

A full-page background image showing the silhouettes of two fishermen on a boat. They are positioned on a wooden structure, possibly a mast or deck, against a dramatic sunset sky filled with orange and yellow clouds. The boat's rigging and a large net are visible in the foreground, creating a complex geometric pattern of dark lines. In the distance, a city skyline is visible on the horizon.

Risks & Opportunities

TEMASEK REVIEW 2008

**TEMASEK
HOLDINGS**



Immersing effortlessly in the bustling charm of tree-lined Orchard Road, SINGAPORE



Group Financial Summary

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Statement by Independent Auditors

We are the auditors of Temasek Holdings (Private) Limited (the Company) and its subsidiary companies (the Group). We have audited the statutory consolidated financial statements of the Group for the financial year ended 31 March 2008. We have issued an unqualified audit report dated 16 July 2008 on the audited statutory consolidated financial statements of the Group for the financial year ended 31 March 2008. The audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004, 2005, 2006 and 2007 were audited by another auditor whose auditor's reports contained unqualified opinions.

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

The Group publishes a Group Financial Summary, which is prepared and presented based on the audited statutory consolidated financial statements of the Group. The Group Financial Summary comprises Group Financial Highlights set out on pages 28 to 29, Group Income Statements for the financial years ended 31 March 2004, 2005, 2006, 2007 and 2008 set out on page 30, Group Balance Sheets as at 31 March 2004, 2005, 2006, 2007 and 2008 set out on page 31, Group Cash Flow Statements for the financial years ended 31 March 2004, 2005, 2006, 2007 and 2008 set out on page 32, and Group Statements of Changes in Equity for the financial years ended 31 March 2007 and 2008 set out on page 33.

Our responsibility is to express an opinion on whether the Group Financial Summary has been prepared from and presented consistently with the audited statutory consolidated financial statements of the Group. We conducted our examination in accordance with Singapore Standard on Auditing SSA 800

The Independent Auditor's Report on Special Purpose Audit Engagements. Those Standards require that we comply with ethical requirements and plan and perform the examination to obtain reasonable assurance whether the Group Financial Summary is free from material inconsistency with the audited statutory consolidated financial statements of the Group. Our work included examining, on a test basis, evidence supporting the consistency of the amounts and disclosures in the Group Financial Summary to the audited statutory consolidated financial statements of the Group.

In our opinion, the Group Financial Summary is consistent, in all material respects, with the audited statutory consolidated financial statements of the Group from which they are derived.



KPMG
Public Accountants and
Certified Public Accountants
Singapore
16 July 2008


Statement by Directors

Our auditors, KPMG, have expressed an unqualified opinion on the audited statutory consolidated financial statements of Temasek Holdings (Private) Limited (the Company) and its subsidiary companies (the Group) for the financial year ended 31 March 2008. Our auditors for the prior years, PricewaterhouseCoopers, have expressed an unqualified opinion on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004, 2005, 2006 and 2007.

The Group Financial Highlights and consolidated financial information set out on pages 28 to 33 are the responsibility of the directors of the Company.

These Group Financial Highlights and consolidated financial information were prepared and presented by the Company based primarily on the audited statutory consolidated financial statements of the Group for the financial years ended 31 March 2004, 2005, 2006, 2007 and 2008.

On behalf of the directors



S DHANABALAN
Chairman
16 July 2008



KWA CHONG SENG
Deputy Chairman
16 July 2008

Group Financial Highlights

GROUP INCOME STATEMENTS (IN S\$ BILLION)

For the financial year ended 31 Mar	2004	2005	2006	2007	2008
Revenue	56.5	67.5	79.8	74.6	83.3
Profit before exceptional items	7.4	9.4	14.9	13.6	20.2
Net profit attributable to equity holder	7.4	7.5	12.8	9.1	18.2

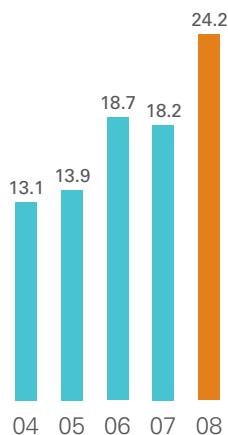
GROUP BALANCE SHEETS (IN S\$ BILLION)

