



Beyond Investing

Temasek Review 2013

TEMASEK



Beyond Investing

This 10th edition of *Temasek Review* marks the 39th anniversary since our founding in 1974.

We grew with Singapore, before venturing forth into Asia and other growing economies.

Today, our portfolio is valued at over S\$200 billion.

In our roles as an active owner investor, a forward looking institution, and a trusted steward, we are guided by our Temasek Charter and MERITT values, committed always to think beyond today, beyond investing.

Ten years ago, we formalised our policy of sustainable philanthropic giving. Over the decade, our endowments and philanthropic entities have touched the lives of over 100,000 people in Singapore and beyond.

We benefit from the shade of trees planted by those before us. The trees we plant today will provide shade for tomorrow's generation.

Contents

The Temasek Charter	4
Performance Overview	6
From Our Chairman	8
Portfolio Overview	14
Portfolio Highlights	16
Value since Inception	18
Total Shareholder Return	19
Group Financial Summary	20
Statement by Auditors	22
Statement by Directors	23
Group Financial Highlights	24
Group Income Statements	26
Group Balance Sheets	27
Group Cash Flow Statements	28
Group Statements of Changes in Equity	29
Financing Framework	30



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Shaping Our Portfolio	32
Investment Philosophy	34
Year in Review	36
Looking Ahead	38
Wealth Added Framework	40
Managing Risk	41
Shaping Our Institution	48
Our MERITT Values	50
Governance Framework	51
Board of Directors	58
Senior Management	60
The Temasek Heartbeat	64
Remuneration Principles	67
Expanding Horizons	70
Engaging Friends	72
Temasek International Panel	74
Temasek Advisory Panel	75
Commitment to Community	76
Making a Difference	78
Major Investments	84
Contact Information	94
Temasek Portfolio at Inception	96

前人栽樹，後人乘涼

*One generation plants trees,
the next generation enjoys the shade.*

Chinese proverb



The Grand Old Tembusu

Featured on Singapore's \$5 note, this majestic tree in the Singapore Botanic Gardens has been designated one of the nation's Heritage Trees. Tembusu trees are resilient natives to South East Asia; they thrive and bloom, even in adverse conditions, and can live up to 200 years.

The Temasek Charter

Temasek is an active investor and shareholder.

We deliver sustainable value over the long term.

Temasek is a forward looking institution.

We act with integrity and are committed to the pursuit of excellence.

Temasek is a trusted steward.

We strive for the advancement of our communities across generations.



Performance Overview

(as at 31 March)

We ended our financial year with a record portfolio value amidst an uncertain world. We maintained a steady course as an investor and owner, an institution and a steward, building our people and capabilities for tomorrow.

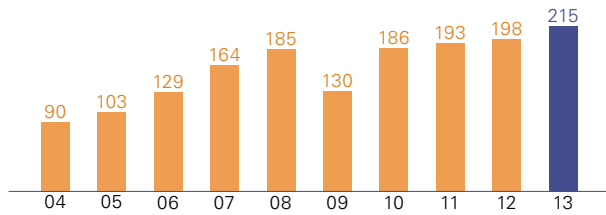
Portfolio Value

Value increased by S\$154 billion over the decade

S\$215b

Portfolio value

Portfolio Value (S\$b)



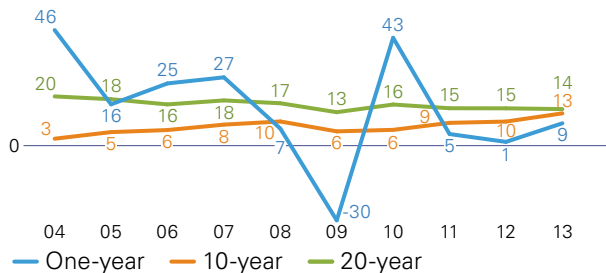
Total Return to Shareholder

Compounded annual return of 13% to shareholder over 10 years

8.86%

One-year return to shareholder

Rolling S\$ Total Shareholder Return (%)



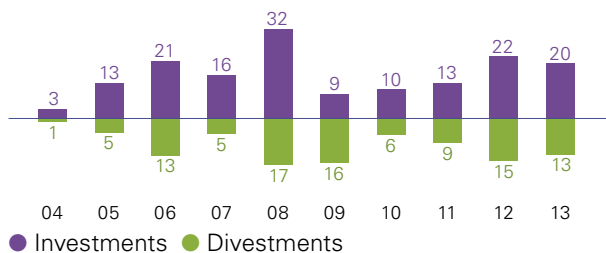
Active Investor

Invested S\$159 billion and divested S\$100 billion over the decade

S\$7b

Net investments for the year

Investments & Divestments (S\$b)



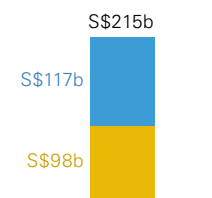
Ten-year Returns to Temasek by Vintage

Annualised 16% returns over last decade for investments older than 10 years

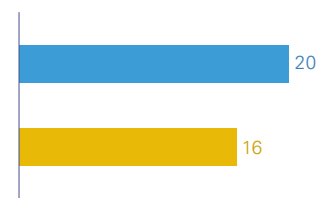
20%

Ten-year returns to Temasek on post-March 2003 investments

Portfolio Market Value¹



10-year Annualised S\$ Returns to Temasek¹ (%)



- Newer investments made after 31 March 2003
- Older investments held as at 31 March 2003

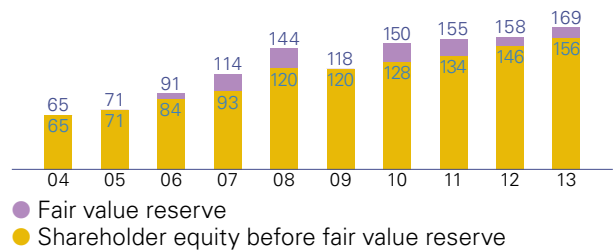
Group Shareholder Equity

Group shareholder equity of S\$156 billion before fair value reserve

S\$169b

Group shareholder equity

Group Shareholder Equity (S\$b)



- Fair value reserve
- Shareholder equity before fair value reserve

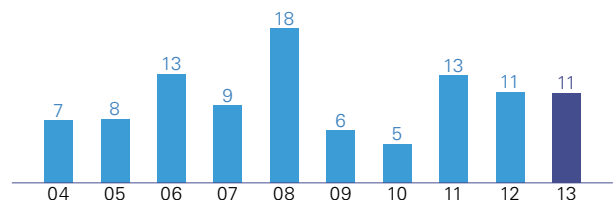
Group Net Profit

Average annual group net profit of S\$10 billion over the decade

S\$11b

Group net profit

Group Net Profit (S\$b)



¹ As at 31 March 2013.

From Our Chairman

Last year marked a turning point in the global economy.

Europe pulled back from the brink. The United States saw tentative signs of recovery, fuelled by the Fed's loose monetary policy. China prepared to reshape its economy towards a steadier and more sustainable structure.

The turmoil in major economies was cushioned by the massive and synchronised monetary easing.

Small open economies were buffeted by the sustained increase in liquidity and capital flows, including inflationary pressures on real asset pricing, from the flood of new money.

Structural risks lurk beneath the surface in Europe, China and the United States. Mid-size economies such as Korea, Mexico and Turkey are benefiting from local structural reforms.

Performance Highlights

We ended our financial year with a record net portfolio value of S\$215 billion¹ as at 31 March 2013, including a net cash position.

One-year Total Shareholder Return (TSR) was 8.86%, giving us a Wealth Added of S\$3.7 billion above our risk-adjusted cost of capital hurdle. Three-year TSR was 4.94% compounded annually.

Our longer term 10-year and 20-year TSRs were at 13% and 14% respectively. TSR since inception in 1974 was 16%.

Over the last decade, our portfolio value more than tripled in Singapore dollar terms² from a trough of S\$61 billion in March 2003.

Our exposure to Asia remained steady at 71%. This included our Singapore portfolio, which kept pace with overall portfolio growth at about a third of our underlying exposure over the last six years.

Over 73% of our portfolio was held in liquid and listed assets.

As a group, shareholder equity increased to S\$169 billion, including fair value reserve of S\$13 billion.

14%

Twenty-year TSR

16%

TSR since inception

¹ US\$173 billion as at 31 March 2013.

² Temasek's portfolio value grew over five times in US\$ terms from US\$34 billion at end March 2003, in part reflecting the S\$ appreciation over US\$ during the decade.

Group net profit was stable at S\$11 billion, with higher realised gains from Temasek's investment activities being offset by weaker performance at some of our portfolio companies, which were impacted by a softer global economy last year.

Dividends, distributions and divestment proceeds remain the primary source of our investment funding, supplemented by the occasional debt issuance.

Standard & Poor's and Moody's continue to rate us AAA/Aaa respectively; our 10th year as a triple-A credit since our inaugural rating in 2004.

Favourable credit markets during the last financial year gave us the opportunity to issue two long-dated US dollar bonds totalling US\$1.7 billion. Meanwhile, we continue to explore the possibility of issuing retail bonds.

Investment Activities

In total, we made S\$20 billion of investments and S\$13 billion of divestments during the year. Major net investments were in the energy and resources sectors, and in North America and Europe.

During the year, we rebalanced our financial services portfolio, with S\$8 billion of investments and S\$7 billion of divestments. We increased our stake in ICBC, the world's largest bank by market capitalisation, and deepened our exposure to Asia's insurance industry with stakes in AIA and Ping An. The financial services sector remained our largest exposure at 31% of our portfolio.

We increased investments in our energy and resources portfolio, with net investments of S\$4 billion. This included a 6% stake in Repsol, a listed Spanish integrated oil company with substantial international operations. We also invested in Kunlun Energy, a Chinese gas transmission and midstream company, and in Cheniere Energy, a US company which is building a liquefied natural gas (LNG) export terminal.

In the resources space, we invested in Turquoise Hill Resources, a Canadian-listed international mining company with assets mainly in Mongolia.

In Singapore, we participated in the bond cum warrants rights issue of Olam International. Subsequent to the rights issue, we increased our stake from 16% to almost 23% through a series of market purchases.

Post March 2013, we took a stake in Markit, a financial information services company.

S\$215b

Record
portfolio value

73%

Portfolio held in liquid
and listed assets

Singapore and China remained our largest exposures by geography in terms of underlying assets, at 30% and 23% respectively as at 31 March 2013.

Our exposure to North America and Europe grew to 12%, arising from various energy and resources investments, and other investments such as a 4.6% stake in Evonik, a German specialty chemical company.

Australia and New Zealand exposure declined marginally to 13% of our portfolio, while Latin America exposure increased to 2%.

As part of our investment and divestment activities, we occasionally use put and call options. These amounted to a gross notional S\$222 million as at 31 March 2013.

We remain primarily a direct equity investor with less than 10% of our portfolio in third party managed funds.

Institutional Initiatives

Organisationally, we seek opportunities to seed and grow new businesses.

Our newly established Enterprise Development Group will bring together many of our existing platforms and initiatives, ranging from venture investments in early stage businesses to the development of new business models that cater to changing opportunities and needs.

During the year, we established Pavilion Energy with an initial capital commitment of US\$1 billion, to invest in the region's growing needs for clean energy, especially around the LNG supply chain. Pavilion Energy will develop as an independent Temasek portfolio company with its own board, management and operating capabilities.

Heliconia Capital Management provides growth capital for Singapore-based small and medium sized enterprises. It has made early stage co-investments in Singapore-based companies, such as Heptagon, a leading developer of advanced micro optics used in smart phone cameras, and Razer Inc., a leader in high-performance video game systems.

S\$20b
Investments

S\$13b
Divestments

Clifford Capital commenced operations in late 2012, with a focus on financing Singapore-based companies to grow into new markets. Vertex invests in early stage companies in Asia and the United States. Together with Heliconia, they provide capital at various growth stages for smaller enterprises.

Our joint venture investments with Malaysia's Khazanah Nasional Berhad in Singapore and Malaysia are on track. Projects in Singapore have broken ground. In Johor, one wellness-related project in Iskandar Malaysia was successfully launched in June, with another to be launched by end 2013.

As an institution, we continue to deepen our competencies and improve our operational systems, be it our Temasek Long Term Returns Simulation model, or our IT platforms to enhance workflow and risk mitigation.

We are working to establish offices in Europe and the United States to strengthen our capabilities in these markets.

Beyond Investing

We are more than just an investor.

We are first and foremost a long term owner, focused on building and shaping our portfolio for future generations. We are mindful of our role as a forward looking institution, to challenge ourselves to prepare for the future and to focus on building for the long term. We take our responsibility as a steward to heart, striving for the advancement of the communities we touch.

As an active investor and shareholder, we are committed to deliver sustainable value over the long term.

As a forward looking institution, we set markers for ourselves to instil institutional discipline. The publication of our *Temasek Review*, the 10th edition since 2004, is one such public marker. Voluntarily seeking credit ratings and issuing Temasek Bonds are part and parcel of our institution building process.

Temasek contributes to the Singapore Government budget, at a sustainable pace, via the dividends we pay to our shareholder and tax on our profits. However, we see our role as a trusted steward going beyond dividends and taxes.

S\$169b

Group shareholder equity

S\$11b

Group net profit

Our endowments help develop people and rebuild lives.

Singapore is a small city-state, with no natural resources, a relatively small population and a very open, competitive economy. The strength of Singapore's economy is, in no small part, due to its strong reserves position. We aim to continue contributing to Singapore budgets through the future returns on investments that Temasek makes today.

Beyond investing, we are building a group of stakeholders who share in the success of Temasek – such as the non-profit philanthropic organisations (NPPOs) we endow. We share our returns above our risk-adjusted hurdle by making endowments for community causes. Our endowments fund the NPPOs on a sustainable basis. They, in turn, help develop people and rebuild lives, through education, healthcare, knowledge and a sense of community.

For a society to thrive and its people to grow, each generation must plant trees to shade the next. We in Temasek work hard to plant trees in more ways than one.

In Appreciation

We could not have succeeded without the support of many others.

My thanks go to my Board colleagues for their trust and confidence, and for their dedication to the Temasek mission. I have worked with many fine people on our Board who have shared the responsibility of guiding Temasek's journey.

I am very pleased to welcome Lucien Wong, who joined our Board in March 2013. Lucien brings with him extensive experience and insights as a leading member of the legal community. As I mentioned last year, Lim Boon Heng joined the Board in June 2012. I also wish to record the Board's special appreciation to Kwa Chong Seng, who served close to 15 years as Director and Deputy Chairman, before retiring in May 2012.

I extend my appreciation to the Temasek team – past and present, as it continues to build and shape the institution. The team has been quick to embrace change and renew itself periodically. Collectively, they are dedicated stewards of Temasek's future.

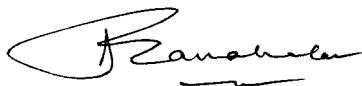
My thanks go to a wider group of stakeholders as well, starting with our shareholder, the Minister for Finance¹. Ministers who have held that office have been committed to Temasek's role as a long term investor. This has given us the confidence to undertake some major investments, knowing that we would have to ride periods of significant market volatility.

The Minister for Finance has always maintained the discipline of its role as a shareholder, by not interfering in Temasek's decisions reserved for the Board and management. This has enabled us to operate on a commercial basis, in pursuit of our Temasek Charter.

I reserve a special affection for the portfolio stalwarts which have been with us for many years – some established even before our inception in 1974. I have watched them grow from purely Singapore companies to leading players in the region or the world. They provided the stable and deep base from which Temasek could grow confidently into Asia and beyond.

To our friends, at home and abroad, we thank you for your support and guidance. Our Temasek International Panel (TIP), Temasek Advisory Panel and TIP emeritus members consist of some of the world's finest business minds and their insights are invaluable to us.

As we enter our 40th year, the spirit of Temasek endures. We cherish our role as an active investor and an owner, doing things today always with tomorrow in mind. We relish the challenge of going beyond investing, and embrace the responsibility of being a trusted steward for our society and our future generations.



S DHANABALAN

Chairman

July 2013

Each generation must plant trees to shade the next. We plant trees in more ways than one.

¹ Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate, which is the shareholder of Temasek.





Portfolio Overview

Portfolio Highlights	16
Value since Inception	18
Total Shareholder Return	19

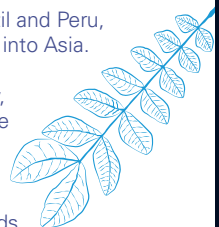
“Everybody can make investments, but we aim to safeguard and increase wealth across generations.”

Kristian Zimmermann, Director,
Risk Management

Rain Tree

A native of Mexico, Brazil and Peru, the rain tree has ranged into Asia.

It has a characteristic umbrella-shaped canopy, and folds its leaves in the rain, allowing rain to moisten the ground below. The rain tree is host to many animals, birds and insects that feed on its fruits and flowers.



Portfolio Highlights

(as at 31 March)

Temasek has a net portfolio of S\$215 billion, comprising mostly equities. It has an underlying exposure of 58% to mature economies¹ and 42% to growth regions².



Global Exposure³

41%

Asia ex-Singapore

30%

Singapore

25%

North America &
Europe, Australia
& New Zealand

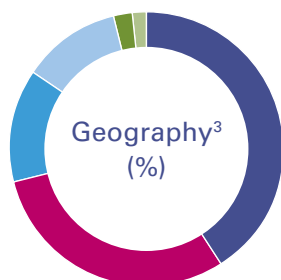
4%

Latin America,
Africa, Central Asia
& the Middle East

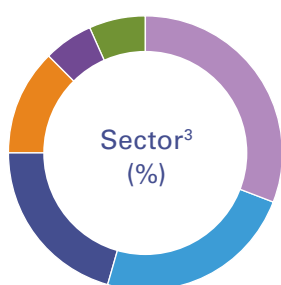
¹ Singapore, Japan & Korea, North America & Europe, Australia & New Zealand.

² Asia (excluding Singapore, Japan & Korea), Latin America, Africa, Central Asia & the Middle East.

