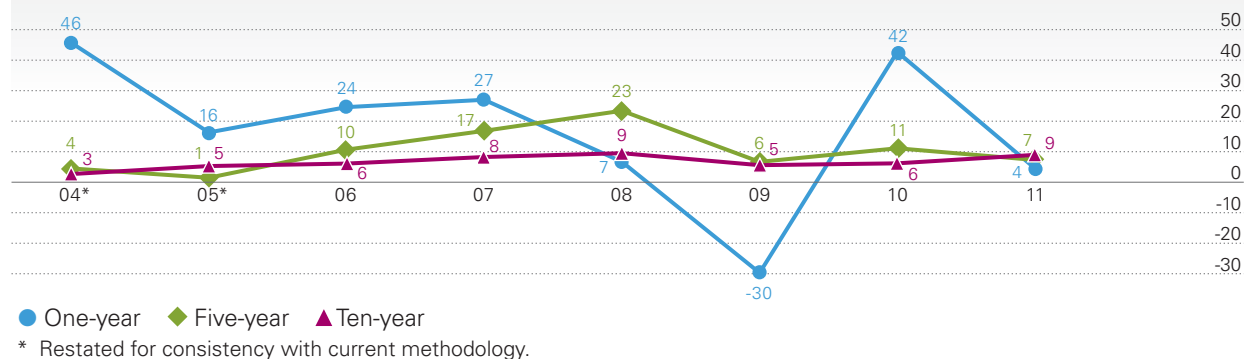
Our five-year and 10-year TSRs were 7% and 9% respectively, while our 20-year and 30-year TSRs were stable at 15% and 14% respectively. TSR since inception remained a healthy 17%.

TSR for the year ended 31 Mar 11 (%)

Period (in years)



Rolling TSR for the year ended 31 Mar (%)





## Excellence

“It’s having the mindset of an owner – having the passion to contribute in our own ways and using our complementary strengths. Excellence is a journey, not a destination.”

Mohamad Azmi Muslimin, Associate Director,  
Portfolio Management





## Group Financial Summary

- 22 Statement by Auditors
- 23 Statement by Directors
- 24 Group Financial Highlights
- 26 Group Income Statements
- 27 Group Balance Sheets
- 28 Group Cash Flow Statements
- 29 Group Statements of Changes in Equity

## Financing Framework



**Main photo**  
On site at Keppel, a leading global rigbuilder.

## Statement by Auditors

We are the auditors of Temasek Holdings (Private) Limited ("Temasek"). We have audited the statutory consolidated financial statements of Temasek and its subsidiary companies (the "Group") for the financial years ended 31 March 2008, 2009, 2010 and 2011 and have issued unqualified audit reports<sup>1</sup>. The audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004, 2005, 2006 and 2007 were audited by PricewaterhouseCoopers LLP<sup>2</sup> whose auditors' reports<sup>3</sup> were also unqualified.

Under the Singapore Companies Act, Chapter 50, Temasek is an exempt private company and is not required to publish its audited statutory consolidated financial statements.

Management is responsible for the preparation and presentation of the Group Financial Summary for the financial years ended 31 March 2004 to 2011 set out from pages 24 to 29. The Group Financial Summary consists of the Group Financial Highlights, Group Income Statements, Group Balance Sheets and Group Cash Flow Statements as at and for the financial years ended 31 March 2004 to 2011 and Group Statements of Changes in Equity for the financial years ended 31 March 2010 and 2011 prepared and presented based on the audited statutory consolidated financial statements. The Group Financial Summary does not contain all the disclosures required by Singapore Financial Reporting Standards applied in the preparation of the audited statutory consolidated financial statements of the Group. Reading the Group Financial Summary, therefore, is not a substitute for reading the audited statutory consolidated financial statements of the Group.

Our responsibility is to express an opinion on the Group Financial Summary based on our procedures, which were conducted in accordance with Singapore Standard on Auditing (SSA) 810 – *Engagements to Report on Summary Financial Statements*.

In our opinion, the Group Financial Summary is summarised and presented consistently, in all material respects, with the audited statutory consolidated financial statements of the Group.



KPMG LLP

Public Accountants and Certified Public Accountants  
Singapore

29 June 2011

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<sup>1</sup> Dated 16 July 2008, 15 July 2009, 1 July 2010 and 29 June 2011 respectively.

<sup>2</sup> PricewaterhouseCoopers LLP was converted from a partnership to a limited liability partnership on 1 January 2009.

<sup>3</sup> Dated 24 June 2004, 15 July 2005, 13 July 2006 and 5 July 2007 respectively.



## Statement by Directors

Our auditors, KPMG LLP, have expressed unqualified opinions on the audited statutory consolidated financial statements of Temasek Holdings (Private) Limited and its subsidiary companies (the "Group") for the financial years ended 31 March 2008 to 2011. Our auditors for the financial years ended 31 March 2004 to 2007, PricewaterhouseCoopers LLP<sup>2</sup>, have expressed unqualified opinions on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2007.

On behalf of the directors



**S DHANABALAN**

Chairman

29 June 2011



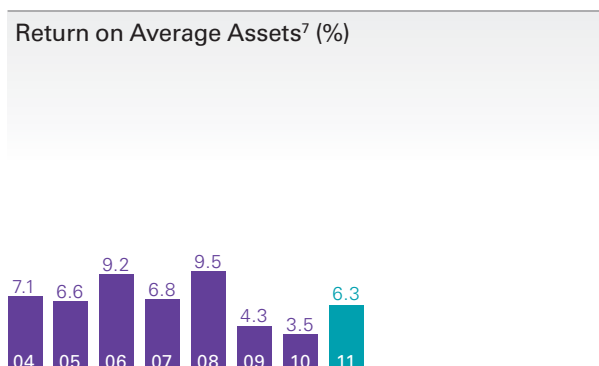
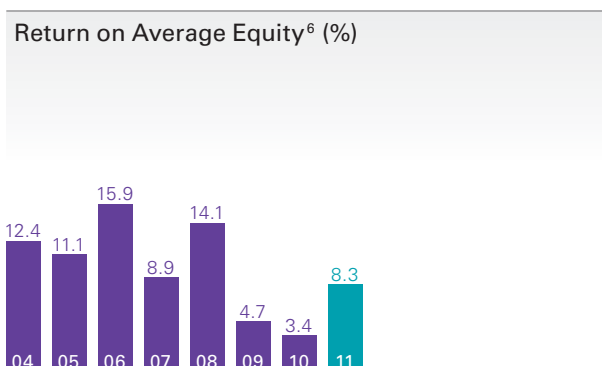
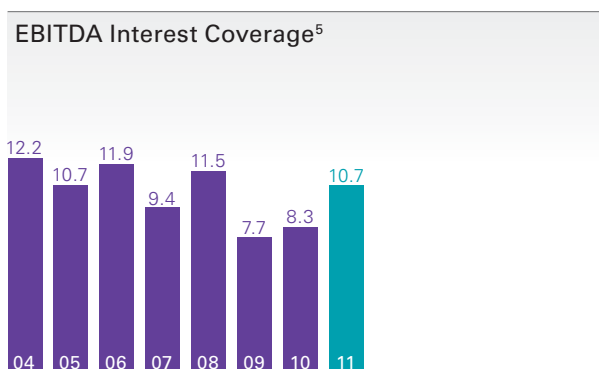
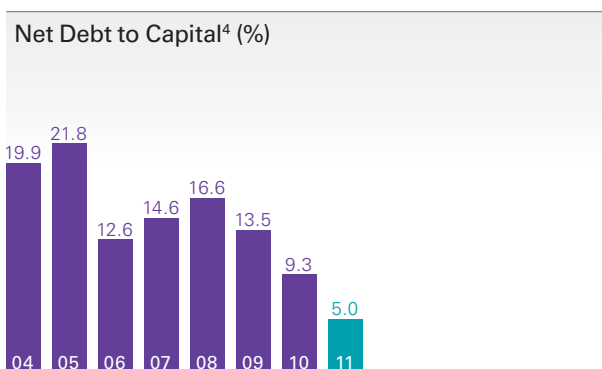
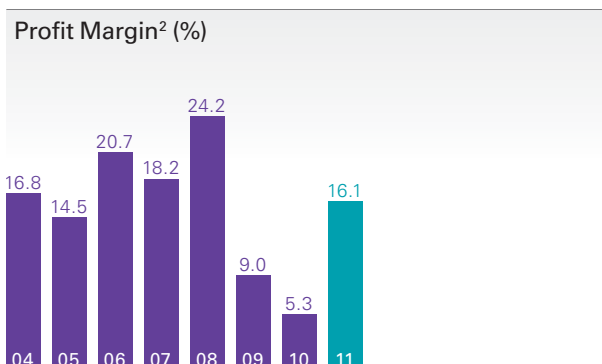
**HO CHING**

Executive Director & Chief Executive Officer

29 June 2011

# Group Financial Highlights<sup>1</sup>

(for year ended 31 Mar)



<sup>1</sup> The Group Financial Summary, including highlights as set out from pages 24 to 29, was prepared and presented based on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2011.

<sup>2</sup> Profit before share of results of associated companies, partnerships and joint ventures, expressed as a percentage of revenue.

<sup>3</sup> Gross value added per dollar of employment cost.

<sup>4</sup> Net debt expressed as a percentage of the sum of shareholder equity, non-controlling interests and net debt.

<sup>5</sup> Profit before income tax, finance expenses, depreciation, amortisation and impairment loss on property, plant and equipment and intangibles divided by finance expenses.

<sup>6</sup> Net profit attributable to equity holder of the Company expressed as a percentage of average shareholder equity.

<sup>7</sup> Total profit, add back finance expenses, expressed as a percentage of average total assets.

## Group Income Statements (in S\$ billion)

For year ended 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011
Revenue	56.5	67.5	79.8	74.6	83.3	79.6	76.7	<b>83.5</b>
Profit before income tax	11.8	12.2	19.0	14.3	25.5	10.4	8.5	<b>17.8</b>
Net profit attributable to equity holder	7.4	7.5	12.8	9.1	18.2	6.2	4.6	<b>12.7</b>

## Group Balance Sheets (in S\$ billion)

As at 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011
Total assets	180.8	199.1	213.7	242.4	295.5	247.9	284.8	<b>297.9</b>
Shareholder equity	64.5	70.9	90.6	114.0	144.1	118.4	149.7	<b>155.5</b>
Net debt <sup>8</sup>	21.9	26.9	16.7	23.6	33.8	22.1	17.8	<b>9.5</b>

<sup>8</sup> Total debt less cash and cash equivalents.

# Group Income Statements

In S\$ million

For year ended 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011
Revenue	56,468	67,520	79,822	74,563	83,284	79,615	76,658	<b>83,519</b>
Cost of sales	(37,659)	(43,780)	(53,309)	(49,282)	(53,290)	(57,477)	(50,679)	<b>(52,992)</b>
Gross profit	18,809	23,740	26,513	25,281	29,994	22,138	25,979	<b>30,527</b>
Other operating income <sup>1</sup>	5,874	4,099	9,391	8,370	15,870	16,198	4,518	<b>4,855</b>
Expenses:								
Selling & Distribution	(3,559)	(3,939)	(4,086)	(4,278)	(5,197)	(5,042)	(5,318)	<b>(5,758)</b>
Administrative	(5,722)	(7,003)	(8,040)	(8,104)	(8,619)	(8,068)	(8,723)	<b>(7,322)</b>
Finance	(1,724)	(2,120)	(2,415)	(2,611)	(3,207)	(2,727)	(2,432)	<b>(2,598)</b>
Other operating expenses <sup>1</sup>	(4,164)	(5,009)	(4,805)	(5,053)	(8,681)	(15,333)	(9,937)	<b>(6,260)</b>
Profit before share of results of associated companies, partnerships and joint ventures	9,514	9,768	16,558	13,605	20,160	7,166	4,087	<b>13,444</b>
Share of results of associated companies and partnerships	1,472	1,410	1,163	(830)	3,187	1,333	2,374	<b>2,604</b>
Share of results of joint ventures	787	1,037	1,263	1,566	2,182	1,870	2,013	<b>1,727</b>
Profit before income tax	11,773	12,215	18,984	14,341	25,529	10,369	8,474	<b>17,775</b>
Income tax expense	(2,050)	(1,837)	(2,518)	(1,381)	(3,055)	(1,280)	(1,682)	<b>(1,953)</b>
Profit from continuing operations	9,723	10,378	16,466	12,960	22,474	9,089	6,792	<b>15,822</b>
Profit from discontinued operations	–	31	67	16	–	–	–	<b>–</b>
<b>Total profit</b>	<b>9,723</b>	<b>10,409</b>	<b>16,533</b>	<b>12,976</b>	<b>22,474</b>	<b>9,089</b>	<b>6,792</b>	<b>15,822</b>

Profit attributable to:

<b>Equity holder of the Company</b>	<b>7,365</b>	<b>7,521</b>	<b>12,827</b>	<b>9,112</b>	<b>18,240</b>	<b>6,183</b>	<b>4,593</b>	<b>12,668</b>
Non-controlling interests	2,358	2,888	3,706	3,864	4,234	2,906	2,199	<b>3,154</b>
<b>Total profit for the financial year</b>	<b>9,723</b>	<b>10,409</b>	<b>16,533</b>	<b>12,976</b>	<b>22,474</b>	<b>9,089</b>	<b>6,792</b>	<b>15,822</b>

<sup>1</sup> Certain comparatives have been reclassified to be consistent with current presentation.

## Group Balance Sheets

In S\$ million

As at 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011
Shareholder equity	64,522	70,890	90,630	113,958	144,058	118,398	149,743	<b>155,480</b>
Non-controlling interests	23,862	25,325	25,412	24,447	25,786	22,555	23,409	<b>24,062</b>
	88,384	96,215	116,042	138,405	169,844	140,953	173,152	<b>179,542</b>
Property, plant and equipment	61,558	69,268	65,552	65,486	75,302	68,206	67,974	<b>66,778</b>
Intangibles	13,543	14,714	14,481	14,805	21,382	19,891	19,147	<b>18,857</b>
Investments <sup>1</sup>	15,664	16,976	27,137	34,965	39,513	41,105	44,610	<b>42,054</b>
Financial assets <sup>1</sup>	11,675	13,829	27,529	52,341	73,850	40,234	64,181	<b>65,296</b>
Investment properties	8,159	7,848	1,817	3,632	5,035	5,331	6,535	<b>7,144</b>
Properties under development	370	453	518	158	626	759	187	<b>176</b>
Other non-current assets	6,488	8,266	9,972	10,446	9,393	9,505	10,241	<b>11,302</b>
Deferred tax assets	1,645	2,138	1,735	1,628	1,849	1,960	1,809	<b>1,745</b>
Net current assets/(liabilities)	15,874	14,713	12,574	8,308	(3,130)	11,809	21,904	<b>27,648</b>
Current assets	61,695	65,614	64,987	58,979	68,568	60,958	70,109	<b>84,559</b>
Current liabilities <sup>2</sup>	(45,821)	(50,901)	(52,413)	(50,671)	(71,698)	(49,149)	(48,205)	<b>(56,911)</b>
	134,976	148,205	161,315	191,769	223,820	198,800	236,588	<b>241,000</b>
Non-current liabilities <sup>2</sup>	(46,592)	(51,990)	(45,273)	(53,364)	(53,976)	(57,847)	(63,436)	<b>(61,458)</b>
	88,384	96,215	116,042	138,405	169,844	140,953	173,152	<b>179,542</b>

<sup>2</sup> As a result of the clarification issued by the Institute of Certified Public Accountants of Singapore in December 2010, the Group has classified certain of its deposits and balances of banks and non-bank customers placed with banking subsidiary companies as current liabilities because the Group does not have the unconditional right to defer the settlement of these deposits and balances for at least 12 months after its balance sheet date. Certain comparatives have been reclassified from non-current liabilities to current liabilities for consistency.

