

# TEMASEK --- HOLDINGS

## **OPENING REMARKS BY MR S DHANABALAN AT TEMASEK MEDIA CONFERENCE ON 6 FEBRUARY 2009, FRIDAY AT 3:30PM**

You have all read the announcement that was given to you. I would just like to take a few minutes to share my thoughts on our leadership transition.

The Board, including Ho Ching, has been engaged on the issue of CEO succession since early 2005, with an annual review of both external and internal candidates over various time horizons. This is one of the most critical responsibilities of a Board and a CEO.

We first identified Chip as a potential CEO for Temasek in 2007. The availability of a very qualified and suitable candidate triggered the Board and Ho Ching to consider a change of leadership in Temasek. Since then, Ho Ching and the Board have been engaged in due diligence and in trying to attract Chip in as a successor.

When we started the process in 2007, the economic environment was still positive. Towards the end of the last year, it became clear that we had entered a period that was going to be a tough one in terms of the overall risk environment and the impact on our results.

Naturally the Board reviewed and debated whether it should proceed with the change of CEO.

We assessed that we are, comparatively, in a good position to weather the downturn and come out stronger as the global economy recovers. Our balance sheet remains strong, and we have every opportunity to strengthen our portfolio over the next couple of years. We have also a very well rounded and experienced management team, which has operated as a team and not as a one-man show.

There is always a risk in changing leadership when there is a leader and team which are exceptionally good. On the one hand, the Board continues to have full

confidence in Ho Ching and the management team. On the other hand, Chip would add to the depth and strength of the team as a whole.

The team has already embarked on a different stance since mid-2007, and has begun to review its long term plans under various scenarios prompted by the economic downturn. The Board is of the view that, if we are to bring in new leadership, it would be just as good a time as any to involve a new leader in this review.

The Board concluded that it is the right decision to proceed with the change in the long term interest of Temasek.

Under Ho Ching and her leadership, our mission, our values and our strategic directions have been defined. Temasek has grown into an institution sitting on a foundation of strong and diverse international talent, and firmly anchored to sound commercial principles and value creation for shareholders.

Since 2002, we have evolved from being a Singapore-centric investor to an Asian investor, and now, an international investor. Today, we have a far more diversified and robust portfolio of strong companies who prosper under their own boards and management.

Last year, we institutionalized our support for the community with a S\$500 million endowment to the Temasek Trust. The establishment of the Temasek Foundation in the same year has also allowed us to systematically reach out and foster development around Asia.

The Board has been fully engaged with the management team in its evolution over the years. The Board expects to continue to support the management and the new CEO in taking Temasek forward.

On behalf of the Board and management, I would like to put on record our deep appreciation for Ho Ching's unflagging commitment and contribution to the firm during the past six years.

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