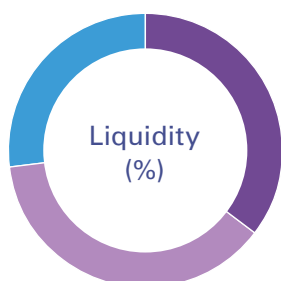
³ Distribution based on underlying assets.



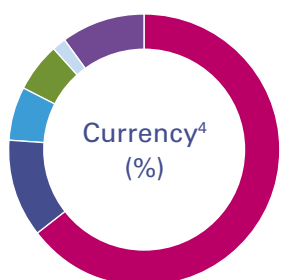
	2013	2012
● Asia ex-Singapore	41	42
● Singapore	30	30
● Australia & New Zealand	13	14
● North America & Europe	12	11
● Latin America	2	1
● Africa, Central Asia & the Middle East	2	2



	2013	2012
● Financial Services	31	31
● Telecommunications, Media & Technology	24	24
● Transportation & Industrials	20	21
● Life Sciences, Consumer & Real Estate	12	12
● Energy & Resources	6	6
● Others	7	6



	2013	2012
● Listed large blocs (≥20% share)	38	37
● Liquid & sub-20% listed assets	35	36
● Unlisted assets	27	27



	2013	2012
● Singapore dollars	65	65
● Hong Kong dollars	11	12
● US dollars	6	7
● British pounds sterling	6	6
● Euros	2	1
● Others	10	9

⁴ Distribution based on currency of denomination.

Value since Inception

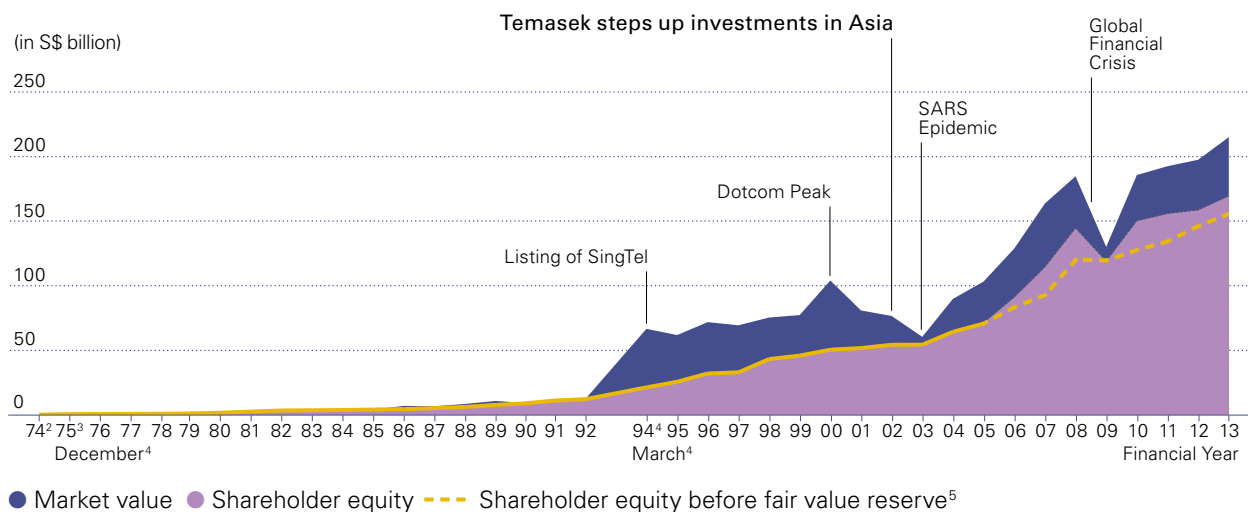
Formed in 1974, Temasek began with a portfolio of S\$354 million.

Comprising mostly startups and joint ventures, our initial portfolio¹ included a low-cost bird park, which was a recreational facility cum pollution alert system in a nascent, industrialising Singapore. Some of our portfolio companies have since become iconic Singapore brands like Singapore Airlines and the Singapore Zoo. Others have grown to become reputable regional or global businesses, such as DBS and Keppel.

Two decades later, the Singapore Government decided to liberalise various domestic services. Four statutory entities – SingTel, PSA, Singapore Power and MediaCorp – were corporatised and transferred to Temasek to be managed commercially. Some were later restructured. Power generating assets and street lighting were spun off from Singapore Power and sold via competitive tenders, while Singapore Power itself went on to invest in Australian grid assets. Spin-offs from PSA grew into new businesses, such as Mapletree Investments in regional real estate, while PSA transformed itself into an international port operator.

Over the last decade, Temasek's portfolio has grown from a trough of S\$61 billion in March 2003, to a record S\$215 billion in March 2013.

Temasek Portfolio Value since Inception



¹ See the list of companies in the initial portfolio on page 96.

² Incorporation of Temasek on 25 June 1974.

³ Financial year 75 began on 25 June 1974 and ended 31 December 1975.

⁴ Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.

⁵ FRS39 *Financial Instruments: Recognition and Measurement*, introduced during year ended 31 March 2006, requires available-for-sale financial assets to be measured at fair value.

Total Shareholder Return

Total Shareholder Return (TSR) measures compounded annual returns to our shareholder. It includes dividends to our shareholder and excludes capital injections from our shareholder.

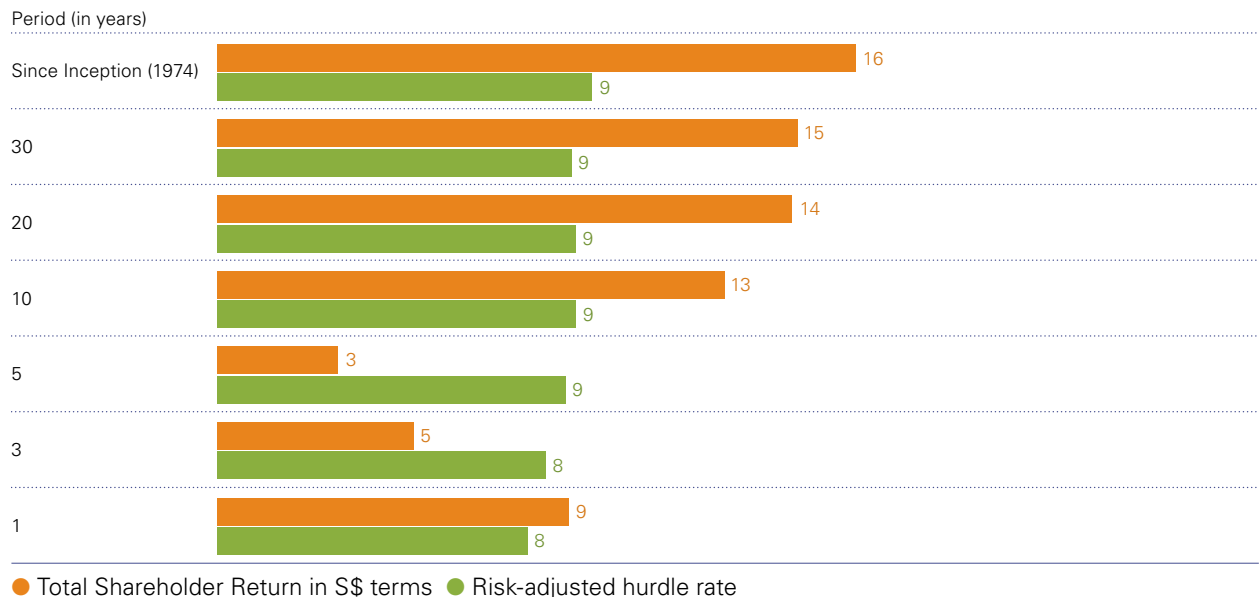
For the financial year ended 31 March 2013, our one-year TSR in Singapore dollar denomination⁶ was 8.86%, while our three-year TSR was 4.94%.

Longer term TSRs for 10, 20 and 30 years were 13%, 14% and 15% respectively. TSR since inception was 16% compounded annually over 39 years.

Average risk-adjusted hurdle rates for Temasek have been around 8-9% through the years. Annualised core inflation in Singapore has been about 2.0%⁷ over the past 10 years.

S\$ Total Shareholder Return and Risk-adjusted Hurdle Rate (%)

(as at 31 March 2013)



⁶ TSR in US\$ terms was 10%, 9%, 5%, 17%, 16%, 17% and 18% for 1, 3, 5, 10, 20, 30 and 39-year periods respectively.

⁷ As of the year ended March 2013, annualised core inflation in Singapore was 2.2%, 2.2%, 2.0% and 1.7% for 1, 3, 10 and 20-year periods respectively (Source: *Monetary Authority of Singapore*).



Group Financial Summary

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

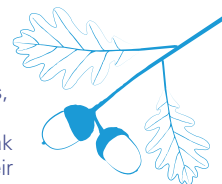
Financing Framework	30
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“We invest not only to generate wealth, but also to build institutions, develop people and give back to our society.”

Camie Yu, Associate Director, Investment

Oak

Grown from tiny acorns, and home to owls and squirrels, the mighty oak trees are known for their size, strength, hardiness and longevity. These trees have one of the world’s hardest woods, and typically start producing acorns after about 20 years of growth.



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, 2011, 2012 and 2013 and have issued unqualified audit reports¹. 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 LLP² whose auditors’ reports³ 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 2013 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 2013 and Group Statements of Changes in Equity for the financial years ended 31 March 2012 and 2013, which is 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

26 June 2013

¹ Dated 16 July 2008, 15 July 2009, 1 July 2010, 29 June 2011, 27 June 2012 and 26 June 2013 respectively.

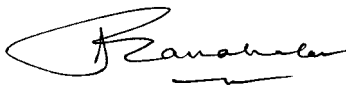
² PricewaterhouseCoopers LLP was converted from a partnership to a limited liability partnership on 1 January 2009.

³ 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 2013. Our auditors for the financial years ended 31 March 2004 to 2007, PricewaterhouseCoopers LLP², 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

26 June 2013



HO CHING

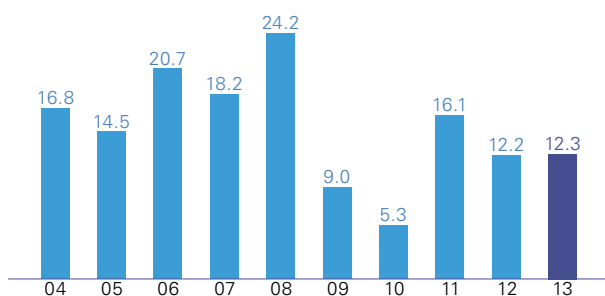
Executive Director & Chief Executive Officer

26 June 2013

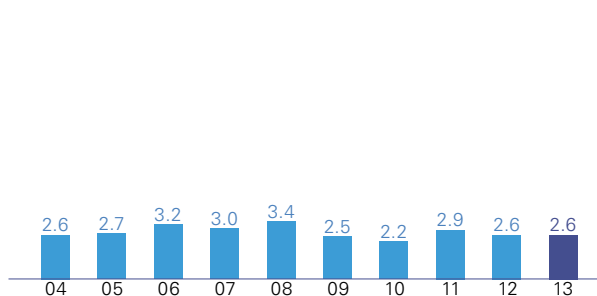
Group Financial Highlights¹

(for year ended 31 March)

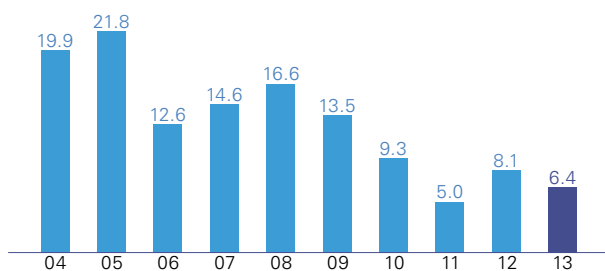
Profit Margin² (%)



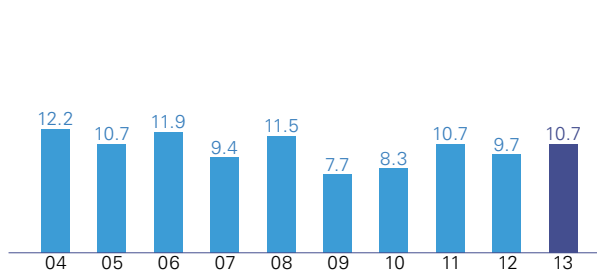
VA/Employment Cost³



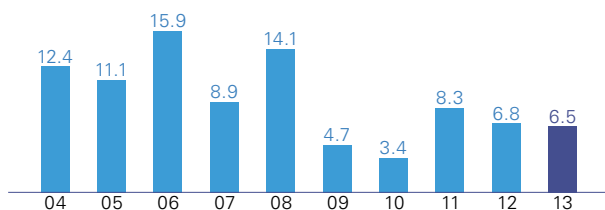
Net Debt to Capital⁴ (%)



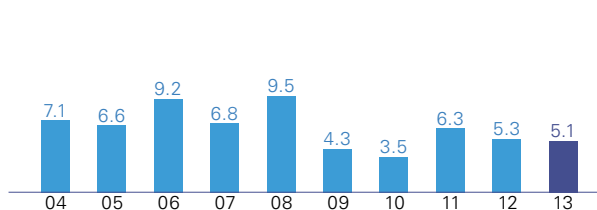
EBITDA Interest Coverage⁵



Return on Average Equity⁶ (%)



Return on Average Assets⁷ (%)



¹ The Group Financial Summary, including highlights as set out from pages 24 to 29, is prepared and presented based on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004 to 2013.

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

³ Gross value added per dollar of employment cost.

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

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

⁶ Profit attributable to equity holder of the Company expressed as a percentage of average shareholder equity.

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

Group Income Statements (in S\$ billion)

For year ended 31 March	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue	56.5	67.5	79.8	74.6	83.3	79.6	76.7	83.5	83.5	83.8
Profit before income tax	11.8	12.2	19.0	14.3	25.5	10.4	8.5	17.8	14.8	15.2
Profit attributable to equity holder of the Company	7.4	7.5	12.8	9.1	18.2	6.2	4.6	12.7	10.7	10.6

Group Balance Sheets (in S\$ billion)

As at 31 March	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total assets	180.8	199.1	213.7	242.4	295.5	247.9	284.8	297.9	302.6	317.4
Shareholder equity before fair value reserve	64.5	70.9	83.6	92.9	120.2	119.9	127.8	134.6	146.4	155.9
Fair value reserve ⁸	–	–	7.0	21.1	23.9	(1.5)	21.9	20.9	11.8	13.2
Shareholder equity	64.5	70.9	90.6	114.0	144.1	118.4	149.7	155.5	158.2	169.1
Net debt ⁹	21.9	26.9	16.7	23.6	33.8	22.1	17.8	9.5	16.1	13.3

⁸ Prior to the financial year ended 31 March 2006, long term investments were stated at cost less allowance for diminution in value. With the introduction of FRS39 *Financial Instruments: Recognition and Measurement* during the financial year ended 31 March 2006, available-for-sale financial assets (AFS) were required to be measured at fair value. At each reporting date, AFS are remeasured at their fair value. Changes in fair value, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity until the AFS are disposed. Impairment losses are recognised in the income statement.

⁹ Total debt less cash and cash equivalents.

Group Income Statements

In S\$ billion

For year ended 31 March	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue	56.5	67.5	79.8	74.6	83.3	79.6	76.7	83.5	83.5	83.8
Cost of sales	(37.7)	(43.8)	(53.3)	(49.3)	(53.3)	(57.5)	(50.7)	(53.0)	(56.3)	(56.0)
Gross profit	18.8	23.7	26.5	25.3	30.0	22.1	26.0	30.5	27.2	27.8
Other income	5.9	4.1	9.4	8.3	15.8	16.2	4.5	4.9	6.3	5.0
Expenses:										
Selling & Distribution	(3.6)	(3.9)	(4.1)	(4.3)	(5.2)	(5.0)	(5.3)	(5.8)	(5.6)	(5.2)
Administrative	(5.7)	(7.0)	(8.0)	(8.1)	(8.6)	(8.1)	(8.7)	(7.3)	(8.0)	(8.2)
Finance	(1.7)	(2.1)	(2.4)	(2.6)	(3.2)	(2.7)	(2.4)	(2.6)	(2.6)	(2.4)
Other expenses	(4.2)	(5.0)	(4.9)	(5.1)	(8.7)	(15.3)	(10.0)	(6.2)	(7.1)	(6.7)
Profit before share of results of associated companies, partnerships and joint ventures	9.5	9.8	16.5	13.5	20.1	7.2	4.1	13.5	10.2	10.3
Share of results of associated companies and partnerships	1.5	1.4	1.2	(0.8)	3.2	1.3	2.4	2.6	3.0	3.2
Share of results of joint ventures	0.8	1.0	1.3	1.6	2.2	1.9	2.0	1.7	1.6	1.7
Profit before income tax	11.8	12.2	19.0	14.3	25.5	10.4	8.5	17.8	14.8	15.2
Income tax expense	(2.1)	(1.8)	(2.5)	(1.3)	(3.0)	(1.3)	(1.7)	(2.0)	(1.4)	(1.9)
Profit from continuing operations	9.7	10.4	16.5	13.0	22.5	9.1	6.8	15.8	13.4	13.3
Profit from discontinued operations	–	*	*	*	–	–	–	–	–	–
Total profit	9.7	10.4	16.5	13.0	22.5	9.1	6.8	15.8	13.4	13.3

Profit attributable to:

Equity holder of the Company	7.4	7.5	12.8	9.1	18.2	6.2	4.6	12.7	10.7	10.6
Non-controlling interests	2.3	2.9	3.7	3.9	4.3	2.9	2.2	3.1	2.7	2.7
Total profit	9.7	10.4	16.5	13.0	22.5	9.1	6.8	15.8	13.4	13.3

* Less than S\$0.1 billion.

