

**MEASAT GLOBAL BERHAD**  
**(2866-T)**  
**INCORPORATED IN MALAYSIA**  
**QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2005**

**Announcement**

The Board of Directors of MEASAT Global Berhad ("MEASAT Global" or "Company") hereby announces the following unaudited consolidated results for the fourth quarter and year ended 31 December 2005 which should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2004.

**Unaudited Condensed Consolidated Income Statements**

	Note	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
		<b>QUARTER ENDED 31/12/2005</b>	<b>QUARTER ENDED 31/12/2004</b>	<b>YEAR ENDED 31/12/2005</b>	<b>YEAR ENDED 31/12/2004</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	8	<b>34,992</b>	33,149	<b>132,293</b>	129,639
Cost of services		<b>(17,291)</b>	(17,562)	<b>(68,320)</b>	(72,820)
Gross profit		<b>17,701</b>	15,587	<b>63,973</b>	56,819
Other operating income		<b>2,235</b>	501	<b>3,656</b>	1,861
Selling and administrative expenses		<b>(7,954)</b>	(1,925)	<b>(35,384)</b>	(23,316)
Profit from operations	8	<b>11,982</b>	14,163	<b>32,245</b>	35,364
Finance cost		<b>(6,720)</b>	(3,830)	<b>(15,858)</b>	(13,472)
Profit from ordinary activities before taxation		<b>5,262</b>	10,333	<b>16,387</b>	21,892
Taxation	17	<b>(1,384)</b>	(2,836)	<b>(1,588)</b>	(7,846)
Profit after taxation		<b>3,878</b>	7,497	<b>14,799</b>	14,046
Earnings per share:		<b>Sen</b>	Sen	<b>Sen</b>	Sen
- Basic	25	<b>0.99</b>	1.92	<b>3.80</b>	3.60

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**Unaudited Condensed Consolidated Balance Sheet**

	Note	AS AT 31/12/2005 (Unaudited) RM'000	AS AT 31/12/2004 (Audited) RM'000
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment		904,799	860,197
Goodwill on Consolidation		1,186,589	1,186,589
		<u>2,091,388</u>	<u>2,046,786</u>
<b>CURRENT ASSETS</b>			
Trade and Other Receivables		27,130	20,559
Deposits with Licensed Banks		36,422	60,147
Cash and Bank Balances		27,772	16,439
		<u>91,324</u>	<u>97,145</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		23,190	17,124
Taxation		626	619
		<u>23,816</u>	<u>17,743</u>
<b>NET CURRENT ASSETS</b>		<b>67,508</b>	<b>79,402</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	21	625,798	608,628
Deferred Tax Liability	17	41,639	40,900
		<u>667,437</u>	<u>649,528</u>
		<u>1,491,459</u>	<u>1,476,660</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital		304,148	304,148
Reserves			
General Reserves		15,899	15,899
Merger Reserve		554,802	554,802
Retained Earnings		616,610	601,811
		<u>1,491,459</u>	<u>1,476,660</u>
		<u>RM</u>	<u>RM</u>
<b>Net Assets per Share (NA)</b>		<u>3.82</u>	<u>3.79</u>

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**Unaudited Condensed Consolidated Statement of Changes in Equity**

	<b>Issued and fully paid ordinary shares of RM0.78 each</b>		<b>Non-distributable</b>	<b>Distributable</b>		<b>Total</b>
	<b>Number of shares</b>	<b>Nominal value</b>	<b>Merger reserve</b>	<b>General reserves</b>	<b>Retained earnings</b>	
	<b>('000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	
<b><u>Year ended 31/12/2005</u></b>						
Balance as at 1/1/2005	389,933	304,148	554,802	15,899	601,811	1,476,660
Profit after taxation	-	-	-	-	14,799	14,799
Balance as at 31/12/2005	389,933	304,148	554,802	15,899	616,610	1,491,459
<b><u>Year ended 31/12/2004</u></b>						
Balance as at 1/1/2004	389,933	304,148	554,802	15,899	587,765	1,462,614
Profit after taxation	-	-	-	-	14,046	14,046
Balance as at 31/12/2004	389,933	304,148	554,802	15,899	601,811	1,476,660

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**Unaudited Condensed Consolidated Cash Flow Statement**