## Group Cash Flow Statements

In S\$ million

For year ended 31 Mar	2004	2005	2006	2007	2008	2009	2010	2011
Operating cash flow before working capital changes	13,936	16,854	18,661	17,557	21,213	14,072	16,428	<b>20,177</b>
Change in working capital	(2,535)	(4,353)	2,577	2,508	(287)	1,484	(4,155)	<b>(2,902)</b>
Cash generated from operations	11,401	12,501	21,238	20,065	20,926	15,556	12,273	<b>17,275</b>
Income tax paid	(1,151)	(1,480)	(1,558)	(1,592)	(1,942)	(1,826)	(1,260)	<b>(1,250)</b>
Net cash inflow from operating activities	10,250	11,021	19,680	18,473	18,984	13,730	11,013	<b>16,025</b>
Net cash (outflow)/inflow from investing activities	(7,701)	(4,765)	(16,509)	(23,344)	(30,431)	95	(5,285)	<b>(4,888)</b>
Net cash inflow/(outflow) from financing activities	6,770	(4,793)	(238)	2,259	13,277	(6,398)	(196)	<b>(1,697)</b>
Net increase/(decrease) in cash and cash equivalents held	9,319	1,463	2,933	(2,612)	1,830	7,427	5,532	<b>9,440</b>

## Group Statements of Changes in Equity

In S\$ million

	Attributable to Equity Holder of the Company				<b>Total</b>
	Share Capital and Other Reserves	Revenue Reserves	Currency Translation Reserves	Non- controlling Interests	
<b>Opening balance at 1 Apr 2010</b>	70,718	81,656	(2,631)	23,409	<b>173,152</b>
Net profit for the financial year	–	12,668	–	3,154	<b>15,822</b>
Others, net <sup>1</sup>	(1,365)	(4,203)	(1,363)	(2,501)	<b>(9,432)</b>
<b>Closing balance at 31 Mar 2011</b>	<b>69,353</b>	<b>90,121</b>	<b>(3,994)</b>	<b>24,062</b>	<b>179,542</b>
<b>Opening balance at 1 Apr 2009</b>	45,778	76,962	(4,342)	22,555	<b>140,953</b>
Net profit for the financial year	–	4,593	–	2,199	<b>6,792</b>
Others, net <sup>1</sup>	24,940	101	1,711	(1,345)	<b>25,407</b>
<b>Closing balance at 31 Mar 2010</b>	<b>70,718</b>	<b>81,656</b>	<b>(2,631)</b>	<b>23,409</b>	<b>173,152</b>

<sup>1</sup> Comprise movements during the financial year including but not limited to:

- Issuance of ordinary shares;
- Change in fair value of financial assets;
- Dividends to shareholder;
- Share of associated companies' and joint ventures' reserves; and
- Currency translation differences.

# Financing Framework

## We issue Temasek Bonds as public markers of our credit quality.

The publication of our annual *Temasek Review*, our credit ratings by international agencies and the issuance of Temasek Bonds anchor our institutional framework for financial discipline over the long term.

Since 2004, our credit has been rated AAA by Standard & Poor's Ratings Services (S&P) and Aaa by Moody's Investors Service (Moody's).

Our US\$10 billion Global Guaranteed Medium Term Note (MTN) Programme was established in 2005 with a maiden US\$1.75 billion 10-year Temasek Bond.

In July 2010, we issued our first ever 12-year and 30-year Pound Sterling Temasek Bonds. This was followed in August 2010 by the pioneering 40-year Singapore Dollar Temasek Bond, which extended our debt maturity curve to 2050.

All in, we have 11 outstanding Temasek Bonds in Singapore dollars, US dollars and British pounds sterling, totalling about S\$10 billion<sup>1</sup> (US\$8 billion<sup>1</sup>), with a weighted average maturity of about 16 years.

To address the short end of our debt maturity curve, we established our US\$5 billion Euro-commercial Paper (ECP) Programme in February 2011 to complement the longer dated Temasek Bonds under our MTN Programme.

Our MTN Programme and all outstanding Temasek Bonds have been assigned long term ratings of AAA/Aaa by S&P and Moody's respectively. Our ECP Programme has been assigned the highest short term ratings of A-1+ by S&P and P-1 by Moody's.

Together, these debt issuance programmes are the major building blocks of our financing framework. While we ended the year with a net cash position, these programmes enhanced our capital efficiency and increased our funding flexibility.

### Temasek Credit Ratings

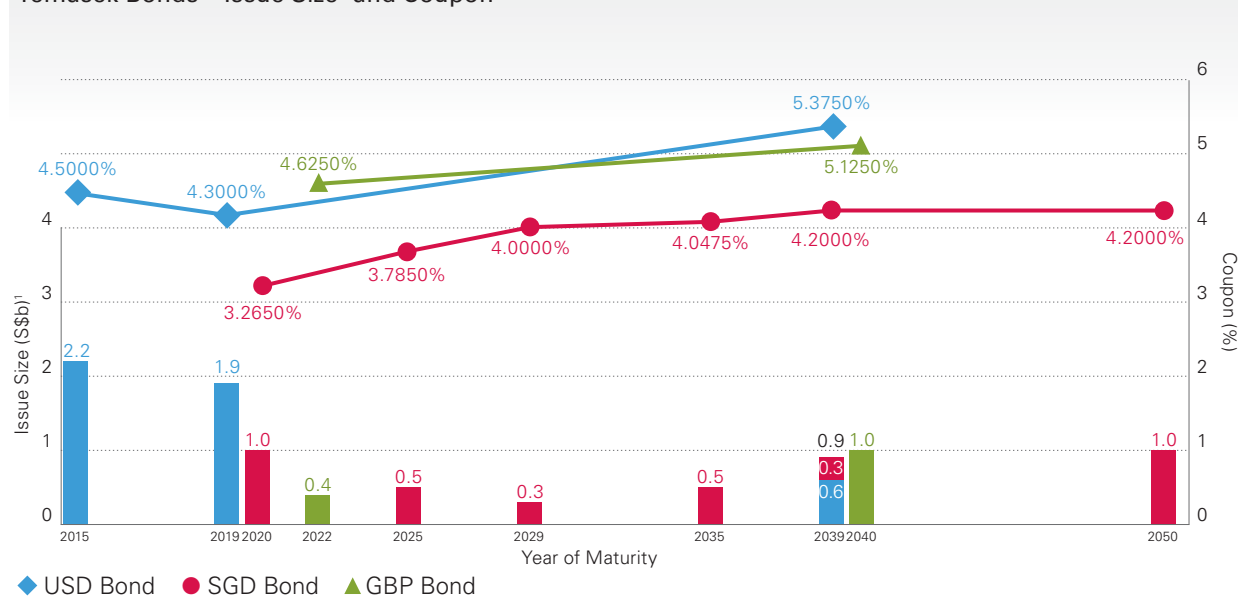
	Standard & Poor's Ratings Services	Moody's Investors Service
Corporate Credit Rating	AAA	Aaa
MTN Programme	AAA	Aaa
Temasek Bonds	AAA	Aaa
ECP Programme	A-1+	P-1

<sup>1</sup> Exchange rates as at 31 March 2011.



## Temasek Bonds – Issue Profile

Bond Series	Currency	Billions	Tenor (years)	Coupon (%)	Yield at Issuance (%)	Issue Date	Maturity Date
T2015-US\$	USD	1.75	10	4.5000	4.5750	21 Sep 05	21 Sep 15
T2019-US\$	USD	1.5	10	4.3000	4.3280	26 Oct 09	25 Oct 19
T2039-US\$	USD	0.5	30	5.3750	5.4410	23 Nov 09	23 Nov 39
T2022-£	GBP	0.2	12	4.6250	4.6620	26 Jul 10	26 Jul 22
T2040-£	GBP	0.5	30	5.1250	5.1550	26 Jul 10	26 Jul 40
T2020-S\$	SGD	1.0	10	3.2650	3.2650	19 Feb 10	19 Feb 20
T2025-S\$	SGD	0.5	15	3.7850	3.7850	5 Mar 10	5 Mar 25
T2029-S\$	SGD	0.3	20	4.0000	4.0000	7 Dec 09	7 Dec 29
T2035-S\$	SGD	0.5	25	4.0475	4.0475	5 Mar 10	5 Mar 35
T2039-S\$	SGD	0.3	30	4.2000	4.2000	7 Dec 09	7 Dec 39
T2050-S\$	SGD	1.0	40	4.2000	4.2000	2 Aug 10	2 Aug 50

 Temasek Bonds – Issue Size<sup>1</sup> and Coupon




# TEMASEK HOLDINGS

Based on commercial principles, we work with others to create long-term value for our stakeholders.

## COMMUNITY

...to help all men...  
...working with...  
...the...  
...of...  
...of...

### Respect

“It is the foundation upon which we make friends internally and externally. Only through mutual respect can we accomplish our common goals.”

Cheng Tian, Senior Associate, China





## Shaping Our Portfolio

- 34 Investment Framework
- 36 Wealth Added Framework
- 38 Investment Highlights



**Main photo**  
Beta testing the prototype  
of Temasek's new website.

# Investment Framework

**We strive to deliver sustainable long term value for our stakeholders on a risk-adjusted basis.**

We have a balanced exposure between mature economies and growth regions. Our exposure to the mature economies of Singapore, Japan & Korea, Australia & New Zealand, and North America & Europe was 55%.

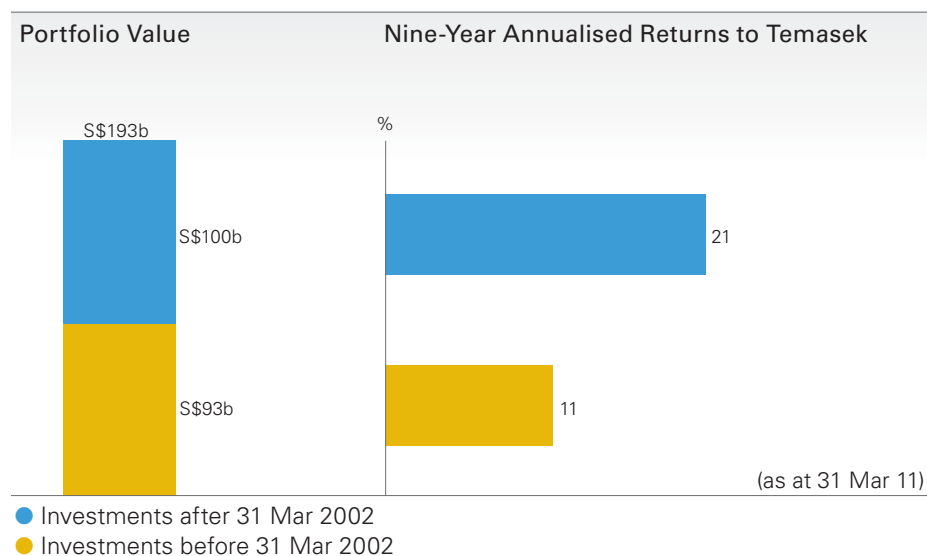
The rest of Asia and other growth regions remain a key focus for us. Excluding Singapore and Japan & Korea, Asia constituted 42% of our portfolio exposure by underlying assets, while Latin America, Africa, Central Asia & the Middle East grew from 2% to 3% of our portfolio.

Four themes guide our investment activities:

- Transforming Economies
- Growing Middle Income Populations
- Deepening Comparative Advantages
- Emerging Champions

These themes remain relevant as economies continue to globalise and rebalance despite medium term challenges in the mature economies and transformation risks in the growth regions.

Investments made since 2002, when we stepped up our exposure in Asia, delivered annualised returns of almost 21% to Temasek.



### Investing for Value

We continue to build our portfolio for tomorrow with the aim of delivering sustainable long term returns on a risk-adjusted basis. We seek to invest directionally into longer term trends.

As an active investor, we have the flexibility of taking concentrated positions, investing with a long or short horizon, or remaining in cash when it makes sense. Our decisions to invest, divest or hold are based on our value tests and market opportunities.

As an active shareholder, we identify sustainable value creation opportunities to uplift our portfolio over the long term. We engage our portfolio companies to share strategic perspectives, foster robust governance and encourage a strong culture of co-ownership, excellence and integrity. The boards and management of our portfolio companies are responsible for their strategies as well as day-to-day operations and commercial decisions.

In line with our risk-return stance, we review and rebalance our portfolio regularly. We have the flexibility to shift the weight of our portfolio at any time, and act on opportunities as and when they arise.

Where relevant, we partner with like-minded co-investors to broaden perspectives, share expertise and enhance opportunities for value creation.

# 21%

Annualised returns  
on investments  
made since 2002

#### Value Creation Framework

##### Evaluating our investments

- Test value
- Maintain flexible stance
- Optimise leverage
- Create optionality
- Mitigate risks

##### Managing our portfolio

- Risk-adjusted returns
- Sound governance
- Capable leadership
- Operational excellence
- Human capital
- Competitive strategy

##### Maximising our value

- Test value
- Buy/sell
- Trade/swap
- Rationalise/restructure
- Develop optionalities
- Co-invest
- Monitor

# Wealth Added Framework

The objective of creating sustainable wealth for our shareholder drives our investment strategy, capital allocation, performance measurement and incentive framework.

We measure our performance against a hurdle rate that takes into account the capital we use and the risks we take in our investments.

This measure of performance, which we call Wealth Added (WA), will only be positive if our returns exceed the risk-adjusted cost of capital.

We use the same measure to guide our investment strategy and capital allocation. For each investment, we evaluate and track its returns against its risk-adjusted hurdle rate. Investments in riskier sectors or riskier countries will have higher risk-adjusted hurdle rates.

This same measure is used to drive our incentive system. Our staff share in the WA results. When we deliver a positive WA, we have a positive bonus pool to distribute. When WA is negative, the resulting negative bonus pool leads to a clawback of deferred bonuses from prior years.

## Creating Sustainable Wealth for our Shareholder



To compute WA for our shareholder, we use the opening market value of our portfolio at the start of a financial year, as the capital employed. This is adjusted for any net capital movements such as dividends to shareholder or capital received.

We also account for the changes in our recurring operating costs taken in perpetuity.