Group Balance Sheets

In S\$ billion

As at 31 March	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Shareholder equity before fair value reserve	64.5	70.9	83.6	92.9	120.2	119.9	127.8	134.6	146.4	155.9
Fair value reserve ¹	–	–	7.0	21.1	23.9	(1.5)	21.9	20.9	11.8	13.2
Shareholder equity	64.5	70.9	90.6	114.0	144.1	118.4	149.7	155.5	158.2	169.1
Non-controlling interests	23.9	25.3	25.4	24.4	25.7	22.6	23.5	24.0	23.5	25.6
	88.4	96.2	116.0	138.4	169.8	141.0	173.2	179.5	181.7	194.7
Property, plant and equipment	61.6	69.3	65.6	65.5	75.3	68.2	68.0	66.8	67.8	69.0
Intangibles	13.5	14.7	14.5	14.8	21.4	19.9	19.1	18.9	17.9	18.1
Investments in associated companies, partnerships and joint ventures	15.7	17.0	27.1	35.0	39.5	41.1	44.6	42.1	49.5	52.8
Financial assets	11.7	13.8	27.5	52.3	73.9	40.2	64.2	65.3	60.7	70.0
Investment properties	8.2	7.8	1.8	3.6	5.0	5.3	6.5	7.1	7.9	4.3
Properties under development	0.4	0.5	0.5	0.2	0.6	0.8	0.2	0.2	0.4	0.5
Other non-current assets	6.5	8.3	10.0	10.4	9.4	9.5	10.2	11.3	10.7	11.9
Deferred tax assets	1.6	2.1	1.7	1.6	1.8	2.0	1.8	1.7	1.5	1.4
Net current assets/ (liabilities)	15.8	14.7	12.6	8.4	(3.1)	11.8	22.0	27.6	32.8	33.4
Current assets	61.6	65.6	65.0	59.0	68.6	60.9	70.2	84.5	86.2	89.4
Current liabilities	(45.8)	(50.9)	(52.4)	(50.6)	(71.7)	(49.1)	(48.2)	(56.9)	(53.4)	(56.0)
	135.0	148.2	161.3	191.8	223.8	198.8	236.6	241.0	249.2	261.4
Non-current liabilities	(46.6)	(52.0)	(45.3)	(53.4)	(54.0)	(57.8)	(63.4)	(61.5)	(67.5)	(66.7)
	88.4	96.2	116.0	138.4	169.8	141.0	173.2	179.5	181.7	194.7

¹ Prior to the financial year ended 31 March 2006, long term investments were stated at cost less allowance for diminution in value. With the introduction of FRS39 *Financial Instruments: Recognition and Measurement* during the financial year ended 31 March 2006, available-for-sale financial assets (AFS) were required to be measured at fair value. At each reporting date, AFS are remeasured at their fair value. Changes in fair value, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity until the AFS are disposed. Impairment losses are recognised in the income statement.

Group Cash Flow Statements

In S\$ billion

For year ended 31 March	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating cash flow before working capital changes	13.9	16.9	18.6	17.6	21.2	14.0	16.4	20.2	16.8	18.4
Changes in working capital	(2.5)	(4.4)	2.6	2.5	(0.3)	1.5	(4.1)	(2.9)	(1.6)	(3.2)
Cash generated from operations	11.4	12.5	21.2	20.1	20.9	15.5	12.3	17.3	15.2	15.2
Income tax paid	(1.2)	(1.5)	(1.6)	(1.6)	(2.0)	(1.8)	(1.3)	(1.3)	(2.0)	(1.7)
Net cash inflow from operating activities	10.2	11.0	19.6	18.5	18.9	13.7	11.0	16.0	13.2	13.5
Net cash inflow/(outflow) from investing activities	(7.7)	(4.7)	(16.5)	(23.3)	(30.4)	0.1	(5.3)	(4.9)	(14.8)	(11.8)
Net cash inflow/(outflow) from financing activities	6.8	(4.8)	(0.2)	2.2	13.3	(6.4)	(0.2)	(1.7)	(1.4)	2.0
Net increase/(decrease) in cash and cash equivalents held	9.3	1.5	2.9	(2.6)	1.8	7.4	5.5	9.4	(3.0)	3.7

Group Statements of Changes in Equity

In S\$ billion

	Attributable to Equity Holder of the Company				Total
	Share Capital and Other Reserves	Revenue Reserves	Currency Translation Reserves	Non- controlling Interests	
Balance at 1 April 2011	69.4	90.1	(4.0)	24.0	179.5
Total profit	–	10.7	–	2.7	13.4
Others, net ¹	(5.2)	(2.5)	(0.3)	(3.2)	(11.2)
Balance at 31 March 2012	64.2	98.3	(4.3)	23.5	181.7
Total profit	–	10.6	–	2.7	13.3
Others, net ¹	4.3	(2.3)	(1.7)	(0.6)	(0.3)
Balance at 31 March 2013	68.5	106.6	(6.0)	25.6	194.7

¹ 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 publish our *Temasek Review*, obtain credit ratings and issue Temasek Bonds as public markers of our financial discipline and credit quality.

Since our inaugural rating in 2004, we have been credit rated as an investment company at AAA/Aaa by Standard & Poor's Ratings Services (S&P) and Moody's Investors Service (Moody's) respectively.

Under our US\$10 billion Guaranteed Global Medium Term Note (MTN) Programme, we have, to date, issued a total of 13 Temasek Bonds in US dollars, Singapore dollars and British pounds sterling. The MTN Programme and all the Temasek Bonds are AAA/Aaa rated.

The total amount outstanding under our MTN Programme as at 31 March 2013 was about S\$11.7 billion¹ with a weighted average maturity of over 14 years. They range from our maiden 10-year T2015-US\$ Temasek Bond issued in September 2005, to the latest issues in July 2012 of the 10.5-year T2023-US\$ and the 30-year T2042-US\$ Temasek Bonds.

Our total outstanding short term borrowings were S\$1.6 billion² as at 31 March 2013. This included S\$1.3 billion³ of outstanding Euro-commercial Paper (ECP) issued under our US\$5 billion ECP programme with the highest short term ratings of A-1+ by S&P and P-1 by Moody's.

Together, our long and short term debt issuance programmes⁴ supplement our primary sources of funds, which include divestment proceeds, dividends from portfolio companies and distribution from fund investments.

We closed our financial year ended 31 March 2013 in a net cash position.

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

¹ Approximately US\$9.4 billion as at 31 March 2013.

² Approximately US\$1.3 billion as at 31 March 2013.

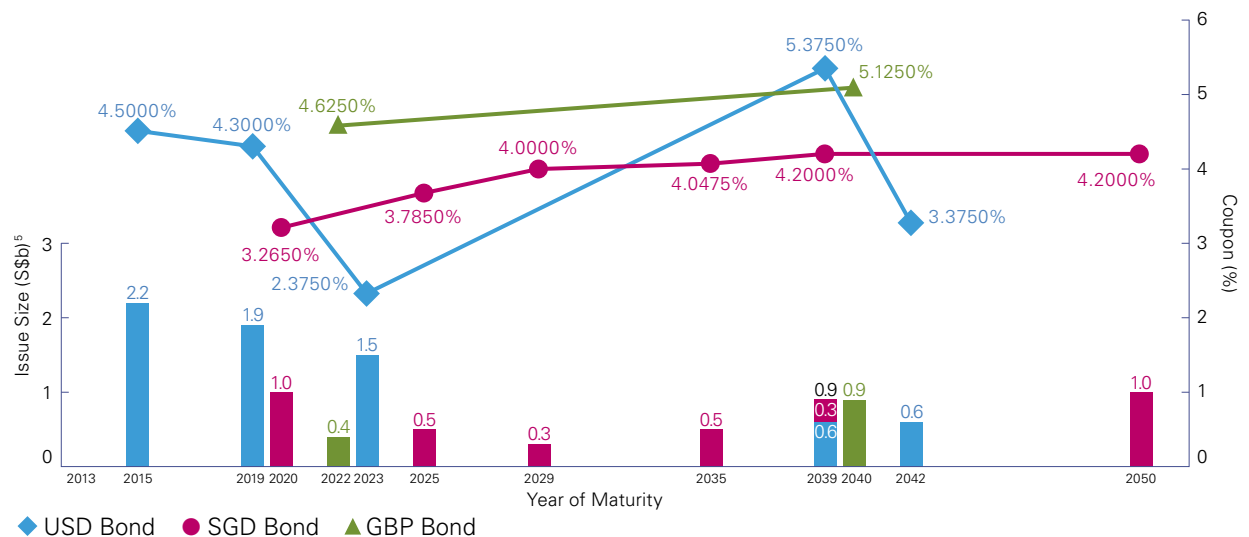
³ Approximately US\$1.0 billion as at 31 March 2013.

⁴ Total outstanding was S\$13.0 billion or approximately US\$10.4 billion as at 31 March 2013 under a combined programme size of US\$15 billion.

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
T2023-US\$	USD	1.2	10.5	2.3750	2.4660	23 Jul 12	23 Jan 23
T2039-US\$	USD	0.5	30	5.3750	5.4410	23 Nov 09	23 Nov 39
T2042-US\$	USD	0.5	30	3.3750	3.5020	23 Jul 12	23 Jul 42
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
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

Temasek Bonds – Issue Size and Coupon



⁵ Exchange rates as at 31 March 2013.





Shaping Our Portfolio

Investment Philosophy	34
Year in Review	36
Looking Ahead	38
Wealth Added Framework	40
Managing Risk	41

“Being thoughtful, creative and bold in how we shape our environment to generate value for ourselves, our partners and community.”

Neo Gim Huay, Director,
Enterprise Development Group



Moreton Bay Fig

An evergreen banyan tree native to Australia, the large Moreton Bay Fig is best known for its beautiful buttress roots, while its abundant production of fruit makes it a key source of food for birds.

Investment Philosophy

We think and act as owners of our portfolio as a whole, to deliver sustainable long term value to our stakeholders.

The early successes of Temasek and its Singapore portfolio companies rode on the transformation of Singapore from third world to first.

Since 2002, we capitalised on the growth of Asia to strengthen our portfolio potential for the long term. We also benefited from the regional and global growth of our Singapore portfolio companies.

Newer vintage investments, younger than 10 years old, delivered annualised returns of 20% to Temasek over the last decade, while investments held prior to 2003 delivered an annualised 16% over the same period.

Our investments over the last decade have been based on the following themes:

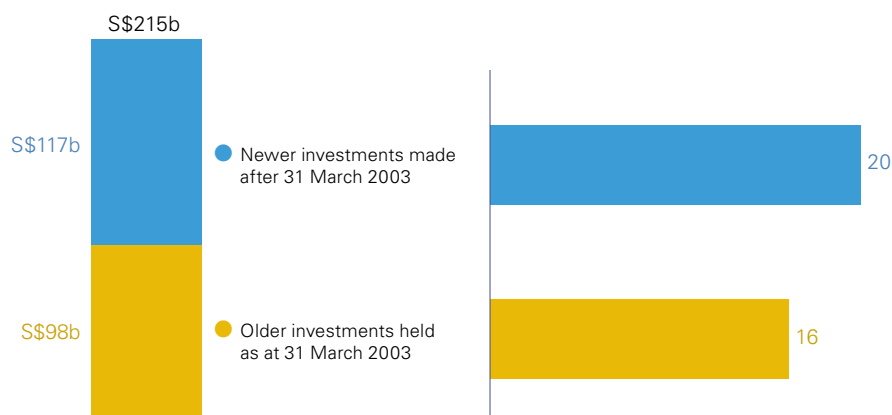
- Transforming Economies
- Growing Middle Income Populations
- Deepening Comparative Advantages
- Emerging Champions

Guided broadly by our investment themes, we seek to build a portfolio that delivers returns sustainably over the long term. We track total investment returns against the relevant investment risk-adjusted hurdle.

As an owner, we have the flexibility to take concentrated positions with a long or short time horizon, and invest, divest or remain liquid when it makes sense. Our capital structure allows us to take a view on long term trends without being concerned about short term volatility.

Portfolio Market Value¹

10-year Annualised S\$ Returns to Temasek¹ (%)



¹ As at 31 March 2013.

As a shareholder, we identify value creation opportunities with a view to building our portfolio value over the long term. We engage with the boards and management of our portfolio companies to share our perspectives and promote strong governance, but look to them to execute their strategies and manage day to day operations. We review our portfolio regularly and maintain the full flexibility to reshape it as opportunities arise.

In recent years, we have increased focus on sectors such as energy, resources, technology, consumer and other middle income needs, with an active rebalancing of various sectors as needed. We expect to continue this reshaping of the portfolio in the short and medium term. In terms of geography, Asia will continue to be our primary focus for new investments, but we have started increasing our pace of investments in the Americas and Europe.

We believe that our strong industry focus, local market presence in key geographies and global network of relationships give us unique insights into investment opportunities.

To deepen our insights, particularly in new markets that we enter, and to open opportunities through co-investment, we invest a small percentage of our portfolio in third party managed private equity and credit funds. We also share some of the opportunities we identify with like-minded co-investors.

From time to time, we may express our equity views through put and call options. Such decisions depend on our interest to invest or divest selected positions, and on market conditions. As at 31 March 2013, we had a gross notional S\$222 million of put and call options.

Framework for Sustainable Value

Making investments

- Intrinsic value tests
- Maintain flexible stance
- Optimise leverage
- Create optionality
- Mitigate risks
- Alternative instruments

Managing investments

- Risk-adjusted returns
- Sound governance
- Capable leadership
- Operational excellence
- Human capital
- Portfolio overlay
- Monitoring

Shaping investments

- Intrinsic value tests
- Buy/sell
- Trade/swap
- Rationalise/restructure
- Develop optionalities
- Co-invest
- Seeding new businesses

Year in Review

Over the last decade, we invested S\$159 billion and divested S\$100 billion, mostly in Asia.

During the last financial year ended 31 March 2013, we invested S\$20 billion and divested S\$13 billion. Net investments totalled S\$7 billion.

Financial services remained our largest exposure by sector, accounting for 31% of our portfolio. However, for the second consecutive year, investments in energy and resources were the largest contributors to our net investments, in line with our strategy. Energy and resources accounted for 6% of our portfolio.

Within financial services, we added investments to the insurance sub-sector, with a 2% stake in AIA Group, the largest independent listed pan-Asian life insurance group, and 1% of Ping An Insurance Group in China. These investments give us access to some of the world's largest under-penetrated insurance markets.

In the resources sector, we invested in Turquoise Hill Resources, a Canadian-listed international mining company, which among other things, is the 66% owner of the *Oyu Tolgoi*¹ copper-gold project in Mongolia.

On a geographic basis, Asia ex-Singapore made up 41%² of our portfolio, with Singapore another 30%; similar to last year. These markets continued to attract the largest proportion of our investments. However, there were also new investments in North America and Europe, which together accounted for 12% of our portfolio.

European deleveraging presented some interesting opportunities. We made our first investment in Spain; a 6% stake in Repsol, an integrated oil company headquartered in Madrid, with substantial international operations.

In Germany, we took a 4.6% stake in Evonik Industries, a specialty chemicals company.

In North America, we invested in some fast growing companies in the technology and energy sectors. We took a 13% stake in Jasper, a global cloud based platform that enables mobile operators to provide machine to machine services. We also invested in Venari Resources, an oil company focused on deep water exploration in the Gulf of Mexico.

In China, we continued to rebalance our stakes in the Chinese banks, with an increased exposure to the Industrial and Commercial Bank of China (ICBC). Other investments in China included a follow-on investment in Alibaba Group, a leading e-commerce company in China, and Kunlun Energy, a gas transmission and midstream company.

12%

Underlying exposure
to North America
and Europe

30%

Underlying assets
in Singapore

¹ The Mongolian phrase, *Oyu Tolgoi*, means Turquoise Hill, reflecting the bluish green tints of oxidised copper on the rocks.

² This includes a 23% underlying exposure to China.

In India, we invested S\$128 million in Godrej Agrovet, an agribusiness company, furthering our partnership with the Godrej Group.

New investments in other growth markets included S\$374 million in exchangeable rights for shares in PT Matahari Putra Prima Tbk, a leading operator of hypermarkets in Indonesia. We also invested in Halkbank, a leading SME bank in Turkey, as part of the government's divestment programme. In Latin America, we made a S\$86 million investment in Netshoes, a leading sporting goods and apparel online retailer, with operations in Brazil, Mexico and Argentina.

In Singapore, we had an opportunity to invest further in Olam, a global supply chain manager and processor of agricultural products and food ingredients. In addition to participating in the bond cum warrants rights issue, we also increased our stake to almost 23% as at 31 March 2013.

During the year, we invested in several new platforms to complement our investing activities.

We established Pavilion Energy, to participate in the region's growing energy needs, especially around the LNG supply chain.

Heliconia Capital Management was established to provide growth capital to Singapore based small and medium sized enterprises. It invested in two SME growth funds, Dymon Asia and Credence, and co-invested alongside them in a number of Singapore based companies.

We also increased our investment in Vertex, an early stage venture capital firm. Vertex and Heliconia complement each other by providing equity capital at different stages of development for smaller companies.

Further, we partnered three banks and two insurance companies to establish Clifford Capital, which commenced operations in late 2012. Clifford Capital provides project finance loans to Singapore companies looking to expand overseas, thereby addressing funding needs in a different part of their capital structure.

Post March 2013, we invested in Markit, an information services and solutions provider to the financial services industry, particularly focused on the derivatives market.

Divestments during the financial year included Asia Pacific Breweries and Bharti Infratel. We also divested 2.5% of SingTel, bringing our stake to 52%. SingTel remains the largest single investment in our portfolio.

S\$7b

Net investments
for the year

European deleveraging
presented some
interesting
opportunities.

Looking Ahead

Urbanisation and the needs of a growing middle income population underpin the long term prospects of growth markets such as Asia and Latin America.

These trends will drive growth in demand for energy and resources, as well as consumer goods and services, including healthcare. Technology, especially the ubiquity of the mobile internet, will transform most industries. We look to invest in opportunities that capitalise on these secular trends.

The world economy continues to face significant challenges after the Global Financial Crisis, such as the structural debt concerns in the United States and the eurozone crisis. Governments and policy makers have, however, shown a strong will to address these challenges, thereby reducing the tail risks for the global economy.

The US economy is showing signs of recovery, with both housing and consumer confidence indicators improving. Europe will continue to have sluggish growth, and the austerity measures, together with rising unemployment in several peripheral countries, will create bumps along the way. That said, there are high quality multinational companies in Europe that have a global presence and could represent attractive investment opportunities.