As at 31 Mar	2004	2005	2006	2007	2008
Total assets	180.8	199.1	213.7	242.4	295.5
Shareholder equity	64.5	70.9	90.6	114.0	144.1
Net debt*	21.9	26.9	16.7	23.6	33.8

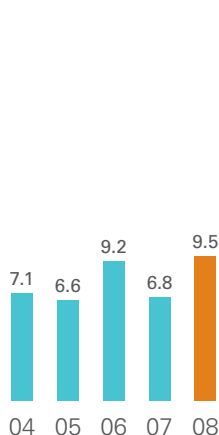
* Total debt less cash and cash equivalents

For the financial year ended 31 Mar

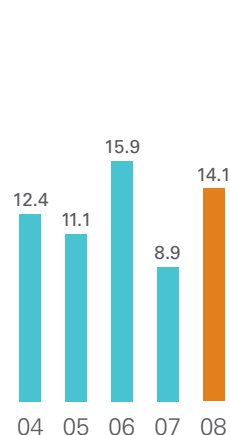
Profit Margin¹ (%)



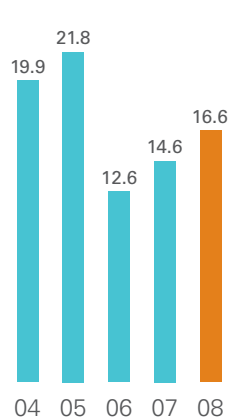
Return on Average Assets² (%)



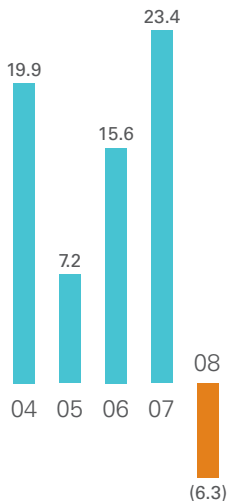
Return on Average Equity³ (%)



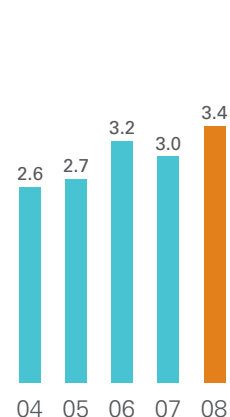
Net Debt to Capital⁴ (%)



Wealth Added (\$ billion)



VA/ Employment Cost⁵



¹ Profit before exceptional items, expressed as a percentage of revenue

² Total profit, add back financing cost, expressed as a percentage of average total assets

³ Net profit attributable to equity holder of the company expressed as a percentage of average shareholder equity

⁴ Net debt expressed as a percentage of the sum of shareholder equity, minority interests and net debt

⁵ Gross value added per dollar of employment cost

Group Income Statements

IN S\$ MILLION

For the financial year ended 31 Mar	2004	2005	2006	2007	2008
Revenue	56,468	67,520	79,822	74,563	83,284
Cost of sales	(37,659)	(43,780)	(53,309)	(49,282)	(53,290)
Gross profit	18,809	23,740	26,513	25,281	29,994
Other operating income	1,482	3,334	7,678	8,370	15,870
Expenses: Selling & Distribution	(3,559)	(3,939)	(4,086)	(4,278)	(5,197)
Administrative	(5,722)	(7,003)	(8,040)	(8,104)	(8,619)
Finance	–	(2,120)	(2,415)	(2,611)	(3,207)
Other operating expenses	(3,633)	(4,648)	(4,758)	(5,053)	(8,681)
Profit before exceptional items	7,377	9,364	14,892	13,605	20,160
Exceptional items	2,165	404	1,666	–	–
Profit after exceptional items	9,542	9,768	16,558	13,605	20,160
Non-operating items	1,077	–	–	–	–
Finance income	619	–	–	–	–
Finance costs	(1,724)	–	–	–	–
Share of results of associated companies and partnerships	1,472	1,410	1,163	(830)	3,187
Share of results of joint ventures	787	1,037	1,263	1,566	2,182
Profit before income tax	11,773	12,215	18,984	14,341	25,529
Income tax expense	(2,050)	(1,837)	(2,518)	(1,381)	(3,055)
Profit from continuing operations	9,723	10,378	16,466	12,960	22,474
Profit from discontinued operations	–	31	67	16	–
Total profit	9,723	10,409	16,533	12,976	22,474
Attributable to:					
Equity holder of the Company	7,365	7,521	12,827	9,112	18,240
Minority interests	2,358	2,888	3,706	3,864	4,234
Total profit for the financial year	9,723	10,409	16,533	12,976	22,474