For the year ended 31 March 2011, despite a positive return of 4.60% to our shareholder, our Wealth Added was S\$8.8 billion below our aggregate risk-adjusted target.

#### Illustrative Example:

In Year 1, consider a listed investment (R) made by S with following parameters:

Opening market value : \$150  
 Closing market value : \$180  
 Dividends from R to S : \$5  
 New equity invested by S : \$10  
 Risk-adjusted hurdle rate : 10%

Thus,

#### Total Year 1 Return to S

= (\$180 - \$150) + \$5 - \$10  
 = \$25

#### Year 1 WA Hurdle

= 10% hurdle rate x \$150  
 = \$15

#### Wealth Added (Year 1)

= Total Return to S – WA Hurdle  
 = \$25 - \$15  
 = \$10

In Year 2, consider the following results:

Opening market value : \$180  
 Closing market value : \$190  
 Dividends from R to S : \$5  
 New equity invested by S : \$0  
 Risk-adjusted hurdle rate : 10%

Thus,

#### Total Year 2 Return to S

= (\$190 - \$180) + \$5 - \$0  
 = \$15

#### Year 2 WA Hurdle

= 10% hurdle rate x \$180  
 = \$18

#### Wealth Added (Year 2)

= Total Return to S – WA Hurdle  
 = \$15 - \$18  
 = -\$3

As can be seen in the above example, should returns fall below the WA hurdle, the WA can be negative even when the shareholder is enjoying a positive total return of \$15 in Year 2.

# Investment Highlights

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**For the year ended 31 March 2011, we maintained our discipline of steady investment and divestment to reshape our portfolio. In all, we made S\$13 billion of investments and S\$9 billion of divestments.**

Our portfolio companies provide a solid foundation for our returns and future activities. We strengthened our portfolio with over S\$4 billion of recapitalisations, including the rights issue of Standard Chartered.

We continued to invest in transforming economies with growing middle income populations in Asia and other growth regions, while remaining open to selective opportunities in the mature economies.

We invested over S\$3 billion in China Construction Bank and Bank of China during their respective rights issues. Other investments in China included S\$90 million in Asian Citrus, one of the largest orange growers and tropical fruit juice suppliers, and an investment in New China Life, a Beijing-based insurer. Post March 2011, we invested in Shanghai Pharmaceuticals, one of the largest integrated pharmaceutical companies in China.

In India, an investment in GMR Energy gave us a S\$280 million exposure to the country's growing power sector. We also invested S\$240 million in the country's premier multi-asset class exchange, the National Stock Exchange of India.

Our investments in Vietnam included Hoang Anh Gia Lai, a leading resources and real estate conglomerate with operations in Indochina.

In 2010, we increased our investment exposure to Latin America.

In partnership with Impulsora Mexicana de Desarrollos Inmobiliarios in Mexico, Temasek committed over S\$100 million to pursue land banking opportunities, with our first joint investment in Supra Terra.

In Brazil, we invested an initial S\$500 million in Odebrecht Oil & Gas, an upstream services provider for the oil industry.

In Singapore, we invested over S\$100 million in the first container port business trust listed on the Singapore Exchange, Hutchison Port Holdings Trust. In addition, we invested more than S\$200 million in ACR Capital, a pan-Asia reinsurer.

We see medium term risks of rising inflation.

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Other risks include the debt crises in Europe and the USA.



In December 2010, we committed to manage and participate in the Co-Investment Programme for Singapore-based companies. The programme aims to provide growth capital for small and medium-sized enterprises in partnership with co-investors.

We stepped up our exposure to the energy and resources sector. We invested S\$200 million in Platmin, a Canadian-listed platinum producer with assets in South Africa, and S\$700 million in Chesapeake Energy Corporation, the second-largest producer of natural gas in the USA.

Our investment in Chesapeake led to an opportunity for us to partner RRJ Capital in anchoring a consortium that purchased a 70% stake in Frac Tech, a US-based company providing well stimulation services. We completed this investment in May 2011.

Developments in technology will shape the upcoming decade. We invested S\$50 million in Tudou, a well-known Chinese online video site, as well as S\$50 million in Alibaba Group, the leading e-commerce company in China.

Key divestments included Fraser and Neave, Hana Financial Group and Fortescue Metals Group.

### Investment Outlook

Economic recovery from the global financial crisis is patchy and structural risks remain. We see medium term risks of rising inflation. Other risks include the sovereign debt crises in Europe and the USA, a slowdown in the growth markets and the Middle East unrest.

Over the next decade however, we remain optimistic about opportunities in Asia and the growth markets, driven by education, healthcare, urbanisation and other needs of growing middle income populations. Demand for commodities will remain strong, while developments in technology offer new opportunities and potential solutions to the multi-faceted challenges of today.

We remain optimistic about Asia and the growth markets.



### Integrity

“Be steadfast, honest and never compromise on your values. Do what is right even if it were the hardest thing you have ever done.”

Belinda Chan, Managing Director, Tax





## Shaping Our Institution

- 42 Governance Framework
- 48 Board of Directors
- 50 Senior Management
- 52 Risk Framework
- 58 MERITT Values
- 59 Compensation Framework
- 62 The Temasek Spirit



**Main photo**  
Ensuring accuracy during the production of the *Temasek Review*.

# Governance Framework

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Temasek is a Singapore investment company governed by the provisions of the Singapore Companies Act. Additional safeguards are enshrined in the Singapore Constitution to protect our past reserves.

As an investment holding company, we own and manage our assets on a commercial basis. Investment, divestment and business decisions are directed by our Board and management.

Under Singapore's Constitution and laws, neither the President of Singapore nor the Government is involved in our investment, divestment or other business decisions, except in relation to the protection of Temasek's past reserves.

Our governance framework emphasises substance over form, and long term over short term. It provides for accountability and a robust balance between empowerment and compliance.

We espouse the principles of commercial discipline, built on a culture of meritocracy, excellence and integrity. Our commitment to deliver sustainable long term value as one Temasek team is supported by an incentive philosophy which emphasises sustainable returns to align our staff as co-owners.

## Relating to Our Shareholder

Incorporated on 25 June 1974, Temasek is a Singapore exempt private company<sup>1</sup> wholly owned by the Minister for Finance. Subject to the President's concurrence, our shareholder has the right to appoint, remove or renew Board members.

We operate under the purview of the Singapore Companies Act and all other applicable laws and regulations governing companies incorporated in Singapore. Within this regulatory framework, Temasek operates with full commercial discretion and flexibility, under the direction of our Board.

We provide annual statutory financial statements audited by an international audit firm, as well as periodic updates to our shareholder. While not required

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Temasek operates with full commercial discretion and flexibility, under the direction of our Board.

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<sup>1</sup> Under the Singapore Companies Act (Chapter 50), an exempt private company has no more than 20 shareholders and no corporate shareholder, and is exempted from filing its audited financials with the public registry.

to release any financial information publicly as an exempt private company, we have published our Group Financial Summary based on the audited financial statements in our annual *Temasek Review* since 2004.

We declare dividends annually, balancing distributions to our shareholder and reinvestments to sustain future returns. As a commercial investment company, we pay taxes to the Singapore Government.

### Relating to the President

The President of the Republic of Singapore has an independent custodial role to safeguard Singapore's critical assets and past reserves.

As a key institution, Temasek is designated a Fifth Schedule Company<sup>2</sup> under the Singapore Constitution with a constitutional responsibility to safeguard our past reserves<sup>3</sup>.

Our Chairman and CEO certify our Statement of Reserves and Statement of Past Reserves to the President at prescribed intervals as part of our responsibility to protect our past reserves.

We are required by the Singapore Constitution to seek the President's approval before a draw<sup>4</sup> occurs on our past reserves.

Reserves accumulated by Temasek before the term of the current Government form our past reserves. Current reserves are primarily profits accumulated after a newly elected government is sworn into power.

The swearing-in of the new Cabinet on 21 May 2011 after the Singapore Parliamentary General Election marked the start of a new term of government.

To safeguard the integrity of those involved in managing Temasek's reserves, the President's concurrence is required for the appointment, renewal or removal of our Board members. The appointment or removal of our CEO by our Board is also subject to the concurrence of the President.

In addition to its normal fiduciary duties to the Company, our Board is accountable to the President to ensure that every disposal of investment is transacted at fair market value.

We own and manage our assets on a commercial basis.

We pay taxes to the Singapore Government.

<sup>2</sup> Other Fifth Schedule entities include Government of Singapore Investment Corporation Pte Ltd, which manages the reserves of the Singapore Government, and statutory boards involved in managing critical assets, such as the Central Provident Fund (CPF) Board and the Monetary Authority of Singapore.

<sup>3</sup> Temasek does not manage the CPF savings, foreign exchange reserves of Singapore, or the reserves of any other Fifth Schedule entity. Each Fifth Schedule entity is managed independently, and is separately accountable to the President through its own board and CEO for the protection of its own past reserves.

<sup>4</sup> A draw on our past reserves occurs if our total reserves are less than our past reserves, or if our current reserves are negative.

### Relating to Our Portfolio Companies

Companies in our portfolio are managed by their respective managements, and guided and supervised by their respective boards. Temasek does not direct the commercial or operational decisions of its portfolio companies.

We exercise our shareholder rights fully, including voting at shareholders' meetings, to protect our commercial interests.

We promote sound corporate governance in our portfolio companies. We support the formation of high calibre, commercially experienced and diverse boards to guide and complement management leadership.

We advocate that the Chairman and CEO in a company should be separate persons, independent of each other, to ensure an appropriate balance of power and greater capacity of the board for independent decision making.

### Relating to the Wider Community

We are a responsible corporate citizen.

Our engagement with the wider community rests on the twin pillars of sustainability and robust governance.

In 2003, we committed to set aside a share of our returns for community contributions for each year that we achieve returns in excess of our risk-adjusted hurdle.

We established Temasek Trust in 2007 to independently oversee the financial management of endowments and gifts, including the endowment distribution to specific non-profit philanthropic organisations. The latter are, in turn, independently responsible to their boards for the development and delivery of the community programmes within their respective mandates. They include Temasek Foundation and Temasek Cares, which were formed with specific mandates for Asia and Singapore respectively.

Other beneficiaries include foundations focused on education, research as well as international partnerships.

These non-profit philanthropic organisations form an additional group of stakeholders with an interest in the continued success of Temasek.

In addition, we actively engage regulators, multilateral agencies and other market participants to help promote fair and practical market oversight and to keep abreast of governance issues and trends.

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Reserves accumulated by Temasek before the term of the current Government form our past reserves.

Among the many engagements Temasek has had with regulators, the 14-year journey to support the transformation of the energy market stood out.

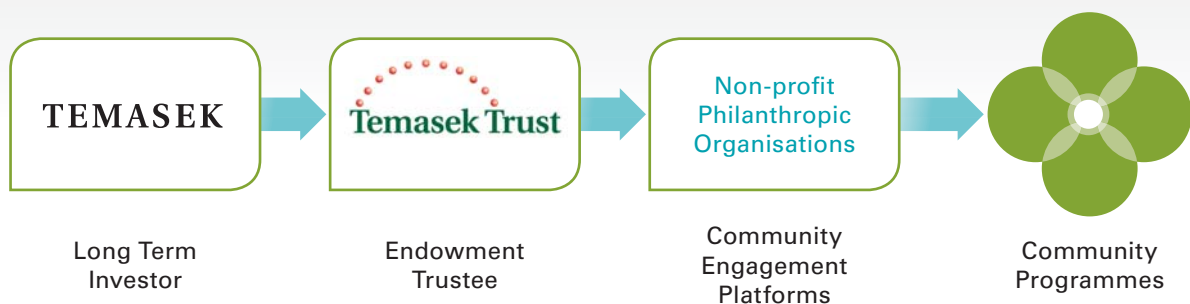
The full liberalisation of the power and gas industries in Singapore started with the corporatisation of Singapore Power and the consequent hiving off of three independent power generation companies. In the initial phase, we brought in business leaders as independent board members, worked with them to build commercially-driven management teams, introduced best industry practices and improved efficiency, so that the companies would be well positioned to operate in a competitive market.

In parallel with the progressive liberalisation of the Singapore energy market, we studied the experiences in other markets, tapping on independent experts, while working closely with stakeholders ranging from unions to boards of the power generation companies. The objective was to ensure that a deregulated power generation sector continues to deliver high quality and competitively priced energy, as well as attract new and timely capacity investments on an ongoing basis.

We shared our findings and recommendations with the Singapore energy market regulator and policymakers, working closely with them to marry policy objectives with practical market solutions. We eventually launched the divestment of all three wholly owned power generation companies, with the full support of the regulator, unions and management, under the aegis of a robust and well defined regulatory framework.

In 2003, we committed to set aside a share of our returns for community contributions.

#### Relating to the Wider Community



### Temasek Board and Committees

Our Board comprised 10 members as at 31 March 2011, a majority of whom are non-executive independent private sector business leaders. They bring relevant experience from the private sector and industry to our deliberations.

Our Board provides overall guidance and policy directions to our management. Each year, the Board is scheduled to meet for two days each quarter. The Board will meet more often when necessary. Six Board meetings were held during the year ended 31 March 2011.

Specific authority has been delegated to various Board committees:

- Executive Committee (EXCO)
- Audit Committee (AC)
- Leadership Development & Compensation Committee (LDCC)

Each committee is chaired by a non-executive Director who is independent of management.

On the recommendation of the AC, our Board approves the annual audited statutory accounts prior to submission to the shareholder for adoption at the Annual General Meeting.

During the year, the AC approved amendments to the Whistle Blowing Policy.

### Board and Committee Processes and Decisions

Board members may participate in meetings via telephone or video-conference. Decisions at Board and Committee meetings are based on a simple majority of the votes. In the case of a tied vote, the Chairman has a second or casting vote. Where a Board resolution is obtained via circulation, the resolution becomes effective upon approval by at least two thirds of our Board.

Board members with interests that may conflict with specific Temasek interests are recused from the relevant information flow, deliberations and decisions.

Quarterly Board meetings include Executive Sessions for the non-executive Directors to meet without the presence of management. The annual CEO succession review is part of these deliberations.

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Board members with interests that may conflict with specific Temasek interests are recused.



## Temasek Management

The governance role of Temasek management is to ensure that the institution complies with the rules and regulations of the jurisdictions where we have investments or operations. We have robust systems and processes in place to assist us in such compliance.

Our systems and processes are continually updated and refined, in particular for new markets and new asset classes, or to incorporate new technology platforms or capabilities.

During the year, we reviewed and updated our Temasek Code of Ethics and Conduct which is our framework to guide Directors and employees in their daily dealings.

### Board Committee Membership as at 31 Mar 11

	Board <sup>1</sup>	EXCO	AC	LDCC
S Dhanabalan	Chairman	Chairman		Chairman
Kwa Chong Seng	Deputy Chairman	Deputy Chairman		Member
Kua Hong Pak	Member		Chairman	
Ho Ching	Executive Director & CEO	Member		Member
Hsieh Fu Hua	Executive Director & President	Member		Member
Simon Israel <sup>2</sup>	Executive Director & President	Member		
Goh Yew Lin	Member		Member	Member
Michael Lien JL	Member		Member	Member
Teo Ming Kian	Member	Member		
Marcus Wallenberg	Member			

<sup>1</sup> Koh Boon Hwee, who has been on the Board of Temasek Holdings since November 1996, retired from the Board effective 1 October 2010, upon the expiry of his term of office.