The macro environment in China appears stable post a smooth leadership transition, but micro level data continues to be mixed. The economy is going through structural changes. This should create investment opportunities both from reforms in state owned enterprises and the private sector.

We are cognisant of the challenges posed by slower growth in China and around the world. Central bank intervention and excess liquidity have also distorted valuations in several sectors and markets. We see increased market volatility as the United States and other mature markets tighten their loose monetary policies and grapple with weak fiscal conditions. These market disruptions could provide attractive investment opportunities for us as we look at the longer term picture in our identified areas of growth.

Growth markets in Asia and Latin America will continue to be focus areas for us going forward. We are, however, seeing increasing opportunities in the United States and Europe that are beneficiaries of the growth in other geographies, and are likely to step up our pace of investments in these markets. We will also look out for opportunities in other mid-size middle income economies such as Korea, Turkey and select markets in Africa.

Market disruptions could provide attractive investment opportunities.

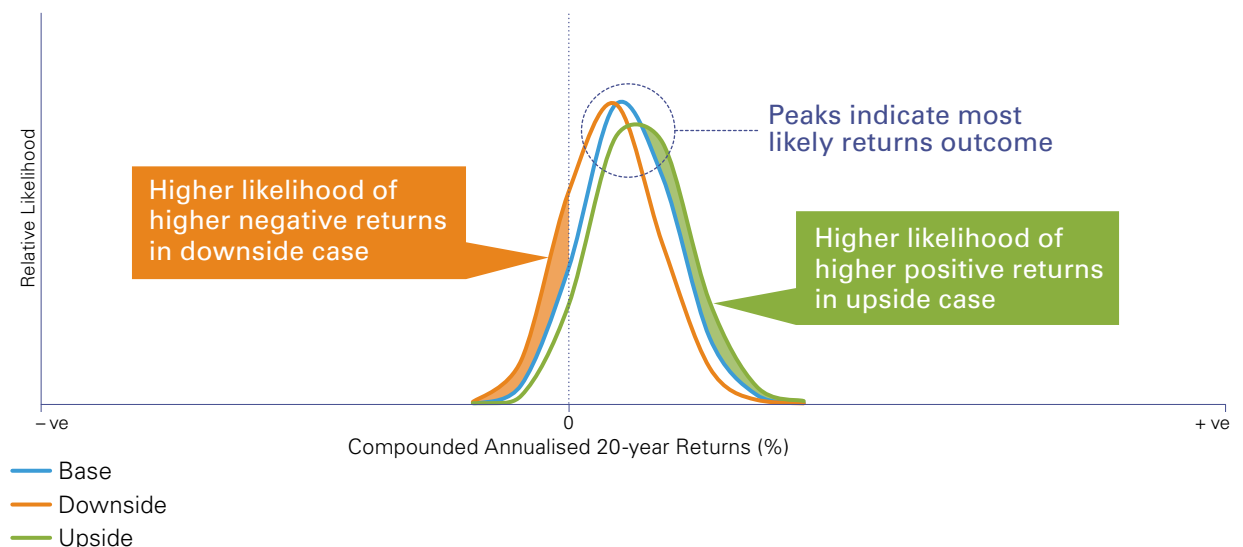
Simulation of 20-year Returns for Different Economic Scenarios

We use the Temasek Long Term Returns Simulation model to simulate the likelihood of a range of returns at the end of 20 years. This is the range of Geometric, or Compounded Annualised, 20-year Returns. The simulation assumes a passively managed hypothetical portfolio with an initial country and sector thematic mix mimicking the Temasek portfolio, and is underpinned by our view of the most likely economic and market scenario (base case), especially over the next five years.

Depending on policy responses of various governments, the economic pathways may change. These alternative economic scenarios have different likelihoods of positive or negative outcomes relative to the base case. Two such cases are shown in the chart below as the upside and downside cases to give a sense of how policy responses over the next five years may affect longer term returns.

These simulations are not predictive. They provide a directional feel of potential outcomes at the end of 20 years.

Likelihood of Geometric (Compounded Annualised) 20-year Returns¹



¹ Simulation of a Temasek country and sector thematic mix portfolio.

Wealth Added Framework

In 2003, we formalised the discipline of measuring our returns against risk-adjusted hurdles to account for capital deployed and the associated risks.

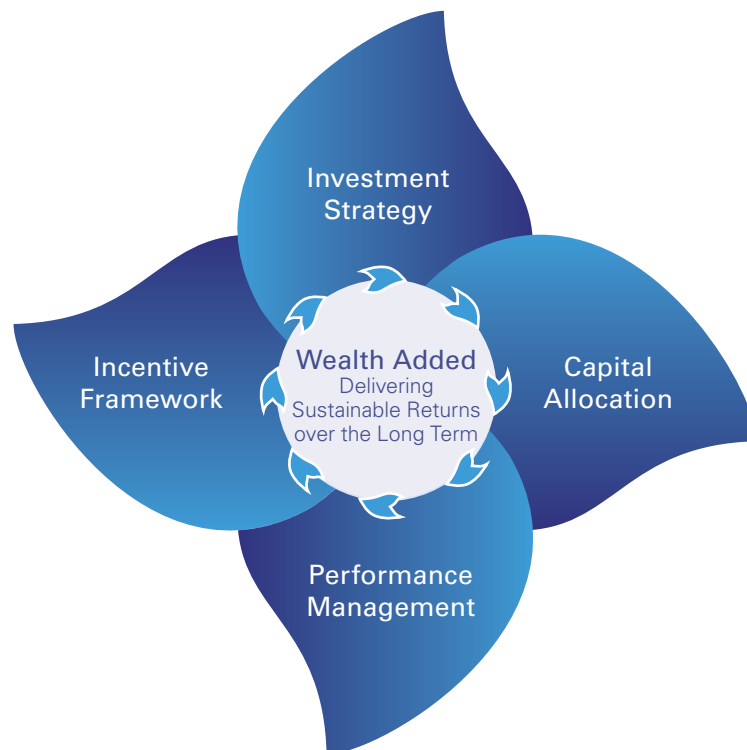
This drives our investment strategy, capital allocation, performance management and incentive system to deliver over market cycles.

Wealth Added (WA) is our dollar returns above a risk-adjusted hurdle, which is derived from a capital asset pricing model. Investments in riskier sectors or markets have higher hurdles.

Total WA is the sum of all our individual investment WA, adjusted for changes in our recurring operating costs.

When WA is positive, we have a positive WA-based bonus pool to share. Part of such WA bonuses is deferred to future years. When returns are below our risk-adjusted hurdle in aggregate, we share a negative bonus pool. This means a clawback of the deferred bonuses cumulated from prior years, and if needed, from future bonuses as well.

Delivering Sustainable Returns over the Long Term



Managing Risk

We are predominantly a concentrated equities investor, with a higher year to year volatility of returns, and the expectation of higher returns over the long term.

As an owner investor, we do not have limits or targets for asset class, geographic, country or sector concentration. We take risks whenever we invest, divest or hold our assets.

We track and manage risks which may arise through market or economic cycles. Specific risks at company or unit levels have designated risk owners. We balance our risk taking with a compensation philosophy that fosters the spirit of ownership of risk outcomes over longer term market and economic cycles.

Day to day risk decisions are taken by management, while major risk decisions, including major investments and divestments, are Board level decisions.

Our risk management framework covers three categories of risks: strategic, performance and operational.

Risks to Short Term Reported Returns

Marking an equities portfolio to market means short term reported results are expected to fluctuate due to the underlying performance and/or market sentiments.

This mark to market approach could lead to a once in 20 years chance of our net portfolio value swinging by as much as 30-40%.

Over the last 20 years, our worst annual return was indeed a Total Shareholder Return (TSR) of negative 30% reported in March 2009 during the Global Financial Crisis, followed by an equally large positive 43% rebound the following year.

Risk Categories

Strategic risks

- Reputation
- Aggregate risk profile
- Political
- Structural foreign exchange
- Funding & liquidity

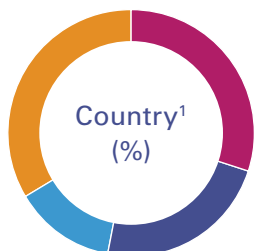
Performance risks

- Macroeconomic
- Geography
- Industry
- Markets
- Tax

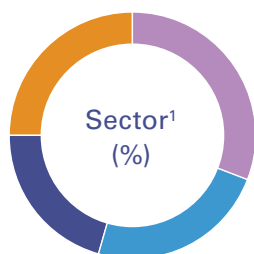
Operational risks

- People
- Legal & regulatory
- Systems & processes
- Counterparty
- Business disruption

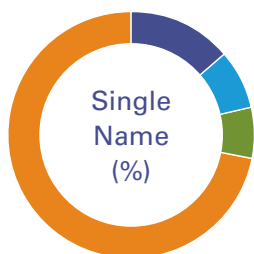
Concentration Profile of S\$215b Portfolio
(as at 31 March)



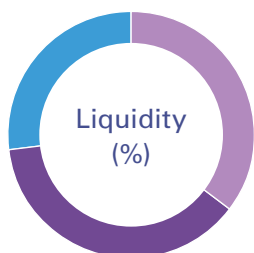
	2013	2012
● Singapore	30	30
● China	23	24
● Australia	13	14
● Rest of portfolio	34	32



	2013	2012
● Financial Services	31	31
● Telecommunications, Media & Technology	24	24
● Transportation & Industrials	20	21
● Rest of portfolio	25	24



	2013	2012
● Singapore Telecommunications Limited	14	14
● China Construction Bank Corporation	8	10
● Standard Chartered PLC	7	7
● Rest of portfolio	71	69



	2013	2012
● Liquid & sub-20% listed assets	35	36
● Listed large blocs (≥20% share)	38	37
● Unlisted assets	27	27

¹ Distribution based on underlying assets.

Aggregate and Concentration Risks

We use Value-at-Risk² (VaR) to track one-year portfolio value risk. As at 31 March 2013, our one-year VaR was S\$13 billion³ or 6% of net portfolio, due to lower market volatility. The corresponding VaR for the year before was S\$24 billion or 12% of portfolio value, compared to our actual positive return of 8.86% for year ended March 2013.

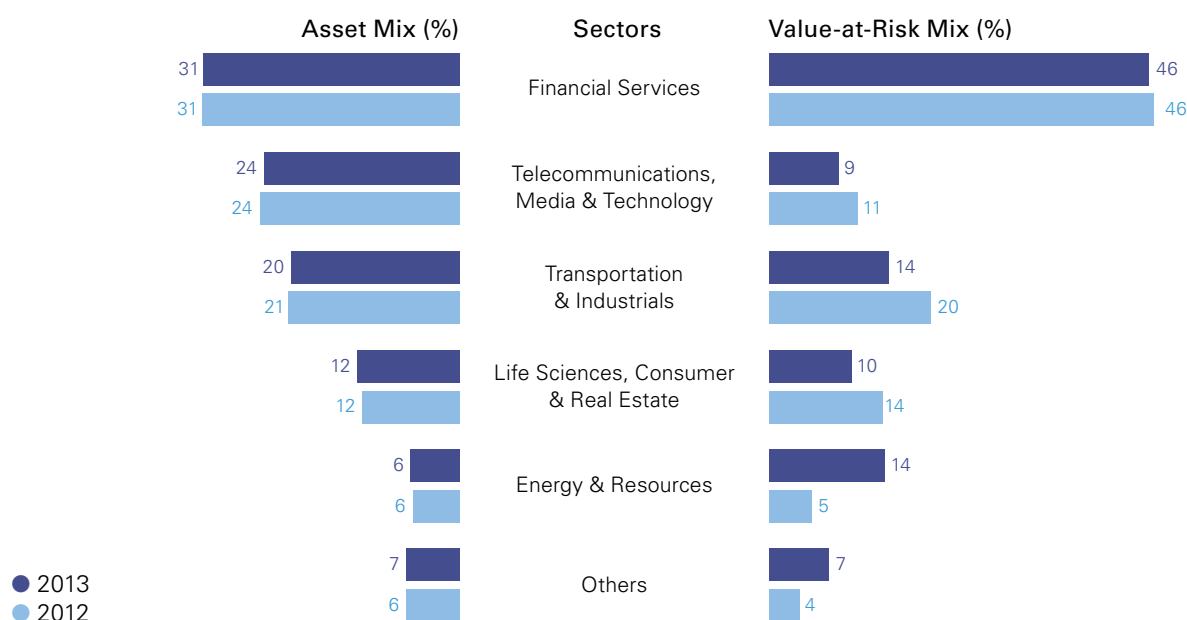
Our largest sector concentration as at 31 March 2013 was in the financial services sector. This was 31% of the portfolio and 46% of total portfolio VaR.

SingTel remains our largest single name concentration at 14% of our portfolio in March 2013, down from a hefty 30% in March 2004. Before accounting for diversification effects, it constitutes 33% of our portfolio VaR.

Our top 10 holdings, representing 55% of portfolio value, contribute 68% of total portfolio VaR.

Asset Mix and Diversified Value-at-Risk by Sector

(as at 31 March)



² Three-year weekly price movements, weighted towards the most recent six months, are used to compute our annual VaR, with a confidence level of 84%, i.e. we expect to risk losses larger than our annual VaR with a once in six years probability. VaRs are not generally comparable between institutions due to differences in assumptions or parameters used. They are useful to benchmark relative rather than absolute changes in portfolio risks between different periods for an institution, provided the same model is used.

³ This means a one-in-six years chance for our portfolio value to fall by S\$13 billion or more within 12 months. Conversely, this also means a five-in-six chance of a gain in value or an outcome better than a S\$13 billion decline or a 6% fall in value.

Likely One-year Returns

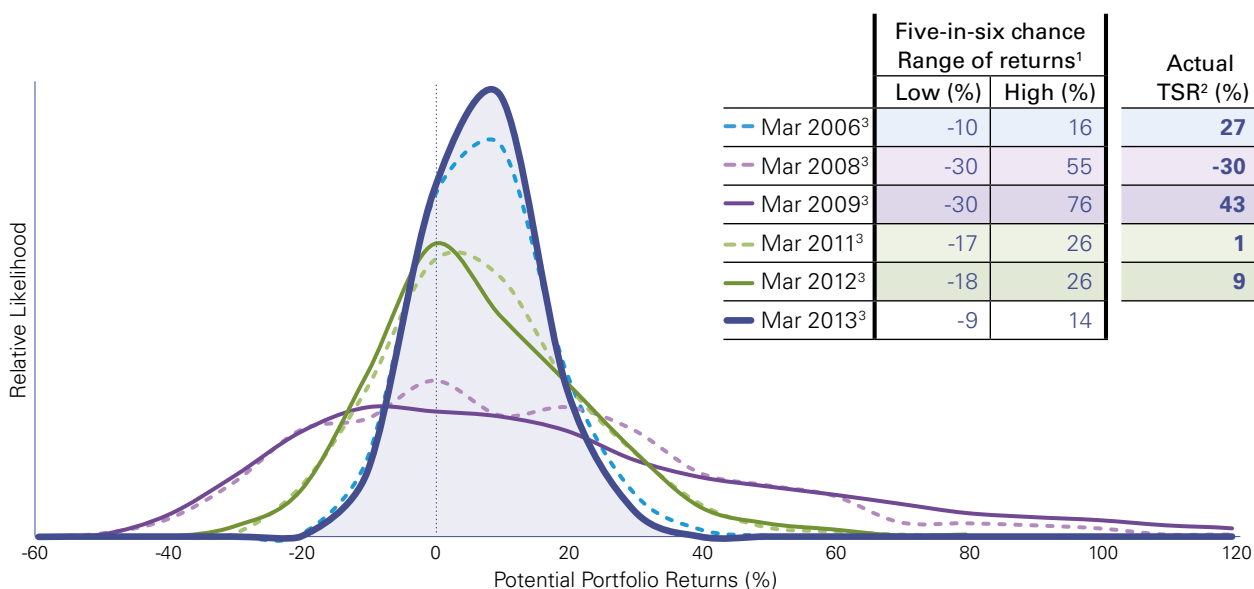
Monte Carlo simulation uses past market data to give a sense of the likelihood of a potential range of returns.

Applied to the Temasek portfolio mix, our Monte Carlo simulation shows a five-in-six chance that our one-year portfolio returns will be within the range of -9% to +14% come March next year.

In the chart below, the Monte Carlo simulation curves represent the likelihood of one-year returns for some of the recent financial years. Their spreads or flatness are indicative of the varying volatilities in the different years; the flatter curves indicative of higher volatility. Where they peak would indicate the most likely portfolio returns one year later.

Simulation of 12-month Forward Portfolio Returns

(as at 31 March)



¹ Based on Monte Carlo simulation for 12-month forward portfolio returns distribution, assuming no change in market conditions or portfolio mix.

² Actual TSR achieved one year later.

³ The blue, green and purple coloured lines represent periods of low, medium and high market volatility respectively.

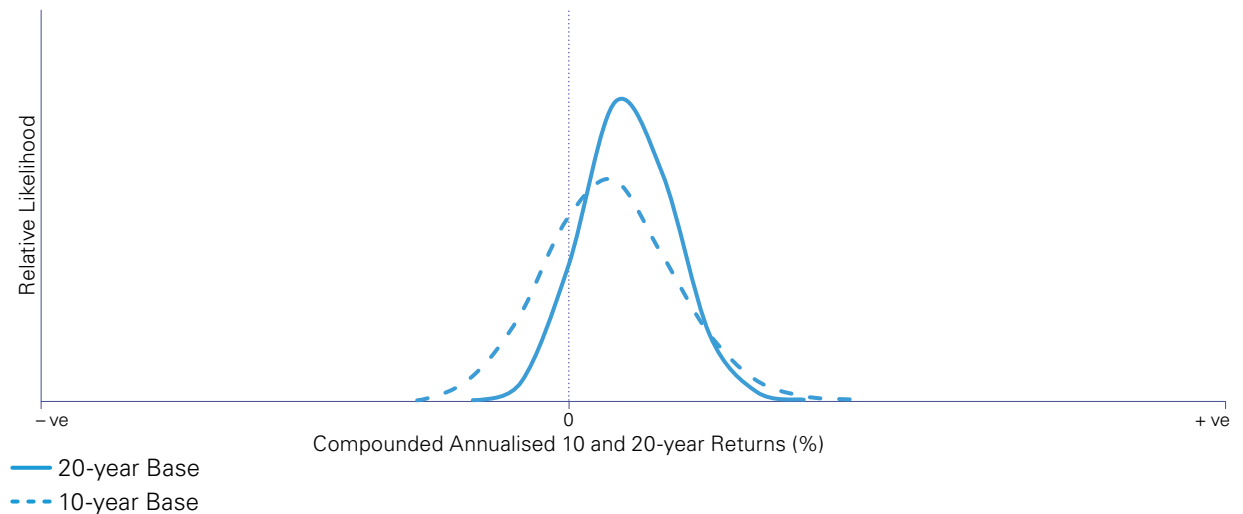
Likely Long Term Returns

The Temasek Long Term Returns Simulation (TLTRS) model is built up from our assessment of the interconnected economic developments ahead. We use the TLTRS model to simulate longer term returns over 10 or 20 years.

