

# Embracing the Future

Temasek Review 2015



**TEMASEK**

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"He who survives is the man  
who is able to adapt  
to changing situations."

*Lee Kuan Yew*  
Founding Prime Minister,  
Republic of Singapore  
13 July 1966

# Embracing the Future

Fifty years ago, communicating through a wrist device was comic strip fiction.

Today, mobile devices are child's play. The world is indeed a remarkable place.

That is the beauty of the future – it's unwritten and holds endless possibilities. It can be a daunting unknown, but it is also exhilarating, for any or all of us can write new chapters, and chart groundbreaking paths.

At Temasek, we embrace the future and all that it brings.

We seek and seed bold ideas, turning the *impossible of today* into the *possible of tomorrow*.

Even as we invest in tomorrow's pioneers, we also want to leave no one behind.

In this *Temasek Review*, we mark the 50<sup>th</sup> birthday of our home – Singapore – itself a story of remarkable change. We continue to look to tomorrow, as we have always done, working together to turn bold dreams into enduring reality.



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 or scan the QR code



# The Temasek Charter

## Temasek is an active investor and shareholder.

**We deliver sustainable value over the long term.**

- Temasek is an investment company. We own and manage our assets based on commercial principles.
- As an active investor, we shape our portfolio by increasing, holding or decreasing our investment holdings. These actions are driven by a set of commercial principles to create and maximise risk-adjusted returns over the long term.
- As an engaged shareholder, we promote sound corporate governance in our portfolio companies. This includes the formation of high calibre, experienced and diverse boards.
- Our portfolio companies are guided and managed by their respective boards and management; we do not direct their business decisions or operations.
- Similarly, our investment, divestment and other business decisions are directed by our Board and management. Neither the President of Singapore nor our shareholder, the Singapore Government, is involved in our business decisions.

## Temasek is a forward looking institution.

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

- As an institution and as individuals, we act with integrity and are guided by our Temasek values.
- We foster an ownership culture which puts institution above individual, emphasises long term over short term, and aligns employee and shareholder interests.
- We pursue excellence as an institution by developing our people, capabilities and processes.
- We challenge and reinvent ourselves to stay relevant in a rapidly changing world. We do things today with tomorrow in mind.

*"Nice to be home together!"*

Christal Sui and her husband sharing precious time with their children and their mothers.

## Temasek is a trusted steward.

### We strive for the advancement of our communities across generations.

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- Temasek is a responsible corporate citizen. We engage our communities based on the principles 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.
- We engage stakeholders in the development of sound governance practices.
- Under the Singapore Constitution, Temasek has a responsibility to safeguard its past reserves.



# Ten-year Performance Overview

Our net portfolio value is up S\$163 billion over the last 10 years.

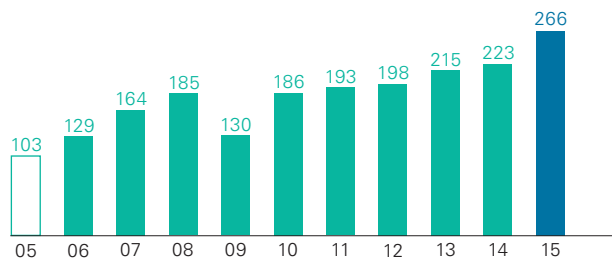
(as at 31 March)

## S\$266b

Net portfolio value

Up S\$43 billion  
from last year

Net Portfolio Value (S\$b)

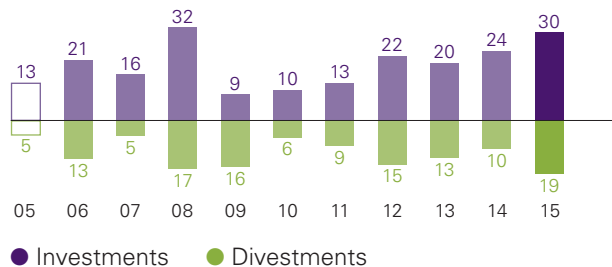


Investments & Divestments (S\$b)

## S\$30b

Invested during the year

Invested S\$197 billion  
over the decade

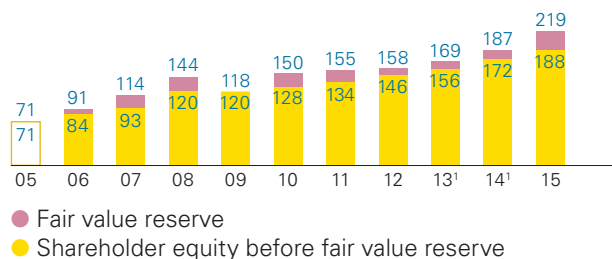


Group Shareholder Equity (S\$b)

## S\$219b

Group shareholder equity

Up S\$148 billion  
over 10 years



<sup>1</sup> Restated due to adoption of new accounting standards.



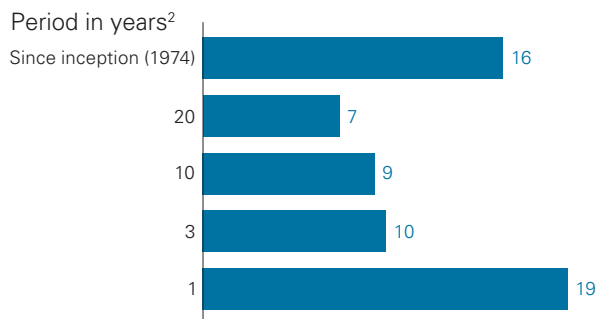
(as at 31 March)

# 19.20%

One-year return to shareholder

Total shareholder return of 9% over 10 years

## S\$Total Shareholder Return (%)

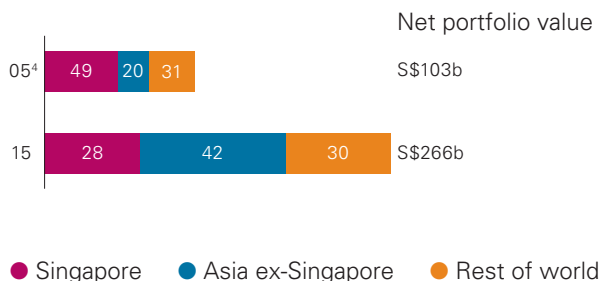


# 70%

Exposure to Asia

Singapore exposure up S\$24 billion over 10 years

## Portfolio by Geography<sup>3</sup> (%)

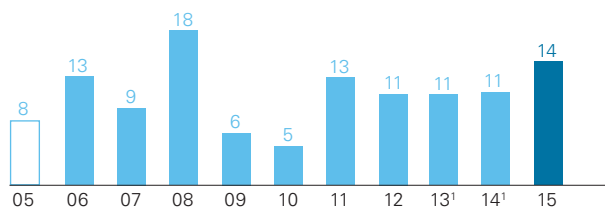


## Group Net Profit (S\$b)

# S\$14b

Group net profit

Average annual group net profit of S\$11 billion over the decade



<sup>2</sup> As at 31 March 2015.

<sup>3</sup> Distribution based on underlying assets.

<sup>4</sup> Restated distribution basis.

# Portfolio Highlights

Our net portfolio was S\$266 billion, with a 55:45 underlying exposure to mature economies<sup>1</sup> and growth regions<sup>2</sup>.



(as at 31 March 2015)

## Global Exposure<sup>3</sup>

**42%**

Asia ex-Singapore

**28%**

Singapore

**26%**

North America and  
Europe, Australia  
& New Zealand

**4%**

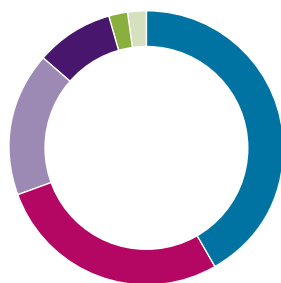
Latin America,  
Africa, Central Asia  
& the Middle East

<sup>1</sup> Singapore, Japan & Korea, North America and Europe, Australia & New Zealand.

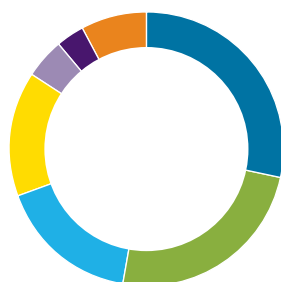
<sup>2</sup> Asia (excluding Singapore, Japan & Korea), Latin America, Africa, Central Asia & the Middle East.

<sup>3</sup> Distribution based on underlying assets.

(as at 31 March)

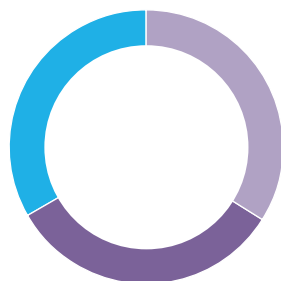
Geography<sup>3</sup> (%)

	2015	2014	2013
● Asia ex-Singapore	<b>42</b>	41	41
● Singapore	<b>28</b>	31	30
● North America and Europe	<b>17</b>	14	12
● Australia & New Zealand	<b>9</b>	10	13
● Africa, Central Asia & the Middle East	<b>2</b>	2	2
● Latin America	<b>2</b>	2	2

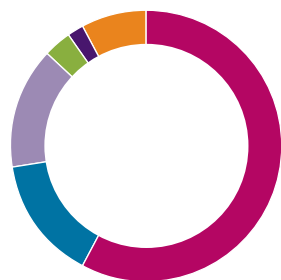
Sector<sup>3</sup> (%)

	2015	2014	2013
● Financial Services	<b>28</b>	30	31
● Telecommunications, Media & Technology	<b>24</b>	23	24
● Transportation & Industrials	<b>17</b>	20	20
● Consumer & Real Estate	<b>15</b>	12	11
● Energy & Resources	<b>5</b>	6	6
● Life Sciences & Agriculture	<b>3</b>	2	1
● Others	<b>8</b>	7	7

## Liquidity (%)



	2015	2014	2013
● Liquid & sub-20% listed assets	<b>34</b>	36	35
● Listed large blocs (≥20% share)	<b>33</b>	34	38
● Unlisted assets	<b>33</b>	30	27

Currency<sup>4</sup> (%)

	2015	2014	2013
● Singapore dollars	<b>58</b>	61	65
● Hong Kong dollars	<b>15</b>	12	11
● US dollars	<b>14</b>	12	6
● British pounds sterling	<b>3</b>	4	6
● Indian rupees	<b>2</b>	2	2
● Others	<b>8</b>	9	10

<sup>4</sup> Distribution based on currency of denomination.

# Credit Profile

Our Credit Profile provides a snapshot of our credit quality and the strength of Temasek's financial position<sup>1</sup>.

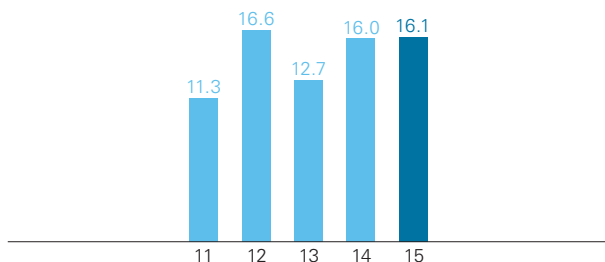
(for year ended 31 March)

## Dividend over Interest Expense (x)

# 16.1x

Dividend over interest expense

S\$7.9 billion dividend income over S\$0.5 billion interest expense

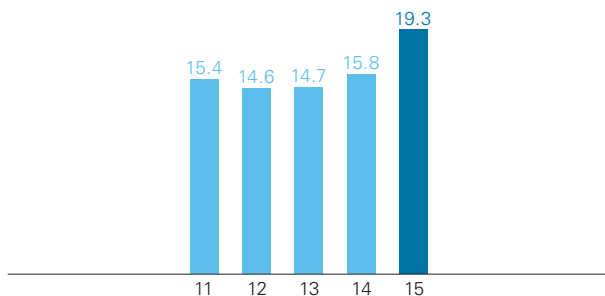


## Portfolio Value over Debt (x)

# 19.3x

Portfolio value over debt

S\$266 billion net portfolio value over S\$13.8 billion debt

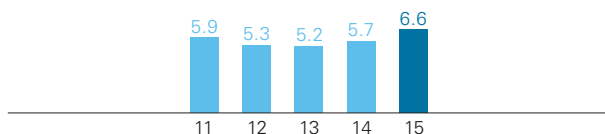


## Liquid Assets over Debt (x)

# 6.6x

Liquid assets<sup>2</sup> over debt

S\$90.6 billion liquid assets over S\$13.8 billion debt



<sup>1</sup> Refers to information of Temasek Holdings (Private) Limited (THPL) and its Investment Holding Companies (IHCs). IHCs are THPL's wholly owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of THPL, wholly owned Temasek Pte. Ltd. (TPL), and/or TPL's wholly owned subsidiaries. The principal activities of THPL and its IHCs are that of investment holding, financing, or the provision of investment advisory and consultancy services to THPL and its IHCs.

<sup>2</sup> Mainly cash and cash equivalents, and sub-20% listed assets.

## Key Credit Parameters (in S\$ billion)

For year ended 31 March	2011	2012	2013	2014	2015
Divestments	9	15	13	10	<b>19</b>
Dividend income	5.3	8.1	6.4	7.9	<b>7.9</b>
Interest expense	0.5	0.5	0.5	0.5	<b>0.5</b>
Net portfolio value	193	198	215	223	<b>266</b>
Liquid assets <sup>2</sup>	74.5	71.8	76.5	80.3	<b>90.6</b>
Debt <sup>3</sup>	12.6	13.5	14.6	14.2	<b>13.8</b>

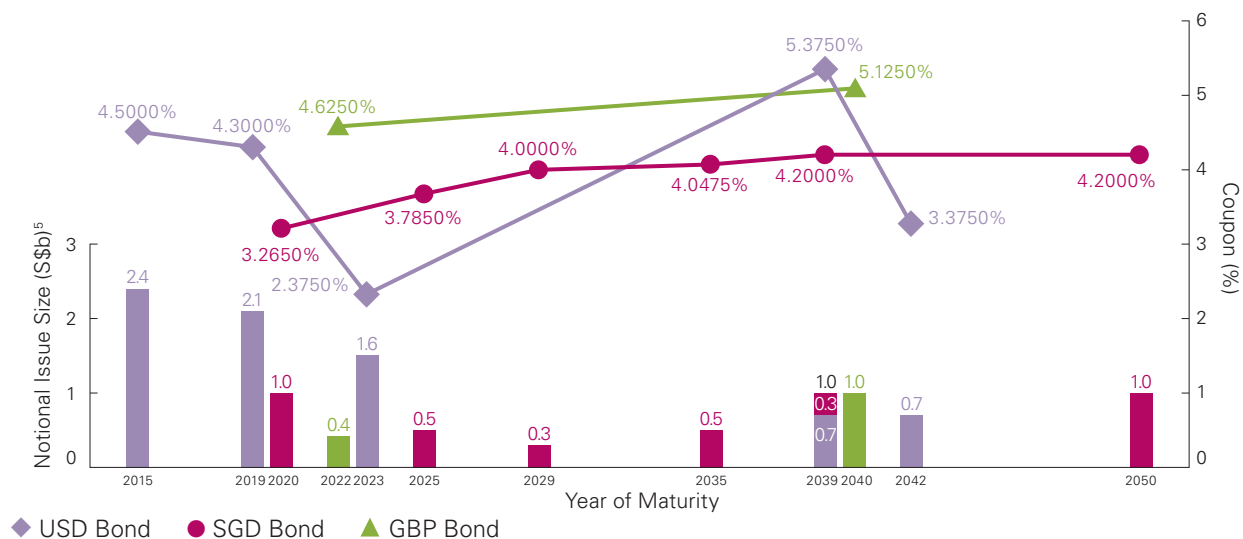
## Debt Issuance Programmes

We have a US\$15 billion Guaranteed Global Medium Term Note (MTN) Programme, and a US\$5 billion Euro-commercial Paper (ECP) Programme to provide flexible balance between long and short term funding<sup>4</sup>.

## Debt Maturity Profile (in S\$ billion)

As at 31 March	2011	2012	2013	2014	2015
Due up to 1 year	2.1	2.0	2.1	2.3	<b>3.8</b>
Due 1 to 3 years	0.6	1.8	3.1	2.2	<b>–</b>
Due 3 to 10 years	5.3	5.1	4.7	4.8	<b>5.6</b>
Due after 10 years	4.6	4.6	4.7	4.9	<b>4.4</b>

## Temasek Bonds – Maturity Profile and Coupon



<sup>3</sup> Comprises Temasek Bonds totalling S\$12.4 (US\$9.1) billion, with a weighted average maturity of over 12 years and Temasek ECP totalling S\$1.4 (US\$1.0) billion, with a weighted average maturity of about three months as at 31 March 2015.

<sup>4</sup> Our MTN Programme and all Temasek Bonds are rated AAA/Aaa by Standard & Poor's Ratings Services (S&P) and Moody's Investors Service (Moody's) respectively. Our ECP Programme has the highest short term ratings of A-1+/ P-1 by S&P and Moody's respectively.

<sup>5</sup> Exchange rates as at 31 March 2015.

# From Our Chairman

## At Temasek, we have reinvented ourselves time and again to adapt to a changing world and embrace the future.

August 2015 marks Singapore's 50<sup>th</sup> year of independence. Temasek has tracked Singapore's remarkable transformation, growing with Singapore in the early years and more widely with Asia in the recent decades. We continue to seize opportunities, as we create new pathways and push the boundaries for new possibilities.

We have been fortunate that the world is slowly recovering from the Global Financial Crisis of 2008/09. Our portfolio has benefited from the generally favourable global environment for equities last year. However, we remain vigilant, given the policy and regulatory risks around the world.

### Portfolio Performance

As at 31 March 2015, our net portfolio value was S\$266 billion<sup>1</sup>, up S\$43 billion from last year. We ended the year in a net cash position.

Our one-year Total Shareholder Return (TSR) was 19.20% in Singapore dollar terms, largely due to the strong performance of our Singapore and China portfolios. Longer term 10-year and 20-year TSRs were 9% and 7% respectively, and TSR since inception in 1974 was 16%.

Wealth Added, which is our dollar return above our aggregated risk-adjusted cost of capital hurdle<sup>2</sup> for the year, was S\$25.5 billion.

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**9%**

Ten-year TSR

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**16%**

TSR since inception

### Portfolio Activities

This was the most active year for us since the Global Financial Crisis, in terms of investment activities, with S\$30 billion of new investments and a record S\$19 billion of divestments. Our pace of new investments reflects our benign view of the global economy over the next few years. We stepped up our divestments in the latter half of the year to capitalise on the liquidity-driven rally in some markets.

We continued with our four investment themes: Transforming Economies, Growing Middle Income Populations, Deepening Comparative Advantages and Emerging Champions. These include companies that are innovating and embracing the future.

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<sup>1</sup> US\$194 billion as at 31 March 2015.

<sup>2</sup> Aggregated risk-adjusted cost of capital for the year was 8%.

The top three sectors for investments during the year were consumer, financial services, and life sciences & agriculture.

The consumer sector is a good proxy to growing middle income populations and transforming economies. During the year, we completed a significant investment in A.S. Watson, and acquired a majority stake in Olam through the completion of a voluntary general offer for the company's shares.

We continued to expand our financial services portfolio into selected non-banking sub-sectors. These include insurance and consumer finance, which benefit from transforming economies and growing middle income populations, as well as other areas like electronic market making and payments, where technology is disrupting traditional players. Investments last year in NN Group, Synchrony Financial, Virtu Financial and Adyen represented some of our investments in these areas.

Our investments in the life sciences & agriculture sectors were primarily focused around global champions. We expanded our portfolio into veterinary pharmaceuticals with our investment in Ceva Santé Animale, a leading global animal health company. We also increased our stake in Gilead Sciences, a US-based biopharmaceutical company at the cutting edge of developing novel therapies for infectious diseases and cancer.

In January, we were especially pleased to announce our partnership with the Singapore Government to spearhead the rejuvenation of Mandai into an integrated wildlife and nature heritage precinct. This builds on the history and success of the Temasek nature portfolio cluster of the Singapore Zoo, Night Safari and the Bird Park. Our project team is having ongoing discussions with various stakeholders and potential partners to garner fresh ideas for this multi-generation endeavour.

As at 31 March 2015, in terms of geographic exposure by underlying assets, Singapore and China were highest at 28% and 27% respectively.

Portfolio exposure to North America and Europe grew moderately to 9% and 8% respectively.

About 10% of our portfolio is in third party managed funds.

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**S\$266b**

Net portfolio value

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**19.20%**

One-year TSR

### Our Institution

Since 2004, we have established public markers to instil financial discipline for the long term. This year, we have broadened the public marker of our credit quality beyond credit ratings to include key credit parameters in our Credit Profile based on the financials of Temasek as an investment entity<sup>1</sup>.

For the year ended 31 March 2015, our dividend was 16.1 times over interest expense, with a dividend income of S\$7.9 billion and interest expense of S\$0.5 billion.

We have a robust bottom-up approach for our T-GEM (Temasek Geometric Expected Return Model), which simulates the likelihood of our long term return based on various economic scenarios.

Stakeholder engagement continues to be an institutional priority. During the year, we activated digital platforms such as LinkedIn, Twitter, Instagram, YouTube and Facebook for a broader and more timely engagement with our stakeholders, including the young.

We hosted our inaugural *Ecosperity* conference in September 2014, featuring dialogue with global business and thought leaders. We believe growth for prosperity can be intertwined with a respect for our environment. Last year's theme on natural resources will be followed by this year's focus on urbanisation. Young students had separate sessions to meet with global leaders, and we shared content with a wider audience through our digital channels.