<sup>2</sup> Simon Israel retired from his position as Executive Director & President effective 1 July 2011.

# Board of Directors

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## **S DHANABALAN**

**Chairman** (since September 1996)

- Previously Chairman of DBS Group Holdings Ltd and Singapore Airlines Ltd
- Held several Cabinet positions in the Singapore Government from 1978 to 1994

## **KWA Chong Seng**

**Deputy Chairman** (since September 1997)

- Chairman and Managing Director of ExxonMobil Asia Pacific Pte Ltd, and Member of the Public Service Commission
- Conferred the Singapore Public Service Star in 2005
- Awarded Honorary Ningbo Citizenship in 1999

## **HO Ching**

**Director** (since January 2002)

- Executive Director since May 2002; Executive Director & CEO since January 2004
- Previously President and CEO of the Singapore Technologies Group
- Honorary Fellow of the Institute of Engineering, Singapore

## **KUA Hong Pak**

**Director** (since November 1996)

- Managing Director and Group CEO of ComfortDelGro Corporation Limited; Deputy Chairman of SBS Transit Ltd and VICOM Ltd
- Conferred the Singapore Public Service Star in 1996; re-appointed a Justice of the Peace in 2010
- Conferred Honorary Shenyang Citizenship in 1997

## **GOH Yew Lin**

**Director** (since August 2005)

- Managing Director, GK Goh Holdings Limited
- Chairman, Yong Siew Toh Conservatory of Music and Singapore Symphonia Company Limited
- Member, Board of Trustees, and Chairman, Investment Committee, National University of Singapore

(as at 31 Mar 11)

**Simon ISRAEL****Director (since August 2005)**

- Executive Director since July 2006; Executive Director and President since September 2010<sup>1</sup>
- Chairman, Asia Pacific Breweries Ltd and Asia Pacific Breweries Foundation
- Previously Chairman, Singapore Tourism Board
- Conferred Knight in the Legion of Honour by the French Government in 2007

**TEO Ming Kian****Director (since October 2006)**

- Chairman, MediaCorp Pte Ltd
- Permanent Secretary, National Research and Development, Prime Minister's Office and Advisor, Special Projects, Ministry of Finance
- Conferred the Commander First Class – Royal Order of the Polar Star (Sweden) in 1994 and Singapore Meritorious Service Medal in 2008

**Marcus WALLENBERG****Director (since July 2008)**

- Chairman, Skandinaviska Enskilda Banken, SAAB AB and AB Electrolux
- Previously Chairman, International Chamber of Commerce, Deputy Chairman, L M Ericsson, and President and CEO, Investor AB

**Michael LIEN****Director (since January 2010)**

- Deputy Chairman and Executive Director, Wah Hin & Co Pte Ltd
- Member, Board of Trustees and Investment Committee, National University of Singapore

**HSIEH Fu Hua****Director (since February 2010)**

- Executive Director and President since August 2010
- Previously CEO, Singapore Exchange Limited
- Co-founder and Advisor, PrimePartners group of companies

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<sup>1</sup> Simon Israel retired from his position as Executive Director and President effective 1 July 2011.

# Senior Management

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## ANG Peng Huat

- Managing Director, Investment

## Belinda CHAN

- Managing Director, Tax

## CHAN Heng Wing

- Managing Director, International Relations

## CHAN Wai Ching

- Managing Director, Leadership Development & Compensation

## Willie CHAN

- Managing Director, Learning<sup>1</sup>

## CHEO Hock Kuan

- Head, Organisation & Leadership
- Co-Head, China

## CHEONG Kok Tim

- Managing Director, Legal & Regulations

## Lena CHIA

- Managing Director, Legal & Regulations

## Robert CHONG

- Managing Director, Human Resources

## Jeffrey CHUA

- Managing Director, Investment

## CHUA Eu Jin

- Managing Director, Legal & Regulations

## Gregory CURL

- President

## DING Wei

- Head, China

## GAN Chee Yen

- Co-Chief Investment Officer
- Senior Managing Director, Special Projects

## Grace GOH

- Managing Director, Finance

## GOH Yong Siang

- Head, Strategic Relations
- Co-Head, Organisation & Leadership
- Head, Australia & New Zealand<sup>2</sup>

## Lorenzo GONZALEZ BOSCO

- Managing Director, Mexico

## Nagi HAMIYEH

- Managing Director, Investment

## David HENG

- Managing Director, Investment

## HIEW Yoon Khong

- Senior Managing Director, Special Projects
- CEO, Mapletree Investments

## HO Ching

- Executive Director & CEO

## HSIEH Fu Hua

- Executive Director & President

## Simon ISRAEL<sup>3</sup>

- Executive Director & President
- Head, Singapore
- Head, Australia & New Zealand

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<sup>1</sup> Till 30 April 2011; Managing Director, Special Projects effective 1 May 2011.

<sup>2</sup> Effective 1 July 2011.

<sup>3</sup> Retired effective 1 July 2011.

(as at 31 Mar 11)

**Manish KEJRIWAL**

- Head, India
- Head, Africa & the Middle East
- Co-Head, Strategic Relations

**Gregory LANHAM**

- Managing Director, Investment

**LAO Tzu Ming**

- Managing Director, Risk Management

**Derek LAU**

- Managing Director & Chief Representative, Vietnam

**LEONG Wai Leng**

- Chief Financial Officer

**Margaret LUI**

- Managing Director, Special Projects
- COO, SeaTown Holdings International

**NG Yat Chung<sup>4</sup>**

- Head, Energy & Resources
- Co-Head, Strategy
- Co-Head, Australia & New Zealand

**ONG Beng Teck**

- Managing Director, Investment

**Charles ONG**

- Senior Managing Director, Special Projects
- Executive Director & CEO, SeaTown Holdings International

**PAK Hoe Soon**

- Managing Director, Investment

**Jimmy PHOON**

- Head, Strategy
- Head, Latin America & Indochina
- Co-Head, India

**Dilhan Pillay SANDRASEGARA**

- Head, Portfolio Management
- Co-Head, Singapore<sup>5</sup>

**Rohit SIPAHIMALANI**

- Managing Director, Investment

**TAN Suan Swee**

- Managing Director, Investment

**Alan THOMPSON**

- Managing Director, Portfolio Management

**TOW Heng Tan**

- Chief Investment Officer
- Co-Head, Singapore

**Matheus VILLARES**

- Managing Director, Brazil

**WONG Kim Yin**

- Managing Director, Investment

**YAP Chwee Mein<sup>6</sup>**

- Managing Director, China

**Stephen FORSHAW<sup>7</sup>**

- Managing Director, Corporate Affairs

<sup>4</sup> Till 30 April 2011.

<sup>5</sup> Till 30 June 2011; Head, Singapore effective 1 July 2011.

<sup>6</sup> Till 31 March 2011.

<sup>7</sup> Effective 18 April 2011.

# Risk Framework

## Measured risk-taking is integral to Temasek's business as an investor.

Our Board determines the objectives and overall direction for our risk management framework and functions. Under its guidance, our CEO and senior management team promote a culture of risk awareness and balanced risk-taking.

This culture is reinforced through a risk-sharing compensation philosophy which puts the institution above the individual, emphasises long term over short term, and fosters the spirit of co-ownership by aligning employee and shareholder interests.

Enterprise risks are factored into day-to-day decision making under the supervision of our CEO and senior management team.

Over the past year, we intensified the use of simulation techniques to help evaluate new investments as well as review our portfolio.

We further fine-tuned our Credit Risk Management framework to increase our responsiveness in addressing continued uncertainties in the credit markets. In addition, we enhanced the processes and systems driving our derivatives control framework.

### Enterprise Risk

Strategic, financial and operational risks, faced by the company as a whole, are managed at the enterprise level.

Risks for specific investments include those arising from valuation & price, country, politics, reputation, laws & regulations, tax, funding and key management.

#### Risk Categories

##### Strategic risks

- Aggregate Risk Profile
- Funding & Liquidity
- Political
- Structural Foreign Exchange
- Industry

##### Financial risks

- Investment
- Market
- Credit

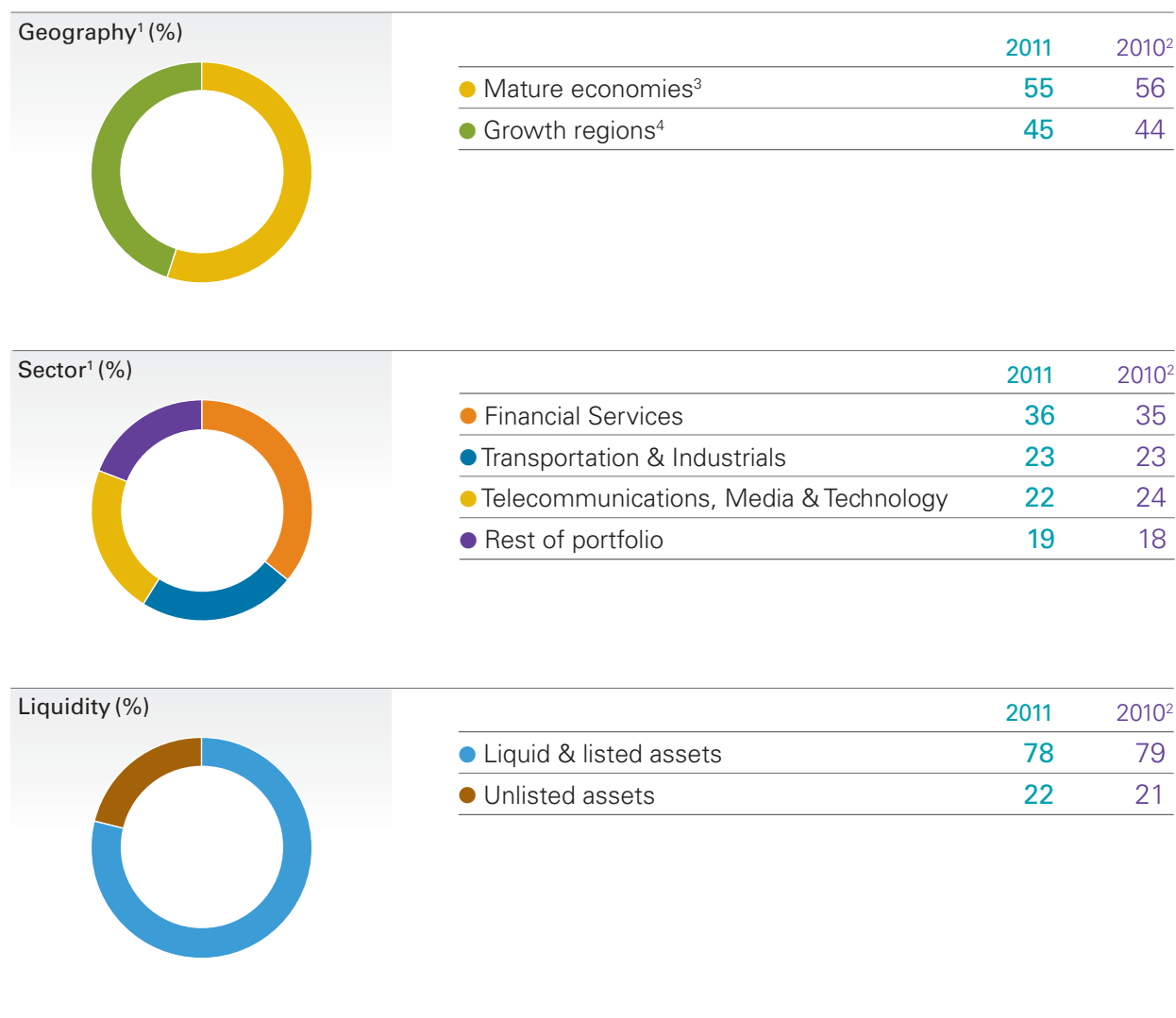
##### Operational risks

- People
- Process
- Systems
- Legal & Regulatory
- Reputation
- Business Disruption

Each risk category has a designated unit as its risk owner to manage specific transaction or enterprise risks.

Our approval authorities, company policies and standard operating procedures drive end-to-end process controls. These established practices, including risk reporting requirements to the Board, have been tested and strengthened during, and since, the global financial crisis.

### Concentration Profile of S\$193b Portfolio



<sup>1</sup> Distribution based on underlying assets.

<sup>2</sup> Restated on a comparative basis.

<sup>3</sup> Singapore, Japan & Korea, Australia & New Zealand, North America & Europe.

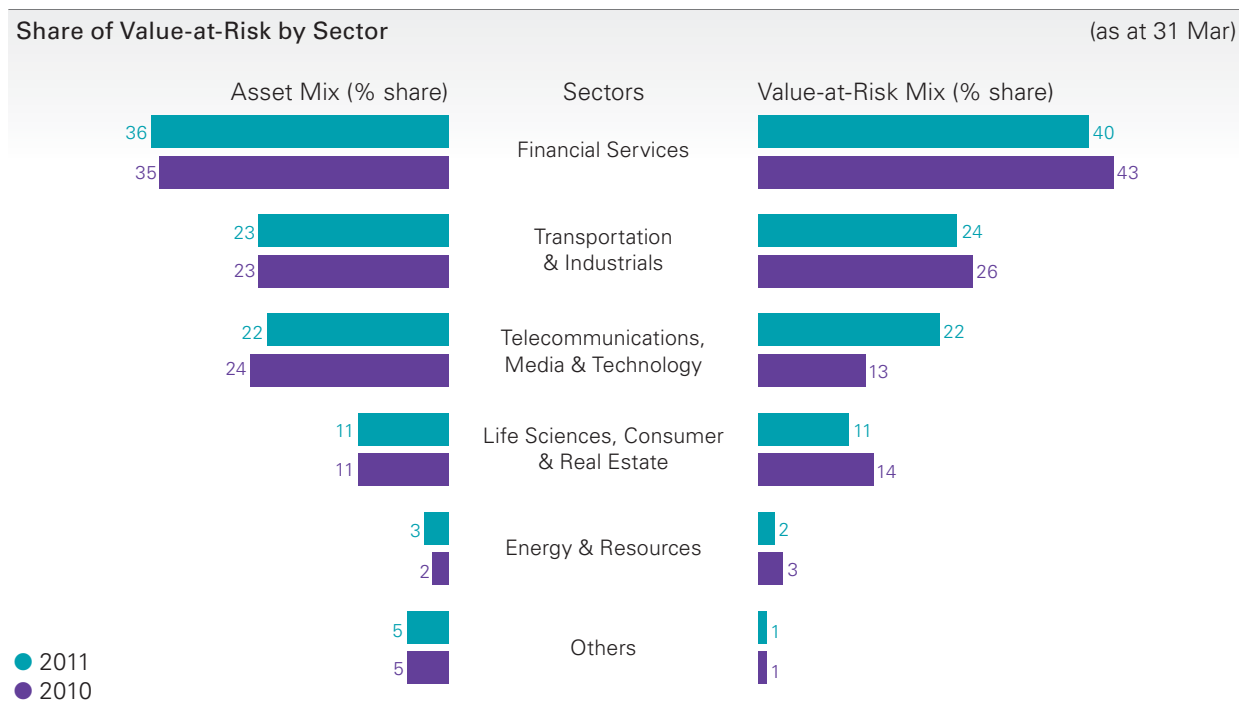
<sup>4</sup> Asia (excluding Singapore, Japan & Korea), Latin America, Africa, Central Asia & the Middle East.

