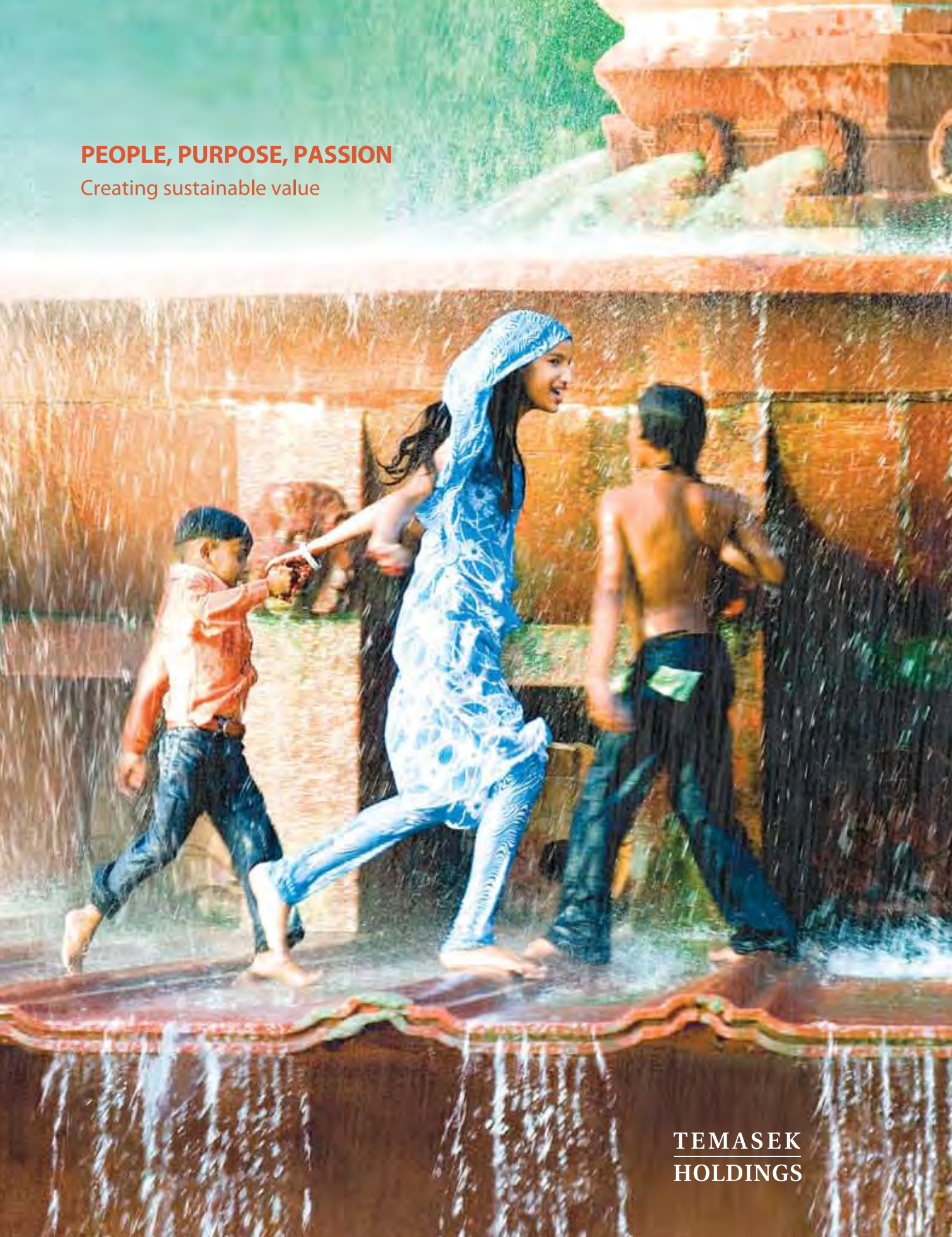


PEOPLE, PURPOSE, PASSION

Creating sustainable value



**TEMASEK
HOLDINGS**

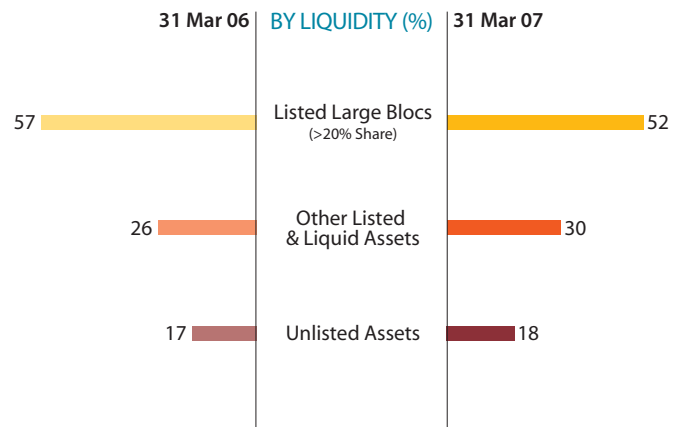
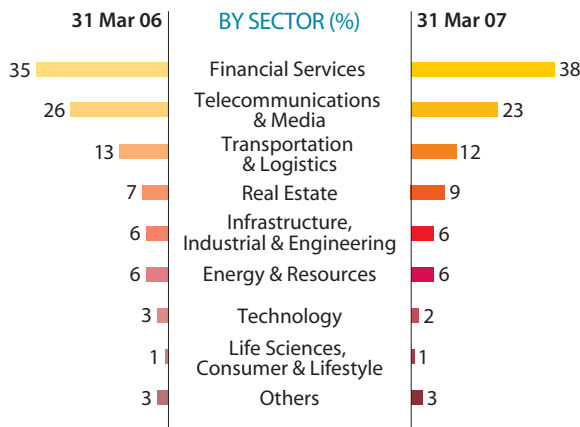
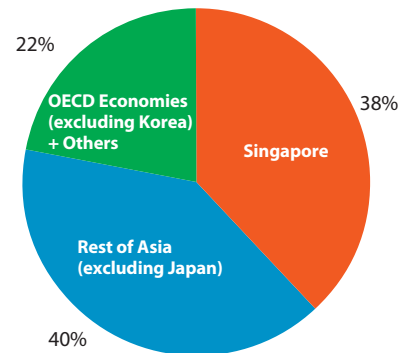
Temasek Holdings at a glance

A long-term investor in Asia

A professionally managed Asia-centric investment house with a portfolio valued at over US\$108 billion, our direct investments focus on four themes:

- ▶ Transforming Economies
- ▶ Thriving Middle Class
- ▶ Deepening Comparative Advantages
- ▶ Emerging Champions

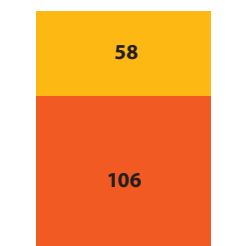
UNDERLYING PORTFOLIO MIX BY GEOGRAPHY*



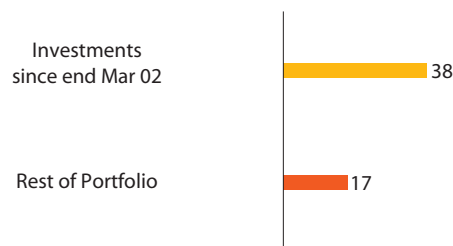