The base case reflects our view of the most likely economic pathway, with more granular assumptions for the nearest five years, plus a subsequent five-year transition period to the long term equilibrium from year 10 to 20. We apply this model to a passively managed hypothetical portfolio with an initial country and sector thematic mix mimicking the Temasek portfolio.

As shown below, the 10-year compounded annualised returns, also known as Geometric 10-year Returns, are likely to be less optimistic than the 20-year returns. This reflects our expectation of a bumpier outlook in the next five years, before the global economy begins to normalise.

Likelihood of Geometric 10-year and 20-year Returns⁴



⁴ Simulation of a Temasek country and sector thematic mix portfolio.

Managing Investment and Operational Risks

To minimise operational risks, we embed risk management in our systems and processes. These include our approval authority delegation, company policies, standard operating procedures, and risk reporting to our management and Board.

For instance, our policy to mark our listed portfolio holdings to market instils the discipline of making decisions from a fresh slate perspective, and reduces the behavioural risk of holding onto investments for fear of realising losses.

Country and sector risks are built into our risk-adjusted cost of capital hurdle for each investment. We seek to buffer risk through valuation discipline.

Investment proposals are submitted under a two-key system, for instance by our market and sector teams, to our management investment committee. Depending on the size or risk significance, these may be escalated to our Board for final decision. Risk considerations for individual investments include reputation, business, legal & regulatory, tax, funding and key management risks.

Legal & Regulations

Our legal risk management framework is effected through policies, processes and systems for consistent management of legal risks. For example, our policy permits only personnel authorised by a board resolution to enter into derivatives transactions within tightly defined scopes and limits on behalf of specific designated entities.

Regulatory compliance is monitored through robust securities tracking systems including automated systems for Singapore and Hong Kong. Regulatory requirements are continually reviewed and updated to track changes in laws and regulations.

Our Temasek Code of Ethics and Conduct (T-Code) and its related policies guide our Board Directors and staff in their daily dealings. Our T-Code encapsulates our MERITT values. With integrity as one of its overarching principles, T-Code policies on probity cover areas such as receipt and offer of gifts and entertainment, whistle-blowing and prohibition against insider trading.

We embed risk management in our systems and processes.

Internal Audit

To mitigate compliance and control risks, our Internal Audit (IA) unit conducts periodic reviews of our key control processes for all offices and undertakes special reviews requested by our Board, Audit Committee (AC) or senior management. The main objective is to ensure internal controls are well designed and effective across geographies and operations, and that control awareness and compliance are high among 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.

IA reports functionally to the AC and administratively to senior management.

Business Continuity and Incident Management

Other risk mitigation or prevention measures at the operating level include designated teams or individuals to review and effect business continuity processes, and manage potential risk incidents such as security and other threats.

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



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For more information on copyright protection for creative works, visit the Intellectual Property Office of Singapore website: https://www.ipos.gov.sg/docs/default-source/resources-library/copyright/copyright-infopack_updated-oct-12.pdf



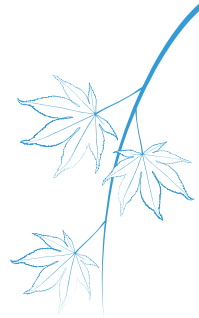
Shaping Our Institution

Our MERITT Values	50
Governance Framework	51
Board of Directors	58
Senior Management	60
The Temasek Heartbeat	64
Remuneration Principles	67

“Like a tree, we stay rooted to our values while branching out to support communities in the ecosystem and bearing fruits for future generations.”

Chng Bey Fen, Associate Director, Treasury

Japanese Maple
Native to North East Asia, the Japanese Maples, or *Momiji* in Japanese, are cultivated worldwide for their extraordinary beauty and elegant forms, that are crowned by a foliage of delicate multi-pointed leaves dancing in a riot of dappled sunlit colours.



Our MERITT Values

Our character and culture as an institution are rooted in our MERITT values. We strive to live up to the ideals and ideas of Temasek, as we take Temasek and our community forward.



TEMASEK

Governance Framework

The reputation and character of Temasek as an institution of distinction depends on our people, our conduct and our governance.

We are guided by our Temasek Charter, a living document that espouses who we are and what we do as an active investor and shareholder, a forward looking institution and a trusted steward.

As an investor and shareholder, we own and manage our assets, investing and divesting with full commercial discretion and flexibility. Our commitment to deliver sustainable long term value is supported by a philosophy and culture of ownership.

As a forward looking institution, we emphasise substance over form, long term over short term, and put our institution above self.

Our governance framework provides for accountability and a robust balance between empowerment and compliance.

As a trusted steward, we strive to shape a better future for the next generations.

Under the Singapore Companies Act, Temasek is an exempt private company¹. It is a commercial investment company directed by its own Board.

Under the Singapore Constitution, Temasek² is one of the key Singapore entities³ with constitutional safeguards to protect their respective past reserves.

Neither the President of the Republic of Singapore⁴ nor the Singapore Government, our shareholder, is involved in our investment, divestment or other business decisions, except in relation to the protection of Temasek's own past reserves.

We invest and divest with full commercial discretion and flexibility.

We emphasise substance over form, long term over short term, and put our institution above self.

¹ 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.

² Temasek Holdings (Private) Limited.

³ Key companies designated under the Singapore Constitution include the Government of Singapore Investment Corporation Pte Ltd, which manages the reserves of the Singapore Government. Other designated entities with constitutional safeguards for their respective past reserves under the Singapore Constitution are statutory boards such as the Central Provident Fund Board and the Monetary Authority of Singapore.

⁴ The Singapore President has an independent custodial role to safeguard the separate past reserves of the Singapore Government and the Fifth Schedule entities designated under the Singapore Constitution, including Temasek.

Temasek does not manage Central Provident Fund (CPF) savings, the Government surpluses or foreign exchange reserves of Singapore, or the reserves of any other Fifth Schedule entity designated under the Singapore Constitution. These are independently managed by the relevant Fifth Schedule entities such as the CPF Board and the Monetary Authority of Singapore. Each Fifth Schedule entity is separately accountable to the Singapore President through its own board and CEO for the protection of its own past reserves.

Relating to Our Shareholder

Incorporated on 25 June 1974, Temasek is wholly owned by the Minister for Finance¹.

Temasek does not manage CPF savings.

We provide annual statutory financial statements audited by an international audit firm, as well as periodic updates to our shareholder. While we are a Singapore exempt private company, exempted from disclosing any financial information publicly, we have chosen to publish our Group Financial Summary and portfolio performance in our annual *Temasek Review* since 2004. We celebrate our 10th edition of *Temasek Review* this year.

Temasek contributes to the Singapore Government budget via the dividends we pay to our shareholder.

Temasek declares dividends annually. The annual dividend is deliberated and recommended by our Board for our shareholder's consideration at the annual general meeting. Our Board takes into consideration the balancing of distributions to our shareholder and retention of returns for reinvestments to generate future returns. Temasek contributes to the Singapore Government budget, at a sustainable pace, via the dividends we pay to our shareholder and tax on our profits.

Our shareholder's right to appoint, reappoint or remove our Board members is subject to the President's concurrence. This safeguards the integrity of our Board in protecting our past reserves. The appointment or removal of the CEO by our Board is also subject to the concurrence of the President.



Scan the QR code for a short video on governance

¹ Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate.

Relating to the President of Singapore

Our Board is accountable to the President to ensure that every disposal of investment is transacted at fair market value².

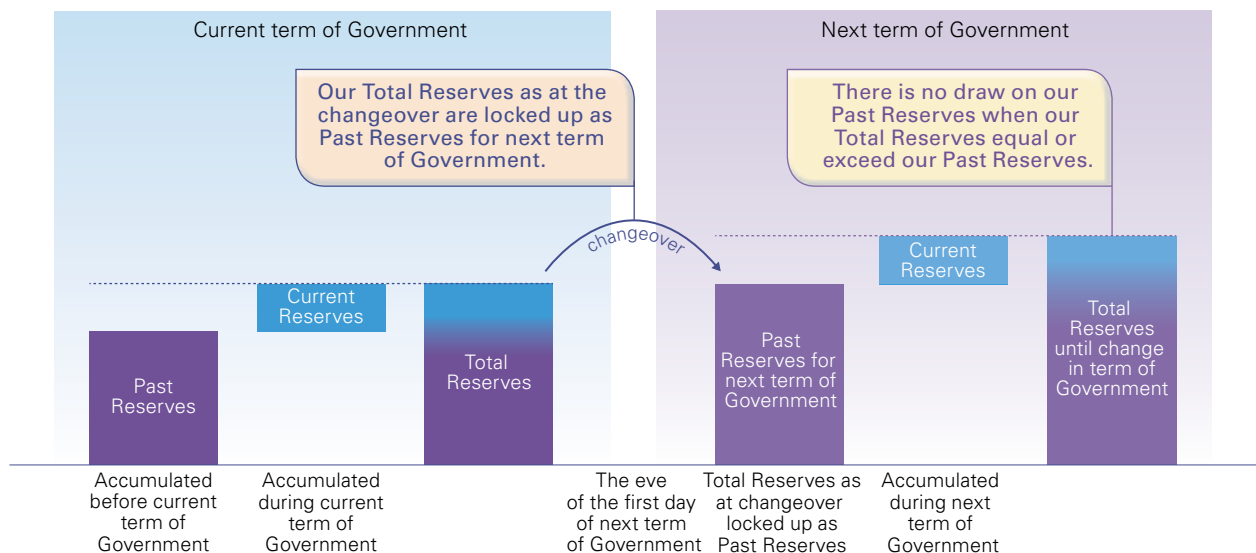
Our Chairman and CEO certify our Statement of Reserves and Statement of Past Reserves to the President at prescribed intervals, as part of our responsibility to protect our past reserves.

Under the Singapore Constitution, our past reserves are those accumulated by Temasek before the current term of Government. Our current reserves are those accumulated by Temasek during the current term of Government.

On the eve of the first day of each term of Government, Temasek’s total reserves – comprising our past reserves and current reserves as at the changeover – are locked up as past reserves for the next term of Government. This cycle repeats every time there is a change in the term of Government.

There is no draw on our past reserves when our total reserves equal or exceed our past reserves. We are required by the Singapore Constitution to seek the President’s approval before a draw occurs on our past reserves.

Protection of Temasek Past Reserves



² Fair market value is the price agreed between a willing buyer and a willing seller on an arm’s length basis.

We advocate that boards be independent of management.

Our engagement with our communities is based on the twin pillars of sustainability and good governance.

Relating to Our Portfolio Companies

We manage our portfolio as an active investor by increasing, holding or decreasing our investment holdings, to create and shape our risk-adjusted returns for the long term.

As an engaged shareholder, we promote sound corporate governance in our portfolio companies. This includes supporting the formation of high calibre, experienced and diverse boards to guide and complement management leadership.

Companies in our portfolio are guided and managed by their respective boards and management. Temasek does not direct their business decisions or operations.

As board directors have a fiduciary duty to safeguard the interests of their respective companies, we advocate that boards be independent of management in order to provide effective oversight and supervision of management. This includes having mostly non-executive members on boards with the strength and experience to oversee management.

Similarly, we advocate that the Chairman and CEO roles be held by separate persons, independent of each other, to ensure a healthy balance of power for independent decision making, and a greater capacity for management supervision, by the board.

We protect our interests by exercising our shareholder rights, including voting at shareholders' meetings as needed.

Relating to Our Communities

As a trusted steward, our engagement with our communities in Singapore and around the world is based on the twin pillars of sustainability and good governance.

We support community programmes that focus on building people, building communities, building capabilities and rebuilding lives, in Singapore and beyond.

A decade ago, we instituted a policy of setting aside a share of our excess returns for community contributions for each year that we exceed our risk-adjusted hurdle.

We established Temasek Trust in 2007 with its own Board of Trustees to oversee the management and distribution of endowments and gifts from Temasek which have been earmarked for specific non-profit philanthropic

organisations (NPPOs). The Trust and these NPPOs serve as an additional community of stakeholders with an interest in the continued success of Temasek.

We comply with all obligations under Singapore laws and regulations, including those arising from international treaties. We also comply with the rules and regulations of the jurisdictions where we have investments or operations.

We actively engage regulators, multilateral agencies and other market participants to promote sound governance practices, sustainable standards and fair regulations.

An example is our active participation with the International Monetary Fund and various sovereign investors from around the world to develop best practices under the Santiago Principles for sovereign investments. Temasek exceeds the applicable standards of disclosure and other guidelines under the Santiago Principles.

Temasek Board and Committees

Our Board provides overall guidance and policy directions to our management.

We had 10 members on our Board as at 31 March 2013, the majority of whom are non-executive independent private sector business leaders.

The Board is scheduled to meet for two-day meetings each quarter, and may meet more often when necessary. Nine Board meetings were held during the year ended 31 March 2013.

The Board has reserved the following matters for its decision:

- overall long term strategic objectives
- annual budget
- annual audited statutory accounts
- major investment and divestment proposals
- major funding proposals
- CEO appointment and succession planning
- Board changes

To assist the Board in its responsibilities, specific authority has been delegated to various Board committees:

- Executive Committee
- Audit Committee
- Leadership Development & Compensation Committee

We comply with all obligations under Singapore laws and regulations, including those arising from international treaties.

Temasek exceeds the applicable standards of disclosure under the Santiago Principles.

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

Consistent with the principle that management is accountable to the Board, the Board has separate and independent access to information to assist it with its deliberations, including the opportunity to request supplementary or explanatory information from management. Management provides information to the Board on an ongoing basis to allow the Board to effectively discharge its responsibilities.

Executive Committee (ExCo)

The ExCo has been delegated the authority to approve new investment and divestment decisions up to a defined threshold, beyond which, transactions will be considered by the Board. The minutes of ExCo meetings are circulated to the Board. It met four times during the year.

Audit Committee (AC)

Comprising independent directors, the role of the AC is to support the Board in its oversight responsibilities by reviewing, among other things, our system of internal controls, and processes used for financial reporting, audit, and monitoring compliance with laws and regulations. The AC also reviews the scope and results of the external audit, and the independence of the external auditors.

The AC is supported by Internal Audit (IA). To ensure its independence, IA reports functionally to the AC and administratively to the office of the CEO. IA has full and unrestricted access to all records, properties and personnel to effectively perform its functions.

During the year, the AC met four times and reviewed the following:

- annual audited statutory accounts
- compliance with regulatory and accounting standards
- internal controls system and risk management framework
- impairment recommendations
- reports on violations of Temasek Code of Ethics and Conduct, and its relevant policies
- independence and performance of the external auditors

The majority of our Board are non-executive independent business leaders.

Leadership Development & Compensation Committee (LDCC)

The LDCC is responsible for recommending Board and management leadership plans to the Temasek Board. This includes Board and CEO succession, as well as guidelines and policies on performance measurement and compensation plans. The LDCC met four times last year.

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

Board and Committee Processes and Decisions

Decisions at Board and Committee meetings are based on a simple majority of the votes, including those via telephone or video conference. 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.

Board Committee Membership as at 31 March 2013

	Board	ExCo	AC	LDCC
S Dhanabalan	Chairman	Chairman		Chairman
Kua Hong Pak	Member		Chairman	
Cheng Wai Keung	Member	Member ¹		
Goh Yew Lin	Member		Member	Member
Ho Ching	ED & CEO	Member		Member
Michael Lien JL	Member		Member	Member
Lim Boon Heng	Member	Member		Member
Teo Ming Kian	Member	Member		
Marcus Wallenberg	Member			
Lucien Wong YK	Member		Member ²	Member ²

¹ Appointed on 1 March 2013. Cheng Wai Keung, an independent Director, was an AC member till 1 March 2013 and relinquished this position when he was appointed to the ExCo.

² Appointed on 1 March 2013.

Board of Directors

(as at 31 March 2013)

S DHANABALAN

Chairman (since September 1996)

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

KUA Hong Pak

Director (since November 1996); Chairman, Audit Committee

- 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

CHENG Wai Keung

Director (since September 2011)

- Chairman and Managing Director, Wing Tai Holdings Limited
- Conferred the Distinguished Service Order (DUBC) in 2007; Justice of the Peace since 2000

GOH Yew Lin

Director (since August 2005)

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

HO Ching

Executive Director & CEO

- Joined Temasek Board in January 2002
- Executive Director since May 2002; CEO since January 2004
- Previously President and CEO of the Singapore Technologies Group
- Honorary Fellow of the Institution of Engineers, Singapore

Michael LIEN

Director (since January 2010)

- Executive Chairman, Wah Hin & Co Pte Ltd
- Member, Board of Trustees and Investment Committee, National University of Singapore
- Founder, Asia Refugee Projects

LIM Boon Heng

Director (since June 2012)

- Deputy Chairman, Singapore Labour Foundation
- Chairman, NTUC Enterprise Co-operative Limited
- Previously Secretary-General, National Trades Union Congress
- Held several Cabinet positions in the Singapore Government from 1993 to 2011

TEO Ming Kian

Director (since October 2006)

- Chairman, MediaCorp Pte Ltd, Vertex Venture Holdings Ltd, Temasek Life Sciences Laboratory Limited, and the Governing Board of the Earth Observatory of Singapore at the Nanyang Technological University
- Previously Permanent Secretary in various Government ministries and Executive Chairman in key agencies
- 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, AB Electrolux and LKAB
- Previously Chairman, International Chamber of Commerce, Deputy Chairman, L M Ericsson, and President and CEO, Investor AB

Lucien WONG

Director (since March 2013)

- Chairman and Senior Partner, Allen & Gledhill LLP
- Chairman, Maritime and Port Authority of Singapore
- Member, Board of Trustees for the Singapore Business Federation
- Sits on the boards of several companies including Hap Seng Plantations Holdings Berhad, Singapore Airlines Limited, Singapore Press Holdings Limited, and Singapore Health Services Pte Ltd

Senior Management

Our senior management implements the strategy and policy directions set by our Board, and is responsible for the day to day management of the company.