### Value-at-Risk

We publish our annual Value-at-Risk<sup>1</sup> (VaR) to give our stakeholders an estimate of how our portfolio value may change over a 12-month period. This is based on historical data and assumes the same prevailing market conditions with no changes to our portfolio composition.

Our annual VaR of S\$22 billion<sup>2</sup> as at 31 March 2011 is broadly comparable to last year. However, this represents a lower 12% of our portfolio value versus 14% a year ago, indicating a reduction in our portfolio volatility.

Our top 10 holdings represented 60% of our portfolio and 68% of our VaR. SingTel, our single largest holding, was 14% of our portfolio and 16% of our VaR.



<sup>1</sup> Weekly price movements over three years are used to compute our annual VaR based on the assumption that the most recent 3-year history would be more indicative of market behaviour over the following 12 months.

<sup>2</sup> A VaR of S\$22 billion signals a one-in-six chance of our portfolio value falling by S\$22 billion or more within the 12 months ending 31 March 2012. Conversely, this also means a five-in-six chance of a gain in value or an outcome better than a S\$22 billion decline.



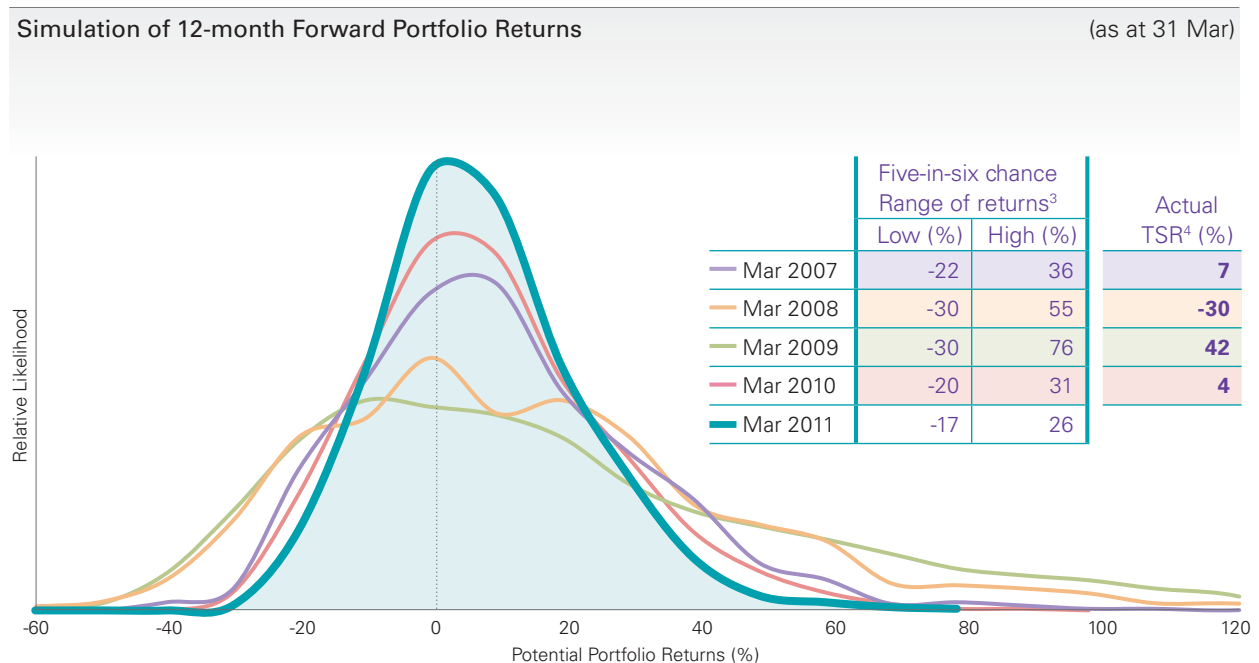
### Monte Carlo Portfolio Returns Simulations

The Monte Carlo simulation method is sometimes used to generate the likelihood curve for various future portfolio returns. This assumes market conditions and portfolio mix remain unchanged during the period.

The chart below provides the 12-month forward returns likelihood curves covering 31 March 2007 to 31 March 2011, based on our portfolio mix for each year end. Their peaks represent the most likely portfolio returns at the end of the following financial years.

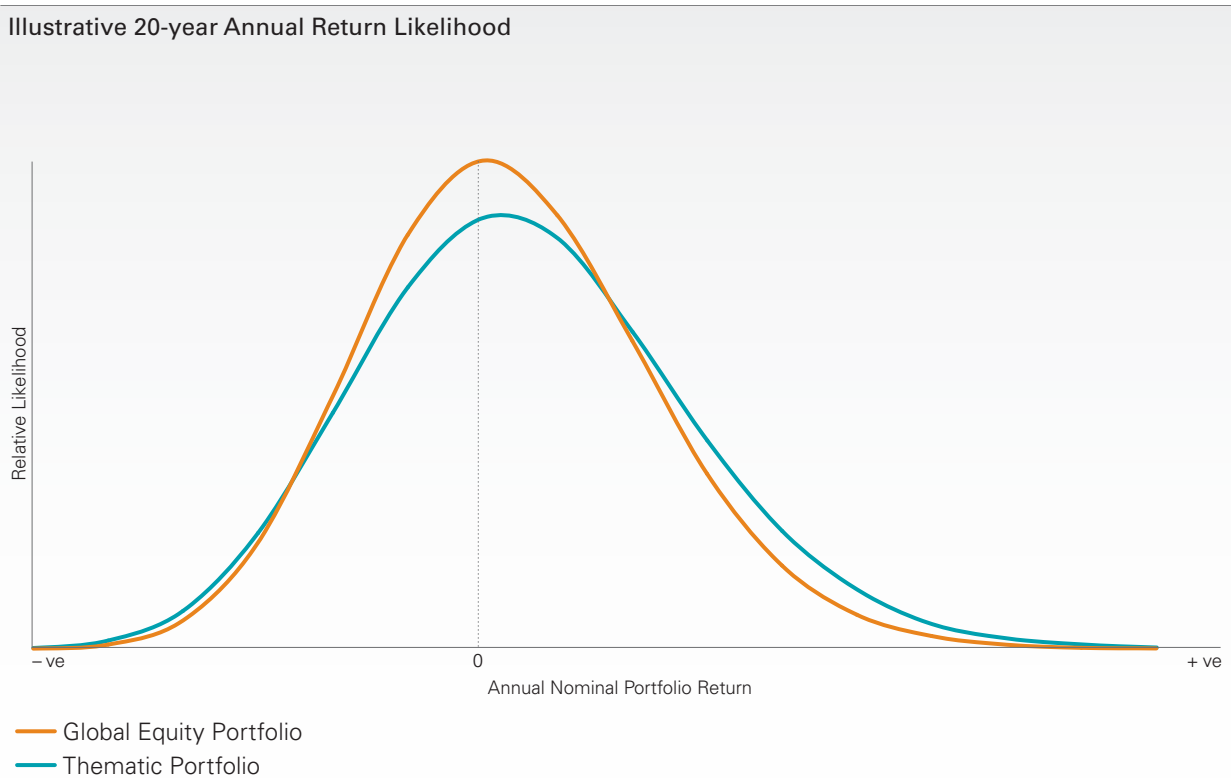
At the height of market uncertainty in March 2009, the returns likelihood curve was flatter, indicating more volatility. Against the projected five-in-six chance of our portfolio returns falling between -30% and +76% a year later, our actual 31 March 2010 portfolio return was over +42%.

For our 31 March 2011 portfolio mix, the returns likelihood curve indicates a simulated five-in-six chance that our portfolio will return between -17% and +26% by 31 March 2012.



<sup>3</sup> Based on Monte Carlo simulation for 12-month forward portfolio returns distribution, assuming no change in market conditions or portfolio mix.

<sup>4</sup> Actual TSR achieved one year later.



The Monte Carlo simulation method may also be used to simulate returns over a longer period such as 20 years.

Assuming no changes to market conditions or portfolio mix, the chart above compares the likelihood of annual returns over a 20-year period between a generic global equity index portfolio (—), and a thematic portfolio (—) which simulates Temasek’s portfolio equity mix.

The simulation for the likely returns of a generic global equity index portfolio is based on the long term outlook of the global equity market, factoring in volatility of prevailing conditions in the near term. The likelihood of annual returns is projected to be within the range of the likelihood curve as shown.

In comparison, the thematic portfolio, shifted towards Asia and the growth markets, with sectoral exposure re-weighted to simulate the Temasek portfolio equity mix, projected a likelihood curve which is flatter. This means a slightly more volatile portfolio. However, the likelihood of higher returns has also increased.

## Legal & Regulations

The Legal & Regulations unit is organised around the core functions of transactional and advisory support, and regulatory and internal compliance.

Acceptable legal risk parameters are defined and institutionalised by the legal risk management framework, and complemented by policies, processes and systems to provide effective and consistent management of legal risks. For example, our policy permits only personnel authorised by Board resolution to enter into derivatives transactions within defined scopes and limits on behalf of the designated entities.

Regulatory compliance is supported by robust securities tracking systems including automated systems for Singapore and Hong Kong. Regulatory requirements are continually reviewed and updated to track changes in law or regulations.

The Temasek Code of Ethics and Conduct provides the framework to guide our Board Directors and staff in their daily dealings. The Code encapsulates our MERITT values, with integrity as one of its overarching principles. Relevant policies covering areas such as insider trading, receipt and offer of gifts and entertainment and whistle-blowing, form an integral part of the Code.

## Internal Audit

The Internal Audit (IA) unit reports to the Board Audit Committee.

IA conducts periodic reviews of our key control processes for all offices and undertakes special reviews requested by the Board or senior management. Our main objective is to ensure internal controls are well designed and effective across geographies, and that control awareness and compliance are high amongst our staff.

IA is consulted on internal control matters prior to the implementation of major new systems or operating process changes, so that control recommendations are factored into the development of new systems or design of new processes.

Our policy permits only personnel authorised by Board resolution to enter into derivatives transactions within defined scopes and limits.

# MERITT Values

We strive to achieve excellence as individuals and as one Temasek team. Our MERITT values are the foundation of our character and culture as an institution.

**M**

## Meritocracy

We are fair and objective in recognising contributions and performance

**E**

## Excellence

We are passionately committed to learning, improving and delivering outstanding results

**R**

## Respect

We treat others as we would like others to treat us

**I**

## Integrity

We are honest to ourselves, our profession, our institution, and our stakeholders

**T**

## Teamwork

We value each other and work together to benefit from our complementary strengths

**T**

## Trust

We foster a culture of mutual support and confidence

# Compensation Framework

---

**We foster an ownership culture which puts the institution above the individual, emphasises long term over short term, and aligns employee and shareholder interests.**

Apart from competitive salaries, we offer performance and time vesting incentives that are subject to the risks and sustainability of returns over market cycles.

Performance incentives are mostly deferred between three and 12 years to promote an ownership culture and long term alignment, especially for senior management.

## Annual Target Incentives

Annual target incentives are determined by individual, team or Temasek-wide achievements and medium term Total Shareholder Return (TSR). These are capped within budgeted limits.

## Risk-Reward Sharing Incentives

Our incentives for sharing risks and rewards are driven by our returns above an aggregate risk-adjusted returns hurdle. Also known as Wealth Added (WA), this excess return over the risk-adjusted cost of capital determines the size of our staff incentive pool. Should our returns fall below the hurdle, the resultant negative incentive pool will trigger a clawback against deferred bonuses from prior years.

## WA Bonus Bank

Positive or negative, a portion of our WA incentive pool is allocated to the notional WA bonus bank account of each employee, based on their individual performance and relative contributions over a period.

If the WA bonus bank balance is positive, senior managers receive payouts of a third or less of their WA bonus bank balances, while junior staff receive up to two thirds as their annual WA bonus payouts. Any remaining bonus bank balances will be at risk of clawbacks in the event of any future negative WA.

### Co-investment Unit Grants

Subject to positive WA or other conditions, our staff may be awarded time and/or performance based co-investment units. These units grow or decline in value with Temasek's TSRs over the years, reinforcing an ownership culture in our team.

Time-based co-investment units have a vesting period of up to 10 years whilst performance-based co-investment units (T-Scope) must meet stringent portfolio performance conditions over a minimum period of three years before vesting begins, and lapse after 12 years.

### Risk-Reward Alignment in Practice

With negative WA for two consecutive years ended 31 March 2008 and 2009, "negative bonuses" were allocated to our staff, and no T-Scope units were awarded. This meant clawbacks and the consequent wipe-out of the bonus bank balances for all our staff. As the large negative bonus pool was in excess of the bonus bank balances available, the excess negative bonus pool was carried forward as a common pool to be made good from future positive WA bonus pools.