In his Budget Speech to Parliament in February 2015, Singapore's Finance Minister proposed that Temasek be included in the Net Investment Returns (NIR) framework for purposes of the Government Budget spending rule. This means the Singapore Government may spend up to half of the expected long term returns of Temasek's portfolio, rather than up to half of the dividends that our shareholder, the Minister for Finance<sup>2</sup>, receives from Temasek. The move to include Temasek in the NIR framework, if approved by Parliament, does not affect our dividend policy, or our investment strategies and operations. Our constitutional responsibility to protect our past reserves also remains unchanged.

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**16.1x**

Dividend over  
interest expense

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**S\$7.9b**

Dividend income

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<sup>1</sup> Refers to information of Temasek Holdings (Private) Limited (THPL) and its Investment Holding Companies (IHCs). IHCs are THPL's wholly owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of THPL, wholly owned Temasek Pte. Ltd. (TPL), and/or TPL's wholly owned subsidiaries. The principal activities of THPL and its IHCs are that of investment holding, financing, or the provision of investment advisory and consultancy services to THPL and its IHCs.



## Our Communities

In 2013, in preparation for the Middle East Respiratory Syndrome (MERS) epidemic potentially reaching Asia, we sponsored ST Engineering to develop a new generation of N95 masks, including sizes for children. The successful development resulted in the 2015 launch of the *AIR+ Smart Mask*, the first certified N95 mask globally with sizes to fit children from age 7 and up, and the *AIR+ Micro Ventilators* for better comfort and efficacy.

In 2014, we launched a new endowment – the Temasek Emergency Preparedness Fund (T-PREP Fund) – to help communities prepare for and recover from emergencies, such as natural disasters or viral epidemics.

Among the programmes supported in 2014/15 was a Temasek Cares initiative to provide the *AIR+ Smart Masks* and *AIR+ Micro Ventilators* to 13,000 disadvantaged children in Singapore. This proved timely given the recent spread of MERS cases to parts of Asia this year.

Another timely programme initiated by Temasek Cares last year was the training of counsellors to support children who have experienced trauma. Following the earthquake at Mount Kinabalu in Sabah, Malaysia, in June 2015, the first batch of trained counsellors, social workers and therapists was activated to support the primary school students, who survived the disaster, and their friends. We are saddened by the devastating loss of lives and extend our deepest condolences to affected families.

Temasek Foundation piloted a regional student leadership exchange for students from polytechnics and technical institutes in the region during the year. Three hundred students from Cambodia, Indonesia, the Philippines, Singapore, Thailand and Vietnam covered cross-cultural learning on regional economic and community issues. With this initial success, the programme is expected to double its intake in 2015.

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# S\$30b

Investments  
for the year

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# S\$19b

Divestments  
for the year

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<sup>2</sup> Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate.

### Economic Outlook

We are cautiously optimistic on the outlook for the next few years. The US economic recovery remains on track, if at times uneven. China is pursuing a more sustainable growth path, and has the means and tools to address credit stresses in its financial system.

This macroeconomic backdrop, combined with easy monetary policy by most central banks, caused a rally in major equity markets, with China a clear outperformer. As a result, valuations, especially in more mature markets, are well above historical averages.

The sharp correction in energy prices during the year surprised most market participants. In the short term, this has increased real income for consumers and reduced costs for businesses. While investments in some energy projects have been scaled back, we do not anticipate a sharp rebound in energy prices in the near term.

### In Appreciation

A series of community activities to celebrate Temasek's 40<sup>th</sup> anniversary last year culminated in an anniversary dinner at the Istana in September 2014. The occasion was graced by Singapore's President Tony Tan Keng Yam and Prime Minister Lee Hsien Loong, as well as many of our friends and partners from home and abroad.

At the annual meeting with our Temasek International Panel members last year, there were substantive discussions on some of the most challenging issues facing investors. We are deeply appreciative of their purposeful contributions as our team has benefited much from the robust discussion and insights.

Inaugurated in 2003, the Temasek Advisory Panel (TAP) allowed us to draw on the wisdom and experience of eminent leaders in Singapore and the region. Our portfolio company leaders and our management have benefited much over the years. As the TAP drew to a conclusion in December 2014, to be replaced by regional TAPs, we would like to record our thanks to all panel members.

I thank my fellow Board members for their active stewardship of Temasek during the past year. We welcomed three new Directors during the course of the year: Bobby Chin and Robert Ng, whom I mentioned last year, joined us in June 2014. Peter Voser, the retired CEO of Royal Dutch Shell, joined our Board in January 2015. Each of our new Directors bring with them a wealth of experience in finance and various sectors of industry.

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Portfolio exposure to North America and Europe grew moderately to 9% and 8% respectively.

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Temasek will spearhead the rejuvenation of Mandai.

### Tribute to Mr Lee Kuan Yew

In closing, I would like to record a special tribute to Singapore's founding Prime Minister, Mr Lee Kuan Yew, who passed away on 23 March 2015.

Fifty years ago, Mr Lee led a generation of Singaporeans to embrace an uncertain future, as the world's newest independent nation. He rallied them: "Ten years from now, this will be a metropolis. Never fear".

Employers, workers and the Government forged a groundbreaking tripartite partnership that provided stability and attracted multinational investors. Jobs were created and the economic and social opportunities followed. Singapore companies including Temasek portfolio companies thrived.

Right from the start, Mr Lee set the tone for a multi-racial society; meritocratic regardless of race, language, religion or culture. He also noted during the founding years that "He who survives is the man who is able to adapt to changing situations". And thus, Singapore embarked on entrepreneurship at a national level, continually inventing and reinventing ourselves – adapting, even as we invest and reinvest in our people.

The values of integrity and meritocracy, the openness to a multi-racial world, the pragmatic idealism, the discipline to deliver, the commitment to do the right things for future generations to come – these ideals define Mr Lee and his founding generation. They also shape Temasek and our early portfolio companies to think as owners, and take responsibility as stewards, even as we strive to deliver and grow our businesses.

This valuable legacy from our pioneer generation, led by Mr Lee, has and will enable us to embrace the future with confidence.



**LIM BOON HENG**

Chairman

July 2015





# Investor

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*“Careful, careful! Don’t run yet till you are ready!”*

Srijay Ghosh guiding his bright-eyed and energetic nine-month-old son, Saket, as they explore the Flower Dome together at Gardens by the Bay, Singapore.

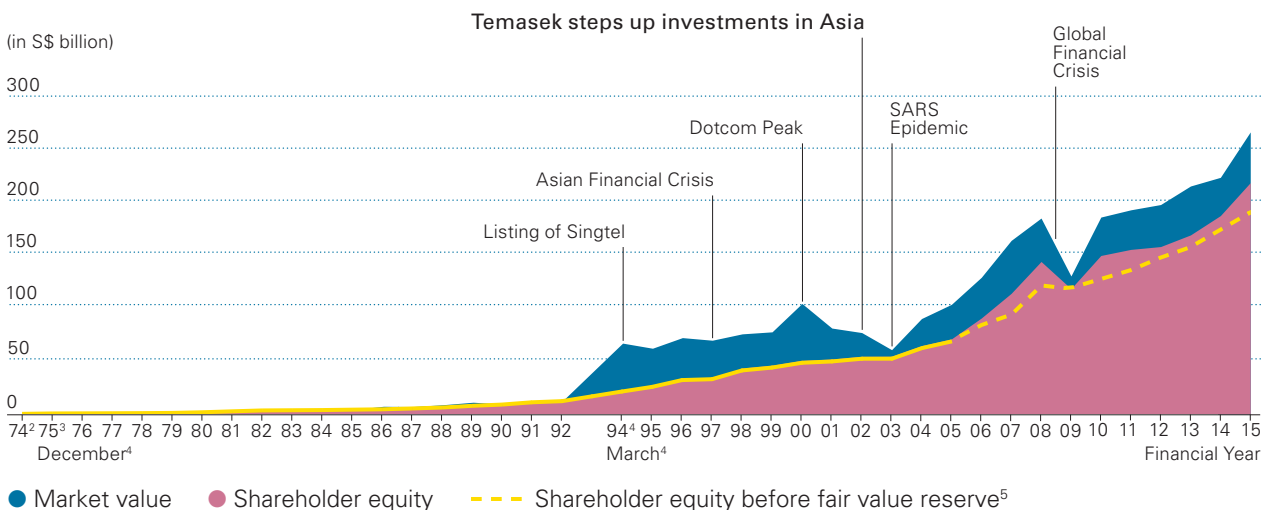
# Value since Inception

In our earlier years, we grew with our portfolio companies as Singapore transformed. Since 2002, we have actively invested in the transformation of Asia and beyond.

Our early portfolio<sup>1</sup> reflected a developing Singapore. It included a textile and yarn manufacturer, a shipbuilder, and the Singapore Zoo. As the country developed, we grew with stalwarts such as Singapore Power, Singtel and PSA.

We stepped out into Asia and also further afield since 2002. Now, through our Enterprise Development Group, we are seeding and growing the next generation of companies. Our portfolio grew from S\$354 million at inception to S\$266 billion, 41 years later.

## Temasek Net Portfolio Value since Inception



<sup>1</sup> See the list of companies in the initial portfolio on page 100.

<sup>2</sup> Incorporation of Temasek on 25 June 1974.

<sup>3</sup> Financial year 75 began on 25 June 1974 and ended 31 December 1975.

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

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

# Total Shareholder Return

## We track our total returns to our shareholder over various periods.

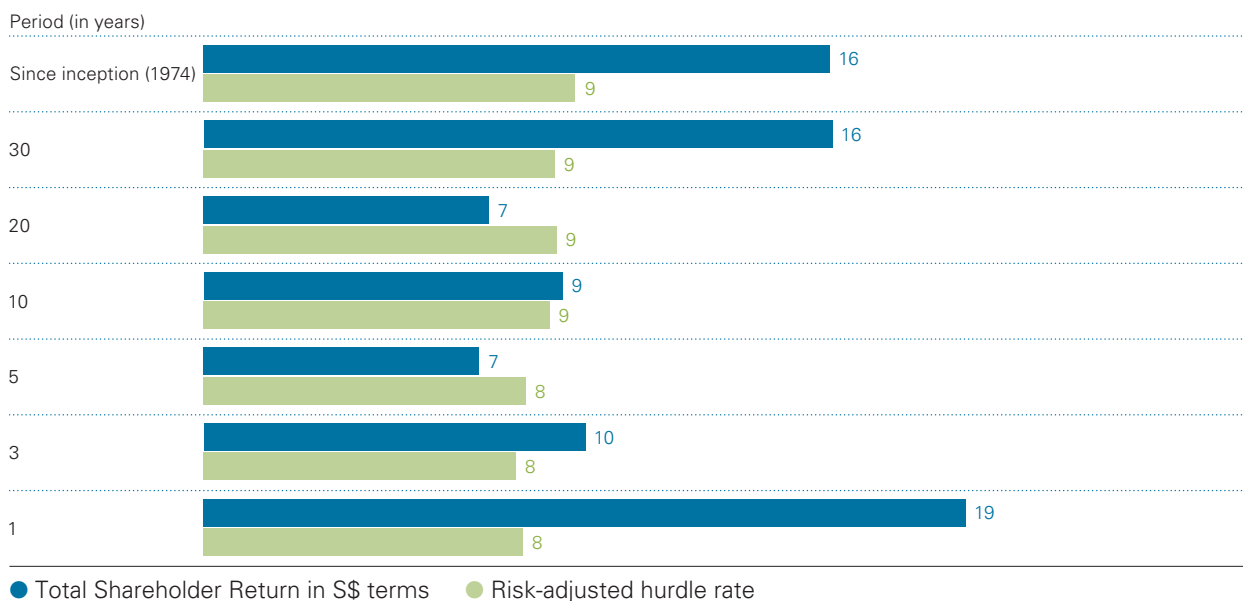
Total Shareholder Return (TSR) is a compounded and annualised measure, which includes dividends paid to our shareholder and excludes capital injections from our shareholder. As a long term investor, we track our TSR over various time periods.

As at 31 March 2015, our Singapore dollar<sup>6</sup> one-year TSR was 19.20%. Our three-year TSR was 9.62% and our five-year TSR was 6.94%. Our 20-year TSR was 7%, versus the Singapore 20-year annualised core inflation<sup>7</sup> of under 2%. TSR since our inception 41 years ago was 16%.

Our TSR is measured against our risk-adjusted hurdle rate, which is derived using a capital asset pricing model. The hurdle rate is built bottom-up, and aggregated over all our investments.

(as at 31 March 2015)

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



<sup>6</sup> TSR in US\$ terms was 9%, 6%, 7%, 11%, 7%, 18% and 17% for 1, 3, 5, 10, 20, 30 and 41-year periods respectively.

<sup>7</sup> As of the year ended March 2015, annualised core inflation in Singapore was 1.7%, 2.1%, 1.6% for 1, 10 and 20-year periods respectively (Source: Monetary Authority of Singapore).

# Investment Highlights

## We continue to expand our exposure in North America and Europe, while remaining anchored in Asia.

During the financial year ended 31 March 2015, we invested S\$30 billion and divested a record S\$19 billion. We continued our strong pace of investments from the previous year, reflecting our constructive view of the global economy. In the latter part of the year, we capitalised on a significant liquidity-driven rally in some markets to step up our divestments.

The top three sectors for our investments during the year were consumer, financial services and life sciences & agriculture.

In the consumer space, we completed a US\$5.7 billion investment in A.S. Watson, a leading international health and beauty retailer, with over 11,600 stores operating 13 retail brands in 24 markets worldwide. With this investment, Temasek increased its exposure to the consumer retail sector, with a balanced focus on a growing Asia and a recovering Europe.

We continue to expand our financial services portfolio into non-banking sub-sectors, such as insurance, consumer finance, electronic market making and payments through investments in NN Group, Prudential plc, Synchrony Financial, Virtu Financial and Adyen. We also increased our holdings in Industrial and Commercial Bank of China.

In life sciences & agriculture, we increased our stake by about US\$800 million in Gilead Sciences, a US-based biopharmaceutical company, which specialises in developing novel therapies for infectious diseases and cancer. We also invested in Ceva Santé Animale, a global animal health company, and COFCO International Limited, which holds a controlling stake in Nidera and Noble Agri, two international agriculture supply chain managers.

In terms of geography, Asia accounted for about half of our new investments during the year, followed by North America and Europe with a combined 43% share of our new investments.

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We continue to expand our financial services portfolio into non-banking sub-sectors.



In Asia, apart from the consumer investments in A.S. Watson and Olam, we invested actively in the telecommunications, media & technology sector. Our investments included Tencent, one of the top internet companies in China; Lazada, a leading South East Asia e-commerce platform; and Didi Kuaidi, a prominent Chinese transportation network company. We also invested in a number of consumer oriented companies in China, such as Yili Group and Kweichow Moutai.

---

Asia accounted for about half of our new investments.

We increased our exposure in India with investments in Global Health, the owner of the Medanta franchise of multi-specialty, tertiary care hospitals; and in Intas Pharmaceuticals, a global generics company engaged in the development, manufacturing and marketing of pharmaceuticals formulations. We were also active in the technology sector in India with investments in Snapdeal, a leading e-commerce platform; Manthan, a data analytics company focused on the retail sector; and Cognizant Technology Solutions, a US-listed IT and business process outsourcing service provider with the majority of its operations in India.

In Europe, we made several investments in the UK real estate sector which included a combination of office and mixed-use development assets, such as MidCity Place and 22 Bishopsgate. Elsewhere in Europe, we invested in Deutsche Post DHL, an international logistics player; Origo Exploration, a North Sea oil exploration company; and Gaztransport & Technigaz, a global provider for liquefied natural gas (LNG) transport and storage. We increased our exposure to European financials as a play on European recovery, with investments in NN Group and Lloyds Banking Group.

In North America, apart from the life sciences & agriculture and financial services sectors, we made investments in the technology and energy sub-sectors. These included Internet Brands, a leader in software, marketplace and online media assets; Cheniere Energy, an energy company engaged in LNG related businesses; and a follow-on investment in Venari Resources, an upstream oil and gas exploration company focused on deep water Gulf of Mexico.

Key divestments included part of our stakes in China Construction Bank and Alibaba, where we continue to hold substantial positions. We exited our shareholdings in Mosaic, Qualcomm, Kunlun Energy and Medreich.

# Builder for Growth

## Our Enterprise Development Group goes beyond investing for growth to include building and catalysing the growth of businesses.

The Enterprise Development Group's (EDG) role covers a wide spectrum; from incubation to transformation of existing platforms and, where gaps exist, building new ones focused on capturing value from future trends. EDG pursues commercial opportunities that are expected to yield returns, including those with long gestation periods.

Temasek plays an enabler role across all stages of an enterprise, from early stage investments to disruptive business models. Our direct investing activities are complemented by the Private Equity Fund Investment team, thereby extending our reach and developing our network of relationships – so necessary at the formative stage.

We also identify and develop enterprises that have the potential to be global, regional, or domestic champions and map the future business value chain by staying abreast of business trends and disruptors.

### Incubation and Early Stage

In April 2015, Temasek acquired Silicon Valley Bank subsidiary, SVB India Finance, India's leading venture debt financing entity targeting high-growth entrepreneurial companies. To catalyse the early stage Series A/B venture capital (VC) market in Singapore, Temasek invested in Singapore VC funds such as Monk's Hill Ventures and NSI Ventures.

### Providing Liquidity and Growth Capital

During the year, Heliconia Capital established a S\$100 million SME Growth Mezzanine Fund, which complements its existing SME Co-Investment Fund platform. This provides Singapore-based small and medium enterprises (SMEs) mezzanine financing as an alternative to private equity. New investments during the year included Deluge, a customised fire detection and firefighting systems provider; and Star360, a distributor and retailer of sports and fashion footwear.

We strengthened Vertex Venture, which now has committed capital of US\$1.2 billion. Investments will be made through its country funds in Asia, the US and Israel, and across the two primary sectors of technology and healthcare.

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We play an enabler role across all stages of an enterprise.

## Enabling Growth

The combination of CitySpring Infrastructure Trust and Keppel Infrastructure Trust, announced in November 2014 and completed in May 2015, created the second largest infrastructure-focused business trust in Singapore. This combination provides investors with an exposure to a larger and more diversified portfolio, and allows the combined Trust to undertake larger transactions and access the capital markets for future growth opportunities.

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Mandai will be rejuvenated into an integrated wildlife and nature heritage precinct in Singapore.

## Transforming Existing Businesses

In February 2015, Temasek's subsidiaries, Singbridge Group and Surbana International Consultants Holdings, announced a merger with JTC Corporation's subsidiaries, Ascendas and JURONG International Holdings, to form an integrated platform for sustainable urban solutions. Completed in June 2015, the platform brings together companies with complementary strengths to create an enlarged entity that can take on larger scale urbanisation projects in Asia and beyond.

## Seeding New Businesses

In January 2015, Temasek announced that it was partnering the Singapore Government to rejuvenate Mandai into an integrated wildlife and nature heritage precinct in Singapore. The Mandai area is currently home to the Singapore Zoo, Night Safari and River Safari. These wildlife attractions, together with the Jurong Bird Park, are owned and operated by Wildlife Reserves Singapore, a Temasek portfolio company.

To gather ideas and explore opportunities, Temasek is actively engaging with government agencies, nature experts, leading institutions, academics and other potential partners. The proposed rejuvenation is a multi-generation endeavour that will bring together urban planning, ecology and technology expertise to build on and conserve Singapore's nature heritage.

The new Mandai will be a haven for Singaporeans and visitors, young and old, to enjoy nature in a fun and inspiring way. Through an integrated, sustainable and inclusive approach, we are working with stakeholders to build upon Mandai's heritage as a nature destination, to celebrate and protect our biodiversity.

# As an Active Investor

## We are owners of our portfolio and an active investor in companies, working to deliver long term sustainable value to our stakeholders.

Our basic investment philosophy remains largely unchanged as an owner and investor for the longer term, even as our focus and priorities have evolved with time.

Over the course of our 41 year history, we evolved from investing mostly in Singapore companies growing with a transforming Singapore, to investing in companies in growth economies in Asia and elsewhere.

We have actively extended our investment scope to other economies such as Latin America, North America and Europe and more recently opened offices in London and New York to step up activities in those regions. Our portfolio companies have also increased their global and regional exposure over the years.

Our investment activities remain guided by our four investment themes and the long term trends they represent:

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

We track investment returns against a risk-adjusted hurdle rate. This drives our investment strategy, capital allocation, performance measurement and an incentive system to deliver over market cycles.

As an investor, we are focused on intrinsic value. Individual investment and divestment decisions are shaped by our bottom-up intrinsic value tests.

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We promote good governance and look to our investee companies' boards to drive strategy.

As an owner, we maintain full flexibility to reshape and actively rebalance our portfolio as opportunities arise. We are willing to take concentrated positions and do not have limits or targets for asset classes, countries or sectors. We may choose to invest, divest or remain in cash, depending on our view of the cycle. Our capital structure allows us to take a view on long term trends, and weather the cycles of short term volatility.

As a shareholder, we promote good governance. We look to our investee companies' boards to drive strategy, and their management to manage day to day operations and deliver sustainable long term returns from their respective strategies.

We identify value creation opportunities within our investee companies and engage with the boards and management to share our perspectives, as appropriate, for their consideration.