The Board has delegated defined levels of authority for management to make investment and divestment, as well as other operational decisions. Proposals above the defined thresholds are elevated to the ExCo or the full Board for final decision as appropriate.

Our CEO is assisted in our day to day policy implementation and operational decisions by the following committees:

- The Strategy, Portfolio and Risk Committee (SPRC)
- The Senior Divestment and Investment Committee (SDIC)
- The Senior Management Committee (SMC)

The terms of reference of these committees are approved by our Board.

The SPRC reviews macroeconomic, global, political, technological and social trends that provide the context in which new opportunities and risks may arise, in both existing and new markets. It reviews the risk tolerance framework to keep it relevant, as well as value creation opportunities.

The SDIC reviews, monitors and manages the overall investment portfolio on an ongoing basis. It has the flexibility of maintaining, increasing, reducing or divesting our holdings in companies or making new investments up to the authority level delegated by our Board.

The SMC reviews and sets overall management and organisational policies. These include internal controls and the implementation of our Valuation Policy approved by the Audit Committee, Derivatives Framework and Temasek Code of Ethics and Conduct (T-Code). The SMC has constituted the Ethics Committee to assist in the implementation of the T-Code, including interpreting, enforcing and initiating changes to the T-Code as and when necessary.

Our senior management also oversees Temasek's compliance with the rules and regulations of the jurisdictions where we have investments or operations. Policies, systems and processes are in place to assist us in such compliance. These are reviewed and updated regularly, in particular for new markets and new asset classes.

The Board has delegated defined levels of authority for management to make investment and divestment decisions.

Senior Management

(as at 31 March 2013)

Fidah ALSAGOFF

- Managing Director, Investment

ANG Peng Huat

- Managing Director, Investment
- Managing Director, IT & Operations

Michael BUCHANAN

- Managing Director, Strategy

Belinda CHAN

- Managing Director, Tax

CHAN Wai Ching

- Co-Head, Corporate Development Group
- Head, Organisation & Leadership

Kevin CHANG

- Managing Director, Portfolio Strategy
- Managing Director, Value Management

CHEO Hock Kuan

- Senior Managing Director, Special Projects

CHEONG Kok Tim

- Managing Director, Legal & Regulations
- Managing Director, Portfolio Management

Lena CHIA

- Managing Director, Legal & Regulations

CHIA Song Hwee

- Head, Investment Group
- Co-Head, China

CHIAM Fong Sin

- Managing Director, China

Robert CHONG

- Managing Director, Human Resources

CHUA Eu Jin

- Managing Director, Legal & Regulations
- Managing Director, Americas

Jeffrey CHUA

- Managing Director, South East Asia
- Managing Director, Mergers & Acquisitions

John CRYAN

- Co-Head, Portfolio & Strategy Group
- President, Europe
- Head, Credit Portfolio
- Head, Portfolio Strategy
- Head, Africa

Gregory CURL

- President

DING Wei

- Head, China

Stephen FORSHAW

- Managing Director, Corporate Affairs
- Managing Director, Australia & New Zealand

Promeet GHOSH

- Managing Director, India

Grace GOH

- Managing Director, Finance

Lorenzo GONZALEZ BOSCO

- Managing Director, Mexico & Andean Region

Clare GU

- Managing Director, China
- Chief Representative, Beijing

Nagi HAMIYEH

- Co-Head, Enterprise Development Group
- Senior Managing Director, Investment
- Head, Australia & New Zealand
- Head, Middle East
- Co-Head, Africa

David HENG

- Co-Head, Markets Group
- Senior Managing Director, Investment
- Head, South East Asia

HO Ching

- Executive Director & CEO

KOO Tsai Kee

- Managing Director, Special Projects

Ravi LAMBAH

- Senior Managing Director, Investment
- Co-Head, South East Asia
- Co-Head, India

Derek LAU¹

- Managing Director, Investment
- Managing Director & Chief Representative, Vietnam

LAU Teck Sien

- Managing Director, China

Paul LEONE

- Managing Director, Investment

LEE Theng Kiat

- President & General Counsel

LEONG Wai Leng

- Head, Corporate Development Group
- Chief Financial Officer
- Co-Head, Singapore

LIM Fung Jen

- Managing Director, Corporate Finance
- Managing Director, Investor Relations

Klaus LUCKE

- Managing Director, Risk Management

¹ Till 31 March 2013.

ONG Beng Teck

- Managing Director, Portfolio Management²
- Managing Director, Singapore

PEK Siok Lan

- Managing Director, Investment
- Managing Director, Australia & New Zealand

PNG Chin Yee

- Managing Director, Investment

Jonathan POPPER

- Managing Director, Mergers & Acquisitions

Dilhan Pillay SANDRASEGARA

- Head, Enterprise Development Group
- Head, Singapore
- Co-Head, Portfolio Management
- Co-Head, Europe

SEAH Moon Ming

- Senior Managing Director, Special Projects

Boon SIM

- Head, Markets Group
- President, Americas
- Co-Head, Credit Portfolio

Rohit SIPAHIMALANI

- Co-Head, Investment Group
- Head, India
- Co-Head, Middle East

Rohit SOBTI

- Managing Director, Investment

TAN Chong Lee

- Head, Portfolio & Strategy Group
- Head, Portfolio Management
- Head, Strategy
- Co-Head, Singapore
- Co-Head, Americas

TAN Suan Swee

- Managing Director, Investment

TAY Sulian

- Managing Director, Investment

Juliet TEO

- Managing Director, Investment

Alan THOMPSON

- Managing Director, Private Equity Fund Investments

Gwendel TUNG

- Managing Director, Investment

Matheus VILLARES

- Managing Director, Brazil

² Till 30 June 2013; Managing Director, Enterprise Development Group effective 1 July 2013.

The Temasek Heartbeat

Our staff of 450 from 23 countries, with our hopes and aspirations, fears and foibles, courage and commitment, are the heartbeat of Temasek.

Beyond investing, we are committed as an institution to play our part to make our world a better place.

Giving with Temasek

Our people are active volunteers, making a difference to Temasek and to our communities at large in diverse ways.

Our contributions through *T-Touch*, our staff volunteer initiative, are supported and supplemented by company-wide programmes and initiatives.

The anniversary of our incorporation is our designated *Temasek Community Day*. We adopt and work with different groups each year.

Last year, *T-Touch* adopted the Assumption Pathway School (APS) for our *2012 Community Day*. The school caters to students who have failed their Primary School Leaving Exams more than once. Volunteers worked extensively with the school to plan and host a learning programme for APS students to experience snippets of team values and work-life culture through fun-filled teambuilding games, visits to Temasek portfolio companies and attractions around Sentosa Island off Singapore.

T-Touch volunteers are active throughout the year. Their initiatives include activities organised for groups of disadvantaged or sick young people in Brazil, Mexico and India. In China and Singapore, volunteers visited homes for the elderly over the festive season.

The *Yellow Ribbon Project Singapore* supporting prison inmates, ex-offenders and their families, is another favourite second chance cause. Determined to make good, one such ex-inmate has graduated from the National University of Singapore, Faculty of Law, under a scholarship from *T-Touch* donors.

Staff donations for community causes are matched by Temasek.

This passion and commitment to our communities is what gives shape and substance to the ideals of our Temasek Heartbeat.

Our strength is in our people with their energy and capabilities, and instincts for the greater good.

Our people make a difference to Temasek and our communities in diverse ways.

Our people are active volunteers in more ways than one.

Christmas with a Heart @ Marine Terrace

It was an evening of food, fun, and Christmas cheer for over 430 low-income beneficiaries from Marine Terrace. Staff from the Singapore office and some family members joined Food from the Heart to organise a Christmas party for the beneficiaries. *T-Touch* volunteers packed goodie bags, decorated the venue and set up games stalls.



Cleaning Homes for the Elderly

A team of 55 volunteers from our Singapore office, in partnership with the Thye Hwa Kwan Moral Society, cleaned the homes of 49 needy elderly, most of whom were living alone.



A Place to Call Home: Building Transitional Houses for the Needy in Brazil

Colleagues from our Brazil office have been supporting the NGO Teto since 2011. With the Phase 1 success of the project to build transitional houses for the needy, Teto started the second phase of the project in 2012. This aims to empower residents in the slum communities with tools to build a sustainable community.

In July 2012, our Brazil colleagues sponsored and participated in the construction of 60 emergency houses.

Growing with Temasek

As a forward looking institution, we bring together different ideas, perspectives and cultures to reshape ourselves continually, learning new ideas, and taking on diverse challenges and opportunities. We constantly challenge ourselves to re-invent and renew. This ceaseless quest for better solutions has been the hallmark of our success as an institution.

Our strength is in our people with their energy and capabilities, and instincts for the greater good. We support their growth by creating opportunities for them to take leadership and develop fresh ideas, even for seemingly routine or mundane work.

We bring together staff from different functions and markets for projects. They, in turn, reach out to different stakeholders, collaborate and develop solutions. We seek to instil in our people the tenacity to develop solutions and the courage to take responsibility.

For instance, our annual company event, *Temasek Connection*, is organised, led and managed by our staff for our staff. It is our annual event to connect, to share, to renew old bonds and forge new ties. Each year's organising committee works closely with the former committee, balancing continuity with fresh ideas.

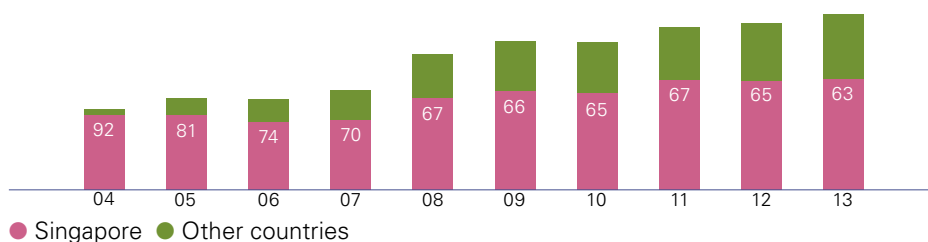
We support our people to grow as leaders at all levels. Experienced leaders coach and mentor their juniors. We mix and match different personalities to enable our people to broaden their learning experience.

Introduced in 2012, our Associate Director Programme aims to sharpen the leadership and management skills of our future leaders. It complements our current suite of leadership programmes: *Young LEADERS!*, *LEADERS!*, and *Global LEADERS!*. Such programmes enable our people to hone their skills in coaching, problem-solving, negotiation and strategic thinking. We open some programmes to others outside Temasek, just as other organisations have generously made available their learning opportunities to our staff.

Our team of 450 staff comes from 23 countries.

Staff Composition (%)

(as at 31 March)



Remuneration Principles

Our ownership ethos puts the institution above the individual, emphasises long term over short term, and aligns employee and shareholder interest over economic cycles.

We think and act as owners, sharing gains and pains over economic cycles. Our staff volunteered pay cuts as one team every major recession since 1986, the latest being the Global Financial Crisis of 2008/09.

Our base salaries reflect market benchmarks. Bonuses are driven by performance targets. Longer term incentives are deferred between three and 12 years, and subject to clawback or market risks, as well as the sustainability of returns over market cycles. Clawback provisions for deferred bonuses have been integral to our bonus plans since 2003.

Annual Cash Bonuses, Our Short Term Incentive

Annual performance incentives are driven by individual, team or Temasek-wide targets; both financial and non-financial. One of the targets requires our three-year Total Shareholder Return (TSR) performance to exceed our three-year average cost of 10-year debt. Another target involves T-Code compliance. The annual incentives are capped within budgeted limits.

We think and act as owners, volunteering pay cuts every major recession.

Co-ownership Incentives

Our co-ownership incentives share risks and rewards based on our returns above an aggregate risk-adjusted returns hurdle. This excess return, or Wealth Added (WA), determines the size of our staff incentive pool and shapes our medium and long term incentives. Should our returns fall below the hurdle, the resultant negative incentive pool will trigger a clawback against deferred bonuses from prior years.

Clawback provisions are integral to our bonus plans.

WA Bonus Bank, Our Medium Term Incentive

A portion of our WA incentive pool, positive or negative, is distributed into the individual notional WA bonus bank accounts, based on each individual's performance and relative contributions over a period.

If WA bonus bank balances are positive, senior management receive cash payouts of no more than a third of their bank balances. Payouts are half for mid-level management and two thirds for other staff. The retained balances remain at risk of clawbacks in future.

Co-ownership Grants, Our Long Term Incentive

Subject to positive WA or other conditions, our staff may be awarded co-investment grants which vest according to performance or time-based conditions. These units grow or decline in value with our yearly TSRs, and lapse no later than 12 years.

Part of a positive WA incentive pool funds the Temasek performance-based co-investment (T-Scope) grants. These must meet stringent multi-year portfolio performance conditions before five-year vesting begins. Another part is held in reserve for up to seven years to buffer future clawbacks, before a well seasoned balance is released progressively for time-based co-investment (U-Scope) grants. These units vest over the following five years from date of grant.

Our annual operating budget may fund limited time-based staff co-investment (S-Scope) grants, especially for critical or promising staff. The vesting is over five years, with first vesting from the third year.

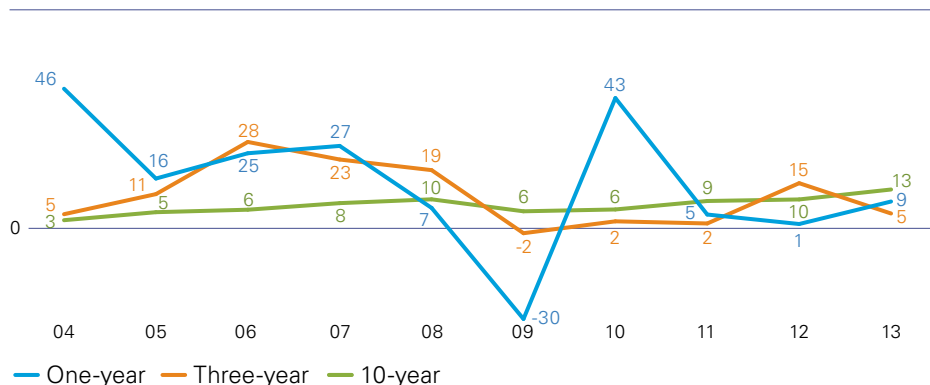
Co-ownership Alignment in Practice

For the two financial years ended 31 March 2011 and 31 March 2012, our portfolio returns fell below our risk-adjusted hurdles. No T-Scope units were awarded. The consecutive clawbacks eventually wiped the individual WA bank balances to zero. The remaining negative allocations were aggregated and carried forward as a company-wide clawback pool to be made good from future years of positive WA.

For the year ended 31 March 2013, our portfolio WA of S\$3.7 billion gave us a WA incentive pool that was insufficient to clear the clawback pool carried forward. Our Board decided to use part of our WA incentive pool to reduce the clawback pool. The clawback balance was carried forward once more, and the remaining WA incentive pool allocated as staff incentives.

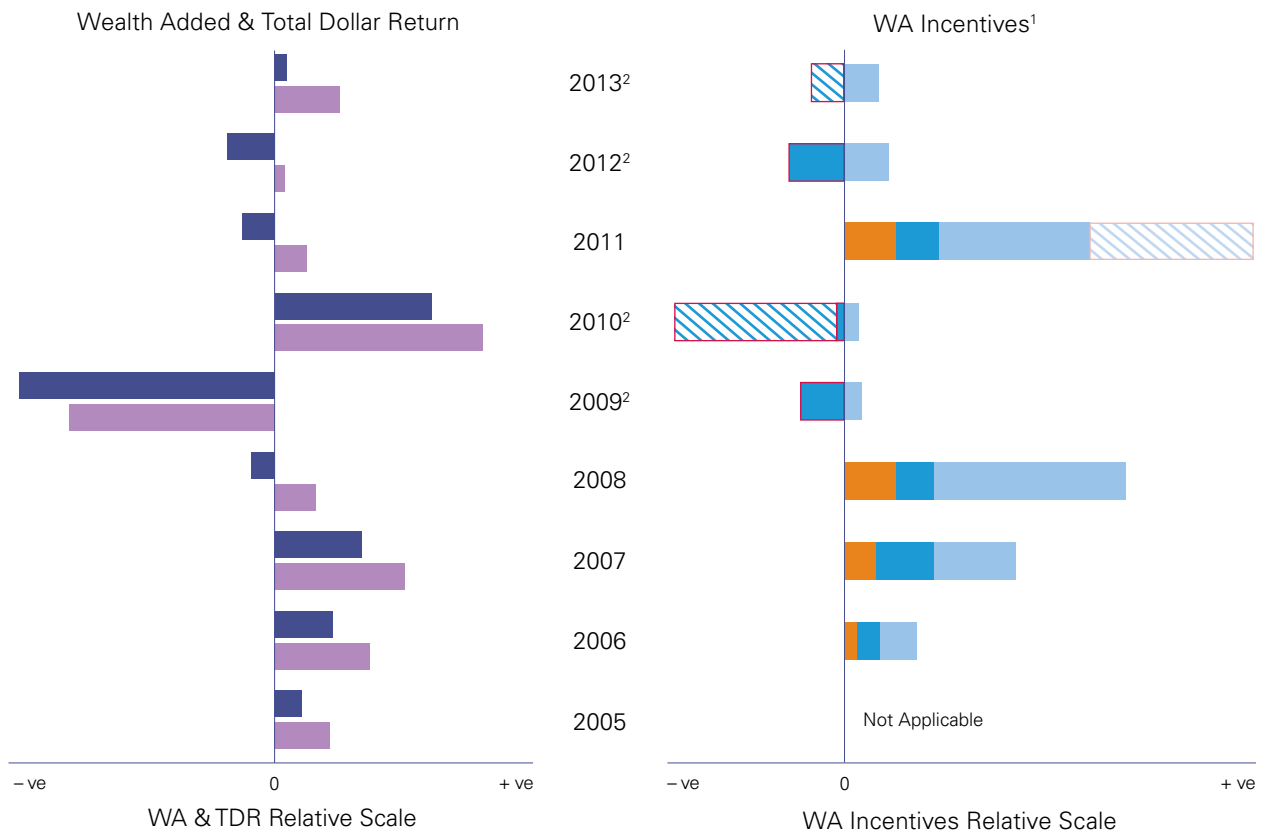
The Global Financial Crisis and its aftermath tested and reinforced our ownership ethos of sharing gains and pains through market cycles.