Growing with Asia

Our compounded return on direct investments made in the five years since 2002 has been 38% per year. These new investments now constitute about a third of our total portfolio.

NET PORTFOLIO VALUE* (\$Billion)



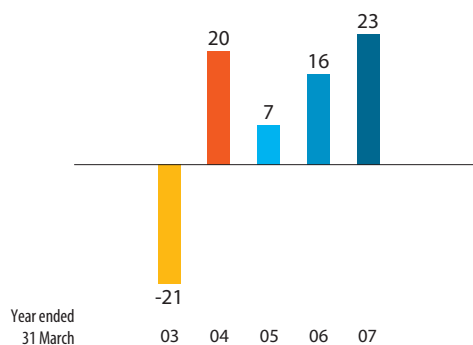
FIVE-YEAR RETURNS TO TEMASEK (%)
(31 MAR 02 TO 31 MAR 07)



*As at 31 March 2007

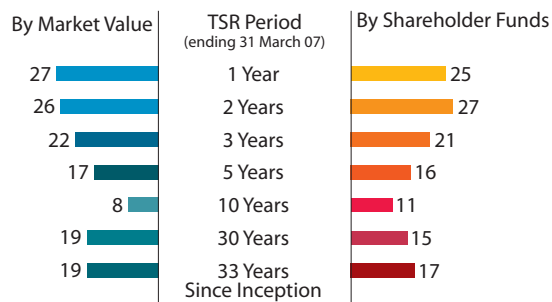
Delivering results

GROUP WEALTH ADDED (IN S\$ BILLION)



Group Wealth Added (WA) or Economic Profit is a measure of value creation. Of the S\$23 billion of WA in financial year ended 31 March 2007, more than S\$7 billion resulted from direct investment activities by Temasek.

