



Shaping Tomorrow

Temasek Review Highlights 2018 as at 31 March 2018

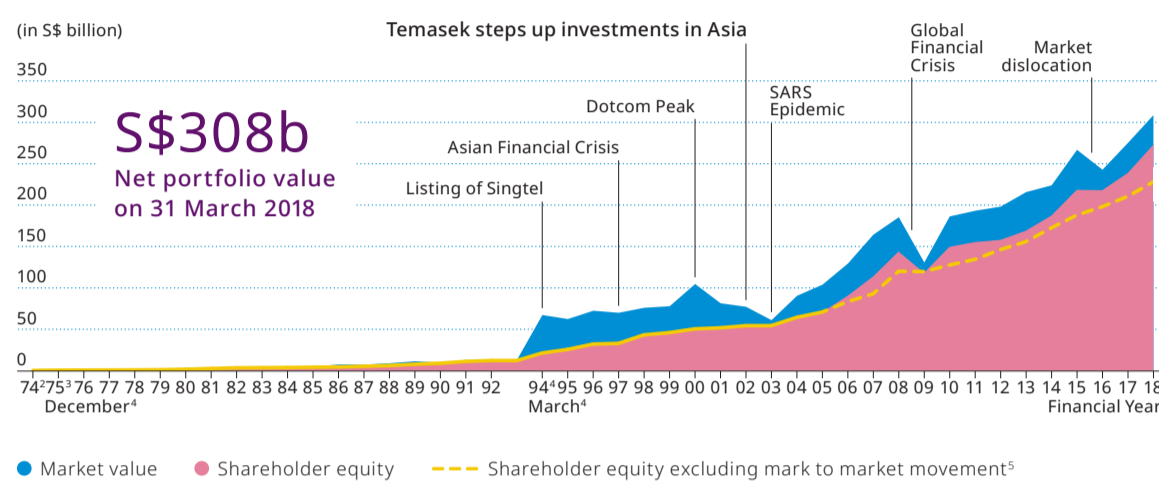
A Global Investor Anchored in Asia

Agility, Alignment and Accountability are our watchwords, as we shape our portfolio for a better, smarter and more connected world.

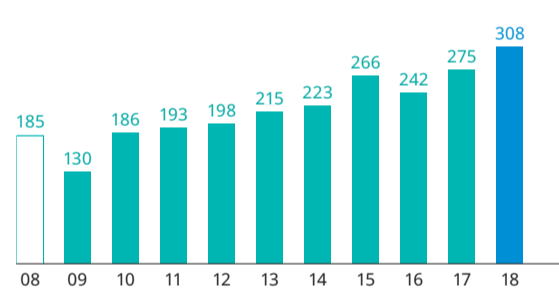
As at 31 March 2018, our net portfolio value was a record US\$235 billion¹. Asia accounts for more than two-thirds of our underlying exposure.

Since 2004, we have been an active, long term investor in India. Our India exposure is approximately US\$10 billion¹, with over half of it in direct investments.

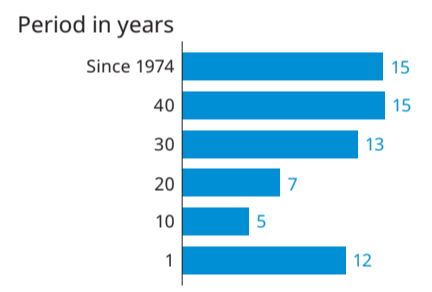
Temasek Net Portfolio Value since Inception