Rolling S\$ Total Shareholder Return (%) (as at 31 March)



WA Incentives of Key Team

(for year ended 31 March)



- Wealth Added (WA) in relative dollars
- Total Shareholder Return in relative dollars (Total Dollar Return or TDR)
- Paid-out portion of WA Bonus earned for prior year's performance
- Deferred portion of WA Bonus earned for prior year's performance, with future clawback risks
- Co-investment units which grow or shrink with total returns to shareholder, and are subject to performance and time-based conditions
- Clawback of deferred WA Bonus from prior years
- Clawback balances carried forward for future bonus offset
- Part of earned incentive used to offset the clawback balances brought forward from prior year

¹ WA incentives on relative scale for key management team which includes CEO, Presidents, Senior Managing Directors, Managing Directors, management Directors, as well as Executive Directors.

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





Expanding Horizons

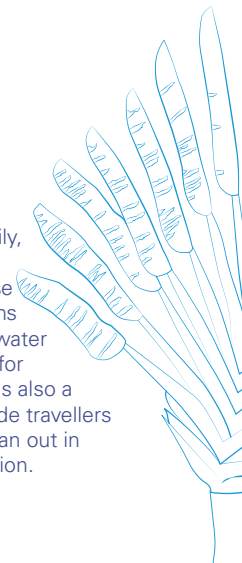
Engaging Friends	72
Temasek International Panel	74
Temasek Advisory Panel	75

“Our perspectives are broadened through new experiences and stepping outside our comfort zones.”

Audrey Ng, Associate Director,
Human Resources

Traveller's Palm

A member of the bird of paradise plant family, the Traveller's Palm earns its name because the sheaths of its stems supposedly hold rainwater as a source of water for travellers. Perhaps it is also a plant compass to guide travellers as its leaves usually fan out in an east-west orientation.



Engaging Friends

Integrity and governance are at our core. We continue to engage stakeholders in the development of sound governance practices to contribute to a growing Asia and a fairer world.

Sharing Experiences

We continue to share perspectives and experiences with friends from around the world. During the year, Temasek hosted over 80 delegations from Indonesia, Poland, Turkey and the United States, to name but a few.

Ongoing dialogues continue apace with the International Monetary Fund, the International Forum of Sovereign Wealth Funds, the World Bank Group, the European Union, and other multilateral institutions.

We welcomed in-depth exchanges on governance with national institutions such as China's State-Owned Assets Supervision and Administration Commission (SASAC), Korea Investment Corporation, Kazakhstan's Samruk-Kazyna, Australia's Future Fund and Norway's Norges Bank.

Fostering Learning and Fellowship

We hosted or sponsored several events during September 2012, including the Singapore Global Dialogue on strategic and security trends, and the inaugural Singapore Summit covering economic topics. Special guests at our annual Temasek International Panel meeting included Robert Zoellick, former World Bank President, and J. Steven Whisler, retired Chairman & CEO of Phelps Dodge Corporation.

Co-hosted by Temasek around Asia, the Asia Banking CEO Roundtable returned to Singapore in October 2012. It brought together 25 Chairmen and CEOs of leading banks in Asia for its 8th annual meeting to share experiences, review challenges and explore opportunities.

Last year also saw some 90 learning events and six business forums for boards and management of our portfolio companies, partners and friends. Over 100 people from Singapore, China, Kazakhstan, Malaysia, Vietnam and elsewhere attended the keenly sought three flagship programmes¹.

Throughout the year, directorship forums on corporate governance remained in demand, with participants from China SASAC and other state owned enterprises.

Over **80**
delegations hosted

Over **90**
learning events

¹ Young *LEADERS!*, *LEADERS!*, and *Global LEADERS!*

Seeding Public Good Institutions

Over the last decade, Temasek has seeded a number of purpose built institutions to help develop capacity and strengthen capabilities in the financial and corporate sectors in Singapore and the rest of Asia.

In 2003, we established the Wealth Management Institute (WMI) to develop talent for the fast growing wealth management sector. Since then, more than 5,500 professionals from around Asia have completed WMI's programmes. Today, WMI is the leading provider of wealth management training and education in the region and was awarded the inaugural Institute of Banking and Finance Inspiring Educator Award in May 2012.

In 2008, we donated S\$10 million to establish the Sim Kee Boon Institute for Financial Economics at the Singapore Management University. The Institute was named after one of Singapore's well regarded corporate leaders, the late Sim Kee Boon, who was also a Temasek Board Director from 2000 to 2007. The Institute focuses on education and research to build capacity and depth in the financial sector.

In 2011, we launched the Stewardship and Corporate Governance Centre (SCGCentre) to advocate good governance as the foundation for sustainable growth and prosperity. Last year, more than 200 chairmen and board directors participated in SCGCentre programmes.

Connecting with Temasek Alumni

We stay connected with almost 500 former colleagues through the Temasek Alumni Network. The 2013 highlight was the March annual dinner, which brought together close to 120 alumni.

Over **200**
chairmen and board
directors participated
in SCGC programmes

Temasek International Panel

Our Temasek International Panel members were generous in sharing their insights and wealth of experience. They helped to shape our strategies in a rapidly changing and increasingly interconnected global environment. We benefited tremendously from the counsel of our emeritus members as well.

Members

David BONDERMAN

Founding Partner
TPG Capital

Dr Jacob A. FRENKEL

Chairman
JP Morgan Chase International

Hon John HOWARD OM AC

Former Prime Minister
Australia

Dame DeAnne JULIUS

Former Chairman
Chatham House

Minoru MAKIHARA

Senior Corporate Advisor
Mitsubishi Corporation

Dr Pedro Sampaio MALAN

Chairman
International Advisory Board,
Itaú Unibanco Holdings S.A.

Charles PRINCE¹

Retired Chairman & CEO
Citigroup

Lee R. RAYMOND

Retired Chairman and CEO
Exxon Mobil Corporation

Ratan N. TATA

Chairman Emeritus
Tata Sons

Emeritus Members

Dr HAN Seung-soo

Former Prime Minister
Republic of Korea

Lucio A. NOTO

Managing Partner
Midstream Partners, LLC

Sir Richard SYKES, FRS

Chairman
The Royal Institution of Great Britain

¹ Retired effective 8 May 2013.

Temasek Advisory Panel

The distinguished business leaders on our Temasek Advisory Panel contributed their time, energy and wise counsel. Some of them also serve in their personal capacities on the boards of our portfolio companies, bringing with them their rich experiences as chairmen, board members and CEOs of reputable Asian companies and public institutions.

FOCK Siew Wah

Group Chairman
PSA International

Peter SEAH

Chairman
DBS Group Holdings Ltd

Dr LEE Boon Yang

Chairman
Keppel Corporation Limited

Ernest WONG

Chairman
Fullerton Financial Holdings

Stephen LEE

Chairman
Singapore Airlines Limited

XIE Qihua

Honorary Chairwoman
Metallurgical Council of China
Council for the Promotion of International Trade

NG Kee Choe

Chairman
CapitaLand Limited

Retired Chairman

Baosteel Group Corporation





Commitment to Community

Making a Difference

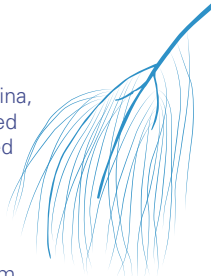
78

“To cultivate talents, strengthen the organisation and enrich the community – these are our pursuits beyond investing.”

Cheng Tian, Associate Director, China

Casuarina

This Rufous Treecreeper bird perches on a casuarina, a tree that is often planted as a windbreak and prized for its ability to increase the soil's fertility. The casuarina ranges freely from India to Australia, easily identified by its slim jointed twig-like leaves.



Making a Difference

As individuals and as an institution, we have a stake in the well-being of our larger community, and a responsibility to exercise good stewardship through our social contributions.

Since Temasek's inception in 1974, we have committed over S\$1.5 billion to community, philanthropic and other worthy causes.

In 2003, we made a policy decision to contribute a portion of our annual returns above risk-adjusted hurdles to our communities.

As skillsets for financial management and community service are different, we created a framework for a Trust to financially manage endowments and donations, separate from the non-profit philanthropic organisations (NPPOs) mandated to develop and deliver community programmes.

Temasek Trust

Temasek Trust was established in 2007 to independently oversee the management and disbursement of Temasek's philanthropic endowments and gifts. Its Board of Trustees comprises Chairman Lee Seng Wee and Dr Richard Hu from Singapore, and Ratan Tata from India.

The Trust re-invests the endowment gifts from Temasek alongside Temasek initially, and serves as a growing stakeholder of Temasek. It is also responsible for the disciplined disbursement of the endowments on a sustainable basis to the various NPPOs approved by Temasek.

Temasek has seeded or adopted the following approved NPPOs, each with its own specific mandate for the Singapore or Asia communities:

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

Temasek Education Foundation

Temasek Education Foundation (TEF) supports programmes that nurture young talent in the areas of sports, mathematics, science, arts and music. TEF has endowments totalling S\$150 million, including three S\$35 million endowments named after Singapore's pioneering leaders, EW Barker, Tay Eng Soon and David Marshall.

Over **S\$1.5b**
committed for
community causes



* Year of establishment.

Temasek International Foundation

Temasek International Foundation promotes regional scholarship and international fellowship. Its S\$25 million S Rajaratnam Endowment focuses on international exchange and fellowship programmes. The S\$35 million Hon Sui Sen Endowment promotes talent development in the Asian financial sector through the Temasek Regional Regulators Scholarship Programme at the Wealth Management Institute. The endowment helps regulators and central bankers to keep up with continuous changes and developments in a region where wealth is growing at a fast pace.

Temasek Cares

Temasek Cares (TCares) addresses the unmet needs of the underprivileged in Singapore by funding programmes that build communities and capabilities, support people and help them rebuild their lives. With more than S\$170 million in endowments, including the Ee Peng Liang and Balaji Sadasivan Endowments of S\$35 million each, TCares has aided nearly 13,000 individuals in Singapore over the last four years. They include those with physical disabilities and psychological disorders, children with learning and developmental challenges, abused women and their children, single parents, and the elderly requiring long term care.

Temasek Foundation

Temasek Foundation (TF) partners with Singapore and international institutions to develop capacity, capabilities and institutions in Asia. TF also funds programmes that facilitate the rebuilding of lives after major natural disasters. Since May 2007, TF has committed almost S\$114 million in support of 178 programmes in 19 countries in Asia. These range from training in healthcare, education, public management and disaster preparedness to the promotion of exchanges for students, journalists and other professionals.

Temasek Life Sciences Laboratory

Temasek Life Sciences Laboratory (TLL) is affiliated with the National University of Singapore, the Nanyang Technological University and Temasek. Headed by Emeritus Professor Chan Soh Ha, it focuses on bio-molecular science research and applications. In 2012, TLL published 85 papers in peer-reviewed journals and made 11 discoveries, out of which five have been licensed.

13,000

Individuals in Singapore helped over the last four years

2,000

Students participated in Sunburst Youth Camp since 1997

Singapore Millennium Foundation

The Singapore Millennium Foundation (SMF) funds research relevant to Singapore, including research into mental health, Parkinson's disease, liver and lung cancer, ageing and special needs education.

Since 2008, research sponsorships for hospitals, education and research institutions totalled more than S\$30 million. SMF has also sponsored the Lee Kuan Yew Water Prize since 2008, which honours outstanding contributions by individuals or organisations towards solving the world's water challenges.

Singapore Technologies Endowment Programme

The Singapore Technologies Endowment Programme (STEP), now in its 16th year, helps Asian youth build connections and contributes to their education. Since 1997, almost 2,000 teenage students from various countries, including almost 600 junior college and polytechnic students from Singapore, have participated in the Sunburst Youth Camp.

Separately, in partnership with the Institute of Technical Education (ITE), more than 800 students assisted disadvantaged families by retrofitting their homes as part of STEP-ITE Sunburst Outreach Network. They also engaged the elderly and disadvantaged youth through activities that included art and craft workshops, reading programmes and various outdoor activities.

178

Programmes in Asia supported by TF

Engaging Our Communities





Building Capabilities

Temasek Life Sciences Laboratory

Development of a vaccine for the prevention and control of hand, food and mouth disease (HFMD)

Research on cold-adapted temperature-sensitive strains of the Enterovirus 71 as potential vaccines for HFMD – TLL team led by Dr KB Chua conducting proof-of-concept studies for their vaccine strains.



Researcher preparing cell culture medium.

Temasek International Foundation

Hon Sui Sen Endowment to promote talent development in Asia financial sector – Temasek Regional Regulators Scholarship (TRRS) Programme
Six Asian central bankers and financial regulators invited under TRRS last year to participate in WMI's Master of Science in Wealth Management course.

Temasek Foundation

TF Urban Management Leaders Programme to share Singapore's expertise in urban development and management
Assisting senior officials from China in drafting a strategic urban development plan.

Singapore International Technical and Vocational Education and Training (TVET) Conference 2012
Over 400 international delegates to understand Singapore's success in TVET and to share best practices in managing TVET institutions, supported by TF grant of S\$1 million for conference.

TF-KK Women's and Children's Hospital Paediatrics Emergency Care Train-the-Trainer Programme for Children Hospitals in Myanmar
A two-year partnership with Myanmar's Ministry of Health to enhance neonatal and paediatric emergency care capabilities at four children's hospitals in Yangon and Mandalay, by developing 80 to 100 medical and nursing staff, who will further train healthcare practitioners in Myanmar.

Singapore Millennium Foundation

Lee Kuan Yew Water Prize
Professor Mark van Loosdrecht awarded the 2012 Lee Kuan Yew Water Prize for developing Anammox, an energy-saving process which harnesses the natural properties of a unique bacterium to shorten conventional used-water treatment methods.



For more examples of organisations making a difference, scan the QR code



Senior officials from China participating in the TF Urban Management Leaders Programme.

Building People

Temasek Education Foundation

School of the Arts Junior Academy catering to budding artists, musicians, actors and dancers

344 primary school students in 2012 supported in their development in the arts.

TEF Sunburst Scholarship Inaugurated in 2012, six recipients from Asia sponsored to attend various universities and polytechnics in Singapore.

STEP

STEP-NUS Sunburst Brain Camp Week-long camp for 160 young people across Asia, offering them opportunity to interact with university professors, and obtain hands-on experience with neuroscience research methods.

Participants wrote and published *The Brain Book*, a book for youth about the brain and its functions.



STEP-NUS Brain Camp participants working with multicellular organism, *Caenorhabditis elegans* (*C. elegans*).

Rebuilding Lives

Temasek Cares

Transition-To-Work programme for youth with social challenges

A two-year partnership with Bizlink Centre to help 200 disadvantaged youth to secure employment and success at the workplace.

Temasek Foundation and Temasek Life Sciences Laboratory

TF-TLL Capability Building Programme for Rice Trainers in Indonesia

Following earlier successes in Aceh on rice research and productivity, a new cohort of 80 rice trainers from across Indonesia trained in good agricultural practices to improve and increase rice yields.

Building Communities

Temasek Cares

iCommunity@North

A two-year pilot with the Agency for Integrated Care to provide integrated medical and social services for 300 people with mental health challenges, including dementia.

Temasek Education Foundation

Singapore National Chinese Orchestra Marathon to cultivate appreciation of Chinese orchestral music Concerts held across Singapore for 23 days by 32 Chinese orchestras, involving 1,000 musicians, and reaching out to over 20,000 individuals.



iCommunity@North programme provides support to patients with dementia and mental health conditions.



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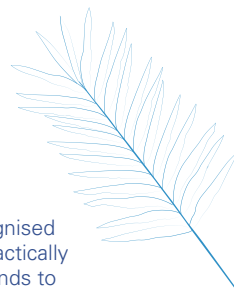
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Major Investments

“It’s not just about investing in companies, but also in friendships, connections and our communities.”

Chua Tse-Ling, Director,
Legal & Regulations







Coconut Palm
Commonly found in coastal areas, the Coconut Palm is recognised for its versatility as practically every part from its fronds to its roots can be used. With its buoyancy and resistance to water, the coconut fruit can float long distances before germinating on new shores, easily adapting to varying soil conditions.

Major Investments

Sources:

1. Financials for the 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: AIA Group, Bank of China, China Construction Bank, DBS Group, Industrial and Commercial Bank of China, Ping An Insurance Group, PT Bank Danamon Indonesia, Standard Chartered, Bharti Airtel, Celltrion, The Mosaic Co, Cheniere Energy, Chesapeake Energy, Clean Energy Fuels, Kunlun Energy, MEG Energy and Turquoise Hill Resources.
3. Market relevant information is sourced from Bloomberg, Stock Exchanges and public filings by companies.