We continue to invest a part of our portfolio in third party managed funds to deepen our insights in new markets and to open opportunities through co-investment. As at 31 March 2015, about 10% of the portfolio was held in third party managed funds. We also share some of our investment opportunities identified with like-minded co-investors.

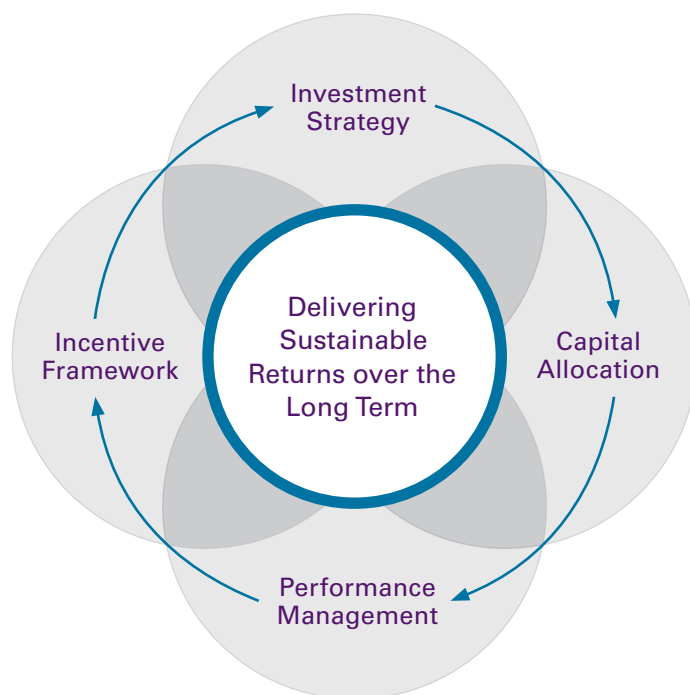
From time to time, we may express our interest to invest or divest selected positions through options and warrants. We may also use derivatives to hedge the currency and share price fluctuations of our underlying investments, where the gains and losses of the derivatives are matched against corresponding losses and gains in the underlying investments.

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Investment and divestment decisions are shaped by our bottom-up intrinsic value tests.

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## Delivering Sustainable Returns over the Long Term



# Managing Risk

## There are inherent risks whenever we invest, divest, or hold our assets, and wherever we operate.

As an owner, we are fully flexible in our ability to deploy capital. We do not have predefined concentration limits or targets for investing, whether by asset class, country, sector, theme or single name. We also have the flexibility to take concentrated positions and adopt a long investment horizon.

Our portfolio of mostly equities means higher year to year volatility for our annual returns, including a higher risk of negative returns, with expectation of higher positive returns over the long term.

We promote a culture of risk awareness and balanced risk taking. Our risk-sharing compensation philosophy aligns the interests of employees with those of the shareholder, puts the institution above the individual and emphasises long term over short term. Balanced risk taking applies to investments as well as building institutional capabilities, such as when we take risks to develop our people.

Our risk management framework covers strategic, performance and operational risks. We track and manage risks proactively and through cycles. There are designated risk owners for specific risks at Company or unit levels. We manage our leverage and liquidity conservatively for resilience and flexibility, even in times of extreme stress.

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### Risk Categories

Strategic risks	Performance risks	Operational risks
<ul style="list-style-type: none"><li>• Reputation</li><li>• Aggregate risk profile</li><li>• Funding &amp; liquidity</li><li>• Political</li><li>• Structural foreign exchange</li></ul>	<ul style="list-style-type: none"><li>• Macroeconomic</li><li>• Geography</li><li>• Industry</li><li>• Markets</li><li>• Tax</li></ul>	<ul style="list-style-type: none"><li>• People</li><li>• Legal &amp; regulatory</li><li>• Systems &amp; processes</li><li>• Counterparty</li><li>• Business disruption</li></ul>

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

We have disciplined processes to ensure that various perspectives are always considered. Investment proposals are submitted under a two-key system, for instance by market and sector teams, to our management investment committee. Depending on the size or risk significance, these may be escalated to our Executive Committee or Board for final decision. Functional teams provide additional specialist perspectives and independent review.

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

### Legal & Regulations

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

Our Legal & Regulations unit (LRU) ensures that policies, processes and systems are consistent with applicable laws, and aligned with Board directives. For instance, our policy on derivative transactions permits only personnel authorised by a board resolution to enter into such transactions within tightly defined scopes and limits on behalf of specific designated entities.

LRU monitors regulatory reporting compliance through robust securities tracking systems. Regulatory requirements and monitoring systems 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 and conduct. With integrity as one of the overarching principles, T-Code policies on probity cover areas such as anti-bribery, whistle-blowing and prohibition against insider trading. Our annual staff bonus plans include T-Code compliance requirements.

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

Read more on Temasek's formal market risk metrics at [www.temasekreview.com.sg/risk](http://www.temasekreview.com.sg/risk) or scan the QR code



### Business Continuity and Incident Management

Our contingency management framework ensures business continuity, and helps manage potential risk incidents arising from safety, security and other threats.

We care for the safety, security and well-being of our staff and their families during emergencies. We conduct regular exercises to test our readiness for disaster recovery and to cope with various contingencies such as infectious disease outbreaks.

### Concentration Profile

Temasek has the flexibility to take large stakes in investments in expectation of superior returns. Our concentration profile is the result of such investments in aggregate. Our top 10 holdings represent 48% of the total net portfolio value.

Our largest geographic concentration by underlying assets remains in Asia, with 28% and 27% in Singapore and China respectively as at 31 March 2015. Australia is third at 9%. This takes into account the underlying assets of our portfolio companies; for example, Singtel's assets in Australia.

Our largest sector concentration as at 31 March 2015 was in the financial services sector, at 28% of the total portfolio, down from 30% a year ago.

Singtel remains our largest single name concentration at 13% of our portfolio in March 2015, down from 26% in March 2005.

### Risk to Short Term Reported Returns

Our mark to market policy aims to reduce the behavioural risk of holding on to poor investments for fear of reporting realised losses. There is consequently greater volatility in reported annual results that are valued on a mark to market basis.

In any given year, our net portfolio value may see a once-in-20-years swing of as much as 30-40%. We saw this during the Global Financial Crisis, when our net portfolio value fell 30% in one year, only to rebound 43% the next year.

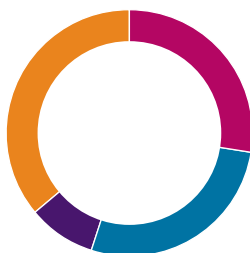
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Our portfolio of mostly equities means higher year to year volatility for our annual returns.



## Concentration Profile of S\$266b Portfolio

(as at 31 March)

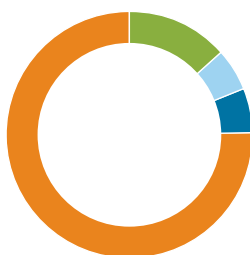
Country<sup>1</sup> (%)

	2015	2014	2013
● Singapore	<b>28</b>	31	30
● China	<b>27</b>	25	23
● Australia	<b>9</b>	10	13
● Rest of portfolio	<b>36</b>	34	34

Sector<sup>1</sup> (%)

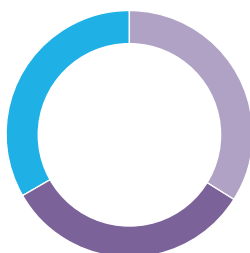
	2015	2014	2013
● Financial Services	<b>28</b>	30	31
● Telecommunications, Media & Technology	<b>24</b>	23	24
● Transportation & Industrials	<b>17</b>	20	20
● Rest of portfolio	<b>31</b>	27	25

## Single Name (%)



	2015	2014	2013
● Singapore Telecommunications Limited	<b>13</b>	13	14
● DBS Group Holdings Ltd	<b>6</b>	5	*
● China Construction Bank Corporation	<b>6</b>	6	8
● Rest of portfolio	<b>75</b>	76	78

## Liquidity (%)



	2015	2014	2013
● Liquid & sub-20% listed assets	<b>34</b>	36	35
● Listed large blocs (≥20% share)	<b>33</b>	34	38
● Unlisted assets	<b>33</b>	30	27

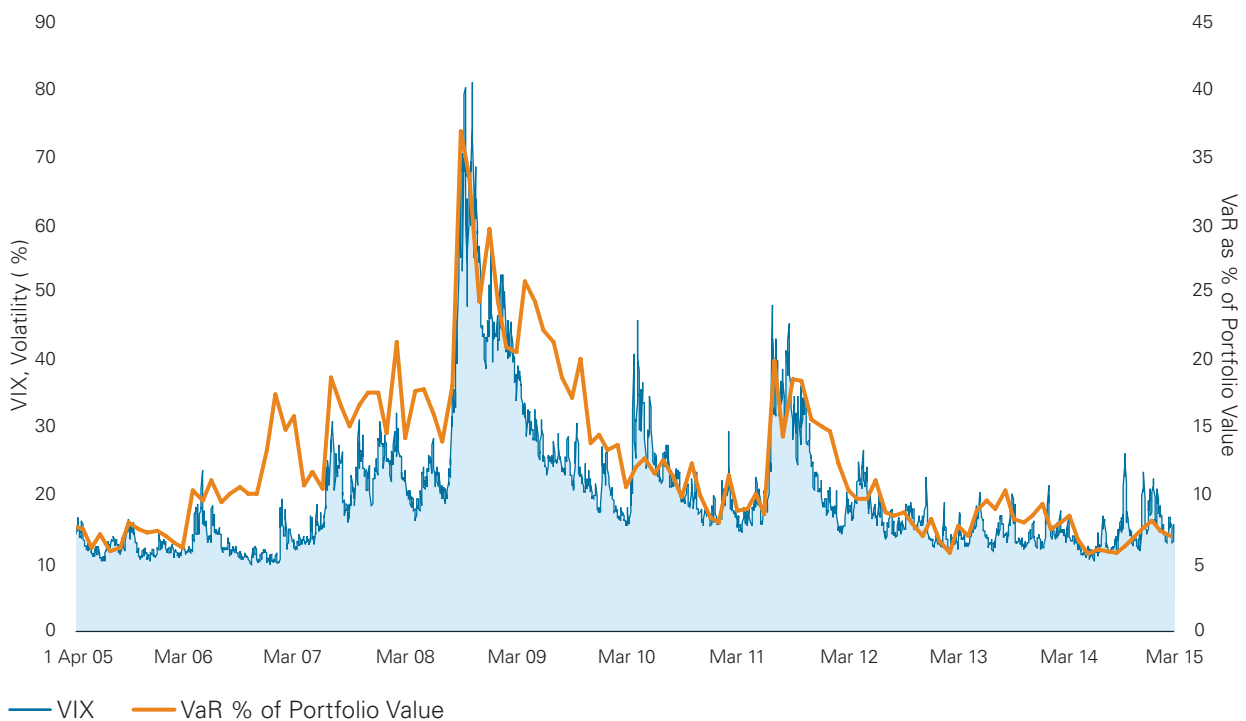
<sup>1</sup> Distribution based on underlying assets.

\* Standard Chartered PLC was the third largest counter at 7% of 2013 portfolio value.

We use a range of formal market risk metrics to track the forward looking volatility of our portfolio. These include portfolio Value-at-Risk (VaR), the 12-month forward looking Monte Carlo simulation of the portfolio, and general market risk indicators such as the CBOE<sup>1</sup> Volatility Index (VIX).

These metrics suggest that risks are currently low, in line with the low market volatility. This may give a false sense of security as risks could have been masked by successive and extremely accommodating Central Bank policies in the aftermath of the Global Financial Crisis.

VIX Trend and Temasek's VaR as % of Portfolio Value (April 2005 to March 2015)



<sup>1</sup> Chicago Board Options Exchange.

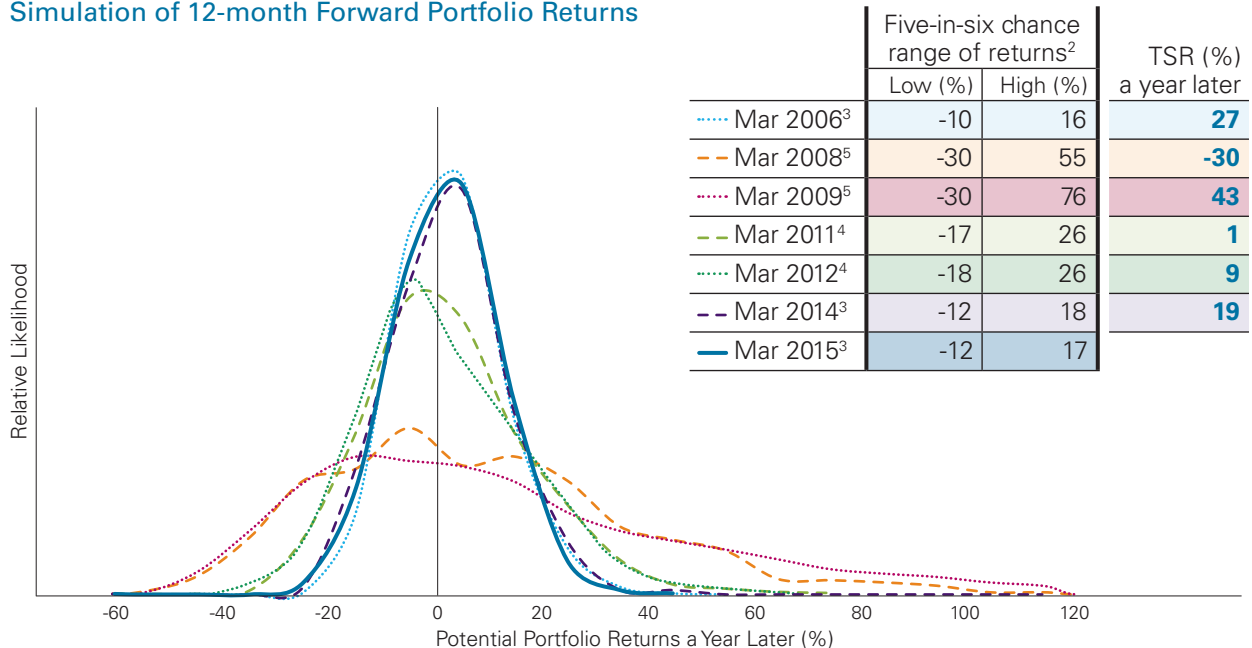
Looking into the immediate future, we use Monte Carlo simulation based on past market data to give a sense of the likelihood of a range of returns for the next 12 months.

Applied to the Temasek portfolio mix, our Monte Carlo simulation shows a five-in-six chance that our one-year portfolio returns can range from -12% to +17%.

In the chart below, the Monte Carlo simulation curves represent the likelihood of one-year returns for some of the recent financial years. Narrow curves mean less volatility compared to the broader, flatter curves of the 2008/09 Global Financial Crisis years.

(as at 31 March)

### Simulation of 12-month Forward Portfolio Returns



<sup>2</sup> Based on Monte Carlo simulation for 12-month forward portfolio returns distribution, assuming no change in market conditions or portfolio mix.

<sup>3</sup> Periods of low market volatility.

<sup>4</sup> Periods of medium market volatility.

<sup>5</sup> Periods of high market volatility.





# Institution

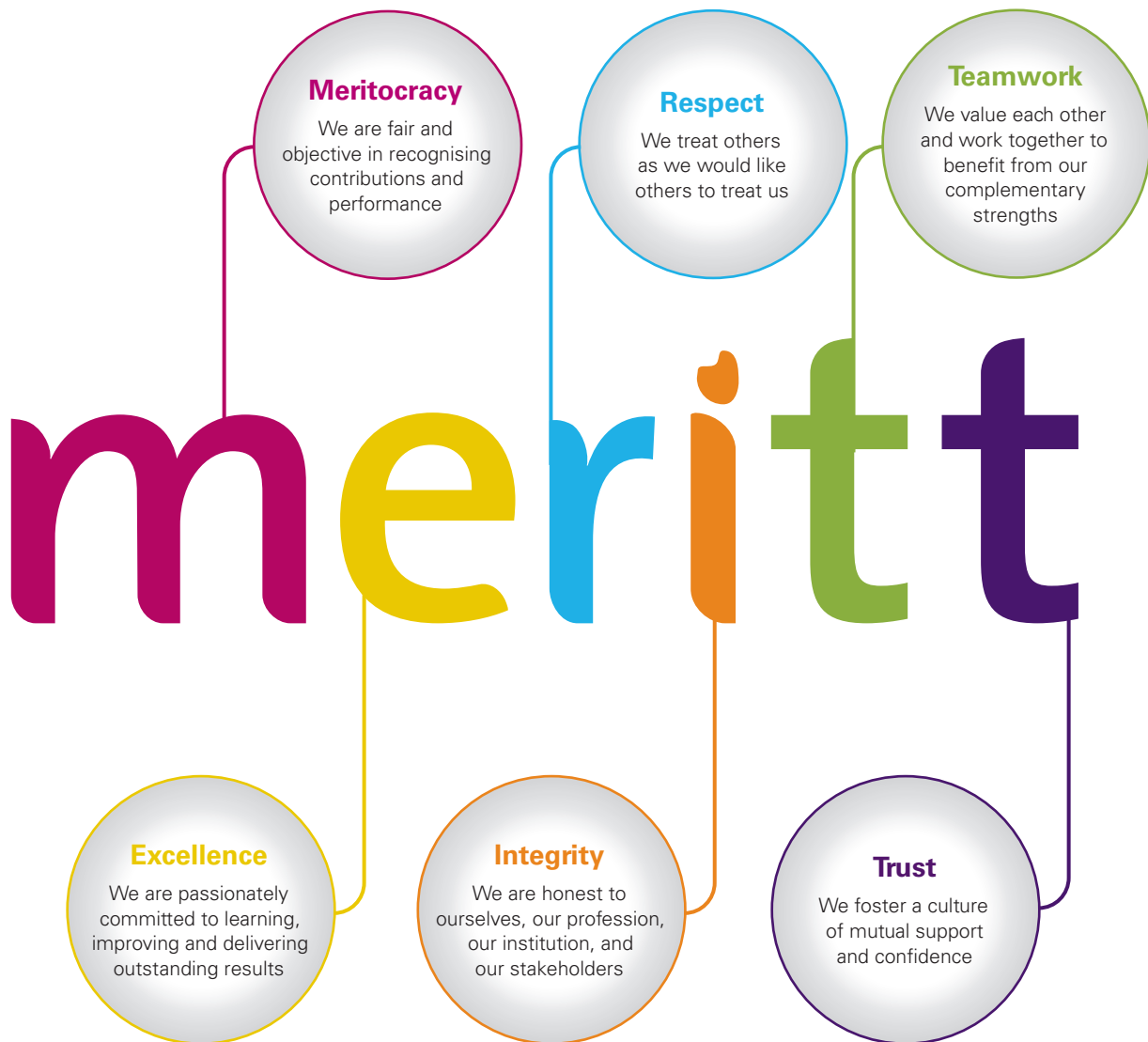
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*"On my way to a black belt!"*

Sofia Anabel Rivas, five, thrilled to have successfully thrown her adult sparring partner in a Brazilian Jiu-Jitsu class.

# Our MERITT Values

Our character and culture as an institution are rooted in our MERITT values. They shape our thoughts, actions and habits as individuals and as one team.



# As a Forward Looking Institution

**We are an investor, institution and steward, guided by the principles of good governance and sustainability.**

At Temasek, we do things today with tomorrow in mind.

Our MERITT values underpin our actions – how we do things is as important as what we do. We believe in meritocracy, strive for excellence, and always act with integrity and respect for others. Teamwork and trust complete our values set. We support a balanced and sustainable work life environment through programmes that develop both professional competencies and personal growth.

As a responsible investor, we are committed to delivering value over the long term in a sustainable manner. The generation of long term sustainable returns depends on stable, well-functioning and well-governed social, environmental and economic systems. We consider social, environmental and governance factors when we make decisions as an investor, asset owner and shareholder. We work to understand the impact of our portfolio companies.

As a disciplined investor, we believe that dialogue and robust exchanges of information, best practices and ideas between key stakeholders from the public and private sectors are critical enablers of sustainable growth. Through our *Ecosperity*<sup>1</sup> platform, we aim to promote the idea that growth and development go hand in hand with an abiding respect and commitment for a clean and sustainable environment.

We continue to advocate good governance and to uphold the Santiago Principles for sovereign investing, which we helped shape in 2008.

We look across generations as a steward. Our investments in microfinance as well as small and medium enterprise financing help to support enterprise, job creation and better earnings through skills upgrading. In turn, this helps to empower local communities to achieve better economic self-sufficiency and progress.

Beyond Temasek, our investments in people, through various endowments, focus on education and health care, community building, scientific and medical research, as well as institutional development.

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<sup>1</sup> In 2014, our inaugural *Ecosperity* conference brought together global CEOs, top public officials and thought leaders to explore issues and ideas on sustainable growth in natural resources. The focus for 2015 is urbanisation trends.

# Public Markers

## Our *Temasek Review*, Credit Profile and Temasek Bonds serve as public markers of our financial discipline and credit quality.

These public markers instil and preserve financial discipline, facilitate engagement with the wider community and broaden our stakeholder base. These are but one strategic facet of our commitment to lay the foundation for a robust and disciplined institution for the future.

The *Temasek Review* is a public scoreboard of our business and performance, published annually since 2004 as part of our stakeholder engagement efforts.