Net Portfolio Value⁹ (\$b)
Up \$123b
Over the decade



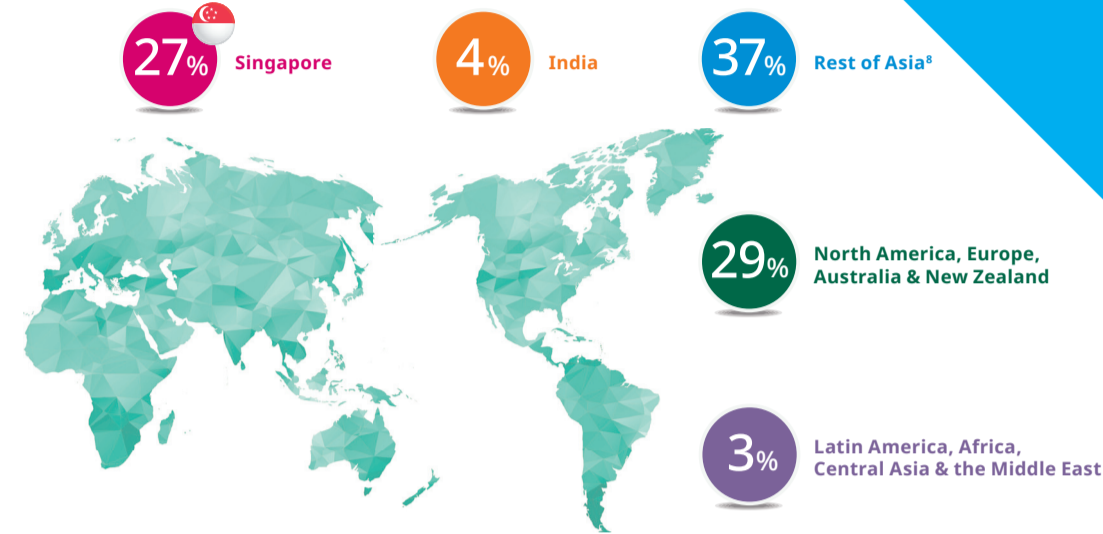
\$5 Total Shareholder Return⁶ (%)
12%
One-year return to shareholder



1 Exchange rates as at 31 March 2018.
2 Incorporation of Temasek on 25 June 1974.
3 Financial year 75 began on 25 June 1974 and ended 31 December 1975.
4 Financial year-end was changed from 31 December before 1993 to 31 March from 1994 onwards.
5 From the financial year ended 31 March 2006, the accounting standards require sub-20% investments to be marked to market.

6 As at 31 March 2018.
7 Distribution based on underlying assets.
8 Excluding Singapore and India.
9 As at 31 March.

Global Exposure^{6,7}



We have invested across a broad range of sectors in India, from industrials and financial services to life sciences and new economy segments such as consumer internet and fintech. We are consistently looking for new opportunities to increase our exposure to the Indian economy:

- No limits or targets for asset classes, countries or sectors
- Ability to invest in public markets and privately negotiated opportunities
- Long term patient capital with a flexible investment horizon
- Open to taking minority or controlling positions

Sector^{7,9} (%)



Performance

Investing for a Sustainable Tomorrow

As an active investor, we are constantly shaping our portfolio for tomorrow by investing into emerging long term trends.

Six Global and Secular Trends Changing Business and Society

LONGER LIFESPANS
Markets and industries are developing to meet growing needs as we live longer

RISING AFFLUENCE
The combination of rising affluence and technology is redefining consumption patterns and attitudes in emerging markets

SUSTAINABLE LIVING
Increasingly eco-conscious solutions will create up to US\$12 trillion¹⁰ of business opportunities by 2030

SMARTER SYSTEMS
Artificial intelligence and robotics are enabling groundbreaking capabilities

SHARING ECONOMY
Peer-to-peer networks are promoting more efficient use of resources and greater convenience for businesses and consumers

MORE CONNECTED WORLD
Digital connectivity and solutions are redefining how we communicate and interact around the world

10 Source: Business and Sustainable Development Commission, *Better Business, Better World*, January 2017.

Committed to Do well

WE INVEST FROM OUR OWN BALANCE SHEET, BASED ON COMMERCIAL PRINCIPLES

We are an independent company with a self-governing Board and management team.

We own and manage our portfolio.

We pay taxes on our investments and comply with the laws of the jurisdictions we operate in.