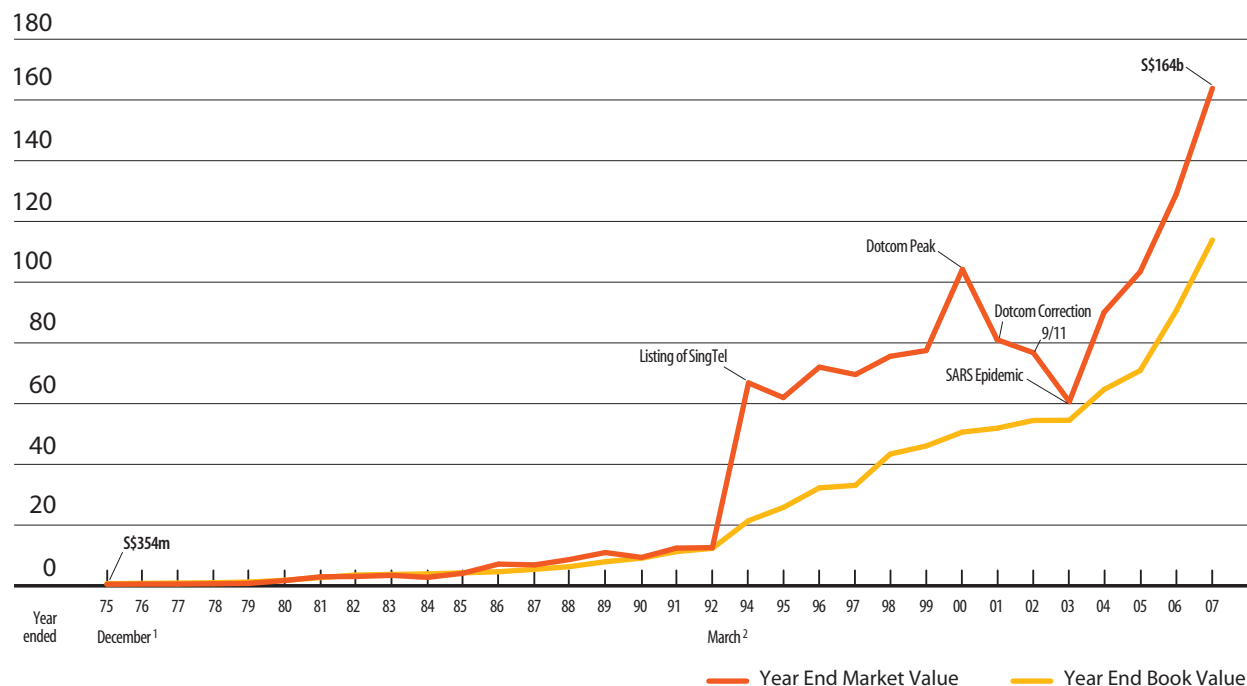
TOTAL SHAREHOLDER RETURN (%)



Since inception in 1974, our compounded annual total shareholder return (TSR) has been more than 18% by market value, and over 17% by shareholder funds. We have also distributed an average dividend of more than 7% to our shareholder.

Creating value over more than 30 years

NET PORTFOLIO VALUE (FY1974 - FY2006)
(IN S\$ BILLION)



¹ First financial year ended in December 1975.

² Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.

Institutionalising good governance

With our shareholder

“One of the tragic illusions that many countries of the Third World entertain is the notion that politicians and civil servants can successfully perform entrepreneurial functions. It is curious that, in the face of overwhelming evidence to the contrary, the belief persists.”

Dr Goh Keng Swee,
Singapore Deputy Prime Minister,
The Economics of Modernisation, May 1972

Temasek Holdings was thus formed in 1974 to own and manage the investments and equity stakes in companies that were previously held by the Ministry of Finance. This marked the clear separation of the role of the government as policy maker and market regulator, and the role of Temasek as a commercially focused investment firm mandated to deliver sustainable shareholder returns.

Temasek's autonomy as a commercially run investment firm, independent of the executive arm of the government, was further strengthened in 1991 with the Fifth Schedule amendments to the Singapore Constitution to protect Temasek's past reserves and preserve its Board independence.

With the 1991 constitutional amendments, the elected President of Singapore holds an independent key with veto powers over the appointment and removal of any Board member or CEO of Temasek.

This and other Fifth Schedule amendments institutionalise the governance and independence of our Board, and protect Temasek from any operational involvement by our shareholder which may damage our financial position and reserves.

With our portfolio companies

Strong board governance, management excellence and operational discipline have anchored the continued success of our portfolio companies over the years.

As a shareholder, Temasek has not been involved in the day-to-day operations, business or investment decisions of our portfolio companies. We also believe in market discipline and competition as a basic philosophy for the development of competitive businesses.

To foster a strong sense of corporate governance and business excellence, Temasek regularly engages with the boards and management of these companies, and encourages the sharing and adoption of best practices.

With financial discipline

A disciplined approach to investment and business decisions is the basis for sustaining shareholder returns over the long term.

To institutionalise robust financial discipline, we invite continual scrutiny of our performance and investments by external and international stakeholders through the publication of our annual *Temasek Review*, and through our credit ratings by established international rating agencies, as well as an international bond.

Mission

Temasek's mission is to create and maximise sustainable shareholder value as an active investor and shareholder of successful enterprises.

Values

We are guided by our core MERIIT values of:

Meritocracy
Excellence
Respect for people
Integrity
Innovation
Teamwork

Building a shared future

Since 2003, we have set aside a share of our economic profit to be re-invested into the wider community in Asia. In particular, we have donated an initial endowment of S\$500 million to the Temasek Trust to support a shared tomorrow of hope and opportunities across Asia.

Among the beneficiaries is the Temasek Foundation with its pan-Asia mandate to:

- build people through healthcare, education and research;
- build bridges between peoples;
- build institutions of excellence through good governance and ethics; and
- rebuild lives and livelihoods affected by natural disasters.

Other beneficiaries include the Singapore Technologies Endowment Programme to sponsor exchange programmes, the Singapore Millennium Foundation to fund research, and the Temasek Life Sciences Laboratory to foster inter-disciplinary bioscience research.