Our Credit Profile provides a snapshot of our credit quality. This year, we broadened this public marker beyond credit ratings to include key credit parameters based on the financials of Temasek as an investment entity<sup>1</sup>. Since 2004, we have been rated AAA/Aaa by Standard & Poor's Ratings Services and Moody's Investors Service respectively.

Our Temasek Bond spreads are like singing canaries in coal mines. They serve as real time market signals in the event of credit weakening. Our Temasek Bonds and Euro-commercial Paper increase our funding flexibility and expand our stakeholder base.

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### Institutional Discipline

Public Marker	Function	Indicator
<i>Temasek Review</i>	Scoreboard	Business strategy and performance
Credit Profile	Snapshot of credit quality	Credit ratios and credit ratings
Temasek Bonds	Singing canaries in coal mines	Real time market signals of changes in Temasek's credit

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<sup>1</sup> Refers to information of Temasek Holdings (Private) Limited (THPL) and its Investment Holding Companies (IHCs). IHCs are THPL's wholly owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of THPL, wholly owned Temasek Pte. Ltd. (TPL), and/or TPL's wholly owned subsidiaries. The principal activities of THPL and its IHCs are that of investment holding, financing, or the provision of investment advisory and consultancy services to THPL and its IHCs.



# Financial Discipline

## We are governed by a set of stringent financial policies.

In Temasek, we take a prudent approach to capital and liquidity management. Leverage and liquidity are managed to ensure resilience and flexibility of our balance sheet, even in times of extreme stress. Our Board sets our overall debt limit, taking into account our shareholder funds and cash flow.

### Capital and Liquidity Management

Our primary sources of funds include divestment proceeds, dividend income from our portfolio, and distributions from our investments in funds. These are supplemented by our Temasek Bonds and Euro-commercial Paper.

We proactively maintain a long dated and well distributed debt maturity profile comprising long term and short term debt for funding flexibility and cost efficiency. We manage our cash flow to ensure dividends and income from investments cover our non-discretionary expenses.

### Liability Management

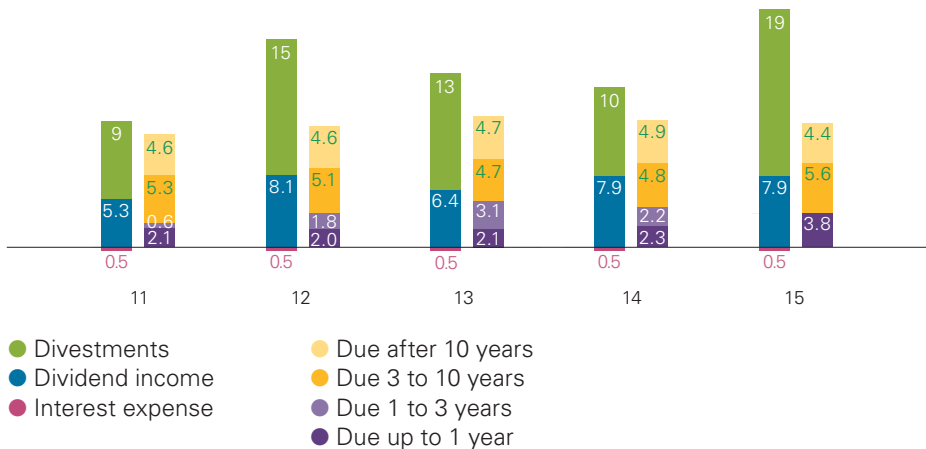
As a policy, Temasek does not issue any financial guarantees for the obligations of our portfolio companies. Temasek also does not guarantee the debt issued by our portfolio companies.

### Foreign Exchange Management

Our risk-adjusted hurdle rate for each investment includes foreign exchange (FX) risk. Where appropriate, we close up our FX exposure in the forward market.

(for year ended 31 March)

### Key Credit Parameters vs Debt Maturity Profile (\$b)



# T-GEM Simulations

## Our T-GEM, or Temasek Geometric Expected Return Model, enables us to methodically simulate the range of possible returns for our portfolio.

Starting with the characteristics of our Temasek portfolio, we use T-GEM to simulate our likely returns for the medium to long term, under various economic scenarios. As of March 2015, we have five economic scenarios as described in the table below.

The geometric returns distribution curve shows the range of possible returns on a compounded and annualised basis at the end of a defined period, whether 5, 10, 20 or more years.

The annual or arithmetic returns distribution curve shows the range of returns in any one year during the defined period. It is an indication of year to year volatility.

Economic Scenarios	Description
Goldilocks	Realised outcomes in key markets exceeding expectations on better growth and reforms
Central	Our baseline expectations of growth
Euro zone Deflation	Persistent deflation in Europe resulting from initial inadequate policy responses
US Monetary Shock	Rising inflation expectations leading to the Fed tightening more aggressively than expected
China Credit Stress	Much faster and larger realisation of credit losses in the financial system but not to extent of a systemic failure

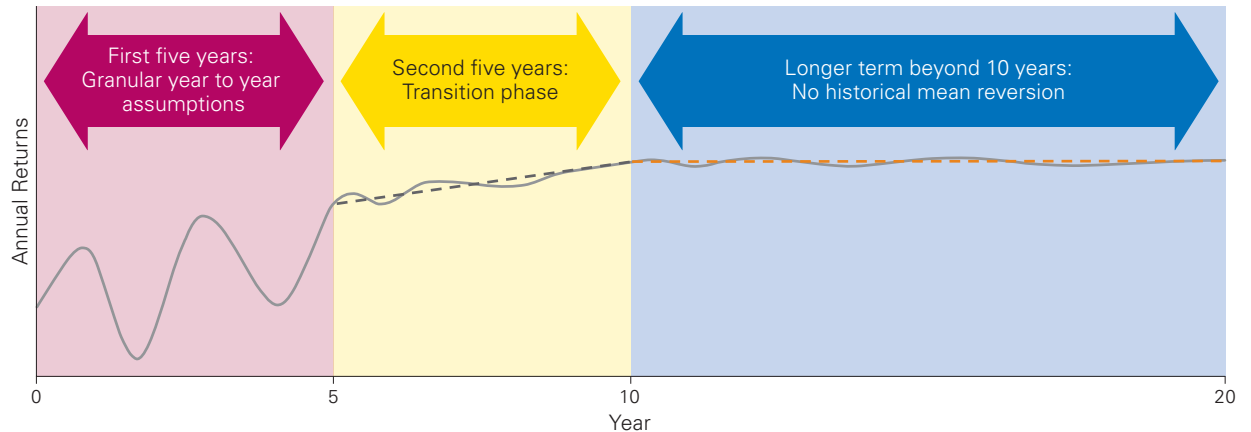
## Economic Outlook and Assumptions

Based on our views of the economic outlook, we develop a series of scenarios each year, adding new ones as new risks appear and dropping old ones which are no longer relevant.

We have more granular year to year assumptions for the first five years, and less granular long term assumptions beyond ten years, without assuming a reversion to historical mean. The second five-year period is treated as a transition phase, broadly interpolating from the end of the fifth year to the beginning of the 11<sup>th</sup> year.

Our Central Scenario reflects our view of the most likely economic pathway. This is a generally benign outlook, without sharp policy rate hikes in the US, no outright deflation in the Eurozone, manageable credit risks in China, and a tight labour market in Singapore albeit with stable price levels on an overall basis.

## Economic Scenario Pathing (Illustrative)



### T-GEM 20-year Simulations for Different Portfolio Mix

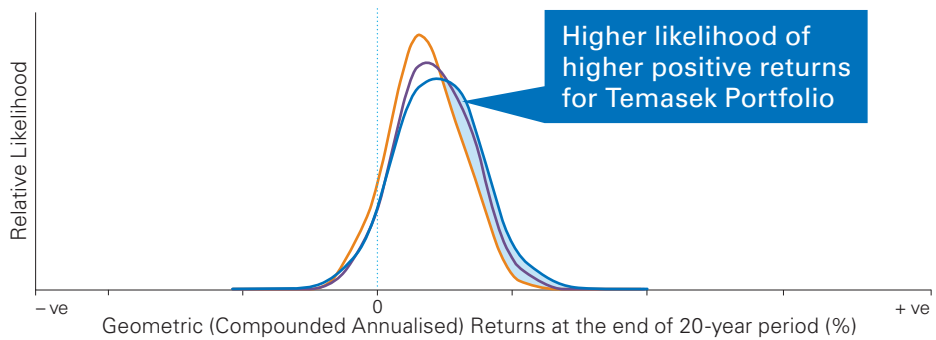
The T-GEM simulations for 20 years under our Central Scenario are shown below for a Global Equity Portfolio, a Thematic Portfolio mimicking Temasek geographical and sectorial mix, and the Temasek Portfolio with its concentration and illiquidity risk premiums.

As can be seen, the geometric returns distribution curve for the Temasek Portfolio shows a higher likelihood for higher positive returns (see blue shaded) at the end of 20 years, versus the two other portfolio mixes.

All three portfolios have volatile year to year returns.

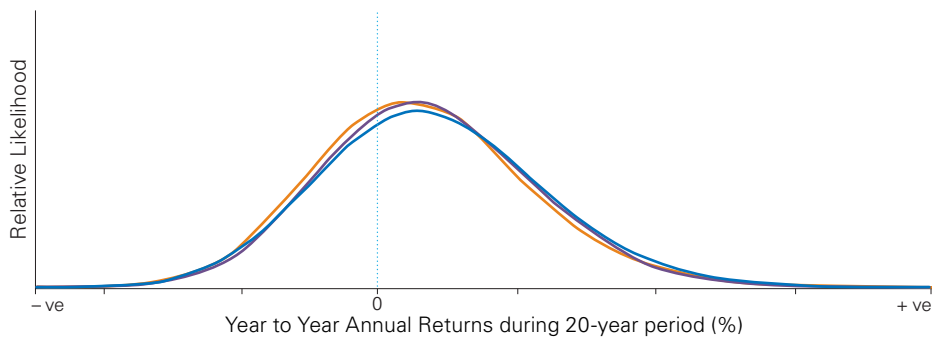
(as at 31 March 2015)

#### Likelihood of Geometric (Compounded Annualised) Returns at the end of 20-year period by Portfolio Mix



(as at 31 March 2015)

#### Likelihood of Year to Year Annual Returns during 20-year period by Portfolio Mix



— Global Equity Portfolio    — Thematic Portfolio    — Temasek Portfolio

### Temasek's 20-year Expected Returns for Various Scenarios

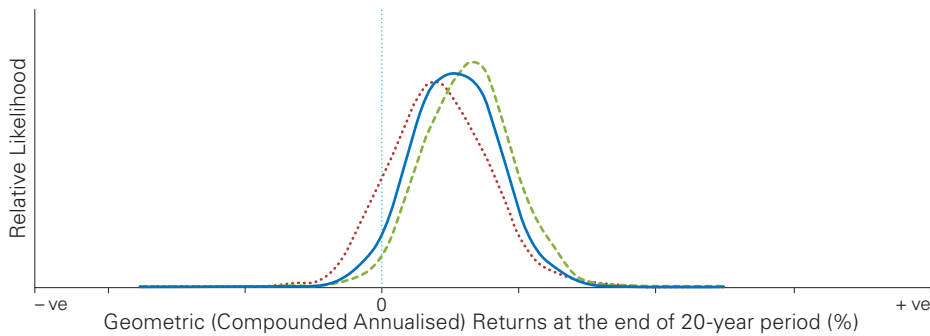
The T-GEM 20-year returns curves for the Temasek Portfolio are shown below for the Goldilocks, Central and China Credit Stress Scenarios.

If all goes well under the Goldilocks Scenario, we could see an uplift of over 1% against the Central Scenario outcome, in terms of our expected returns at the end of 20 years. Conversely, our expected returns would be reduced by almost 2% in a China Credit Stress Scenario.

We expect greater downside risks in yearly returns for a China Credit Stress case, than for the Central or Goldilocks Scenarios.

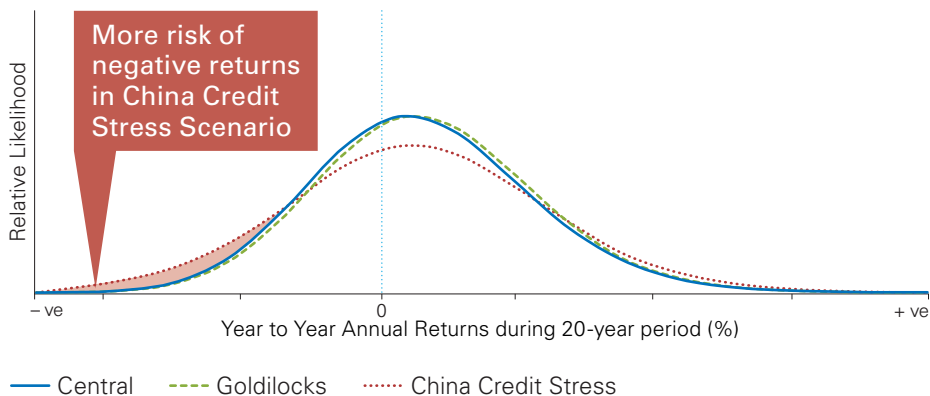
(as at 31 March 2015)

### Likelihood of Geometric (Compounded Annualised) Returns at the end of 20-year period by Scenarios



(as at 31 March 2015)

### Likelihood of Year to Year Annual Returns during 20-year period by Scenarios



— Central    - - - Goldilocks    ···· China Credit Stress

# Wealth Added

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

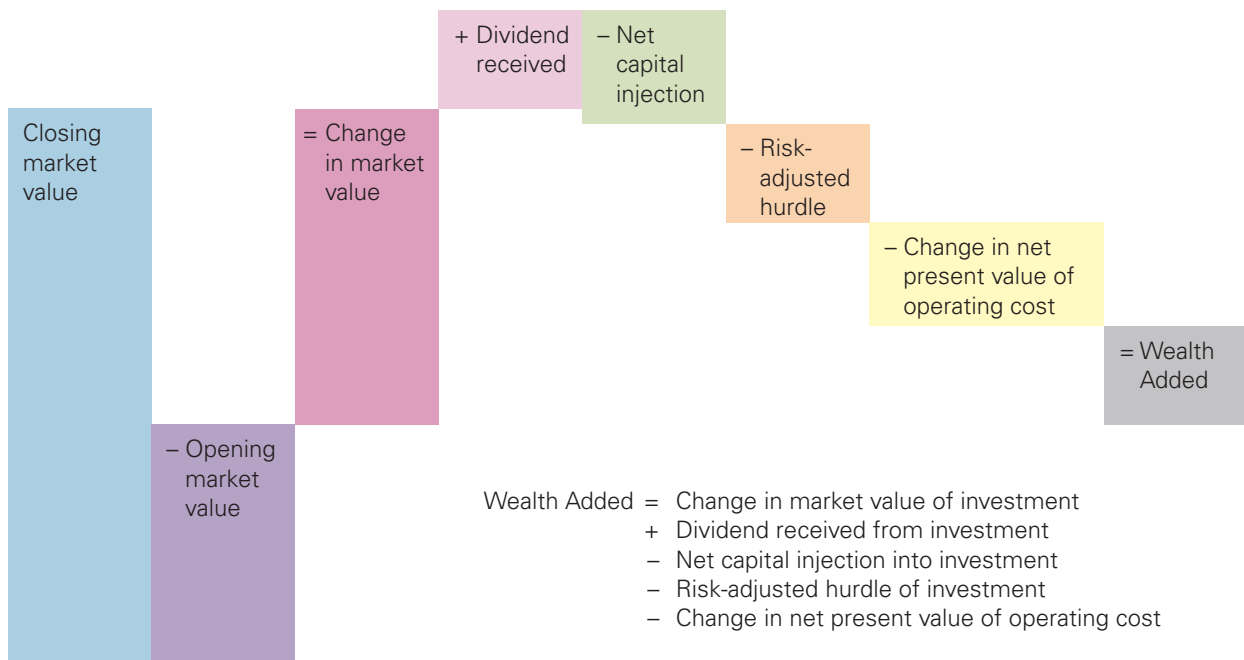
Wealth Added (WA) is our dollar returns above a risk-adjusted hurdle. Investments in riskier sectors or markets have higher hurdles.

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

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

Our WA was S\$25.5 billion for the year.

## Illustration of Wealth Added



# Remuneration Philosophy

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

We aim to foster a high performing and responsible culture where our employees think and act as owners, sharing gains and pains alongside our shareholder.

We balance short term performance and long term value creation in our compensation framework. Our base salaries reflect market benchmarks. Short term bonuses are driven by annual targets. Our returns above or below our risk-adjusted hurdle determine our Wealth Added (WA) incentive pool. Longer term incentives are deferred up to 12 years and subject to market risks and clawbacks, to account for sustainability of returns over market cycles.

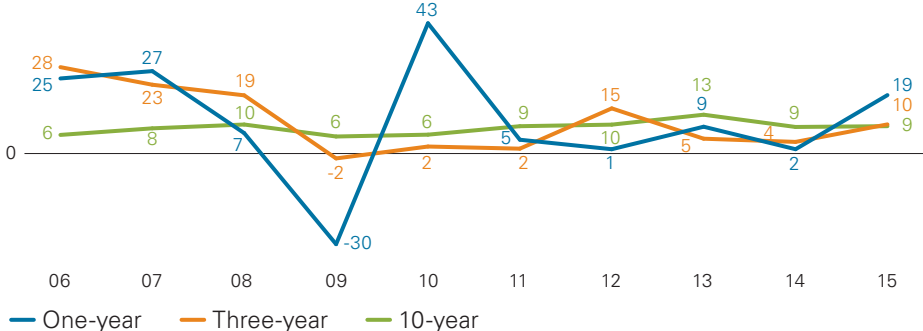
Our bonus plans include clawback features. We have exercised clawbacks six times in the last decade, including two carry-forward clawbacks.

## Annual Cash Bonuses – Our Short Term Incentive

Annual cash bonuses are driven by company-wide, team and individual performance, and capped within budgeted limits. One annual performance target requires our three-year Total Shareholder Return (TSR) to exceed our three-year cost of long term debt.

(as at 31 March)

### Rolling S\$ Total Shareholder Return (%)



### WA Bonus Bank – Our Medium Term Incentive

Positive or negative, a portion of our WA incentive pool 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 payouts of no more than a third of their WA 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

Our staff may be awarded co-investment grants with performance or time-based vesting conditions. These units grow or decline in value with our yearly TSRs, reinforcing the ownership culture in our team. Co-investment units lapse after 12 years.

Part of our positive WA incentive pool funds the Temasek co-investment (T-Scope) grants with stringent multi-year portfolio performance conditions to trigger a five-year vesting. Another portion is held as a company-wide reserve for three to seven years. When WA is negative, the clawback will first be made good from this reserve. Any reserve balance is released progressively for time-based co-investment (U-Scope) grants, which vest in five annual tranches after date of grant.

Our annual operating budget funds limited time-based staff co-investment (S-Scope) grants, which vest over five years, starting in the third year.

### Co-ownership Alignment in Practice

When our portfolio returns fell below our risk-adjusted hurdle for the year ended 31 March 2014, no new T-Scope units were awarded and a negative WA incentive pool was added to the accumulated clawback balance carried forward from prior years, to be made good in the future.

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Incentives are deferred up to 12 years and subject to market risks and clawbacks.

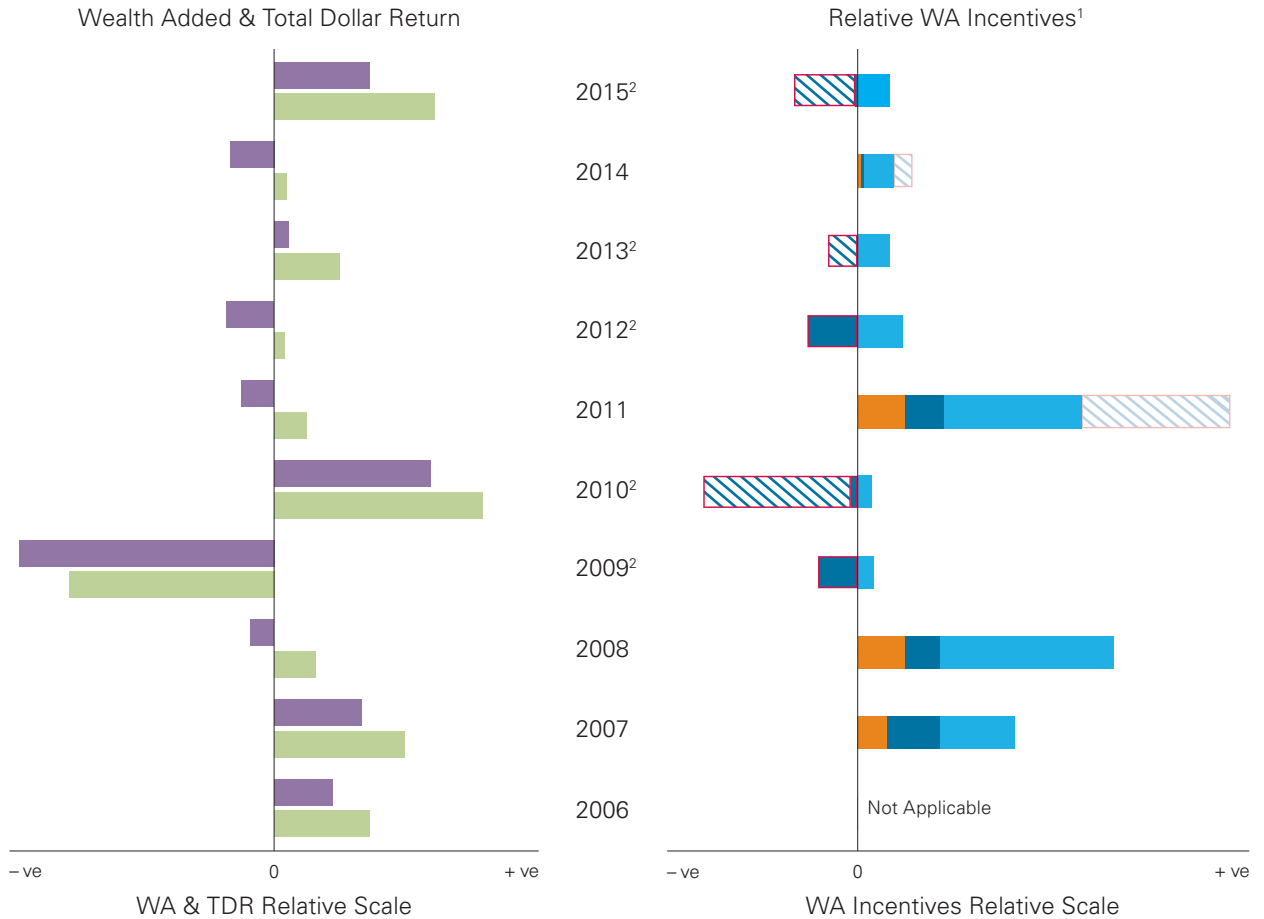
For the year ended 31 March 2015, with a WA of S\$25.5 billion, we will have an incentive pool that allows us to clear the full clawback pool carried forward from prior years, with a balance for distribution to employees.