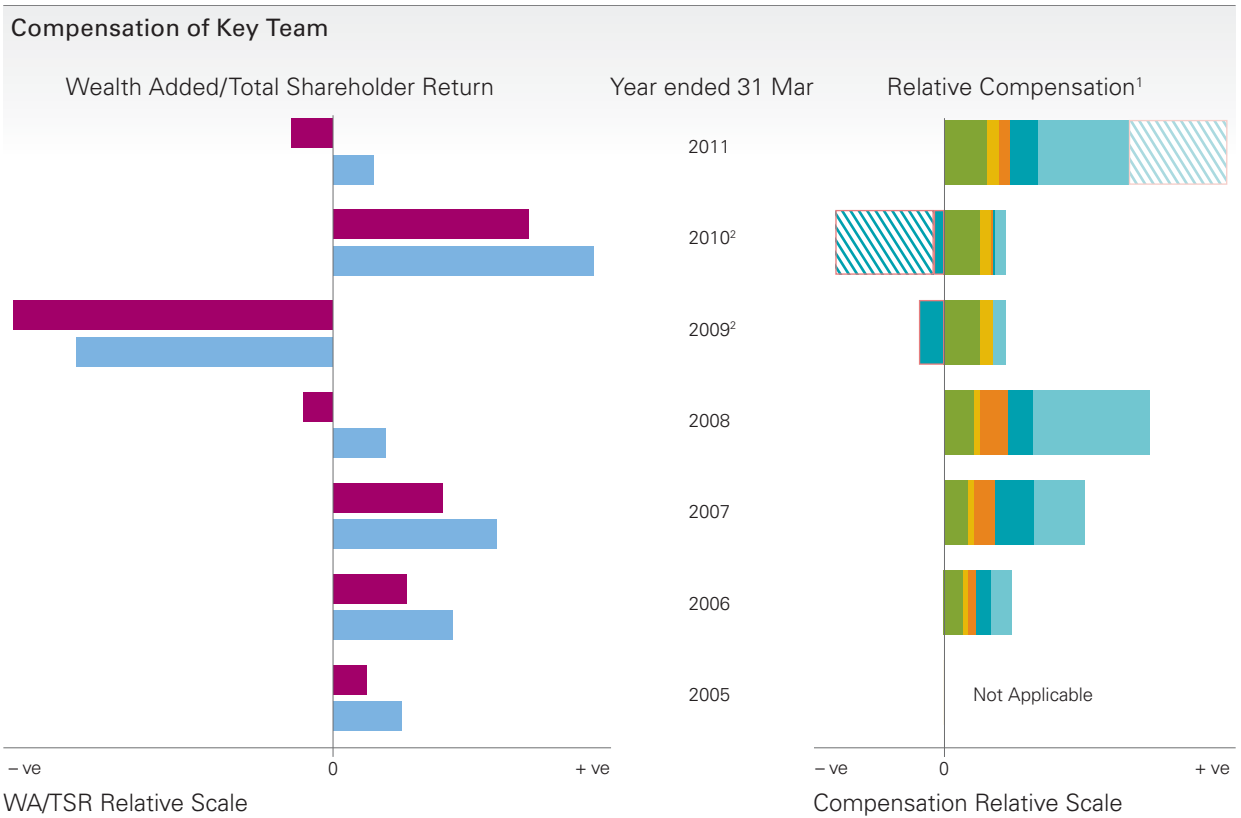
When our portfolio returned a strong positive WA of S\$41.8 billion the following year ended 31 March 2010, we were able to first make good the excess negative bonus pool carried forward, before any allocation for staff incentives. T-Scope units were awarded.

The negative WA of S\$8.8 billion for year ended 31 March 2011 means a clawback to be allocated during the year ending 31 March 2012, with no T-Scope awards.

This framework for sharing gains and the associated risks and pains through market cycles reaffirms the principle of ownership and alignment with sustainable long term value, especially for our senior management.

---

We were able to first make good the excess negative bonus pool carried forward, before any allocation for staff incentives.



- Wealth Added (WA) in relative dollars
- Total Shareholder Return in relative dollars
- Salaries & Benefits for the year
- Annual cash bonuses for prior year
- Paid-out portion of WA Bonus earned for prior year
- Deferred portion of WA Bonus earned for prior year, with future clawback risks
- Co-investment units at S\$1 nominal value each, subject to vesting and other conditions up to 12 years, e.g.:
  - a. T-Scope units which lapse if performance conditions are not met;
  - b. Restricted units vesting over specified time horizons
- Negative WA Bonus clawback against past deferred WA bonuses
- ▨ Balance of negative WA Bonus carried forward for future clawback
- ▨ Portion used to make good the balance of negative WA Bonus carried forward from prior year

<sup>1</sup> Relative compensation of key management team which includes CEO, Presidents & Senior Managing Directors, Managing Directors, management Directors, as well as Executive Directors.

<sup>2</sup> No T-Scope units were awarded due to negative WA of the previous year.

# The Temasek Spirit

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一年之计，莫如树谷；

十年之计，莫如树木；

终身之计，莫如树人。

If you are planning for a year, sow grains;

if you are planning for a decade, plant trees;

if you are planning for a lifetime, educate people.

## Fostering the Temasek Culture

We are a diverse team of over 400 staff, made up of 21 nationalities. Our ethos and work ethics are rooted in our six MERITT values: meritocracy, excellence, respect, integrity, teamwork and trust.

We bring our people together through team and Temasek-wide workshops to chart our direction and explore and reaffirm our values as one Temasek team.

The values of teamwork and trust in our work are embodied in a strong sense of collaboration across teams and geographies.

We value diversity and inclusion. This translates in practice to a respect for the diverse cultures among our staff. In the fasting month of Ramadan, some staff joined our Muslim colleagues in their fasting experience for a day. While symbolic, such practices help build stronger respect for cultures and contribute to greater teamwork within the institution.

We care for our people. This includes encouraging our staff to stay healthy and fit through various programmes, including annual health screening and education, nutrition coaching and fitness activities.

---

Staff volunteer initiative, *T-Touch*, raised funds for the Japanese earthquake and tsunami relief efforts.



### Nurturing People

We value talent at all levels and actively reach out to our stakeholders. Our staff serve as ambassadors to share the Temasek story.

We hold regular dialogue sessions with students from universities and offer internships.

Our people have opportunities to broaden their career scope. Secondments or other development and training initiatives deepen their knowledge and enrich their work experiences. These are complemented by mentoring and leadership programmes to support our staff at all levels to develop them as thoughtful leaders and dependable team players.

### Caring for our Community

We do not exist in isolation. We have a responsibility to make a difference to future generations through the things we do today. Driven by our staff volunteer initiative, *T-Touch*, we supported various groups in our communities.

Initiated to support young people at risk by one of our musically talented staff, Project Jam began with a simple desire to help teenagers through music. The effort has since led to a talent competition. More importantly, the young participants rose to the occasion to showcase their talent, and shared their belief that "*there are no limits to what you can achieve if you believe in yourself*".

Among other initiatives, we are in our 11<sup>th</sup> year of supporting the elderly residents of the Singapore Leprosy Relief Association in various ways. We expanded our community engagement to various countries through our international offices in Asia and Latin America.

*T-Touch* also supported relief efforts following the Japanese earthquake and tsunami. Over S\$220,000 were raised, including a matching contribution from Temasek. These funds were channeled directly to the Singapore Red Cross Japan Disaster Relief Fund.

We have a responsibility to make a difference through the things we do today.



## Teamwork

“When we work across departments, we bring different perspectives to the table. Yet we have a shared sense of purpose. Teamwork is a group win, not a solo win.”

Roberto Rocha, Director, Mexico





## Shaping Our Perspectives

- 66 Engaging Friends
- 68 Temasek International Panel
- 69 Temasek Advisory Panel



**Main photo**  
Working together towards a common goal.

# Engaging Friends

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**We shared experiences with friends and partners in Asia and beyond, covering corporate governance, talent management and risk management.**

We engaged actively with business partners and friends, policymakers, think-tanks, and other stakeholders worldwide.

During the year, we hosted over 85 delegations from 28 countries, including Australia, China, Germany, Indonesia, Korea, Norway, the United Kingdom and Vietnam.

We maintained regular dialogue with international institutions including the International Monetary Fund, the World Bank and the European Commission. In Asia, we exchanged knowledge and shared experiences extensively with China's State-Owned Assets Supervision and Administration Commission (SASAC) and Vietnam's State Capital Investment Corporation.

Global leaders on our Temasek International Panel (TIP) and other special guests met in Singapore in September for the seventh consecutive year, for a series of strategic events including the inaugural Singapore Global Dialogue and the Sentosa Roundtable.

The Singapore Global Dialogue focused on key global geopolitical issues of the day, while the Sentosa Roundtable discussed major structural trends reshaping the fast changing global economic and business environment. The TIP meeting heard the views of distinguished guests which included Mr Jeb Bush, former Governor, State of Florida and Dr Han Seung-soo, former Prime Minister, Republic of Korea.

## Developing Leaders

More than 90 learning events and 14 business forums were organised last year. The business forums brought together senior management of our portfolio companies, partners and friends to share issues including macroeconomics, M&A challenges, trends and board effectiveness.

Some 100 participants attended our three flagship programmes in leadership development: *Young LEADERS!*, *LEADERS!*, and *Global LEADERS!*. Joining the programmes were participants from Temasek's portfolio companies and strategic partner organisations from China, Kazakhstan, Malaysia and Vietnam.

---

Over **85**  
Delegations from  
28 countries

### Sharing Experiences

More than 200 senior corporate leaders from Singapore and overseas came together at the inaugural Sentosa Roundtable to discuss issues relating to global economic governance, new strategic approaches for a carbon-regulated world and monetary policies in an uncharted economic landscape.

In Singapore, we hosted more than 130 participants from SASAC Central, SASAC Qingdao, SASAC Beijing, and China Investment Corporation for exchanges and workshops on best practices in corporate governance, human resource, risk management and information technology. Since 2005, we have interacted with over 2,700 participants from China under various directorship forums.

Temasek worked closely with SASAC Central to organise a SASAC-Temasek Directors Forum in Beijing to discuss corporate governance trends in China, Asia and across the world. This Forum brought together 40 corporate leaders from Temasek and some of the key Temasek portfolio companies to build on relationships with close to 150 board directors from leading Chinese State-Owned Enterprises who had previously attended the SASAC-Temasek Directors Forums.

In addition, we shared our experiences with over 600 SASAC representatives including Chairmen and CEOs of State-Owned Enterprises at the Corporate Governance Forum in Shenzhen.

The 6<sup>th</sup> Asia Banking CEO Roundtable was co-hosted by Alliance Bank Malaysia Berhad in Kuala Lumpur, Malaysia in July 2010. Twenty five Chairmen and CEOs of leading banks in Asia covered the theme of “Managing For the Future” and enjoyed the privilege of hosting Governor Tan Sri Dr Zeti Akhtar Aziz of Bank Negara Malaysia, as their Guest of Honour to deliver the keynote address on “The Changing Regulatory Environment and Its Impact on Asian Banks”.

### Connecting with Alumni

Launched in 2008, the Temasek Alumni Network connects Temasek with close to 400 former colleagues through professional and informal networks. Events such as the *INSIGHTS* platform for senior alumni to share their experiences were well supported.

Over **2,700**  
Participants from  
China under various  
directorship forums

# Temasek International Panel

---

Our distinguished Temasek International Panel members have generously shared their insights on wide ranging strategic and business issues. Their invaluable perspectives and rich experiences helped to shape our strategies in a fast changing global landscape. In addition, we benefited tremendously from the counsel of our emeritus members.

## Members

**David BONDERMAN**  
Founding Partner  
Texas Pacific Group

**Dr DeAnne JULIUS**  
Chairman  
Chatham House

**Minoru MAKIHARA**  
Senior Corporate Advisor  
Mitsubishi Corporation

**Dr Jacob A. FRENKEL**  
Chairman  
JP Morgan Chase International

**Lee R. RAYMOND**  
Retired Chairman and CEO  
Exxon Mobil Corporation

**Charles PRINCE**  
Retired Chairman & CEO  
Citigroup

**Ratan N. TATA**  
Chairman  
Tata Sons

**Hon John HOWARD AC**  
Former Prime Minister  
Australia

## Emeritus Members

**Lucio A. NOTO**  
Managing Partner  
Midstream Partners, LLC

**Sir Richard SYKES, FRS**  
Chairman  
The Royal Institution of Great Britain

**Dr HAN Seung-soo**  
Former Prime Minister  
Republic of Korea

**Professor XU Kuangdi**  
Former President  
Chinese Academy of Engineering

**William J. MCDONOUGH**  
Chairman  
Investments Committee,  
United Nations  
Joint Staff Pension Fund

**Masamoto YASHIRO**  
Former Chairman,  
President and CEO  
Shinsei Bank

## Temasek Advisory Panel

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The distinguished business leaders on the Temasek Advisory Panel have shared their wealth of industry knowledge and expertise with us. As experienced board directors of Asian companies and public institutions, some of them also serve in their personal capacities on the boards of our portfolio companies.

**CHENG Wai Keung**  
**Chairman**  
Neptune Orient Lines

**Peter SEAH**  
**Chairman**  
DBS Group Holdings

**FOCK Siew Wah**  
**Group Chairman**  
PSA International

**Ernest WONG**  
**Chairman**  
Fullerton Financial Holdings Pte. Ltd.

**KOH Boon Hwee<sup>1</sup>**  
**Chairman**  
Yeo Hiap Seng Ltd  
Yeo Hiap Seng (Malaysia) Berhad

**XIE Qihua**  
**Chairman**  
Metallurgical Council of China  
Council for the Promotion of  
International Trade  
**Retired Chairman**  
Baosteel Group Corporation

**Stephen LEE**  
**Chairman**  
Singapore Airlines

**NG Kee Choe**  
**Chairman**  
Singapore Power

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<sup>1</sup> Retired 30 June 2011.



## Trust

"I can count on my team mates to give their best. In turn, they can count on me because I'll do the same too."

Andreas Kugler, Associate Director, Brazil







## Shaping Our Community Support

72 Community Engagement Platforms

79 Touching Lives



**Main photo**  
Openness is at the heart  
of our values.

# Community Engagement Platforms

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We committed over S\$1 billion since inception, for community, philanthropic and public good causes, as part of our support for the wider communities in Singapore, Asia and beyond.

This commitment was further strengthened in 2003, when we decided to set aside a portion of our excess returns above our risk-adjusted hurdles as our community contribution.

## Temasek Trust

We established Temasek Trust in 2007 to independently oversee the financial management of Temasek's philanthropic endowments and gifts, including the endowment disbursements to approved non-profit beneficiaries. The Trust is an additional stakeholder with an interest in our continued success.