		Market Capitalisation or Shareholder Equity ¹			
Financial Services		Shareholding ⁴ (%) as at 31 March 2013	Currency	2013	2012
	AIA Group Limited	2	HKD'm	409,496	342,652
	Bank of China Limited	<1 [#]	HKD'm	1,014,992	980,633
	China Construction Bank Corporation	7 [#]	HKD'm	1,579,191	1,499,675
	DBS Group Holdings Ltd	29	SGD'm	39,047	34,228
	Industrial and Commercial Bank of China Limited	1	HKD'm	1,803,363	1,836,400
	Ping An Insurance (Group) Company of China, Ltd	1	HKD'm	438,420	399,597
	PT Bank Danamon Indonesia, Tbk.	67 [#]	IDR'b	61,821	44,089
	Standard Chartered PLC	18	GBP'm	41,106	37,193

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2013 refers to positions as at 31 March 2013. For unlisted companies, 2013 refers to positions as at 31 March 2013 or 31 December 2012, in accordance with their respective financial year ends. Similarly for 2012.

² Key Figures: FY2012 refers to financial year ended March 2013 or December 2012 or November 2012 or June 2012 or May 2012, in accordance with the respective financial year ends of the companies. Similarly for FY2011. Revenue for Financial Services consists of net interest income and other operating revenue.

³ TSR: For listed companies, source is Bloomberg.
 Period for one-year TSR is from 31 March 2012 to 31 March 2013.
 Period for three-year TSR is from 31 March 2010 to 31 March 2013.
 Period for five-year TSR is from 31 March 2008 to 31 March 2013.
 For unlisted companies, shareholder equity is used in the computations. 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 2013 and 31 March 2012
NA	= Not applicable
PATMI	= Profit/(Loss) after tax and non-controlling interests
Shareholder Equity	= Shareholder equity reported by the respective companies based on their annual filings
TSR	= Total Shareholder Return

		Key Figures ²						TSR ³ (%)		
Revenue		PATMI		EVA		Change in EVA		Years		
FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	1	3	5
20,387⁵	14,388 ⁵	3,019⁵	1,600 ⁵	1,647⁵	(168) ⁵	1,815⁵	NA	21.2	NA	NA
366,176⁶	328,298 ⁶	139,432⁶	124,276 ^{6*}	41,152⁶	52,495 ^{6*}	(11,343)⁶	9,346 ^{6*}	22.8	1.7	7.1
462,533⁶	399,403 ⁶	193,179⁶	169,258 ⁶	83,991⁶	88,174 ⁶	(4,183)⁶	17,594 ⁶	11.7	5.3	6.3
8,514	7,631	3,809	3,035	520	118	402	473	17.4	7.6	4.9
529,720⁵	470,601 ⁶	238,532⁶	208,265 ⁶	113,767⁶	NA	NA	NA	14.7	2.0	4.4
339,193⁵	272,244 ⁶	20,050⁶	19,475 ⁶	7,469⁶	10,489 ⁶	(3,020)⁶	NA	3.4	(2.7)	2.6
17,928	15,433 [*]	4,012	3,294 [*]	(376)	(723) [*]	347	117 [*]	42.8	10.5	7.3
19,071⁵	17,637 ⁵	4,887⁵	4,849 ⁵	1,022⁵	343 ⁵	679⁵	(198) ⁵	13.2	2.6	6.8

⁴ Percentages rounded to the nearest whole number.

⁵ Figures in USD'm.

⁶ Figures in RMB'm.






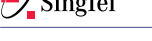




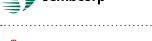




Includes significant interests held by Fullerton Financial Holdings Pte. Ltd.

* Restated by respective companies due to changes to accounting standards or divestment of major lines of business.

● For year ended November 2012/2011.

● For year ended December 2012/2011.

Market Capitalisation
or Shareholder Equity¹

Telecommunications, Media & Technology		Shareholding ⁴ (%) as at 31 March 2013	Currency	2013	2012
 INTOUCH	Shin Corporation Public Company Limited	42 ^{##}	THB'm	259,720	189,179
 Singapore Technologies Telemedia	Singapore Technologies Telemedia Pte Ltd	100	SGD'm	3,364	3,548
 STATS ChipPAC	STATS ChipPAC Ltd.	84	SGD'm	991	1,068
 airtel	Bharti Airtel Limited	5	INR'm	1,107,950	1,283,209
 MEDIACORP	MediaCorp Pte Ltd	100	SGD'm	734	748
 SingTel	Singapore Telecommunications Limited	52	SGD'm	57,238	50,218
Transportation & Industrials					
 EVONIK INDUSTRIES	Evonik Industries AG	5	EUR'm	6,718	5,981
 Keppel Corporation	Keppel Corporation Limited	21	SGD'm	20,214	19,698
 NOL	Neptune Orient Lines Limited	66	SGD'm	3,066	3,658
 PSA The World's Port of Call	PSA International Pte Ltd	100	SGD'm	9,265	8,553
 sembcorp	Sembcorp Industries Ltd	49	SGD'm	9,277	9,436
 ST Engineering	Singapore Technologies Engineering Ltd	50	SGD'm	13,359	9,968
 SINGAPORE AIRLINES	Singapore Airlines Limited	56	SGD'm	12,778	12,674
 SINGAPORE POWER	Singapore Power Limited	100	SGD'm	8,464	8,336
 SMRT	SMRT Corporation Ltd	54	SGD'm	2,403	2,638

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2013 refers to positions as at 31 March 2013. For unlisted companies, 2013 refers to positions as at 31 March 2013 or 31 December 2012, in accordance with their respective financial year ends. Similarly for 2012.

² Key Figures: FY2012 refers to financial year ended March 2013 or December 2012 or November 2012 or June 2012 or May 2012, in accordance with the respective financial year ends of the companies. Similarly for FY2011. Revenue for Financial Services consists of net interest income and other operating revenue.

³ TSR: For listed companies, source is Bloomberg.
Period for one-year TSR is from 31 March 2012 to 31 March 2013.
Period for three-year TSR is from 31 March 2010 to 31 March 2013.
Period for five-year TSR is from 31 March 2008 to 31 March 2013.
For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

		Key Figures ²						TSR ³ (%)		
Revenue		PATMI		EVA		Change in EVA		Years		
FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	1	3	5
8,545	8,019*	13,787	16,559	10,143	6,462	3,681	3,473	45.8	63.3	40.3
2,805	2,595	(140)	2,109	(336)	(253)	(83)	28	(5.2)	16.9	19.9
1,702⁵	1,707 ⁵	17⁵	(3) ⁵	(66)⁵	(55) ⁵	(11)⁵	(15) ⁵	(7.3)	(17.0)	(11.7)
803,112	714,508	22,757	42,594	NA⁶	(96,449)	NA	(32,729)	(13.4)	(2.0)	(5.2)
621	629	46	174	8	27**	(19)	1**	8.6	16.2	7.2
18,183	18,825	3,508	3,989	1,867	1,943	(76)	129	19.5	10.6	3.5
13,629	14,540	1,164	1,011	763	922	(159)	321	19.4	19.5	13.2
13,965	10,082	2,237	1,946*	1,375	1,024	351	60	6.0	15.9	10.1
9,512⁵	9,211 ⁵	(419)⁵	(478) ⁵	(675)⁵	(765) ⁵	90⁵	(778) ⁵	(16.3)	(15.5)	(14.9)
4,499	4,314	1,257	1,135	451	297	154	77	15.3	12.8	12.8
10,189	9,047	753	809	373	472	(99)	(23)	1.5	11.5	8.7
6,380	5,991	576	528	430	408	22	39	39.5	15.7	10.5
15,098	14,858	379	336	(783)	(1,000)	217	(910)	2.5	(6.4)	(0.1)
8,968	8,662	357	930	258	339	(81)	–	3.3	9.8	8.7
1,119	1,057	83	120	56	92	(36)	(19)	(5.0)	(4.2)	1.4

⁴ Percentages rounded to the nearest whole number.

⁵ Figures in USD'm.

⁶ Information not available.

Comprises significant interests held by Aspen Holdings Limited.

* Restated by respective companies due to changes to accounting standards or divestment of major lines of business.

** Restated by respective companies.

● For year ended December 2012/2011.

● For year ended March 2013/2012.

Market Capitalisation
or Shareholder Equity¹

Life Sciences, Consumer & Real Estate		Shareholding ⁴ (%) as at 31 March 2013	Currency	2013	2012
	Olam International Limited	23	SGD'm	4,111	5,764
	CapitaLand Limited	39	SGD'm	15,027	13,260
	Celltrion, Inc.	11	KRW'b	5,359	4,261
	Li & Fung Limited	3	HKD'm	89,413	144,932
	M+S Pte. Ltd.	40	SGD'm	NM⁶	NM ⁶
	Pulau Indah Ventures Sdn Bhd	50	MYR'm	NM⁶	NM ⁶
	Mapletree Investments Pte Ltd	100	SGD'm	7,509	6,691*
	SATS Ltd.	43	SGD'm	3,385	2,760
	Surbana Corporation Pte Ltd ⁷	60	SGD'm	487	444
	Wildlife Reserves Singapore Pte Ltd	88	SGD'm	176	176

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2013 refers to positions as at 31 March 2013. For unlisted companies, 2013 refers to positions as at 31 March 2013 or 31 December 2012, in accordance with their respective financial year ends. Similarly for 2012.

² Key Figures: FY2012 refers to financial year ended March 2013 or December 2012 or November 2012 or June 2012 or May 2012, in accordance with the respective financial year ends of the companies. Similarly for FY2011. Revenue for Financial Services consists of net interest income and other operating revenue.

³ TSR: For listed companies, source is Bloomberg.
 Period for one-year TSR is from 31 March 2012 to 31 March 2013.
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 Period for five-year TSR is from 31 March 2008 to 31 March 2013.
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

		Key Figures ²						TSR ³ (%)		
Revenue		PATMI		EVA		Change in EVA		Years		
FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	1	3	5
16,949	15,735	371	430	79	165**	(86)	17**	(25.7)	(11.3)	(2.2)
3,301	3,020	930	1,057	(611)	(422)	(189)	(99)	16.5	(1.5)	(5.5)
349	279	172	170	20	36	(16)	NA	26.0	33.1	NA
20,222⁵	20,030 ⁵	617⁵	681 ⁵	332⁵	199 ^{5**}	133⁵	(42) ^{5**}	(38.0)	(15.2)	(3.2)
NM⁶	NM ⁶	NM⁶	NM ⁶	NM⁶	NM ⁶	NA	NA	NM ⁶	NA	NA
NM⁶	NM ⁶	NM⁶	NM ⁶	NM⁶	NM ⁶	NA	NA	NM ⁶	NA	NA
686	574	932	626*	248	18	230	(451)	12.8	14.4	11.7
1,819	1,685	185	171	69	43	26	(25)	34.6	12.4	13.1
237	228	50	60	31	42	(11)	2	11.8	11.3	18.3
112	108	1	13	2	6	(4)	–	0.4	5.9	9.1

⁴ Percentages rounded to the nearest whole number.

⁵ Figures in USD'm.

⁶ Information not meaningful. Joint venture with Khazanah Nasional Berhad. Projects under development.

⁷ With effect from 1 April 2013, Surbana Corporation Pte Ltd was restructured into two separate businesses, with the consultancy business under Surbana International Consultant Holdings Pte Ltd and the residential development business under CapitaLand Township Holdings Pte Ltd.

* Restated by respective companies due to changes to accounting standards or divestment of major lines of business.


** Restated by respective companies.

● For year ended June 2012/2011.

● For year ended December 2012/2011.

● For year ended March 2013/2012.

Market Capitalisation
or Shareholder Equity¹

Energy & Resources		Shareholding ⁴ (%) as at 31 March 2013	Currency	2013	2012
	The Mosaic Company	5	USD'm	25,379	23,523
	Cheniere Energy, Inc.	4	USD'm	6,756	2,304
	Chesapeake Energy Corporation	– ⁵	USD'm	13,614	15,339
	Clean Energy Fuels Corp.	<1 ⁶	USD'm	1,151	1,837
	FTS International, Inc.	41	USD'm	2,628	3,733
	Kunlun Energy Company Limited	<1	HKD'm	132,842	100,394
	MEG Energy Corp.	5	CAD'm	7,215	7,461
	Repsol, S.A.	6	EUR'm	20,327	22,964
	Turquoise Hill Resources Ltd.	9	CAD'm	6,506	11,632

¹ Market Capitalisation or Shareholder Equity: For listed companies, 2013 refers to positions as at 31 March 2013. For unlisted companies, 2013 refers to positions as at 31 March 2013 or 31 December 2012, in accordance with their respective financial year ends. Similarly for 2012.

² Key Figures: FY2012 refers to financial year ended March 2013 or December 2012 or November 2012 or June 2012 or May 2012, in accordance with the respective financial year ends of the companies. Similarly for FY2011. Revenue for Financial Services consists of net interest income and other operating revenue.

³ TSR: For listed companies, source is Bloomberg.
 Period for one-year TSR is from 31 March 2012 to 31 March 2013.
 Period for three-year TSR is from 31 March 2010 to 31 March 2013.
 Period for five-year TSR is from 31 March 2008 to 31 March 2013.
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

Revenue		PATMI		EVA		Key Figures ²		TSR ³ (%)		
						Change in EVA		Years		
FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	1	3	5
11,108	9,938	1,930	2,515	1,350	NA	NA	NA	9.6	0.1	(9.3)
266	290	(333)	(199)	(401)	NA	NA	NA	87.6	108.8	7.2
12,316	11,635	(940)	1,570	(3,762)	2	(3,764)	(524)	(10.3)	(3.5)	(13.9)
334	293	(101)	(48)	(139)	(101)	(38)	NA	(39.1)	(17.1)	(0.5)
1,925	2,344	(1,465)	414	(2,217)	261	(2,478)	NA	(29.9)	NA	NA
32,953	25,915	6,518	5,621	6,032	NA	NA	NA	20.2	16.2	38.8
1,037	1,033	53	64	(422)	(300) ^{***}	(122)	40 ^{***}	(15.3)	NA	NA
59,593	52,637	2,060	2,193	NA⁷	NA	NA	NA	(9.4)	2.2	(0.8)
134⁸	179 ⁸	(435)⁸	(570) ⁸	(1,415)⁸	NA	NA	NA	(55.1)	(25.0)	(6.9)

⁴ Percentages rounded to the nearest whole number.

⁵ Comprising non-voting cumulative convertible preferred stock 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.

⁶ Shareholdings comprising common stock as at 31 March 2013 is 0.48%, not inclusive of our convertible notes holdings. Post conversion of the convertible notes, our interest in Clean Energy Fuels Corp is estimated to be approximately 4% on a fully diluted basis.

⁷ Not computed as investment was made subsequent to company's financial year end.

⁸ Figures in USD'm.

^{***} Restated due to change in adjustment basis.

● For year ended May 2012/2011.

● For year ended December 2012/2011.

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Temasek Portfolio at Inception

Temasek was incorporated in 1974 to commercially manage an initial portfolio valued at S\$354 million, acquired from the Singapore Minister for Finance. This move enabled the Singapore Government to focus on its core role of policymaking and regulations.

Companies in bold are still within the Temasek portfolio, directly or indirectly, while the rest have been divested or liquidated.

1. Acma Electrical Industries Ltd
2. Cerebos Singapore Pte Ltd
3. Chemical Industries (F.E.) Ltd
- 4. Development Bank of Singapore Ltd¹**
5. Instant Asia Cultural Shows Pte Ltd
6. Insurance Corporation of Singapore Ltd
7. International Development and Construction Corporation
8. Intraco Ltd
- 9. Jurong Bird Park Pte Ltd²**
- 10. Jurong Holdings Pte Ltd³**
- 11. Jurong Shipbuilders Pte Ltd³**
- 12. Jurong Shipyard Pte Ltd³**
- 13. Keppel Shipyard Pte Ltd⁴**
14. Metrawood Pte Ltd
15. Ming Court Hotel Ltd
16. Mitsubishi Singapore Heavy Industries Pte Ltd
17. National Engineering Services Pte Ltd
18. National Grain Elevator Ltd
19. National Iron & Steel Mills Ltd⁵
- 20. Neptune Orient Lines Ltd**
- 21. Primary Industries Enterprises Pte Ltd⁶**
- 22. Sembawang Holdings Pte Ltd³**
- 23. Singapore Airlines Ltd**
- 24. Singapore Airport Duty-Free Emporium Pte Ltd⁷**
25. Singapore Cable Car Pte Ltd
26. Singapore General Aviation Service Company Pte Ltd
27. Singapore National Printers Pte Ltd
28. Singapore Offshore Petroleum Services Pte Ltd
29. Singapore Textiles Industries Ltd
30. Singapore Treasury Building Pte Ltd
- 31. Singapore Zoological Gardens²**
32. Singmanex Pte Ltd
33. Sugar Industry of Singapore Ltd
34. United Industrial Corporation Ltd
35. United Vegetable Oil Pte Ltd

¹ Now part of DBS Group Holdings Ltd.

² Now part of Wildlife Reserves Singapore Pte Ltd.

³ Now part of Sembcorp Industries Ltd.

⁴ Now part of Keppel Corporation Limited.

⁵ Formed to produce iron and steel in Singapore, NatSteel (formerly known as National Iron & Steel Mills Ltd) was first divested in 1986. Temasek reinvested in NatSteel in 1998 in support of their investment in Brazil. Temasek divested NatSteel in 2002 when NatSteel initiated a sale process.

⁶ Now part of SATS Ltd., a catering and airport services company.

⁷ Now jointly owned by Singapore Airlines Limited and SATS Ltd.

Materials produced as part of Temasek's annual disclosure exercise include the printed *Temasek Review* and *Temasek Review Highlights* publications, advertisements and the microsite.

The *Temasek Review* and *Temasek Review Highlights* publications use the paper Grandeur Zen White, which is environmentally-friendly and contains wood pulp from well-managed forests. Twenty percent of the pulp is sourced from pre-consumer waste and is bleached using an elemental chlorine-free process. Grandeur Zen White conforms to ISO9706 standards.

Design of publications: Black Sun Plc, UK.

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Photography:

Pages 4-5: Stephen Forshaw, Temasek Corporate Affairs.

Pages 70-71: Black Sun Plc, UK.

Pages 76-77: Lim Fung Jen, Temasek Corporate Finance.

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