This framework for sharing gains and the associated risks and pains through market cycles has been tested during the Global Financial Crisis and its aftermath, reaffirming our ownership ethos.



(for year ended 31 March)

WA Incentives of Key Team



- Wealth Added (WA) in dollars
- Total Shareholder Return in 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(s)

<sup>1</sup> 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.

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

# Board of Directors

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

Our Board comprises 13 members, the majority of whom are non-executive independent private sector business leaders. Our Board operates on a commercial basis, with the added constitutional responsibility of protecting the Company's past reserves, given Temasek's status as a Fifth Schedule entity<sup>1</sup> under the Singapore Constitution.

During the last financial year, three additional members joined our Board. Mr Robert Ng Chee Siong, Chairman of Sino Land Company in Hong Kong, and Mr Bobby Chin Yoke Choong, retired Managing Partner of KPMG Singapore, both joined the Board on 10 June 2014. The newest member, Mr Peter Robert Voser, retired CEO of Royal Dutch Shell, joined the Board on 1 January 2015.

The annual Board schedule includes quarterly two-day meetings, plus additional meetings as needed. Four Board meetings were held in the last financial year.

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

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Our Board has the added constitutional responsibility of protecting Temasek's past reserves.

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<sup>1</sup> Fifth Schedule entities under the Singapore Constitution include GIC Private Limited, which manages the reserves of the Singapore Government, the Central Provident Fund Board, the Monetary Authority of Singapore, Housing and Development Board, and Jurong Town Corporation. See section on *As a Trusted Steward* on page 62 for more information.

The following Board committees, each chaired by a non-executive Director who is independent of management, have been set up with specific delegated authorities:

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

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 three times during the year.

#### Audit Committee (AC)

Comprising only independent directors, the AC supports 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. Aside from periodic planned reviews of key control processes for all offices, IA may also undertake special reviews requested by our Board, AC or senior management.

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Majority of our Board are non-executive independent private sector business leaders.

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
- independence and performance of the external auditors

### 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 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. Where a Board resolution is obtained via circulation, the resolution becomes effective upon approval by at least two thirds of the Board.

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

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 non-executive Directors to meet without management presence. The annual CEO succession review is part of these deliberations.

### Board Committee Membership as at 31 March 2015

	Board	ExCo	AC	LDCC
Lim Boon Heng	Chairman	Chairman		Chairman
Cheng Wai Keung	Deputy Chairman	Member		
Kua Hong Pak	Member		Chairman	
Bobby Chin YC	Member		Member	
Goh Yew Lin	Member		Member	Member
Ho Ching	ED & CEO	Member		Member
Michael Lien JL	Member		Member	Member
Robert Ng CS	Member			
Teo Ming Kian	Member	Member		
Peter R Voser	Member			
Marcus Wallenberg	Member			
Lucien Wong YK	Member		Member	Member
Robert B Zoellick	Member			

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Board of Directors

**LIM Boon Heng**

Chairman (since August 2013)

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

**CHENG Wai Keung**

Deputy Chairman (since November 2013)

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

**KUA Hong Pak**

Director (since November 1996);

Chairman, Audit Committee

- Managing Director and Group CEO  
ComfortDelGro Corporation Limited
- Deputy Chairman  
– SBS Transit Ltd  
– VICOM Ltd
- Singapore Public Service Star in 1996
- Honorary Shenyang Citizenship in 1997

**Bobby CHINYC**

Director (since June 2014)

- Member  
Council of Presidential Advisers
- Chairman  
– NTUC Fairprice Co-operative Ltd  
– NTUC Fairprice Foundation Ltd
- The Singapore Public Service Star  
in 2011
- The Singapore Public Service Medal  
in 2003

**GOH Yew Lin**

Director (since August 2005)

- Managing Director  
GK Goh Holdings Limited
- Chairman  
– SeaTown Holdings Pte Ltd  
– Singapore Symphonia Company Limited
- Trustee and Investment Committee Chairman  
National University of Singapore

**HO Ching**

Executive Director & CEO

- Executive Director since May 2002;  
CEO since January 2004
- Former President and CEO  
Singapore Technologies Group
- Fellow of the Academy of Engineering Singapore

(as at 31 March 2015)

**Michael LIEN JL**

Director (since January 2010)

- Executive Chairman  
Wah Hin & Co Pte Ltd
- Trustee and Investment Committee Member  
National University of Singapore
- Founder  
Leap Philanthropy

**Robert NG CS**

Director (since June 2014)

- Chairman  
Sino Land Company Limited
- Vice Chairman  
M+S Pte Ltd
- Member  
11<sup>th</sup>/12<sup>th</sup> National Committee, Chinese  
People's Political Consultative Conference

**TEO Ming Kian**

Director (since October 2006)

- Chairman  
– MediaCorp Pte Ltd  
– Vertex Venture Holdings Ltd
- Commander First Class –  
Royal Order of the Polar Star (Sweden) (1994)
- The Meritorious Service Medal,  
Singapore (2008)

**Peter R VOSER**

Director (since January 2015)

- Chairman, ABB Ltd
- Director  
– Roche Holdings Limited  
– International Business Machines Corporation
- Former Chief Executive Officer  
Royal Dutch Shell plc

**Marcus WALLENBERG**

Director (since July 2008)

- Chairman  
– Skandinaviska Enskilda Banken  
– SAAB AB
- Former President and CEO  
Investor AB

**Lucien WONG YK**

Director (since March 2013)

- Chairman and Senior Partner  
Allen & Gledhill LLP
- Chairman  
Maritime and Port Authority of Singapore
- Board Member  
– Singapore Airlines Limited  
– Singapore Press Holdings Limited

**Robert B ZOELLICK**

Director (since August 2013)

- Chairman  
Goldman Sachs International Advisors
- Former President (2007-2012)  
World Bank Group
- Former Deputy Secretary (2005-2006)  
U.S. State Department
- Former U.S. Trade Representative (2001-2005)

Read the full description  
of our Board at  
[www.temasekreview.com.sg/board](http://www.temasekreview.com.sg/board)  
or scan the QR code



# Senior Management

## Senior management sets the tone and culture of our team, and drives execution and delivery.

Management implements the strategy and policy directions set by our Board, with defined levels of authority for investment, divestment and other operational matters, in accordance with Board delegation.

The following committees assist our CEO under the terms of reference approved by our Board:

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

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 manages and shapes our portfolio on an ongoing basis, and decides on investments and divestments up to the delegated authority limits.

The SMC reviews and sets overall management and organisational policies. These include internal controls, the implementation of our Derivatives Framework, and the Valuation Policy approved by the Audit Committee. The SMC has developed the Temasek Code of Ethics and Conduct (T-Code) and constituted the Ethics Committee to assist in its implementation. T-Code compliance is a pre-requisite for the relevant incentive plans at individual, team and senior management levels.

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 with such compliance. These are reviewed and updated regularly, in particular for new markets and new asset classes.



(as at 31 March 2015)

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**Senior Management**

Fidah ALSAGOFF	Grace GOH	PNG Chin Yee
Gary ANG	Lorenzo GONZALEZ BOSCO	Jonathan POPPER
ANG Peng Huat	Clare GU	Venkatesh RATNASAMI
Michael BUCHANAN	Nagi HAMIYEH	Dilhan Pillay SANDRASEGARA
Belinda CHAN	David HENG	Boon SIM
Dawn CHAN	HO Ching	Rohit SIPAHIMALANI
CHAN Wai Ching	Wolfgang KLEMM	Rohit SOBTI
Kevin CHANG	KOO Tsai Kee	TAN Chong Lee
Mukul CHAWLA	Paul LAM	TAN Suan Swee
CHEO Hock Kuan	Ravi LAMBAH	TAY Sulian
CHEONG Kok Tim	LEE Theng Kiat	Juliet TEO
CHIA Song Hwee	LEONG Wai Leng	Alan THOMPSON
Jeffrey CHIAM	LIM Fung Jen	Christopher THORNE
Raymond CHIAM	Klaus LUCKE	Gwendel TUNG
CHUA Eu Jin	Khodor MATTAR	Benoit VALENTIN
Jeffrey CHUA	Neil McGREGOR	Matheus VILLARES
Gregory CURL	MUI Chee Leong	Jeffrey WONG
Ranjit DANDEKAR	NEO Gim Huay	WU Hai
Stephen FORSHAW	ONG Beng Teck	WU Yibing
Promeet GHOSH	PEK Siok Lan	

Read the full description  
of our senior team at  
[www.temasekreview.com.sg/team](http://www.temasekreview.com.sg/team)  
or scan the QR code



# Our Temasek Heartbeat

**We are 530 strong, diverse in our 27 nationalities, working together as one team: this is our Temasek Heartbeat.**

We strive to live up to our Temasek Charter, and are guided by our MERITT values in all that we do.

## Building the Institution

Our employees play an important role in shaping and strengthening our institution. We organise our staff into various task forces to review and discuss issues ranging from our investments and portfolio, to our branding, culture and organisation.

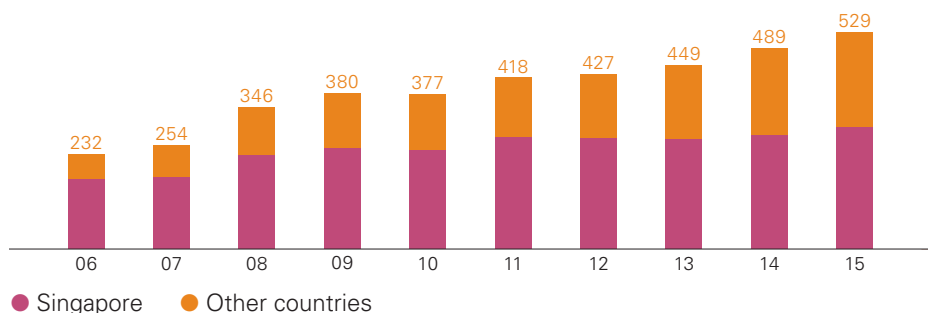
These task forces bring together employees from across the firm, to brainstorm ideas and develop strategies to build new capabilities. These initiatives and forums allow us to harness ideas from within the organisation, calibrate our decisions, and become more effective and efficient in the work that we do.

## Developing Our People

We take a broad view of human capital and talent. We believe that diverse talent can inject fresh perspectives, generate new ideas and innovative approaches. A diverse talent pool means that we have to continually ensure our talent development plans remain agile and relevant.

(as at 31 March)

## Our Staff by Nationality



Our four key pillars of talent development – *Experience*, *Exposure*, *Education* and *Enrichment* – provide broad ranging opportunities to develop our staff and strengthen their capabilities.

- *Experiential* learning allows our employees to gain practical knowledge and skills through stretch assignments, job rotations and/or secondment to our platform companies.
- Our staff participate in various firm-wide projects for *Exposure*, and to strengthen their organisational skills. These are opportunities for them to work with diverse teams, and enhance collaboration among colleagues.
- To embrace a culture of continuous learning, we have in place a comprehensive suite of *Education* programmes for all levels of staff.
- We provide buddying, mentoring and coaching programmes to our employees to *Enrich* their growth in Temasek, and also deploy 360 degree feedback to further enhance their development journey.

---

Our employees play an important role in shaping and strengthening our institution.

### Being a Diverse & Inclusive Organisation

We celebrate the cultural diversity of our people, by organising celebrations to mark key ethnic festivals and holidays together. As an inclusive organisation, we extend many firm events and activities to members of our larger Temasek family – which includes our staff’s families, our former employees, and colleagues from our portfolio companies.

- We organise Chinese New Year *lo heis* and lion dances, Ramadan *Iftars* (or break-fast dinners) as well as Deepavali celebrations. Our annual Kids@Work Day remains a popular year-end Christmas party.
- Our Temasek Alumni Network enables over 500 of our former employees to stay connected with each other, and with Temasek, at various alumni networking events.
- In conjunction with our 40<sup>th</sup> anniversary, we organised a special T40 Games, where 22 teams from Temasek and our portfolio companies came together to compete in various sports. The Games provided an opportunity for all of us to build new friendships, foster teamwork and strengthen our camaraderie.

### **Making A Difference**

We believe we can make a difference, individually and collectively. Our “Make A Difference” (MAD) programme was introduced to inculcate a culture of taking personal ownership and responsibility. Various non-financial individual and team MAD targets are set for each year, covering health, self, institution and community. These are facilitated by various company support initiatives.

For the year ended 31 March 2015, we again achieved a 100% completion of all MAD targets set for the year. Some targets such as Temasek Code of Ethics and Conduct (T-Code) compliance and health screening are requisite requirements before we are eligible for the relevant annual target incentives.

### **Staying Healthy**

Our MAD health targets aim to encourage and support our staff in their daily efforts to stay fit and healthy. We provide health screening and encourage healthy eating habits. We have a variety of lunch-hour and after-work fitness programmes to cater to the different exercise interests of our employees, ranging from yoga and pilates to kickboxing and circuit training.

### **Equipping Our People with Life Skills**

Part of our MAD ‘self’ targets involves learning new skills as a way to keep current and stay relevant. Our people have embraced the opportunity to develop skills that serve a purpose beyond the workplace. During 2014, all our staff completed Basic First Aid training, complementing our 2013 MAD target to train staff in Cardiopulmonary Resuscitation (CPR) and the use of an Automated External Defibrillator (AED) in the event of heart failure.

### **Observing Our T-Code**

Among our MAD institutional targets is compliance with our T-Code. We are pleased to report another year of no violations.

### **Lending a Hand Globally**

We do not exist in a vacuum, apart from our broader community. We are proud to help and support those in need, or serve our community in various ways. We have designated our incorporation date, 25 June, as our annual Community Day, where staff in all our offices around the world play a part helping those in need. There is also a range of staff-led volunteering activities, supporting many beneficiaries and community organisations.

Our staff are active volunteers in many outreach programmes with different non-profit social support groups and self-help organisations.

### Nurturing the Future Generation

We spent time with over 280 students from Crest Secondary School at our Community Day, playing space-themed games and challenges specially designed to inculcate the values of self-worth, resilience and teamwork.



### Empowerment through Play

Our Mumbai office colleagues spent an afternoon playing handball with 40 underprivileged children under the Magic Bus programme – facilitating conversations on gender equality and sharing life experiences.



### Giving Hope to Cancer Patients

In Hanoi, our colleagues subsidised treatment and living costs for disadvantaged cancer patients. We provided subsidy for the cancer treatment for nine child patients.



### Serving Meals to the Needy

Our New York team spent a day in a non-profit soup kitchen, helping to prepare and serving hot and nutritious meals to more than 120 needy individuals.







# Steward

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*“So this is what lies underneath all that fur on a Giant Panda!”*

Fascinated young students learning about a Giant Panda skull and paw print in a “Living Classroom” programme at the Singapore Zoo.

# As a Trusted Steward

## Temasek's role and reputation as a trusted steward depends on our people and values, and our conduct and governance.

Our Temasek Charter espouses who we are and what we do as a commercial investment company, and a corporate member of the wider community.

We are the owner and manager of our assets and portfolio. We are governed by the Singapore Companies Act and the Singapore Constitution. Our annual statutory financial statements are audited by a major international audit firm.

Under the Singapore Companies Act, Temasek is an exempt private company<sup>1</sup> with our own Board.

Under the Singapore Constitution, Temasek<sup>2</sup> is a Fifth Schedule entity<sup>3</sup> with a constitutional responsibility to safeguard our Company's past reserves.

Temasek's past reserves are those accumulated by the Company before the current term of Government.

Neither the President of the Republic of Singapore<sup>4</sup> 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.

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Temasek does not manage CPF savings.

Temasek does not manage Central Provident Fund (CPF) savings, Government surpluses, the foreign exchange reserves of Singapore, or the reserves of any other Fifth Schedule entity. 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 for the protection of its own past reserves.

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

<sup>2</sup> Temasek Holdings (Private) Limited.

<sup>3</sup> Fifth Schedule entities under the Singapore Constitution include GIC Private Limited, which manages the reserves of the Singapore Government, the Central Provident Fund Board, the Monetary Authority of Singapore, Housing and Development Board, and Jurong Town Corporation.

<sup>4</sup> The Singapore President has an independent custodial role under the Singapore Constitution to safeguard the respective past reserves of the Singapore Government and the Fifth Schedule entities, including that of Temasek.



**Relating to the President of Singapore**

Our Board and CEO have a responsibility under the Singapore Constitution to protect our Company’s past reserves.

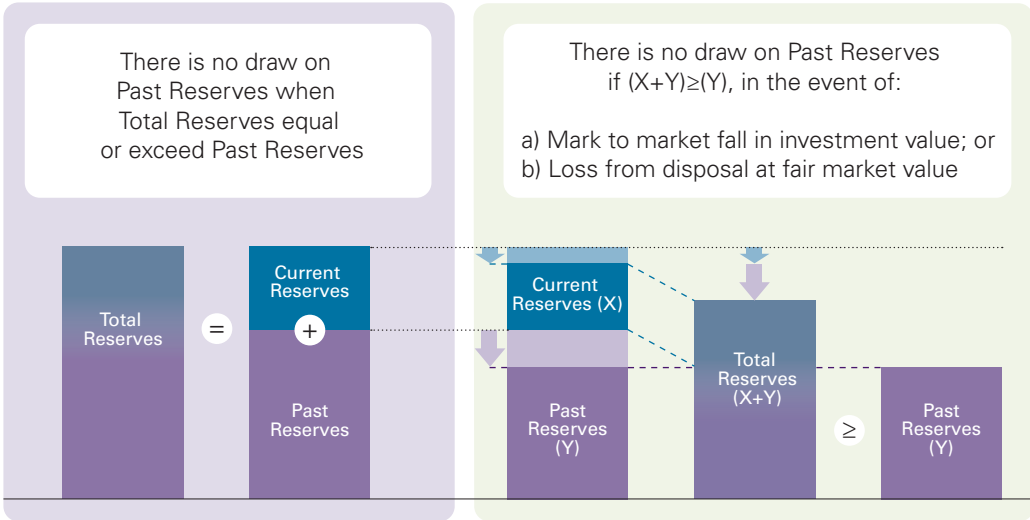
Our Board and CEO have a duty to seek approval from the President before any draw occurs on our Company’s past reserves.

There is no draw on our past reserves if our total reserves equal or exceed our past reserves.

Mark to market declines on existing investments would not be a draw on past reserves.

Duties to protect our past reserves include ensuring that every disposal of investment is transacted at fair market value<sup>5</sup>. A realised loss arising from such disposals at fair market value would not be a draw on past reserves.

**Protection of Temasek’s Past Reserves**



<sup>5</sup> Fair market value is the price agreed between a willing buyer and a willing seller on an arm’s length basis.

### Relating to Our Shareholder

Incorporated on 25 June 1974, Temasek is wholly owned by the Singapore Minister for Finance<sup>1</sup>. We own and manage our own assets as an investment company, and not as an asset managing agent of our shareholder.

Our shareholder's right under the Singapore Companies Act to appoint, reappoint or remove our Board members is subject to the President's concurrence<sup>2</sup>. The appointment or removal of the CEO by our Board is also subject to the concurrence of the President<sup>2</sup>. These constraints are part of the "second key" concept to safeguard the integrity of our Board and CEO in protecting Temasek's past reserves.

Since 2001, the Singapore Government is permitted to spend up to 50% of Temasek's dividends under the Net Investment Income framework<sup>3</sup>. During the Budget Speech on 23 February 2015, the Minister for Finance proposed that Temasek be included in the Net Investment Returns (NIR) framework. The spending rule under the NIR framework allows the Government to spend up to 50% of the expected long term real rate of return of the investment entities in the framework.

The inclusion of Temasek in the NIR framework does not determine the amount of dividends that Temasek distributes to our shareholder. Temasek will continue to declare dividends annually, based on the profit we earn, in accordance with our Board-approved dividend policy. The dividend policy balances the sustainable distribution of profits as dividends to our shareholder, with the retention of profits for reinvestment to generate future returns. The policy also takes into account our constitutional responsibility to independently protect Temasek's past reserves.