Group Balance Sheets

IN S\$ MILLION

As at 31 Mar	2004	2005	2006	2007	2008
Shareholder equity	64,522	70,890	90,630	113,958	144,058
Minority interests	23,862	25,325	25,412	24,447	25,786
	88,384	96,215	116,042	138,405	169,844
Property, plant and equipment	61,558	69,268	65,552	65,486	75,302
Intangibles	13,543	14,714	14,481	14,805	21,382
Investments	27,339	16,976	27,137	34,965	39,513
Financial assets	–	13,829	27,529	52,341	73,850
Investment properties	8,159	7,848	1,817	3,632	5,035
Properties under development	370	453	518	158	626
Other non-current assets	6,488	8,266	9,972	10,446	9,393
Deferred tax assets	1,645	2,138	1,735	1,628	1,849
Current assets	61,695	65,614	64,987	58,979	68,568
Current liabilities	(45,779)	(50,901)	(52,269)	(45,350)	(66,454)
Net current assets	15,916	14,713	12,718	13,629	2,114
	135,018	148,205	161,459	197,090	229,064
Non-current liabilities	(46,634)	(51,990)	(45,417)	(58,685)	(59,220)
	88,384	96,215	116,042	138,405	169,844

Group Cash Flow Statements

IN S\$ MILLION

For the financial year ended 31 Mar	2004	2005	2006	2007	2008
Operating cash flow before working capital changes	13,936	16,854	18,661	17,557	21,213
Change in working capital	(2,535)	(4,353)	2,577	2,508	(287)
Cash generated from operations	11,401	12,501	21,238	20,065	20,926
Income tax paid	(1,151)	(1,480)	(1,558)	(1,592)	(1,942)
Net cash inflow from operating activities	10,250	11,021	19,680	18,473	18,984
Net cash outflow from investing activities	(7,701)	(4,765)	(16,509)	(23,344)	(30,431)
Net cash inflow/(outflow) from financing activities	6,770	(4,793)	(238)	2,259	13,277
Net increase/(decrease) in cash and cash equivalents held	9,319	1,463	2,933	(2,612)	1,830

Group Statements of Changes in Equity

IN S\$ MILLION

	Attributable to Equity Holder of the Company				Total
	Share Capital and Other Reserves	Revenue Reserves	Currency Translation Reserves	Minority Interests	
Balance at 1 Apr 2007, as previously stated	57,079	57,383	(504)	24,447	138,405
Effect of adopting FRS 40	(1,231)	1,037	–	32	(162)
Balance at 1 Apr 2007, restated	55,848	58,420	(504)	24,479	138,243
Net profit for the financial year	–	18,240	–	4,234	22,474
Others, net**	15,069	(2,022)	(993)	(2,927)	9,127
Balance at 31 Mar 2008	70,917	74,638	(1,497)	25,786	169,844
Balance at 1 Apr 2006	40,258	50,601	(229)	25,412	116,042
Net profit for the financial year	–	9,112	–	3,864	12,976
Others, net**	16,821	(2,330)	(275)	(4,829)	9,387
Balance at 31 Mar 2007	57,079	57,383	(504)	24,447	138,405

** Comprise movements during the financial year including but not limited to:

- Currency translation differences;
- Share of associated companies', partnerships' and joint ventures' reserves;
- Net surplus on assets revaluation;
- Dividends paid, net of tax; and
- Issuance of ordinary shares