Governed by a distinguished Board of Trustees, comprising Chairman Lee Seng Wee and Dr Richard Hu from Singapore, and Ratan Tata from India, the Trust funds the following non-profit philanthropic organisations:

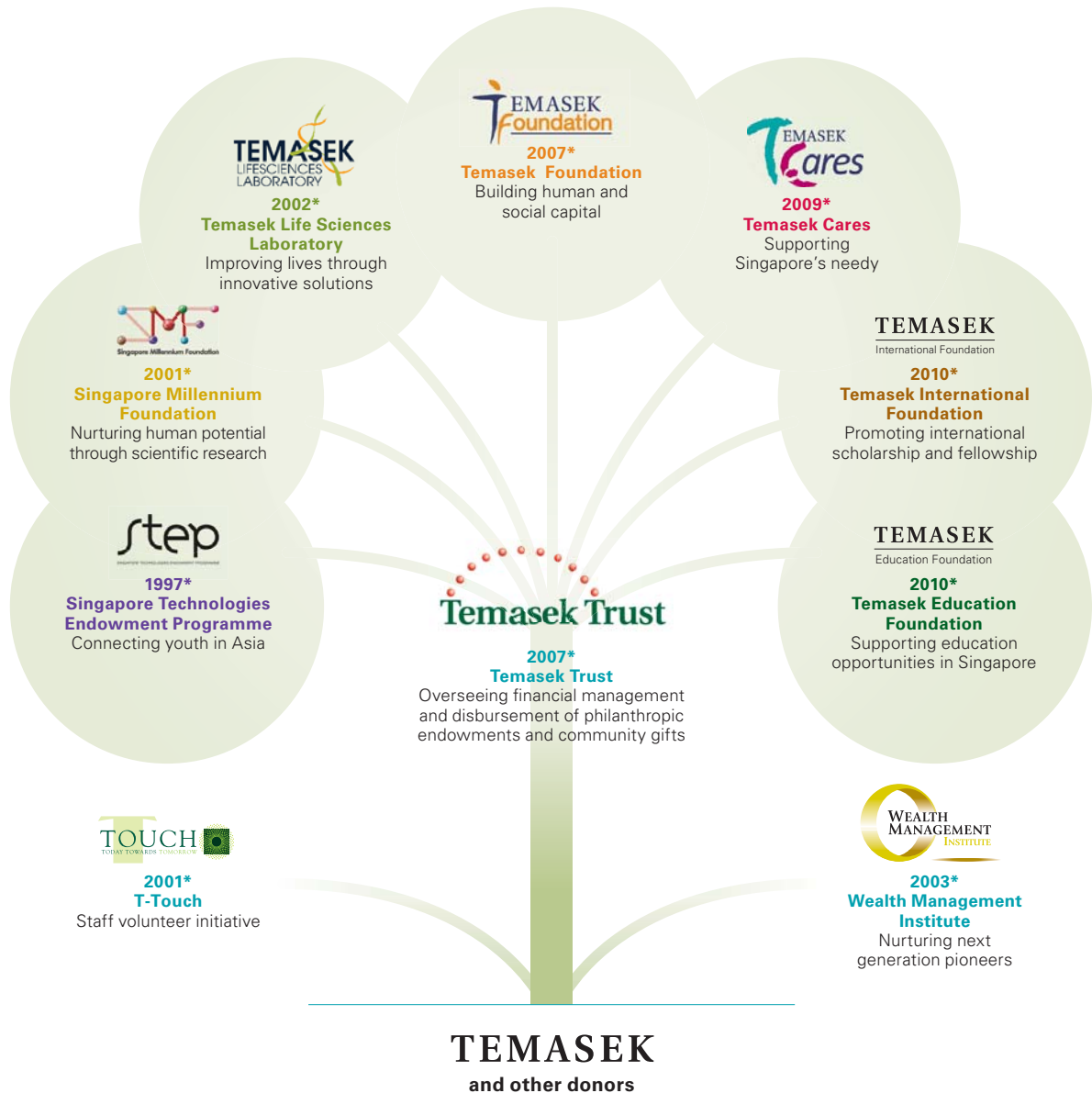
- Singapore Technologies Endowment Programme
- Singapore Millennium Foundation
- Temasek Life Sciences Laboratory
- Temasek Foundation
- Temasek Cares
- Temasek Education Foundation
- Temasek International Foundation

## Temasek International Foundation

Temasek International Foundation is being set up to promote and advance regional scholarship and international fellowship. It oversees two endowment programmes named after Singapore's pioneer leaders – the S\$25 million S Rajaratnam Endowment and the S\$35 million Hon Sui Sen Endowment.

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Temasek Trust independently oversees the financial management of Temasek's philanthropic endowments and gifts.



\* Year of establishment.

**S\$140m**

Gifted to Temasek Education Foundation

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Named in honour of the late S Rajaratnam, Singapore's first Minister for Foreign Affairs, the Endowment focuses on exchange and fellowship programmes to deepen international friendship among the community of nations.

The Hon Sui Sen Endowment is named in honour of the late former Minister for Finance. This Endowment promotes the development of talented individuals in the financial industry in Asia, including policymakers, central bankers, market regulators and financial professionals in public service. It takes over the support of the Temasek Regional Regulators Scholarship Programme at the Wealth Management Institute.

**S\$60m**

Gifted to Temasek International Foundation

### **Temasek Education Foundation**

Temasek Education Foundation (TEF) was set up with an endowment of S\$140 million. Its initial focus is to nurture young talents in the areas of sports, mathematics and science, as well as arts and music.

TEF currently supports three endowments named after Singapore's pioneering leaders in recognition of their contributions to nation building:

- EW Barker Endowment to nurture young sporting talents including students and staff in the Singapore Sports School
- Tay Eng Soon Endowment to advance progress in science and mathematics, including students and staff in the NUS High School of Mathematics and Science
- David Marshall Endowment to cultivate talents in the arts, including students and staff at the School of the Arts Singapore

In the area of music education, TEF also supports the Singapore Symphony Orchestra and the Singapore Chinese Orchestra in their development and outreach.

### Temasek Cares

Temasek Cares was established on 25 June 2009 to contribute to the well-being, dignity and livelihood of the underprivileged in Singapore through its thrusts of building people, building community, building capability and rebuilding lives.

In its second year, Temasek Cares focused on healthcare and special needs. Healthcare professionals, nurses and early intervention teachers received study awards through the Temasek Cares Building Capability Project. Pilot programmes were also launched to help the elderly age in place and support students with learning needs from the Northlight and Assumption Pathway Schools.

### Temasek Foundation

Set up in 2007, Temasek Foundation (TF) works with Singapore and international institutions to support the building of human capacity, the bridging of peoples, the promotion of governance and the rebuilding of lives post disasters.

To date, over 100 programmes aimed at developing capacities and capabilities of communities in Asia have been supported by TF through commitments of almost S\$74 million. These programmes cover healthcare, education, public administration and disaster preparedness, as well as the promotion of networks of cooperation.

Key milestones for the year included a renewed commitment to support the Temasek Foundation Centre for Trade & Negotiations at the S. Rajaratnam School for International Studies at Nanyang Technological University. The Centre organises executive programmes, workshops and a distinguished speaker series for trade officials and policymakers from the region.

In Cambodia, TF supported the training of community health leaders, educators and counsellors from the Ministry of Women's Affairs in better nutrition management and food hygiene practices.

In early 2011, TF also supported a new training programme in Rwanda to build capabilities in promoting and attracting investments and to develop a human resource management framework for the public sector.

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Over **100**  
Programmes  
in Asia supported by  
Temasek Foundation

Over **210**  
Patents filed by  
Temasek Life  
Sciences Laboratory

### Temasek Life Sciences Laboratory

Temasek Life Sciences Laboratory (TLL), established in 2002, is a non-profit organisation that aims to be a world class research institute in the field of molecular biology and genetics. TLL is a beneficiary of the Temasek Trust and is affiliated to the National University of Singapore (NUS) and the Nanyang Technological University. It is headed by Emeritus Professor Chan Soh Ha from NUS and advised in its research initiatives by an international Scientific Advisory Board.

TLL nurtures scientific talents from all over the world and provides opportunities for them to become leaders in their fields. Under its programmes, about 220 researchers from 24 countries have published more than 500 papers in peer-reviewed journals, and filed over 210 patent applications, of which about half have been licensed.

The research institute continues to attract international scientists renowned in their respective fields of research. Recently, Dr Chua Kaw Bing, an eminent virologist whose work has been credited with the discovery of the Nipah virus, and Dr Joanne Yew, a neurobiologist specialising in insect chemical communication and social behaviour, have joined the research community in TLL.

TLL researchers developed the H5N1 pre-pandemic vaccine and therapy – an antibody technology that offers broad protection amongst most circulating strains of the H5 influenza virus and limits the ability of the virus to mutate. TLL's pioneering efforts in H5N1 research led to the formation of EPIC Bio, a joint venture with a leading US vaccine company, Emergent BioSolutions. EPIC Bio will focus on the development and commercialisation of broad spectrum pre-pandemic influenza vaccines and therapeutics.

TLL has an international network of collaborations. Last year, it added to its list an academic collaboration with Japan's National Institute of Basic Biology to promote joint research activities and collaborative research projects involving model organisms. More recently, TLL signed a research collaboration agreement with China's Anhui Academy of Agricultural Sciences on rice research, training and development.

### Singapore Millennium Foundation

The Singapore Millennium Foundation (SMF) continued to fund research in mental health, Parkinson's disease, neuromuscular disease, bio-fuel, and liver cancer. To date, it has awarded more than 200 post graduate research scholarships.

SMF scholars continue to stand out in their fields. Dr Marissa Teo, a former SMF post-doctoral fellow, became the first Singaporean recipient of the UNESCO-L'Oréal for Women in Science International Fellowship.

SMF continues to sponsor the Lee Kuan Yew Water Prize. The 2010 award went to the Yellow River Conservancy Commission in China for its outstanding accomplishments in integrated river basin management that were unrivalled in scale. It joined previous Water Prize Laureates Dr Andrew Benedek of Canada and Professor Gatze Lettinga of the Netherlands.

### Singapore Technologies Endowment Programme

The Singapore Technologies Endowment Programme (STEP), now in its 14<sup>th</sup> year, has been building bridges among youth in Asia and contributing to their education.

Since 1997, its signature Sunburst Youth Camp hosted over 1,600 young people from ASEAN, India, China, South Korea and Bhutan, including over 500 junior college students from Singapore.

STEP's Sunburst Scholarship, now into its third year, supported 20 undergraduates from Indonesia, Malaysia, Myanmar, Sri Lanka, Vietnam and Singapore in their studies at Singapore universities and polytechnics.

Both camp participants and scholarship beneficiaries continue to stay connected, and have, in turn, initiated programmes to benefit others. Programmes initiated by the STEP alumni included the teaching of English and computer literacy in Laos and a "Befriender Programme" with Boys' Town Singapore for youth at risk. Other activities included a book collection drive to establish a youth library in Laos.

Over **200**  
Post-graduate  
scholarships awarded  
by Singapore  
Millennium  
Foundation

Over **1,600**  
Young people  
attended STEP's  
Sunburst Youth  
Camp since 1997

Over **2,000**  
Professionals  
trained under Wealth  
Management  
Institute programmes

### Wealth Management Institute

Wealth Management Institute (WMI), now into its eighth year, continues to be the lead provider for financial training and education in the region. Its programmes provide an integrated and holistic training pathway for wealth management and trust professionals. Over 2,000 professionals have been trained through its four programmes, which are accredited by Singapore's Institute of Banking and Finance (IBF).

Its flagship programme, the Master of Science in Wealth Management, has produced more than 300 graduates from 20 countries – among them 47 regulators from six Asian countries who were sponsored under the Temasek Regional Regulators Scholarship Programme. In 2010, a new module from the Yale School of Management was added to the existing Swiss Finance Institute module to expand the programme offering. This provided participants the opportunity to learn from leading professionals across Asia, Europe and the USA.

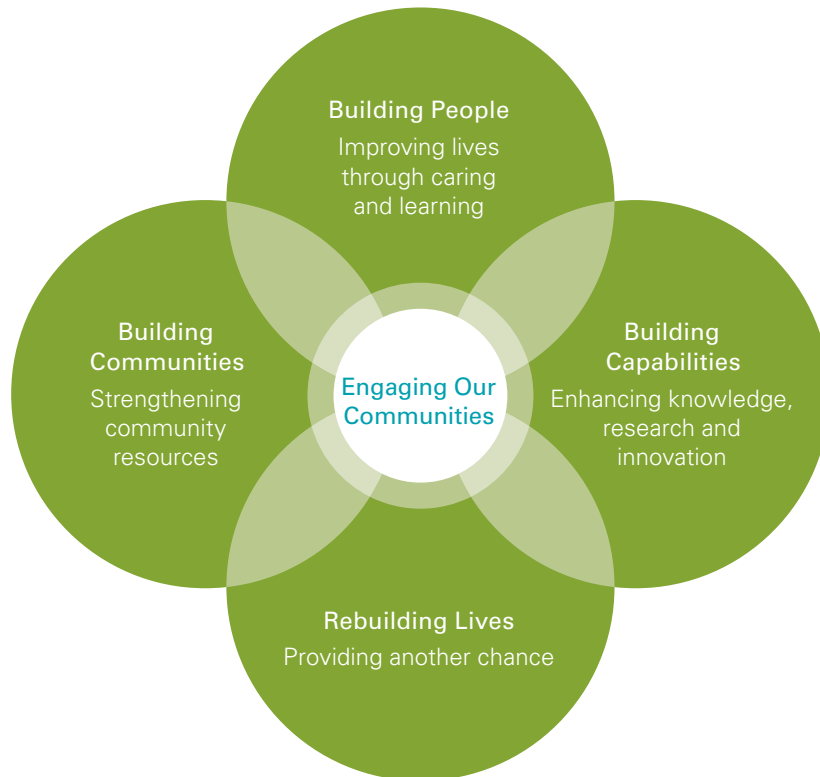
In addition, WMI offered an integrated trust services training pathway through its Certificate in Trust Services and the Advanced Certificate in Trust Services.

WMI organised talks and conferences to provide continuous education for its alumni and industry partners, including the "Private Wealth Management: Successful Strategies for Asia and Beyond" in September 2010 (in partnership with CFA Institute and IBF), which was attended by about 250 delegates.



## Touching Lives

Temasek supports its communities through the dedicated work of our non-profit affiliates. Their community programmes focus on *Building People*, *Building Communities*, *Building Capabilities* and *Rebuilding Lives*.



Teachers and students from Northlight School.



## Building People

### Temasek Cares

#### Supporting Students with Learning Needs

Two pilot programmes engaged learning specialists to develop individualised intervention plans to help students with learning needs at Northlight School and Assumption Pathway School.

### STEP

#### Befriender Project with Boys' Town Singapore

Khairi Johann, a STEP alumnus and scholar, is leading 32 youths, including 11 foreign scholars from across Asia, in this three-year project to befriend and impart life skills to youths from Boys' Town Singapore.

### Temasek Cares

#### Singapore Programme for Integrated Care of Elderly (SPICE)

Partnering the Agency for Integrated Care in a new programme to provide integrated, community-based medical, nursing and social services for frail elderly.

### Temasek Foundation

#### Raising vocational education and training standards in Mongolia

Partnering Mongolia's Ministry of Education, Culture and Science to train 1,400 education professionals in curriculum design and training pedagogy.



## Building Communities

### Temasek Foundation

#### Asia Journalism Fellowship

Organised for the third year by the Wee Kim Wee School of Communication and Information at Nanyang Technological University, 14 mid-career journalists and editors from 11 Asian countries participated in a three-month programme to sharpen their professional skills and deepen their knowledge.

### STEP

#### Outreach Programme in Laos

Two STEP alumni led 34 youths from Temasek Polytechnic, STEP's local partner, on a two-week outreach project to Laos where they coached local youth in English and computer literacy, and worked with the Laos Youth Union to help set up a library for youth in Vientiane.

### Temasek Foundation

#### Training in Public-Private Partnerships in the Philippines

One hundred Department of Transportation and Communication officials are being trained to enhance legal and regulatory frameworks for planning, procuring and implementing private-public partnership infrastructure development projects.

This builds on the success of similar TF-sponsored programmes in Kunming in China and Indonesia.



1 Students from Assumption Pathway School.

2 Temasek Foundation in Mongolia.



3 Temasek Foundation in Rwanda.



4 Temasek Cares Chairman, Richard Magnus, meets a SPICE beneficiary.

## Building Capabilities

### Wealth Management Institute Master of Science in Wealth Management

Participants, including regional central bankers, learn from financial professionals and academics across Asia, Europe and USA.

Temasek Regional Regulator Scholar Wang Jing Lin from China Banking Regulatory Commission won the Capital International Best Student Award last year.

### SMF Cancer Research Capabilities

Dr Marissa Teo, a National Cancer Centre Singapore research fellow, won international recognition for her work on novel strategies to tackle nose cancer. Funded by SMF over two years, her work could allow nose cancer to be treated with fewer side effects.