The NIR framework also does not affect, change or impact Temasek's strategies and operations as a long term investor, and Temasek's special responsibility under the Singapore Constitution to protect Temasek's past reserves.

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The NIR framework does not determine the amount of dividends that Temasek distributes.

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

<sup>2</sup> The President's concurrence is exercised independently and not on the advice of Cabinet.

<sup>3</sup> The Net Investment Income framework enables the Singapore Government to spend up to half of the actual dividends, interest and other income received from the entities in the framework (e.g. Temasek).

## Relating to Our Portfolio Companies

We manage our portfolio as an active investor and owner. We increase, decrease or hold our investment holdings to enhance our risk-adjusted returns for the long term.

The day to day management and business decisions of companies in our portfolio are the responsibility of their respective boards and management.

As an active and engaged shareholder, we promote sound corporate governance in our portfolio companies.

We support the formation of high calibre, experienced and diverse boards to guide and complement management leadership. This includes encouraging the boards of portfolio companies to identify and consider potential directors with relevant backgrounds and experience, and conduct annual reviews of their succession plans.

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

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.

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

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

---

Companies in our portfolio are guided and managed by their respective boards and management.

### Relating to Our Communities

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. 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. These programmes enable individuals, families and communities to have sustainable improvements and progress in their lives.

More than a decade ago, we instituted a policy of setting aside a share of our excess returns for community contributions in each year that we exceed our risk-adjusted hurdle. This policy is founded on the concept of sustainable and responsible contributions.

The skills and capabilities for the management of endowment funds and for the development and management of community and social programmes are very different. This was why we established Temasek Trust in 2007 to oversee the management and distribution of endowments and gifts from Temasek, which have been earmarked for specific non-profit philanthropic organisations (NPPOs).

The governance model separates the financial management of endowments from the NPPOs. This enables them to focus on what they do best – developing programmes for the community, with the peace of mind that their endowments would be professionally managed to give them a sustainable source of support over the years.

We comply with all obligations under Singapore laws and regulations, as well as those of the jurisdictions where we have investments or operations.

We follow developments in international investment and trade agreements, and engage with thought leaders and authorities. We aim to promote a better understanding of how state owned entities like ourselves operate based on commercial principles, independent of government interference.

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.

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

# Fostering Stewardship and Governance

Temasek has seeded institutions to build new capabilities and partnered multilateral agencies to promote best practices in stewardship and governance.



# Community Stewardship

**We have a stake in the well-being of our community, and exercise good stewardship through our community contributions.**

Since our inception in 1974, we have established 16 endowments. Our endowments and philanthropic outfits aim to build people, build communities, build capabilities and rebuild lives. To date, they have touched the lives of more than 240,000 people in Singapore and Asia.



## Temasek Trust

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

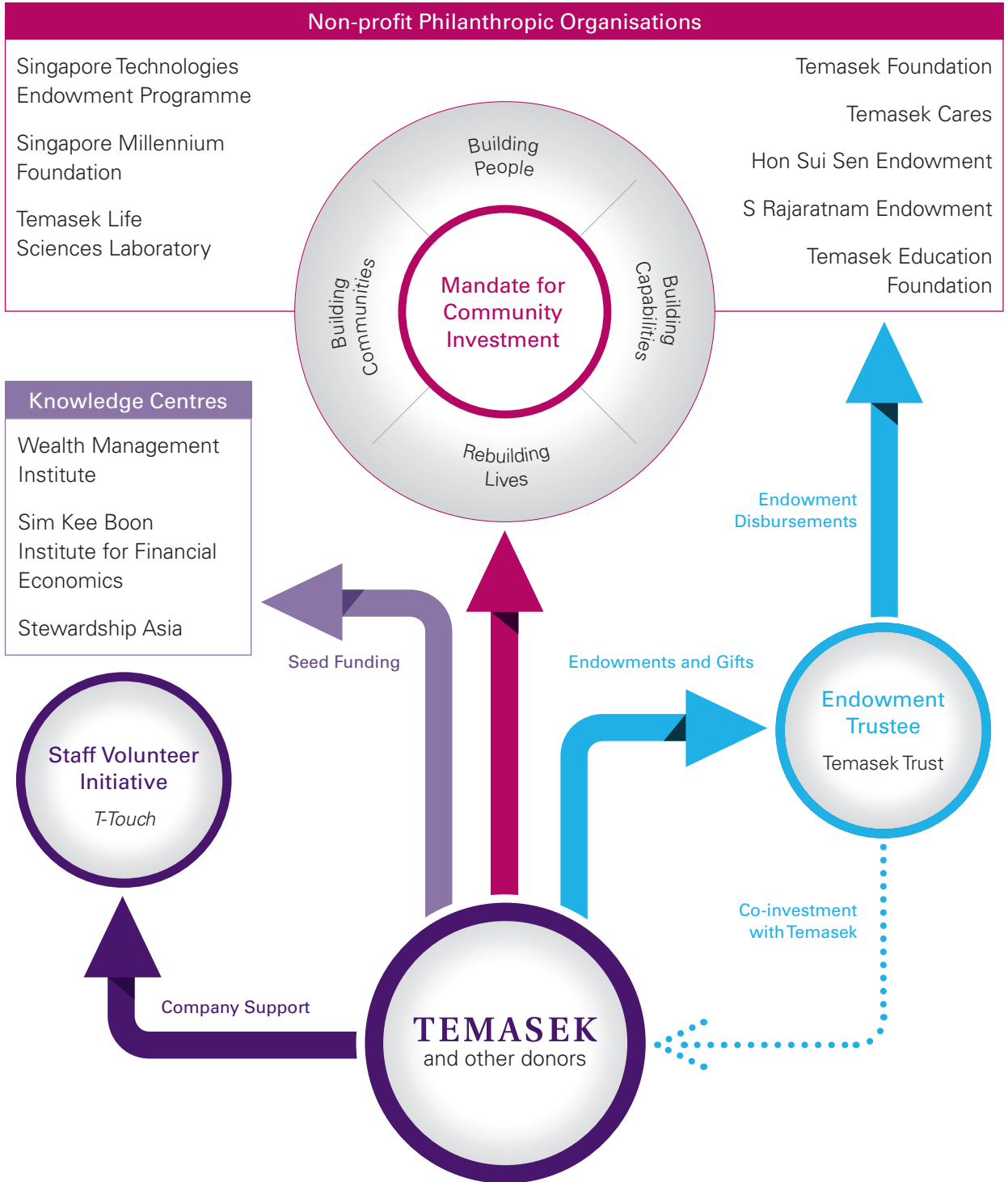
Endowment gifts from Temasek are initially co-invested with Temasek. When the endowments reach critical mass, the Trust may appoint other third party fund managers approved by Temasek. The Trust is responsible for the disciplined disbursement of the endowments to designated non-profit philanthropic organisations (NPPOs) on a sustainable basis. In turn, the NPPOs are charged with fulfilling their respective community mandates.



## Temasek Foundation

Supported by Temasek's largest endowment, Temasek Foundation (TF) partners Singapore and international institutions to develop or support programmes in Asia.

TF seeks to build people through education and health care; build institutions through governance, public administration and urban management; build bridges among Asia's diverse communities through networks of exchange for students, journalists, leaders and others; and rebuild lives of communities affected by natural disasters by boosting their disaster response capabilities. Since May 2007, TF has supported 262 programmes in 20 countries in Asia.





### Temasek Cares

Set up in 2009, Temasek Cares is a Singapore-based charity<sup>1</sup> focused on improving the lives of underprivileged individuals, families and communities in Singapore, especially those with unmet needs.

Temasek Cares has since funded 82 programmes, including pilot programmes for new services. These have touched about 22,500 lives, including those with physical disabilities and psychological disorders, children with learning, developmental and traumatic challenges, abused women and their children, single parents, and the elderly requiring long term care.

In April 2015, Temasek Cares sponsored *AIR+ Smart Masks* and *AIR+ Micro Ventilators* for 13,000 disadvantaged children in Singapore. This is one of Temasek Cares' *Stay Prepared* initiatives to help the Singapore community prepare for emergencies such as viral outbreaks.

Temasek Cares manages other community endowments on behalf of Temasek. These include the Balaji Sadasivan Endowment for healthcare services, the Ee Peng Liang Endowment for social services, and the Temasek Emergency Preparedness Fund or T-PREP Fund for community emergency resilience and recovery.



### Singapore Technologies Endowment Programme

Now in its 18<sup>th</sup> year, the Singapore Technologies Endowment Programme (STEP) helps youth in Asia to build friendship and contribute to their education. Its popular Sunburst Youth Camp has hosted more than 2,000 teenage students since 1998, including over 650 students from Singapore.



### Temasek Life Sciences Laboratory

Temasek Life Sciences Laboratory (TLL) is well recognised for bio-molecular science research and applications. Its primary focus on cellular mechanisms underlying the development and physiology of plants, fungi and animals, is the foundation for biotechnology innovation. In 2014, TLL scientists published over 70 papers in peer-reviewed journals. Over the last 12 years, TLL has made more than 70 discoveries, of which about half have been licensed.

<sup>1</sup> Temasek Cares is an Institution of a Public Character set up in 2009 to commemorate the 35<sup>th</sup> anniversary of Temasek Holdings, and formalise our charity support in Singapore.



### Singapore Millennium Foundation

Established in 2001, the Singapore Millennium Foundation (SMF) funds research relevant to Singapore, covering mental health, Parkinson's disease, liver and lung cancer, ageing and palliative care, pedagogy and special needs education, and non-medical bioscience. In 2008, SMF broadened its mandate to cover institutional programmes, and has granted a total of S\$43 million since, for programmes in education and research institutions, and hospitals. SMF is a key sponsor of the Lee Kuan Yew Water Prize since 2008, which honours individuals or organisations with major contributions in solving the world's water challenges.



### 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.



### S Rajaratnam Endowment

The S\$100 million endowment, named after Singapore's first and longest-serving Foreign Minister, the late S Rajaratnam, promotes development, peace and stability in Asia by deepening international friendships, promoting regional cooperation, and fostering a greater understanding of international rules, based on the twin pillars of good governance and sustainability.



### Hon Sui Sen Endowment

Named after the former Singapore Minister for Finance, the late Hon Sui Sen, the S\$35 million endowment focuses on developing talented individuals in the financial industry in Asia, including policy makers, central bankers, market regulators and financial professionals in public service.



See the full list of our endowments at  
[www.temasekreview.com.sg/endowments](http://www.temasekreview.com.sg/endowments)  
 or scan the QR code



# Touching Lives

Our NPPOs identify needs and spearhead programmes for the growth and development of people in our communities.

## Building Capabilities

### Temasek Life Sciences Laboratory

**Research to Control Plant Flowering**  
Discovery of a timing mechanism that controls flowering in plants. Dr Toshiro Ito led the research, which could help predict harvesting time to improve food supply.

### Singapore Millennium Foundation

**Virtual Pink Dolphin Project**  
A three-year research project to develop software with virtual pink dolphins to help children with autism improve their social interaction and communication skills.

### Temasek Foundation

**Technical and Vocational Education and Training Programme (TVET) in the Philippines**  
ITE Education Services trainers worked with 75 TVET leaders and specialists from the Philippines on ideas for effective industry collaboration programmes.

### Temasek Foundation

**Nursing and Medical Programme in Indonesia**  
Partnering Tan Tock Seng Hospital to train 150 doctors, nurses and allied health professionals from Indonesia in cardiac life support and resuscitation skills.

### Temasek Foundation

**Water Management Programme in India**  
A partnership with Singapore Cooperation Enterprise to share best practices and train 100 officials from India in sustainable water project management.

### Hon Sui Sen Endowment

**Temasek Regional Regulators Scholarship (TRRS) Programme**  
Seven Asian central bankers and financial regulators were awarded the TRRS last year and completed WMI's Master of Science in Wealth Management course.



Dr Toshiro Ito examining *Arabidopsis* plants.



Hands-on training for Indonesian nurses at Tan Tock Seng Hospital.

Watch how our NPPOs and endowments touch lives at [www.temasekreview.com.sg/community](http://www.temasekreview.com.sg/community) or scan the QR code



## Building People

### S Rajaratnam Endowment

#### Youth Model ASEAN Conference

Bringing together 200 student leaders from all ten ASEAN countries to discuss and shape perspectives on regional issues.

### STEP

#### STEP-ITE Sunburst Innovation Programme

A programme where more than 100 Institute of Technical Education students and 30 other young people from ASEAN and China spent a week in Singapore participating in industry visits and engaging industry experts on using technology for innovation to benefit society.



The Youth Model ASEAN Conference participants collaborating on a project.

## Rebuilding Lives

### STEP

#### Boys' Town Project

Providing academic coaching and mentorship to the residents of Boys' Town, a shelter for disadvantaged boys.

### Temasek Cares

#### Individual Transitional Aftercare Programme

A two-year programme in partnership with iC@RE Hub and Yellow Ribbon Fund to provide support structures and supervision, including transitional housing and financial assistance, to female ex-offenders, and help them reintegrate into society.



A Boys' Town resident being tutored by a STEP volunteer.

## Building Communities

### Temasek Cares

#### Care Close to Home Programme

A pilot community-based programme supporting vulnerable seniors through holistic coordination of existing support services.

### Temasek Education Foundation

#### Our People, Our Music 2014

A Chinese orchestral concert with a record breaking 4,557 performers and choral singers to promote appreciation of Chinese music, and mark the opening of Singapore's new National Stadium.



A healthcare aide measuring a senior's blood pressure at her home.

# Engaging Friends

We gain valuable experiences and insights from our friends from all over the world.

## Sharing Experiences

Temasek hosted over 70 visiting delegations from 30 countries, including Argentina, Brunei, Canada, Germany, Malaysia, Nigeria, Qatar, the US and the UK.

We shared perspectives on governance with institutions such as China's State-Owned Assets Supervision and Administration Commission and Kazakhstan's Samruk-Kazyna.

## Fostering Learning and Fellowship

Last year, we organised 143 learning events and six business forums for boards and management of our portfolio companies, partners and friends.

Our three flagship programmes – *Young LEADERS!*, *LEADERS!*, and *Global LEADERS!* – welcomed more than 90 participants from Singapore, Australia, China, India, Indonesia, Kazakhstan, Malaysia, Myanmar and Vietnam.

## Ecosperity

In partnership with Goldman Sachs, we organised and hosted the inaugural *Ecosperity* conference, bringing together global CEOs, top public officials and thought leaders to explore issues and ideas on sustainable growth in natural resources. Topics ranged from ways to increase agricultural productivity sustainably and food security, to pollution and environmental sustainability, as well as energy security.

Speakers included Antonio Brufau, Chairman of Repsol; Dr Steven Chu, Nobel Laureate and former US Secretary of Energy; Frank Ning, Chairman of COFCO Corporation; Gregory Page, Executive Chairman of Cargill; and Ellen Kullman, Chairman and CEO of DuPont.



Sharing issues on sustainable growth in *Ecosperity*.

## Temasek International Panel

In its 11<sup>th</sup> year, Temasek International Panel members and special guests shared their perspectives on a broad range of issues and opportunities.

Special guests included Timothy Geithner, President, Warburg Pincus and former US Secretary of the Treasury; Ngozi Okonjo-Iweala, Finance Minister of Nigeria; Sri Mulyani Indrawati, Managing Director & Chief Operating Officer of the World Bank; Peter Costello, Chairman of the Future Fund Board of Guardians and former Australian Treasurer; Yorihiro Kojima, Chairman of Mitsubishi Corporation; and K.V. Kamath, Non-Executive Chairman of ICICI Bank.



An exchange of experience and insights at the TIP meeting.

# Temasek International Panel

**Our members have been invaluable to us with their wealth of knowledge and insightful perspectives.**

Formed in 2004, the panel consists of global leaders who have generously shared their insights and perspectives, and helped shape our strategies in a complex global environment. We thank them and look forward to their continued support.

(as at 31 March 2015)

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## Members

### David BONDERMAN

Founding Partner  
TPG

### Dame DeAnne JULIUS

Chairman  
University College London

### Dr CHEN Deming

President  
Association for Relations  
Across the Taiwan Straits

### Minoru MAKIHARA

Senior Corporate Advisor  
Mitsubishi Corporation

### Former Minister of Commerce

People's Republic of China

### Dr Pedro Sampaio MALAN

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

### Dr Jacob A FRENKEL

Chairman  
JP Morgan Chase International

### Lee R RAYMOND

Retired Chairman and CEO  
Exxon Mobil Corporation

### Timothy F. GEITHNER

President  
Warburg Pincus LLC

### Ratan N TATA

Chairman  
Tata Trusts

### Hon John HOWARD OM AC

Former Prime Minister  
Australia

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## Emeritus Members

### Dr HAN Seung-soo

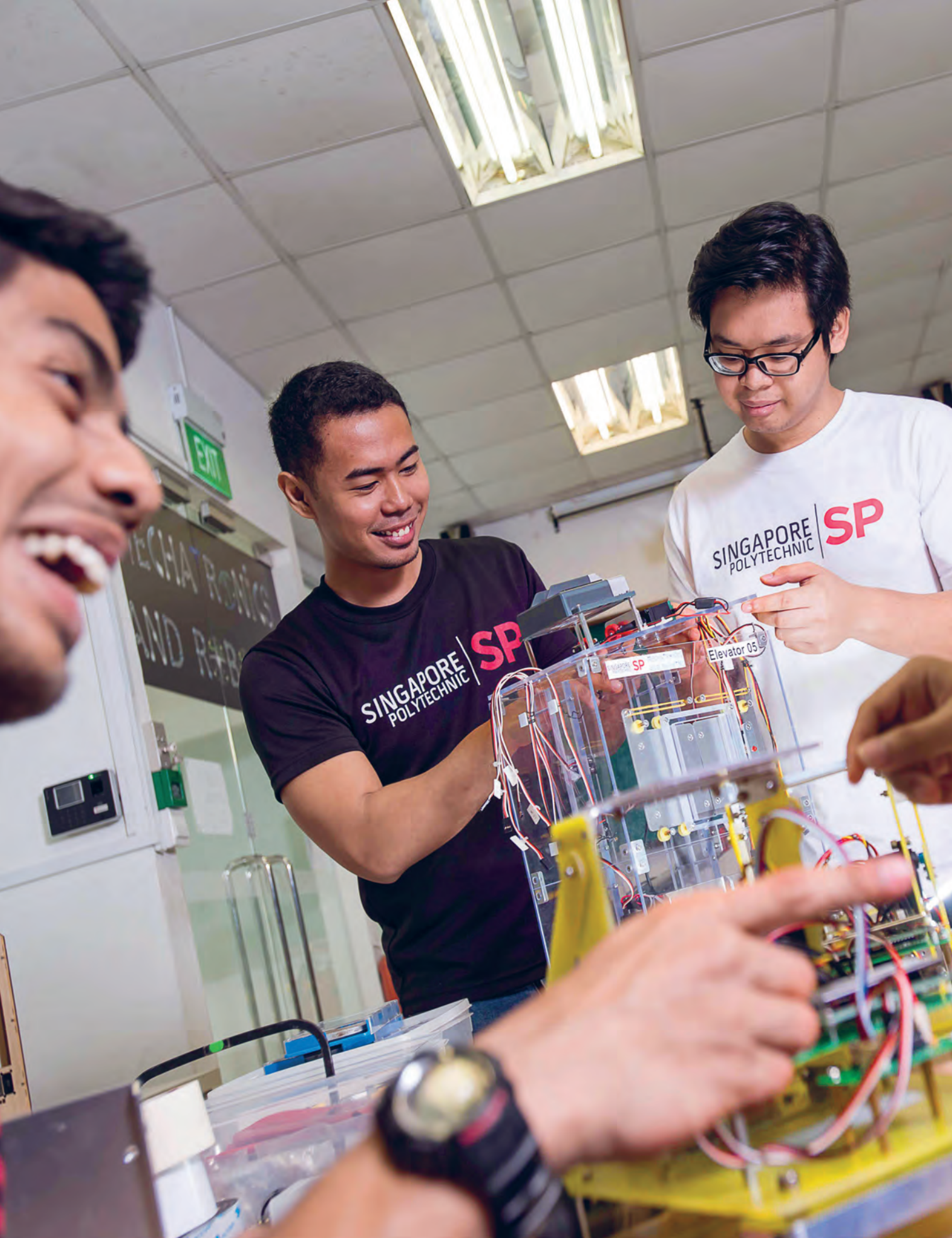
Former Prime Minister  
Republic of Korea

### Sir Richard SYKES, FRS

Chairman  
The Royal Institution of Great Britain

### Lucio A NOTO

Managing Partner  
Midstream Partners, LLC



SINGAPORE POLYTECHNIC **SP**

SINGAPORE POLYTECHNIC **SP**

Elevator 05

MECHANICAL AND ELECTRICAL

EXIT



# Group Financial Summary

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Temasek Group Financials are a consolidation of financial information of Temasek as an investment company and its operating subsidiaries, such as PSA, Singapore Airlines, Singtel and ST Engineering.

*“Cool man! Our robot will rock when we get it done!”*

Final year course mates, Mohamed Farhan Bin Anwar, Muhammad Syafiq Bin Sani, Muhammad Hafiz Bin Adnan and Hilmi Bin Amir Hassan, from Singapore Polytechnic having fun, meticulously building their robot.