INS & OUTS OF TEMASEK

Determined to Do right

OUR SOURCES OF FUNDS

Divestments

Net proceeds from asset sales are a major source of funds for us. Our divestments have averaged about \$518 billion annually over the last five years.

Bank Borrowings

We may borrow from banks to meet specific needs.

Our Shareholder

The Minister for Finance¹¹, as our shareholder, may inject fresh capital or assets¹².

Dividends & Distributions

Our portfolio companies are a source of dividends, while investments in funds distribute their returns mostly in cash. Our dividends have averaged \$58 billion annually over the last five years.

Debt Instruments

Our Temasek Bonds give us access to long term funds while we tap our Euro-commercial Paper for short term needs.

TEMASEK

Investments & Associated Costs¹³

We invest into long term trends that contribute to a better, smarter, and more connected world. In the last five years, our investments have averaged about \$526 billion every year.

OUR USE OF FUNDS

Dividends to Shareholder

We pay dividends to our shareholder, the Minister for Finance¹¹, as part of our financial discipline. Between 2000 and 2015, up to 50% of our dividends, also known as NII¹⁵, may be spent by the Singapore Government. Such contributions helped fund the 2014 Pioneer Generation Package.

Taxes

We pay taxes¹⁴ in various countries. Such taxes help fund public services in the respective jurisdictions, or add to their surpluses and reserves.

Endowments for Communities

We invest in our communities, through endowment gifts and donations.

OUR FUNDS COME MAINLY FROM OUR PORTFOLIO

WE DO NOT MANAGE

Singapore CPF savings

Singapore Government reserves

Singapore foreign reserves

NII¹⁵/NIR¹⁶ Contributions¹⁷

From 2016 onwards, Temasek was moved to the NIR¹⁶ framework. Up to half of our expected long term returns, less inflation, may be used by the Singapore Government for budget spending. NII/NIR contributions are now the largest source for budget spending at 18% of the 2018 Government Budget.

Scan to explore Temasek's Ins and Outs or visit www.temasekreview.com.sg/insandouts_eti

11 Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate, which owns shares in companies on behalf of the Singapore Government.
12 This includes the initial \$5354 million portfolio of 35 companies to form Temasek in 1974.
13 Associated costs include operating and financing expenses; transaction costs such as due diligence, legal, audit, advisory and other fees; fund management fees for funds; and other business costs.
14 Temasek pays taxes like any normal profitable company, unlike sovereign wealth funds, which may claim sovereign exemption from taxes.
15 NII is Net Investment Income comprising actual dividends and interest income.
16 NIR is Net Investment Returns based on expected long term rate of return from net assets, less inflation.
17 MAS and GIC have been included in the NIR framework since 2009.

Advocating an abc World

ACTIVE ECONOMY
Productive jobs
Sustainable cities
Fulfilling lives

BEAUTIFUL SOCIETY
Resilient individuals
Inclusive communities
Just societies

CLEAN EARTH
Fresh air
Clean water
Cool world

Temasek is more than an investment company. We do well and do right in order to do good. We actively promote an ABC World as our common home and heritage for humanity.

Scan to learn more about our ABC World or visit www.temasekreview.com.sg/abc_eti

Enabling Communities

As a trusted steward, we exercise good stewardship through our social contributions, drawing success from our wider society. We actively support local communities through our six Temasek Foundations and T-Touch, our staff-driven volunteer initiative.

Technical and Vocational Education and Training Programme
Odisha, Eastern India
Supported by Temasek Foundation International, this three-year initiative provides training for educational leaders in the state of Odisha as part of a masterplan to upskill local youths.

Multi-Modal Transport Programme
Maharashtra, Western India
By training local public officials in metro operations and urban mobility, this programme aims to develop a sustainable transport system for Pune, one of India's most populous cities.

T-Touch
Maharashtra, Western India
Since 2012, volunteers from the Mumbai chapter of T-Touch have lent their support to Magic Bus, a local NGO that is working to lift underprivileged Indian youths out of poverty.

Inspired to Do good