### Temasek Life Sciences Laboratory Advancing Practical Scientific Research

Immuno-microbiologist Chua Kaw Bing heads a research team developing an enterovirus 71 vaccine for prevention and control of Hand-Foot-Mouth disease outbreaks.

### Temasek Foundation Human Resource Management Capabilities in Rwanda

Over 40 senior management and investment promotion officials from the Rwanda Development Board and the Rwanda Institute of Administration and Management are being trained in strategic planning skills for investment promotion and competitiveness.

## Rebuilding Lives

### Temasek Cares STAR Award

Partnering the Yellow Ribbon Fund to offer bursaries to ex-offenders for skills and vocational training to assist their successful reintegration into society.

### Temasek Foundation Mitigating damage in seismic-prone regions

In the seismically active regions of Luzon and the Visayas, the Philippines, 300 master trainers and local builders are being trained to use affordable wall-strengthening techniques to prevent or delay the collapse of buildings in an earthquake. This follows earlier programmes funded by TF in China, India and Indonesia.



## MERITT

"Our values guide my daily interactions with my colleagues and business partners. We get the best results when we recognise others' views, leverage their strengths and continually learn from each other."

Vu Thi Thu Le, Associate Director, Vietnam





## Major Portfolio Companies






**Main photo**  
Affirming our commitment as one Temasek team.

# Major Portfolio Companies

## Sources:

1. Financials for the portfolio companies are based on their respective annual filings.
2. EVA figures are provided by the respective companies, except for the following, which are calculated by Temasek based on their respective annual filings: Bank of China, China Construction Bank, DBS Group, PT Bank Danamon Indonesia, Standard Chartered, ICICI Bank, Bharti Airtel, Olam International, Li & Fung, Chesapeake Energy and MEG Energy.
3. Market relevant information is sourced from Bloomberg and Stock Exchanges.

		Market Capitalisation or Shareholder Equity <sup>1</sup>			
Financial Services		Shareholding (%) as at 31 Mar 11	Currency	2010	2011
	Bank of China Limited	4 <sup>#</sup>	HKD'm	1,050,894	<b>1,135,544</b>
	China Construction Bank Corporation	7 <sup>#</sup>	HKD'm	1,486,261	<b>1,822,580</b>
	DBS Group Holdings Ltd	27	SGD'm	32,559	<b>33,762</b>
	PT Bank Danamon Indonesia Tbk	67 <sup>#</sup>	IDR'b	43,654	<b>55,137</b>
	Standard Chartered PLC	18	GBP'm	36,457	<b>37,967</b>
	ICICI Bank Limited	5 <sup>#</sup>	INR'm	1,061,890	<b>1,285,608</b>

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2011 refers to positions as at 31 March 2011. For unlisted companies, 2011 refers to positions as at 31 March 2011 or 31 December 2010, in accordance with their respective financial year ends. Similarly for 2010.

<sup>2</sup> Key Figures: FY2010 refers to financial year ended March 2011 or December 2010 or June 2010, in accordance with their respective financial year ends of the portfolio companies. Similarly for FY2009. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
For unlisted companies, shareholder equity is used in the computations.  
Period for 1-year TSR is from 31 March 2010 to 31 March 2011.  
Period for 3-year TSR is from 31 March 2008 to 31 March 2011.  
Period for 5-year TSR is from 31 March 2006 to 31 March 2011.  
For unlisted companies, TSR is based on shareholder equity as at their respective financial year ends.

## Glossary

EVA	= Economic Value Added (excluding unusual items), attributable to investors
Market Capitalisation	= Market value as at 31 March 2011 and 31 March 2010
NA	= Not applicable
PATMI	= Profit/(Loss) after tax and non-controlling interests
Shareholder Equity	= Shareholder equity reported by the respective portfolio companies based on their annual filings
TSR	= Total Shareholder Return

Revenue		PATMI		EVA		Key figures <sup>2</sup> Change in EVA		TSR <sup>3</sup> (%) Years		
FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	1	3	5
232,570 <sup>4*</sup>	<b>276,518<sup>4</sup></b>	80,819 <sup>4*</sup>	<b>104,418<sup>4</sup></b>	43,109 <sup>4*</sup>	<b>43,203<sup>4</sup></b>	29,278 <sup>4*</sup>	<b>94<sup>4</sup></b>	13.6	15.0	NA
269,314 <sup>4</sup>	<b>325,780<sup>4</sup></b>	106,756 <sup>4</sup>	<b>134,844<sup>4</sup></b>	60,312 <sup>4*</sup>	<b>70,580<sup>4</sup></b>	12,352 <sup>4*</sup>	<b>10,268<sup>4</sup></b>	22.5	12.5	19.0
6,603	<b>7,066</b>	2,041	<b>1,632</b>	7 <sup>*</sup>	<b>73</b>	745 <sup>*</sup>	<b>66</b>	5.5	2.4	5.0
10,958 <sup>*</sup>	<b>11,729</b>	1,533	<b>2,883</b>	(1,850) <sup>*</sup>	<b>(772)</b>	(657) <sup>*</sup>	<b>1,078</b>	28.4	10.6	15.7
15,184 <sup>5</sup>	<b>16,062<sup>5</sup></b>	3,380 <sup>5</sup>	<b>4,332<sup>5</sup></b>	653 <sup>5*</sup>	<b>1,348<sup>5</sup></b>	566 <sup>5*</sup>	<b>695<sup>5</sup></b>	(3.9)	7.5	9.6
388,706	<b>422,521</b>	46,703	<b>60,933</b>	(9,359) <sup>*</sup>	<b>(31,152)</b>	(1,817) <sup>*</sup>	<b>(21,793)</b>	18.8	15.0	15.3

<sup>4</sup> Figures in RMB'm.

<sup>5</sup> Figures in USD'm.















# Includes significant interests held by Fullerton Financial Holdings Pte. Ltd.

\* Restated.

● For year ended Dec 2009/2010.

● For year ended Mar 2010/2011.

Market Capitalisation  
or Shareholder Equity<sup>1</sup>

Telecommunications, Media & Technology		Shareholding (%) as at 31 Mar 11	Currency	2010	2011
	Shin Corporation Public Company Limited	42 <sup>#</sup>	THB'm	92,831	<b>97,633</b>
	Singapore Technologies Telemedia Pte Ltd	100	SGD'm	2,106	<b>1,954</b>
	STATS ChipPAC Ltd.	84	SGD'm	2,312	<b>1,586</b>
	Bharti Airtel Limited	5	INR'm	1,184,450	<b>1,357,617</b>
	MediaCorp Pte. Ltd.	100	SGD'm	533	<b>564</b>
	Singapore Telecommunications Limited	54	SGD'm	50,505	<b>48,126</b>
<b>Transportation &amp; Industrials</b>					
	Keppel Corporation Limited	21	SGD'm	14,571	<b>19,864</b>
	Neptune Orient Lines Limited	66	SGD'm	5,187	<b>5,011</b>
	PSA International Pte Ltd	100	SGD'm	7,985	<b>8,534</b>
	Sembcorp Industries Ltd	49	SGD'm	7,365	<b>9,318</b>
	Singapore Technologies Engineering Ltd	51	SGD'm	9,648	<b>9,942</b>
	Singapore Airlines Limited	55	SGD'm	18,111	<b>16,346</b>
	Singapore Power Limited	100	SGD'm	6,783	<b>7,843</b>
	SMRT Corporation Ltd	54	SGD'm	3,095	<b>2,871</b>

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2011 refers to positions as at 31 March 2011. For unlisted companies, 2011 refers to positions as at 31 March 2011 or 31 December 2010, in accordance with their respective financial year ends. Similarly for 2010.

<sup>2</sup> Key Figures: FY2010 refers to financial year ended March 2011 or December 2010 or June 2010, in accordance with their respective financial year ends of the portfolio companies. Similarly for FY2009. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
For unlisted companies, shareholder equity is used in the computations.  
Period for 1-year TSR is from 31 March 2010 to 31 March 2011.  
Period for 3-year TSR is from 31 March 2008 to 31 March 2011.  
Period for 5-year TSR is from 31 March 2006 to 31 March 2011.  
For unlisted companies, TSR is based on shareholder equity as at their respective financial year ends.



Revenue		PATMI		EVA		Key figures <sup>2</sup> Change in EVA		TSR <sup>3</sup> (%) Years		
FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	1	3	5
8,533	<b>7,967</b>	6,496	<b>8,032</b>	732	<b>2,989</b>	(212)	<b>2,257</b>	32.9	18.4	7.3
5,977	<b>6,008</b>	(195)	<b>(271)</b>	(167)	<b>(281)</b>	(16)	<b>(114)</b>	(7.2)	13.0	14.2
1,326 <sup>4</sup>	<b>1,678<sup>4</sup></b>	10 <sup>4</sup>	<b>108<sup>4</sup></b>	(180) <sup>4*</sup>	<b>(40)<sup>4</sup></b>	(73) <sup>4*</sup>	<b>140<sup>4</sup></b>	(8.5)	(5.0)	(5.7)
418,472*	<b>594,672</b>	89,768*	<b>60,467</b>	NA <sup>5</sup>	<b>NA<sup>5</sup></b>	NA <sup>5</sup>	<b>NA<sup>5</sup></b>	14.7	(4.5)	11.7
532	<b>590</b>	79	<b>43</b>	(13)*	<b>(3)</b>	9*	<b>10</b>	5.8	(1.5)	0.4
16,871	<b>18,071</b>	3,907	<b>3,825</b>	2,402	<b>2,358</b>	533	<b>(44)</b>	(0.0)	(4.2)	8.0
12,247	<b>9,783</b>	1,625	<b>1,623</b>	1,026	<b>1,035</b>	171	<b>9</b>	44.2	14.4	17.9
6,516 <sup>4</sup>	<b>9,422<sup>4</sup></b>	(741) <sup>4</sup>	<b>461<sup>4</sup></b>	(1,194) <sup>4</sup>	<b>13<sup>4</sup></b>	(990) <sup>4</sup>	<b>1,207<sup>4</sup></b>	(3.5)	(10.7)	2.1
3,835	<b>4,076</b>	976	<b>1,179</b>	173	<b>220</b>	(330)	<b>47</b>	10.6	12.1	17.5
9,572	<b>8,764</b>	683	<b>793</b>	484	<b>495</b>	158	<b>11</b>	30.5	12.6	13.3
5,548	<b>5,984</b>	444	<b>491</b>	306	<b>369</b>	(52)	<b>63</b>	6.5	4.2	6.2
12,707	<b>14,525</b>	216	<b>1,092</b>	(1,204)	<b>(90)</b>	(594)	<b>1,114</b>	(8.1)	3.6	6.3
6,626	<b>7,805</b>	(238)	<b>924</b>	212	<b>339</b>	40	<b>127</b>	15.6	9.8	14.5
895	<b>970</b>	163	<b>161</b>	121	<b>111</b>	10	<b>(10)</b>	(3.7)	5.5	16.2

<sup>4</sup> Figures in USD'm.

<sup>5</sup> Information not available.


# Comprises significant interests held by Aspen Holdings Limited.

\* Restated.

● For year ended Dec 2009/2010.

● For year ended Mar 2010/2011.

Market Capitalisation  
or Shareholder Equity<sup>1</sup>

Life Sciences, Consumer & Real Estate		Shareholding (%) as at 31 Mar 11	Currency	2010	2011
	Olam International Limited	13	SGD'm	5,230	<b>5,965</b>
	CapitaLand Limited	39	SGD'm	16,901	<b>14,087</b>
	Li & Fung Limited	3	HKD'm	144,634	<b>160,708</b>
	Mapletree Investments Pte Ltd	100	SGD'm	5,095	<b>5,825</b>
	SATS Ltd.	43	SGD'm	2,897	<b>2,780</b>
	Surbana Corporation Pte Ltd	100	SGD'm	505	<b>544</b>
	Wildlife Reserves Singapore Pte Ltd	88	SGD'm	148	<b>162</b>
<b>Energy &amp; Resources</b>					
	Chesapeake Energy Corporation	- <sup>4</sup>	USD'm	15,387 <sup>5</sup>	<b>22,046<sup>5</sup></b>
	MEG Energy Corporation	6	CAD'm	NA <sup>6</sup>	<b>9,385</b>

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2011 refers to positions as at 31 March 2011. For unlisted companies, 2011 refers to positions as at 31 March 2011 or 31 December 2010, in accordance with their respective financial year ends. Similarly for 2010.

<sup>2</sup> Key Figures: FY2010 refers to financial year ended March 2011 or December 2010 or June 2010, in accordance with their respective financial year ends of the portfolio companies. Similarly for FY2009. Revenue for Financial Services consists of net interest income and other operating revenue.

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Period for 3-year TSR is from 31 March 2008 to 31 March 2011.  
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For unlisted companies, TSR is based on shareholder equity as at their respective financial year ends.

Revenue		PATMI		EVA		Key figures <sup>2</sup> Change in EVA		TSR <sup>3</sup> (%) Years		
FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	1	3	5
8,588	<b>10,455</b>	252	<b>359</b>	124*	<b>13</b>	NA	<b>(111)</b>	8.9	11.8	12.5
2,957	<b>3,383</b>	1,053	<b>1,273</b>	(568)	<b>(506)</b>	(57)	<b>62</b>	(14.6)	(12.3)	(1.5)
104,479	<b>124,115</b>	3,369	<b>4,278</b>	1,091	<b>1,605</b>	208	<b>514</b>	6.8	14.1	23.2
453	<b>590</b>	394	<b>747</b>	284	<b>469</b>	783	<b>185</b>	14.8	10.1	19.9
1,539	<b>1,729</b>	181	<b>191</b>	67	<b>68</b>	NA	<b>1</b>	(0.9)	9.0	7.0
266	<b>281</b>	60	<b>56</b>	46	<b>40</b>	(14)	<b>(6)</b>	9.7	23.4	24.8
91	<b>102</b>	17	<b>14</b>	5	<b>5</b>	–	–	9.4	12.5	15.3
7,702	<b>9,366</b>	(5,853)	<b>1,663</b>	NA	<b>355</b>	NA	<b>NA</b>	43.5 <sup>5</sup>	(9.0) <sup>5</sup>	2.4 <sup>5</sup>
26	<b>738</b>	51	<b>40</b>	(280)	<b>(339)</b>	177	<b>(59)</b>	40.2 <sup>7</sup>	NA	NA

<sup>4</sup> Comprising non-voting cumulative convertible preferred stock (CPS) in Chesapeake Energy Corporation (CHK).  
If converted into common shares, our interest in CHK is estimated to be approximately 2% on a fully diluted basis.

<sup>5</sup> Information relates to common shares listed on the New York Stock Exchange.

<sup>6</sup> Information not available as MEG Energy was listed on the Toronto Stock Exchange on 29 July 2010.

<sup>7</sup> Holding period TSR since listing on 29 July 2010.

\* Restated.

● For year ended Jun 2009/2010.

● For year ended Dec 2009/2010.

● For year ended Mar 2010/2011.

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