# 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 subsidiaries (the “Group”) for the financial years ended 31 March 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 and have issued unqualified audit reports<sup>1</sup>. The audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2006 and 2007 were audited by PricewaterhouseCoopers LLP<sup>2</sup> whose auditors’ reports<sup>3</sup> were also unqualified.

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

Management is responsible for the preparation and presentation of the Group Financial Summary for the financial years ended 31 March 2006 to 2015 set out from pages 80 to 85. 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 2006 to 2015 and Group Statements of Changes in Equity for the financial years ended 31 March 2014 and 2015, 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

**KPMG LLP**

Public Accountants and Chartered Accountants  
Singapore

29 June 2015

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<sup>1</sup> Dated 16 July 2008, 15 July 2009, 1 July 2010, 29 June 2011, 27 June 2012, 26 June 2013, 30 June 2014 and 29 June 2015 respectively.

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

<sup>3</sup> Dated 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 subsidiaries (the "Group") for the financial years ended 31 March 2008 to 2015. Our auditors for the financial years ended 31 March 2006 to 2007, PricewaterhouseCoopers LLP<sup>2</sup>, have expressed unqualified opinions on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2006 to 2007.

On behalf of the directors



**LIM BOON HENG**

Chairman

29 June 2015



**HO CHING**

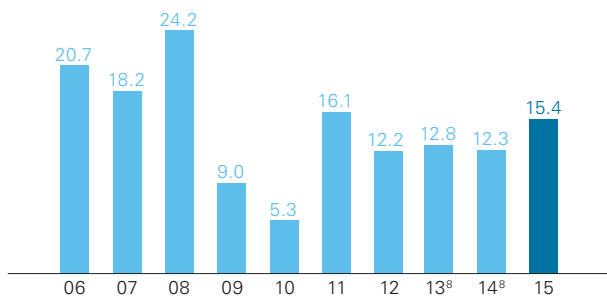
Executive Director & Chief Executive Officer

29 June 2015

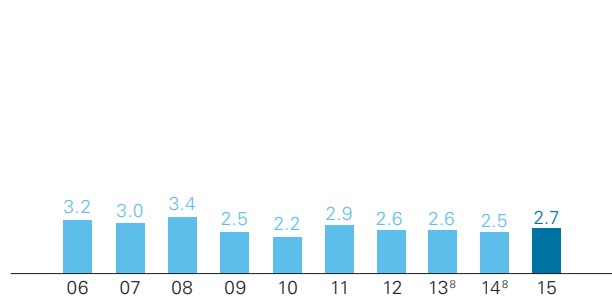
# Group Financial Highlights<sup>1</sup>

(for year ended 31 March)

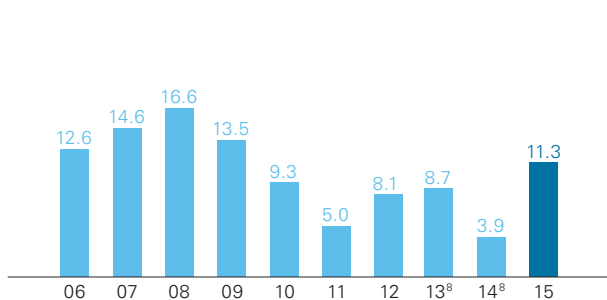
## Profit Margin<sup>2</sup> (%)



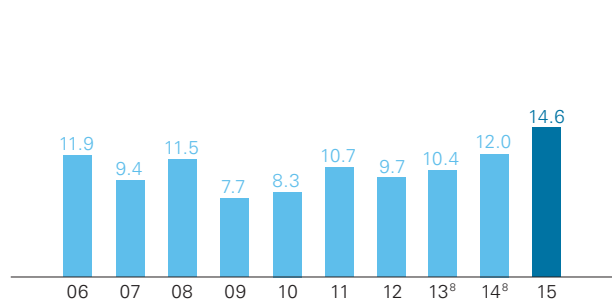
## VA/Employment Cost<sup>3</sup>



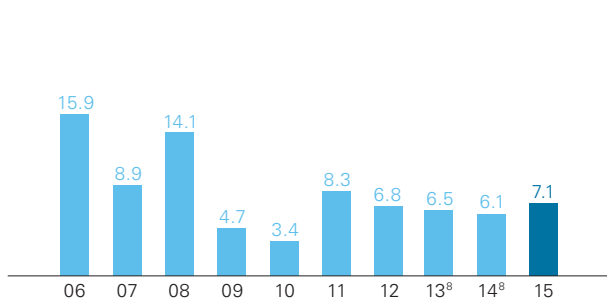
## Net Debt to Capital<sup>4</sup> (%)



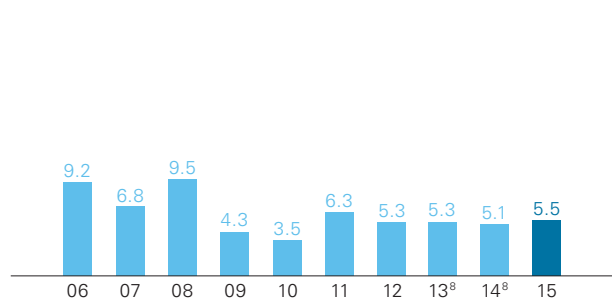
## EBITDA Interest Cover<sup>5</sup> (x)



## Return on Average Equity<sup>6</sup> (%)



## Return on Average Assets<sup>7</sup> (%)



<sup>1</sup> The Group Financial Summary, including highlights as set out from pages 80 to 85, is prepared and presented based on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2006 to 2015.

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

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

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

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

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

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

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

For year ended 31 March	2006	2007	2008	2009	2010	2011	2012	2013 Restated <sup>8</sup>	2014 Restated <sup>8</sup>	2015
Revenue	79.8	74.6	83.3	79.6	76.7	83.5	83.5	94.3	92.4	101.6
Profit before tax	19.0	14.3	25.5	10.4	8.5	17.8	14.8	16.5	17.5	21.2
<b>Profit attributable to equity holder of the Company</b>	<b>12.8</b>	<b>9.1</b>	<b>18.2</b>	<b>6.2</b>	<b>4.6</b>	<b>12.7</b>	<b>10.7</b>	<b>10.7</b>	<b>10.9</b>	<b>14.5</b>

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

As at 31 March	2006	2007	2008	2009	2010	2011	2012	2013 Restated <sup>8</sup>	2014 Restated <sup>8</sup>	2015
Total assets	213.7	242.4	295.5	247.9	284.8	297.9	302.6	341.5	344.0	405.8
Shareholder equity before fair value reserve	83.6	92.9	120.2	119.9	127.8	134.6	146.4	156.0	172.5	188.0
Fair value reserve <sup>9</sup>	7.0	21.1	23.9	(1.5)	21.9	20.9	11.8	13.2	14.9	30.6
<b>Shareholder equity</b>	<b>90.6</b>	<b>114.0</b>	<b>144.1</b>	<b>118.4</b>	<b>149.7</b>	<b>155.5</b>	<b>158.2</b>	<b>169.2</b>	<b>187.4</b>	<b>218.6</b>
Net debt <sup>10</sup>	16.7	23.6	33.8	22.1	17.8	9.5	16.1	19.6	9.0	32.6

<sup>8</sup> On 1 April 2014, the Group adopted new and amended FRS and Interpretations of FRS that were mandatory for application for the financial year ended 31 March 2015. These included FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*. Changes in accounting policies as a result of adoption of FRS 110 and FRS 111 were applied retrospectively and accordingly, the Group's consolidated financial statements for the years ended 31 March 2013 and 31 March 2014 were restated. Comparative figures for the years ended 31 March 2006 to 31 March 2012 had not been restated.

<sup>9</sup> 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.

<sup>10</sup> Total debt less cash and cash equivalents.

# Group Income Statements

In S\$ billion

For year ended 31 March	2006	2007	2008	2009	2010	2011	2012	2013 Restated <sup>1</sup>	2014 Restated <sup>1</sup>	2015
Revenue	79.8	74.6	83.3	79.6	76.7	83.5	83.5	94.3	92.4	<b>101.6</b>
Cost of sales	(53.3)	(49.3)	(53.3)	(57.5)	(50.7)	(53.0)	(56.3)	(64.5)	(63.7)	<b>(70.4)</b>
Gross profit	26.5	25.3	30.0	22.1	26.0	30.5	27.2	29.8	28.7	<b>31.2</b>
Other income	9.4	8.3	15.8	16.2	4.5	4.9	6.3	5.5	6.0	<b>9.2</b>
Expenses:										
Selling & Distribution	(4.1)	(4.3)	(5.2)	(5.0)	(5.3)	(5.8)	(5.6)	(5.2)	(4.7)	<b>(5.0)</b>
Administrative	(8.0)	(8.1)	(8.6)	(8.1)	(8.7)	(7.3)	(8.0)	(8.7)	(8.9)	<b>(9.6)</b>
Finance	(2.4)	(2.6)	(3.2)	(2.7)	(2.4)	(2.6)	(2.6)	(2.6)	(2.3)	<b>(2.1)</b>
Other expenses	(4.9)	(5.1)	(8.7)	(15.3)	(10.0)	(6.2)	(7.1)	(6.7)	(7.5)	<b>(8.1)</b>
Profit before share of results of associates, partnerships and joint ventures	16.5	13.5	20.1	7.2	4.1	13.5	10.2	12.1	11.3	<b>15.6</b>
Share of results of associates and partnerships	1.2	(0.8)	3.2	1.3	2.4	2.6	3.0	2.5	4.3	<b>3.5</b>
Share of results of joint ventures	1.3	1.6	2.2	1.9	2.0	1.7	1.6	1.9	1.9	<b>2.1</b>
Profit before tax	19.0	14.3	25.5	10.4	8.5	17.8	14.8	16.5	17.5	<b>21.2</b>
Tax expense	(2.5)	(1.3)	(3.0)	(1.3)	(1.7)	(2.0)	(1.4)	(2.0)	(2.3)	<b>(2.5)</b>
Profit from continuing operations	16.5	13.0	22.5	9.1	6.8	15.8	13.4	14.5	15.2	<b>18.7</b>
Profit from discontinued operations	*	*	–	–	–	–	–	–	–	<b>–</b>
Total profit	16.5	13.0	22.5	9.1	6.8	15.8	13.4	14.5	15.2	<b>18.7</b>

Profit attributable to:

<b>Equity holder of the Company</b>	<b>12.8</b>	<b>9.1</b>	<b>18.2</b>	<b>6.2</b>	<b>4.6</b>	<b>12.7</b>	<b>10.7</b>	<b>10.7</b>	<b>10.9</b>	<b>14.5</b>
Non-controlling interests	3.7	3.9	4.3	2.9	2.2	3.1	2.7	3.8	4.3	<b>4.2</b>
Total profit	16.5	13.0	22.5	9.1	6.8	15.8	13.4	14.5	15.2	<b>18.7</b>

\* Less than S\$0.1 billion.

# Group Balance Sheets

In S\$ billion

As at 31 March	2006	2007	2008	2009	2010	2011	2012	2013 Restated <sup>1</sup>	2014 Restated <sup>1</sup>	2015
Shareholder equity before fair value reserve	83.6	92.9	120.2	119.9	127.8	134.6	146.4	156.0	172.5	<b>188.0</b>
Fair value reserve <sup>2</sup>	7.0	21.1	23.9	(1.5)	21.9	20.9	11.8	13.2	14.9	<b>30.6</b>
<b>Shareholder equity</b>	<b>90.6</b>	<b>114.0</b>	<b>144.1</b>	<b>118.4</b>	<b>149.7</b>	<b>155.5</b>	<b>158.2</b>	<b>169.2</b>	<b>187.4</b>	<b>218.6</b>
Non-controlling interests	25.4	24.4	25.7	22.6	23.5	24.0	23.5	35.2	34.8	<b>37.8</b>
	116.0	138.4	169.8	141.0	173.2	179.5	181.7	204.4	222.2	<b>256.4</b>
Property, plant and equipment	65.6	65.5	75.3	68.2	68.0	66.8	67.8	73.8	59.5	<b>67.5</b>
Intangibles	14.5	14.8	21.4	19.9	19.1	18.9	17.9	18.2	16.4	<b>20.0</b>
Biological assets	–	–	–	–	–	–	–	–	–	<b>1.3</b>
Investments in associates, partnerships and joint ventures	27.1	35.0	39.5	41.1	44.6	42.1	49.5	50.3	56.7	<b>70.2</b>
Financial assets	27.5	52.3	73.9	40.2	64.2	65.3	60.7	70.3	81.4	<b>101.3</b>
Investment properties	1.8	3.6	5.0	5.3	6.5	7.1	7.9	19.4	20.9	<b>23.5</b>
Properties under development	0.5	0.2	0.6	0.8	0.2	0.2	0.4	0.5	1.5	<b>2.0</b>
Deferred tax assets	1.7	1.6	1.8	2.0	1.8	1.7	1.5	1.4	1.4	<b>1.4</b>
Other non-current assets	10.0	10.4	9.4	9.5	10.2	11.3	10.7	12.4	10.9	<b>13.0</b>
Net current assets/(liabilities)	12.6	8.4	(3.1)	11.8	22.0	27.6	32.8	34.0	35.9	<b>31.8</b>
Current assets	65.0	59.0	68.6	60.9	70.2	84.5	86.2	95.2	95.3	<b>105.6</b>
Current liabilities	(52.4)	(50.6)	(71.7)	(49.1)	(48.2)	(56.9)	(53.4)	(61.2)	(59.4)	<b>(73.8)</b>
	161.3	191.8	223.8	198.8	236.6	241.0	249.2	280.3	284.6	<b>332.0</b>
Non-current liabilities	(45.3)	(53.4)	(54.0)	(57.8)	(63.4)	(61.5)	(67.5)	(75.9)	(62.4)	<b>(75.6)</b>
	116.0	138.4	169.8	141.0	173.2	179.5	181.7	204.4	222.2	<b>256.4</b>

<sup>1</sup> On 1 April 2014, the Group adopted new and amended FRS and Interpretations of FRS that were mandatory for application for the financial year ended 31 March 2015. These included FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*. Changes in accounting policies as a result of adoption of FRS 110 and FRS 111 were applied retrospectively and accordingly, the Group's consolidated financial statements for the years ended 31 March 2013 and 31 March 2014 were restated. Comparative figures for the years ended 31 March 2006 to 31 March 2012 had not been restated.

<sup>2</sup> 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	2006	2007	2008	2009	2010	2011	2012	2013 Restated <sup>1</sup>	2014 Restated <sup>1</sup>	2015
Operating cash flow before working capital changes	18.6	17.6	21.2	14.0	16.4	20.2	16.8	20.1	20.0	<b>20.3</b>
Changes in working capital	2.6	2.5	(0.3)	1.5	(4.1)	(2.9)	(1.6)	(4.0)	(1.5)	<b>(3.2)</b>
Cash generated from operations	21.2	20.1	20.9	15.5	12.3	17.3	15.2	16.1	18.5	<b>17.1</b>
Income tax paid	(1.6)	(1.6)	(2.0)	(1.8)	(1.3)	(1.3)	(2.0)	(1.8)	(2.3)	<b>(2.0)</b>
Net cash inflow from operating activities	19.6	18.5	18.9	13.7	11.0	16.0	13.2	14.3	16.2	<b>15.1</b>
Net cash inflow/ (outflow) from investing activities	(16.5)	(23.3)	(30.4)	0.1	(5.3)	(4.9)	(14.8)	(15.3)	(19.2)	<b>(22.6)</b>
Net cash inflow/ (outflow) from financing activities	(0.2)	2.2	13.3	(6.4)	(0.2)	(1.7)	(1.4)	4.0	1.0	<b>1.1</b>
Net increase/ (decrease) in cash and cash equivalents held	2.9	(2.6)	1.8	7.4	5.5	9.4	(3.0)	3.0	(2.0)	<b>(6.4)</b>

<sup>1</sup> On 1 April 2014, the Group adopted new and amended FRS and Interpretations of FRS that were mandatory for application for the financial year ended 31 March 2015. These included FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*. Changes in accounting policies as a result of adoption of FRS 110 and FRS 111 were applied retrospectively and accordingly, the Group's consolidated financial statements for the years ended 31 March 2013 and 31 March 2014 were restated. Comparative figures for the years ended 31 March 2006 to 31 March 2012 had not been restated.

# Group Statements of Changes in Equity

In S\$ billion

	Attributable to Equity Holder of the Company				Total
	Share Capital and Other Reserves	Revenue Reserve	Currency Translation Reserve	Non- controlling Interests	
Balance at 1 April 2013 As previously reported	68.5	106.6	(6.0)	25.6	<b>194.7</b>
Effects of adopting FRS 110 and FRS 111	–	0.1	–	9.6	<b>9.7</b>
Balance at 1 April 2013 (as restated <sup>1</sup> )	68.5	106.7	(6.0)	35.2	<b>204.4</b>
Total profit	–	10.9	–	4.3	<b>15.2</b>
Others, net <sup>2</sup>	9.7	(2.2)	(0.2)	(4.7)	<b>2.6</b>
Balance at 31 March 2014 (as restated <sup>1</sup> )	78.2	115.4	(6.2)	34.8	<b>222.2</b>
Total profit	–	14.5	–	4.2	<b>18.7</b>
Others, net <sup>2</sup>	18.0	(2.9)	1.6	(1.2)	<b>15.5</b>
<b>Balance at 31 March 2015</b>	<b>96.2</b>	<b>127.0</b>	<b>(4.6)</b>	<b>37.8</b>	<b>256.4</b>

<sup>2</sup> Comprise movements during the financial year including but not limited to:

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







# Major Investments

Financial Services	88
Telecommunications, Media & Technology	90
Transportation & Industrials	92
Consumer & Real Estate	94
Energy & Resources	96
Life Sciences & Agriculture	96









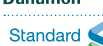

*“To others, the sky may be the limit.  
For us, the sky is our home!”*

Singapore Flying College Cadet Pilots, Huang Junming, Chew Yao Wei and Koe Wei Jie, performing external aircraft checks with their Flying Instructor, Farhain Binte Abu Bakar.

# 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, China Pacific Insurance (Group), DBS Group, Industrial and Commercial Bank of China, Lloyds Banking Group, Ping An Insurance (Group), Prudential plc, PT Bank Danamon Indonesia, Standard Chartered, Markit, Alibaba Group, Bharti Airtel, A.S. Watson, BG Group, MEG Energy, Repsol, Turquoise Hill Resources, Celltrion, Gilead Sciences and Thermo Fisher Scientific.
3. Market relevant information is sourced from Bloomberg, Stock Exchanges and public filings by companies.

		Market Capitalisation or Shareholder Equity <sup>1</sup>			
Financial Services		Shareholding <sup>4</sup> (%) as at 31 March 2015	Currency	2015	2014
	AIA Group Limited	4	HKD'm	<b>587,843</b>	443,219
	Bank of China Limited	<1 <sup>#</sup>	HKD'm	<b>1,529,031</b>	920,160
	China Construction Bank Corporation	5 <sup>#</sup>	HKD'm	<b>1,621,468</b>	1,353,342
	China Pacific Insurance (Group) Co., Ltd.	2	HKD'm	<b>368,914</b>	200,800
	DBS Group Holdings Ltd	29	SGD'm	<b>50,468</b>	39,551
	Industrial and Commercial Bank of China Limited	2	HKD'm	<b>2,135,011</b>	1,552,886
	Lloyds Banking Group plc	<1	GBP'm	<b>55,871</b>	53,278
	Ping An Insurance (Group) Company of China, Ltd.	2	HKD'm	<b>876,986</b>	425,532
	Prudential plc	<1	GBP'm	<b>42,986</b>	32,526
	PT Bank Danamon Indonesia, Tbk.	67 <sup>#</sup>	IDR'b	<b>49,121</b>	41,693
	Standard Chartered PLC	18	GBP'm	<b>27,071</b>	30,464

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2015 refers to positions as at 31 March 2015. For unlisted companies, 2015 refers to positions as at 31 March 2015 or 31 December 2014, in accordance with their respective financial year ends. Similarly for 2014.

<sup>2</sup> Key Figures: FY2014 refers to financial year ended March 2015 or December 2014 or November 2014 or June 2014, in accordance with the respective financial year ends of the companies. Similarly for FY2013. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for one-year TSR is from 31 March 2014 to 31 March 2015.  
 Period for three-year TSR is from 31 March 2012 to 31 March 2015.  
 Period for five-year TSR is from 31 March 2010 to 31 March 2015.  
 For unlisted companies, shareholder equity is used in the computations. TSR is based on shareholder equity as at their respective financial year ends.

## Glossary

Market Capitalisation	= Market value as at 31 March 2015 and 31 March 2014
Shareholder Equity	= Shareholder equity reported by the respective companies based on their annual filings
PATMI	= Profit/(Loss) after tax and non-controlling interests
Dividends Declared	= Dividends declared during the respective financial year of the companies
EVA	= Economic Value Added, attributable to investors
TSR	= Total Shareholder Return
NA	= Not applicable

Revenue		PATMI		Dividends Declared		Key Figures <sup>2</sup> EVA		TSR <sup>3</sup> (%) Years		
FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	1	3	5
<b>25,433<sup>5</sup></b>	21,892 <sup>5*</sup>	<b>3,450<sup>5</sup></b>	2,824 <sup>5*</sup>	<b>689<sup>5</sup></b>	595 <sup>5</sup>	<b>1,975<sup>5</sup></b>	393 <sup>5*</sup>	34.1	21.1	NA
<b>456,328<sup>6</sup></b>	407,509 <sup>6</sup>	<b>169,595<sup>6</sup></b>	156,911 <sup>6</sup>	<b>54,755<sup>6</sup></b>	48,851 <sup>6</sup>	<b>36,631<sup>6</sup></b>	44,970 <sup>6</sup>	39.4	20.3	8.3
<b>556,740<sup>6</sup></b>	511,140 <sup>6</sup>	<b>227,830<sup>6</sup></b>	214,657 <sup>6</sup>	<b>75,003<sup>6</sup></b>	67,003 <sup>6</sup>	<b>81,478<sup>6</sup></b>	77,718 <sup>6</sup>	26.5	8.7	6.1
<b>216,205<sup>6</sup></b>	192,217 <sup>6</sup>	<b>11,049<sup>6</sup></b>	9,261 <sup>6</sup>	<b>3,625<sup>6</sup></b>	3,172 <sup>6</sup>	<b>3,490<sup>6</sup></b>	(3,567) <sup>6</sup>	35.8	17.4	3.0
<b>9,816</b>	9,098	<b>4,046</b>	3,672	<b>1,468</b>	1,376	<b>233</b>	231	30.2	16.8	11.1
<b>634,858<sup>6</sup></b>	578,901 <sup>6</sup>	<b>275,811<sup>6</sup></b>	262,649 <sup>6</sup>	<b>91,960<sup>6</sup></b>	83,565 <sup>6</sup>	<b>90,247<sup>6</sup></b>	92,653 <sup>6</sup>	27.9	11.0	4.8
<b>16,399<sup>7</sup></b>	18,478 <sup>7</sup>	<b>1,412</b>	(838)	–	–	<b>(2,528)</b>	(7,007) <sup>*</sup>	4.9	32.5	4.5
<b>530,020<sup>6</sup></b>	421,221 <sup>6</sup>	<b>39,279<sup>6</sup></b>	28,154 <sup>6</sup>	<b>5,541<sup>6</sup></b>	3,958 <sup>6</sup>	<b>18,278<sup>6</sup></b>	6,175 <sup>6</sup>	47.0	17.9	7.9
<b>60,126</b>	52,375	<b>2,216</b>	1,346	<b>895</b>	781	<b>1,130</b>	16	35.2	34.7	29.9
<b>18,563</b>	19,020	<b>2,604</b>	4,042	<b>1,212</b>	1,204	<b>(3,534)</b>	(1,363)	21.2	6.0	2.4
<b>18,334<sup>5</sup></b>	18,777 <sup>5</sup>	<b>2,613<sup>5</sup></b>	4,090 <sup>5</sup>	<b>2,095<sup>5</sup></b>	2,062 <sup>5</sup>	<b>(1,309)<sup>5</sup></b>	128 <sup>5**</sup>	(7.5)	(6.9)	(5.0)

<sup>4</sup> Percentages rounded to the nearest whole number.

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

<sup>6</sup> Figures in RMB'm.

<sup>7</sup> Total income net of insurance claims.

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









\* Restated or reclassified by respective companies, which include effects of changes to accounting standards.

\*\* Restated due to change in adjustment basis.

● For year ended November 2014/2013.

● For year ended December 2014/2013.

## Major Investments continued

			Market Capitalisation or Shareholder Equity <sup>1</sup>		
Telecommunications, Media & Technology		Shareholding <sup>4</sup> (%) as at 31 March 2015	Currency	2015	2014
	Intouch Holdings Public Company Limited	42	THB'm	<b>247,696</b>	247,696
	Markit Ltd.	11	USD'm	<b>5,058</b>	NA <sup>7</sup>
	Singapore Technologies Telemedia Pte Ltd	100	SGD'm	<b>3,892</b>	3,114
	STATS ChipPAC Ltd.	84	SGD'm	<b>1,112</b>	782
	Alibaba Group Holding Limited	2	USD'm	<b>207,725</b>	NA <sup>7</sup>
	Bharti Airtel Limited	3	INR'm	<b>1,572,177<sup>8</sup></b>	1,270,174 <sup>8</sup>
	MediaCorp Pte Ltd	100	SGD'm	<b>729</b>	721
	Singapore Telecommunications Limited	51	SGD'm	<b>69,833</b>	58,194

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2015 refers to positions as at 31 March 2015. For unlisted companies, 2015 refers to positions as at 31 March 2015 or 31 December 2014, in accordance with their respective financial year ends. Similarly for 2014.

<sup>2</sup> Key Figures: FY2014 refers to financial year ended March 2015 or December 2014 or November 2014 or June 2014, in accordance with the respective financial year ends of the companies. Similarly for FY2013. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for one-year TSR is from 31 March 2014 to 31 March 2015.  
 Period for three-year TSR is from 31 March 2012 to 31 March 2015.  
 Period for five-year TSR is from 31 March 2010 to 31 March 2015.  
 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		Dividends Declared		Key Figures <sup>2</sup>		TSR <sup>3</sup> (%)		
						EVA		Years		
<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	1	3	5
<b>10,142</b>	8,000*	<b>14,761</b>	14,568	<b>14,054</b>	13,573	<b>10,824</b>	10,957	9.2	16.9	36.7
<b>1,065</b>	948	<b>165</b>	139	–	–	<b>39</b>	36	15.7 <sup>9</sup>	NA	NA
<b>3,218</b>	3,030	<b>713</b>	(38)	–	250	<b>573</b>	(202)	25.0	5.8	14.8
<b>1,586<sup>5</sup></b>	1,599 <sup>5</sup>	<b>(22)<sup>5</sup></b>	(47) <sup>5</sup>	–	–	<b>(139)<sup>5</sup></b>	(144) <sup>5</sup>	42.3	1.4	(8.5)
<b>76,204<sup>6</sup></b>	52,504 <sup>6</sup>	<b>24,149<sup>6</sup></b>	23,076 <sup>6</sup>	<b>NA<sup>7</sup></b>	–	<b>NA<sup>7</sup></b>	20,223 <sup>6</sup>	46.3 <sup>9</sup>	NA	NA
<b>920,395</b>	857,461	<b>51,835</b>	27,727	<b>16,034<sup>10</sup></b>	4,439 <sup>10</sup>	<b>NA<sup>7</sup></b>	(76,223)	24.9	5.8	5.0
<b>699</b>	658	<b>8</b>	4	<b>2</b>	24	<b>6</b>	7	1.4	3.8	10.0
<b>17,223</b>	16,848	<b>3,782</b>	3,652	<b>2,678</b>	2,678	<b>2,054</b>	2,048	25.3	16.7	12.5

<sup>4</sup> Percentages rounded to the nearest whole number.

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

<sup>6</sup> Figures in RMB'm.

<sup>7</sup> Information not available.

<sup>8</sup> Market information based on date from the National Stock Exchange of India Ltd. using the ticker "BHARTI IN".

<sup>9</sup> TSR from listing dates until 31 March 2015.










<sup>10</sup> Represent dividends paid.

\* Restated or reclassified by respective companies, which include effects of changes to accounting standards.

● For year ended December 2014/2013.

● For year ended March 2015/2014.

## Major Investments continued

		Market Capitalisation or Shareholder Equity <sup>1</sup>			
Transportation & Industrials		Shareholding <sup>4</sup> (%) as at 31 March 2015	Currency	2015	2014
	Evonik Industries AG	5	EUR'm	<b>15,471</b>	13,178
	Keppel Corporation Limited	20	SGD'm	<b>16,351</b>	19,760
	Neptune Orient Lines Limited	65	SGD'm	<b>2,610</b>	2,579
	PSA International Pte Ltd	100	SGD'm	<b>10,648</b>	10,057
	Sembcorp Industries Ltd	49	SGD'm	<b>7,539</b>	9,810
	Singapore Technologies Engineering Ltd	51	SGD'm	<b>10,818</b>	11,903
	Singapore Airlines Limited	56	SGD'm	<b>13,974</b>	12,313
	Singapore Power Limited	100	SGD'm	<b>8,528</b>	9,221*
	SMRT Corporation Ltd	54	SGD'm	<b>2,435</b>	1,552

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2015 refers to positions as at 31 March 2015. For unlisted companies, 2015 refers to positions as at 31 March 2015 or 31 December 2014, in accordance with their respective financial year ends. Similarly for 2014.

<sup>2</sup> Key Figures: FY2014 refers to financial year ended March 2015 or December 2014 or November 2014 or June 2014, in accordance with the respective financial year ends of the companies. Similarly for FY2013. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for one-year TSR is from 31 March 2014 to 31 March 2015.  
 Period for three-year TSR is from 31 March 2012 to 31 March 2015.  
 Period for five-year TSR is from 31 March 2010 to 31 March 2015.  
 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		Dividends Declared		Key Figures <sup>2</sup> EVA		TSR <sup>3</sup> (%) Years		
<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	1	3	5
<b>12,917</b>	12,708*	<b>568</b>	2,054	<b>466</b>	429	<b>180</b>	427*	21.7	2.3	NA
<b>13,283</b>	12,380	<b>1,885</b>	1,846	<b>763</b>	1,357	<b>1,778</b>	1,142**	(14.1)	(1.7)	6.8
<b>8,617<sup>5</sup></b>	8,831 <sup>5</sup>	<b>(260)<sup>5</sup></b>	(76) <sup>5</sup>	–	–	<b>(599)<sup>5</sup></b>	(582) <sup>5</sup>	1.0	(10.8)	(12.5)
<b>3,830</b>	3,723*	<b>1,402</b>	1,425	<b>850</b>	1,000	<b>650</b>	601	14.3	16.3	14.4
<b>10,895</b>	10,798	<b>801</b>	820	<b>393</b>	268	<b>340</b>	433	(20.0)	(4.0)	3.9
<b>6,539</b>	6,633	<b>532</b>	581	<b>499</b>	521	<b>359</b>	414	(5.0)	6.8	6.2
<b>15,566</b>	15,244	<b>368</b>	360	<b>481</b>	318	<b>(869)</b>	(897)	18.8	6.4	(0.8)
<b>4,840</b>	4,793	<b>991</b>	922*	<b>370</b>	345	<b>284</b>	235	7.3	7.8	9.9
<b>1,236</b>	1,164	<b>91</b>	62	<b>41</b>	30	<b>29</b>	7	59.6	(0.2)	(1.7)

<sup>4</sup> Percentages rounded to the nearest whole number.

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









\* Restated or reclassified by respective companies, which include effects of changes to accounting standards.

\*\* Restated due to change in adjustment basis.

● For year ended December 2014/2013.

● For year ended March 2015/2014.

## Major Investments continued

		Market Capitalisation or Shareholder Equity <sup>1</sup>			
Consumer & Real Estate		Shareholding <sup>4</sup> (%) as at 31 March 2015	Currency	2015	2014
	Olam International Limited	58	SGD'm	<b>4,845</b>	5,306
	A.S. Watson Holdings Limited	25	HKD'm	<b>25,176</b>	9,243
	CapitaLand Limited	39	SGD'm	<b>15,275</b>	12,306
	M+S Pte. Ltd.	40	SGD'm	<b>NM<sup>5</sup></b>	NM <sup>5</sup>
	Pulau Indah Ventures Sdn Bhd	50	MYR'm	<b>NM<sup>5</sup></b>	NM <sup>5</sup>
	Mapletree Investments Pte Ltd	100	SGD'm	<b>9,330</b>	8,344*
	SATS Ltd.	43	SGD'm	<b>3,404</b>	3,402
	Wildlife Reserves Singapore Pte Ltd	88	SGD'm	<b>214</b>	192

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2015 refers to positions as at 31 March 2015. For unlisted companies, 2015 refers to positions as at 31 March 2015 or 31 December 2014, in accordance with their respective financial year ends. Similarly for 2014.

<sup>2</sup> Key Figures: FY2014 refers to financial year ended March 2015 or December 2014 or November 2014 or June 2014, in accordance with the respective financial year ends of the companies. Similarly for FY2013. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for one-year TSR is from 31 March 2014 to 31 March 2015.  
 Period for three-year TSR is from 31 March 2012 to 31 March 2015.  
 Period for five-year TSR is from 31 March 2010 to 31 March 2015.  
 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		Dividends Declared		Key Figures <sup>2</sup>		TSR <sup>3</sup> (%)		
						EVA		Years		
<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	1	3	5
<b>19,422</b>	20,802	<b>608</b>	363	<b>99</b>	96	<b>7</b>	110**	(7.3)	(2.9)	(3.0)
<b>126,779</b>	119,637	<b>10,018</b>	7,800	–	– <sup>6</sup>	<b>6,875</b>	5,595	78.3	53.5	NA
<b>3,925</b>	3,511*	<b>1,161</b>	840*	<b>341</b>	298	<b>(36)</b>	(319)*	27.0	7.2	0.3
<b>NM<sup>5</sup></b>	NM <sup>5</sup>	<b>NM<sup>5</sup></b>	NM <sup>5</sup>	<b>NM<sup>5</sup></b>	NM <sup>5</sup>	<b>NM<sup>5</sup></b>	NM <sup>5</sup>	NM <sup>5</sup>	NA	NA
<b>NM<sup>5</sup></b>	NM <sup>5</sup>	<b>NM<sup>5</sup></b>	NM <sup>5</sup>	<b>NM<sup>5</sup></b>	NM <sup>5</sup>	<b>NM<sup>5</sup></b>	NM <sup>5</sup>	NM <sup>5</sup>	NA	NA
<b>1,634</b>	1,522*	<b>954</b>	829*	<b>100</b>	100	<b>314</b>	267	13.0	12.7	13.7
<b>1,753</b>	1,787	<b>196</b>	180	<b>146</b>	168	<b>50</b>	40	5.8	14.2	9.5
<b>147</b>	139	<b>21</b>	16	–	–	<b>7</b>	3	11.2	6.8	7.6

<sup>4</sup> Percentages rounded to the nearest whole number.

<sup>5</sup> Information not meaningful. Joint venture with Khazanah Nasional Berhad. Projects under development.

<sup>6</sup> Excludes dividends declared prior to Temasek's acquisition.

\* Restated or reclassified by respective companies, which include effects of changes to accounting standards.







\*\* Restated due to change in adjustment basis.

● For year ended June 2014/2013.

● For year ended December 2014/2013.

● For year ended March 2015/2014.

## Major Investments continued

			Market Capitalisation or Shareholder Equity <sup>1</sup>		
Energy & Resources		Shareholding <sup>4</sup> (%) as at 31 March 2015	Currency	2015	2014
 BG GROUP	BG Group plc	<1	GBP'm	<b>28,306</b>	38,101
 FTS INTERNATIONAL	FTS International, Inc.	41	USD'm	<b>531</b>	586
 MEG ENERGY	MEG Energy Corp.	5	CAD'm	<b>4,580</b>	8,315
 REPSOL	Repsol, S.A.	7	EUR'm	<b>23,830</b>	24,537
 Turquoise Hill Resources Ltd.	Turquoise Hill Resources Ltd.	9	CAD'm	<b>7,949</b>	7,445
 PAVILION ENERGY	Pavilion Energy Pte Ltd	100	USD'm	<b>1,526</b>	1,674

## Life Sciences & Agriculture

 CELLTRION	Celltrion, Inc.	15	KRW'b	<b>7,494</b>	4,443
 GILEAD	Gilead Sciences, Inc.	1	USD'm	<b>144,938</b>	108,729
 ThermoFisher Scientific	Thermo Fisher Scientific Inc.	1	USD'm	<b>53,475</b>	47,968

<sup>1</sup> Market Capitalisation or Shareholder Equity: For listed companies, 2015 refers to positions as at 31 March 2015. For unlisted companies, 2015 refers to positions as at 31 March 2015 or 31 December 2014, in accordance with their respective financial year ends. Similarly for 2014.

<sup>2</sup> Key Figures: FY2014 refers to financial year ended March 2015 or December 2014 or November 2014 or June 2014, in accordance with the respective financial year ends of the companies. Similarly for FY2013. Revenue for Financial Services consists of net interest income and other operating revenue.

<sup>3</sup> TSR: For listed companies, source is Bloomberg.  
 Period for one-year TSR is from 31 March 2014 to 31 March 2015.  
 Period for three-year TSR is from 31 March 2012 to 31 March 2015.  
 Period for five-year TSR is from 31 March 2010 to 31 March 2015.  
 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		Dividends Declared		Key Figures <sup>2</sup> EVA		TSR <sup>3</sup> (%) Years		
<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	<b>FY2014</b>	FY2013	1	3	5
<b>19,546<sup>5</sup></b>	19,101 <sup>5</sup>	<b>(1,044)<sup>5</sup></b>	2,441 <sup>5</sup>	<b>1,027<sup>5</sup></b>	952 <sup>5</sup>	<b>(9,761)<sup>5</sup></b>	(4,401) <sup>5**</sup>	(24.5)	(15.6)	(4.8)
<b>2,368</b>	1,925	<b>(57)</b>	(1,692)	–	–	<b>33</b>	(1,553)*	(9.6)	(48.0)	NA
<b>2,799</b>	1,315	<b>(106)</b>	(166)	–	–	<b>(610)</b>	(669)	(45.2)	(19.0)	NA
<b>47,292</b>	47,330*	<b>1,612</b>	195	<b>2,603</b>	1,243	<b>(1,958)</b>	(6,482)*	3.9	5.2	6.5
<b>1,644<sup>5</sup></b>	52 <sup>5*</sup>	<b>32<sup>5</sup></b>	(112) <sup>5</sup>	–	–	<b>(1,208)<sup>5</sup></b>	(1,378) <sup>5*</sup>	6.8	(29.1)	(19.7)
<b>259</b>	–*	<b>(59)</b>	(3)	–	–	<b>(60)</b>	(31)	(8.9)	NA	NA
<b>471</b>	226	<b>113</b>	102	<b>3</b>	16	<b>(1)</b>	(37)**	66.8	20.8	27.6
<b>24,890</b>	11,202	<b>12,101</b>	3,075	–	–	<b>11,076</b>	2,217*	38.5	58.9	34.0
<b>16,890</b>	13,090	<b>1,894</b>	1,273	<b>241</b>	217	<b>1,336</b>	(524)**	12.3	34.4	21.7

<sup>4</sup> Percentages rounded to the nearest whole number.

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

\* Restated or reclassified by respective companies, which include effects of changes to accounting standards.

\*\* Restated due to change in adjustment basis.

● For year ended December 2014/2013.

● For year ended March 2015/2014.

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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<sup>1</sup>. 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 Ltd<sup>2</sup>**
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 Ltd<sup>3</sup>**
- 10. Jurong Holdings Pte Ltd<sup>4</sup>**
- 11. Jurong Shipbuilders Pte Ltd<sup>4</sup>**
- 12. Jurong Shipyard Pte Ltd<sup>4</sup>**
- 13. Keppel Shipyard Pte Ltd<sup>5</sup>**
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 Ltd<sup>6</sup>
- 20. Neptune Orient Lines Ltd**
- 21. Primary Industries Enterprises Pte Ltd<sup>7</sup>**
- 22. Sembawang Holdings Pte Ltd<sup>4</sup>**
- 23. Singapore Airlines Ltd**
- 24. Singapore Airport Duty-Free Emporium Pte Ltd<sup>8</sup>**
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 Gardens<sup>3</sup>**
32. Singmanex Pte Ltd
33. Sugar Industry of Singapore Ltd
34. United Industrial Corporation Ltd
35. United Vegetable Oil Pte Ltd

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

<sup>2</sup> Now part of DBS Group Holdings Ltd.

<sup>3</sup> Now part of Wildlife Reserves Singapore Pte Ltd.

<sup>4</sup> Now part of Sembcorp Industries Ltd.

<sup>5</sup> Now part of Keppel Corporation Limited.

<sup>6</sup> 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.

<sup>7</sup> Now part of SATS Ltd., a catering and airport services company.

<sup>8</sup> Now jointly owned by Singapore Airlines Limited and SATS Ltd.

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

The *Temasek Review* and *Temasek Review Highlights* publications use Grandeur Zen White paper, which is environmentally friendly and contains wood pulp from well managed forests.

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Design of publications and microsites: Black Sun Plc, UK.

Printing: Colourscan Print Co. Pte. Ltd., Singapore.

Design of advertisements: formul8 Pte. Ltd., Singapore.

Cover:

*"Someday, these tippy toes of mine will lift me to greater heights!"*

Beginner ballerina enjoying her en pointe practice with her teacher.

Inside Front Cover:

*"This city is growing up as fast as we are!"*

Excited youngsters, laughing as they sprint hand in hand across the field at the new business district at Marina Boulevard, Singapore.

Photography:

Pages 4-5, 86-87: Joseph Nair, Memphis West Pictures Pte. Ltd.

Pages 18-19: Srijay Ghosh, Temasek Finance.

Pages 34-35: Courtesy of Trifecta Martial Arts.

Pages 60-61: Courtesy of Wildlife Reserves Singapore.

Pages 76-77: Courtesy of Singapore Polytechnic.

Location:

Pages 86-87: General Aviation Centre, with kind assistance from the Singapore Flying College and MAJ Aviation.

We thank those who agreed to the use of their photos in our *Temasek Review*.

All images were selected because we like how they represent people in Singapore embracing their futures in varied ways.

Usage of photos does not imply Temasek endorses services provided by photo subjects or suppliers.

# TEMASEK

"To the young and to the not so old,  
I say, look at that horizon,  
follow that rainbow, go ride it."

*Lee Kuan Yew*

*Founding Prime Minister, Republic of Singapore*