	<b>CUMULATIVE QUARTER</b>	
	<b>YEAR</b>	<b>YEAR</b>
	<b>31/12/2005</b>	<b>31/12/2004</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit after taxation	14,799	14,046
<b>Adjustments for non-cash flow:</b>		
Depreciation of property, plant and equipment	58,449	56,504
Write down of property, plant and equipment	435	-
Allowance for doubtful debts	336	-
Taxation	1,588	7,846
Interest income	(1,873)	(1,834)
Finance cost	15,858	13,472
	89,592	90,034
(Increase)/ decrease in trade and other receivables	(6,865)	3,316
Decrease in long term trade receivable	-	30,780
Increase/(decrease) in trade and other payables	4,984	(454)
	87,711	123,676
Cash generated from operations	87,711	123,676
Interest income received	2,198	1,886
Interest expense paid	(36,472)	(25,306)
Taxation paid	(722)	(80)
	52,715	100,176
Net cash flow from operating activities	52,715	100,176
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(77,624)	(275,660)
	(77,624)	(275,660)
Net cash flow from investing activities	(77,624)	(275,660)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from drawdown of borrowings	12,517	184,952
	12,517	184,952
Net cash flow from financing activities	12,517	184,952
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(12,392)</b>	<b>9,468</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>76,586</b>	<b>67,118</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>64,194</b>	<b>76,586</b>

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**PART A – Explanatory Notes in Compliance with Financial Reporting Standards 134, Paragraph 16**

**1. Basis of preparation**

The quarterly condensed financial report of MEASAT Global and its subsidiaries (the “Group”) has been prepared in accordance with:

- i) Financial Reporting Standards (“FRS”) 134 - Interim Financial Reporting; and
- ii) Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements.

The quarterly condensed financial report should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2004. The accounting policies adopted for the quarterly condensed financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2004.

**2. Qualification of preceding annual financial statements**

There was no audit qualification to the preceding annual audited financial statements of the Group.

**3. Seasonal / cyclical factors**

The operations of the Group were not affected by seasonality and cyclical factors during the quarter under review.

**4. Unusual items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the quarter under review.

**5. Material changes in estimates of amounts reported**

There were no changes in estimates of amounts reported in prior financial years that had a material effect in the quarter under review.

**6. Movements in debt and equity securities**

During the quarter under review, there were no issuances, repurchases, resale and repayments of debt and equity securities.

**7. Dividends paid**

There were no dividends paid during the current quarter ended 31 December 2005.

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**PART A – Explanatory Notes in Compliance with Financial Reporting Standards 134, Paragraph 16**

**8. Segment results and reporting**

The main business segment of the Group is the satellite network operations of a subsidiary company, MEASAT Satellite Systems Sdn Bhd (“MSS”) and investment holding. Segmental reporting for the current quarter and for the year ended 31 December 2005 is as follows:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 31/12/2005</b>	<b>QUARTER ENDED 31/12/2004</b>	<b>YEAR ENDED 31/12/2005</b>	<b>YEAR ENDED 31/12/2004</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Revenue</u></b>				
Satellite network operations	<b>34,992</b>	33,149	<b>132,293</b>	129,639
Other operations	-	-	-	-
	<b>34,992</b>	33,149	<b>132,293</b>	129,639
<b><u>Segment Results</u></b>				
Satellite network operations	<b>10,005</b>	13,837	<b>29,470</b>	34,446
Other operations	<b>1,505</b>	(168)	<b>902</b>	(916)
Segment total	<b>11,510</b>	13,669	<b>30,372</b>	33,530
Interest income	<b>472</b>	494	<b>1,873</b>	1,834
Profit from operations	<b>11,982</b>	14,163	<b>32,245</b>	35,364

**9. Valuations of property, plant and equipment**

There were no revaluations of property, plant and equipment during the quarter ended 31 December 2005. As at 31 December 2005, all property, plant and equipment were stated at cost less accumulated depreciation.

**10. Material events subsequent to the end of the financial period**

There were no material events subsequent to the end of the quarter.

**11. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter.

**12. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at the date of this quarterly report.

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**PART A – Explanatory Notes in Compliance with Financial Reporting Standards 134, Paragraph 16**

**13. Capital commitments**

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 December 2005 are as follows:

	<b>RM'000</b>
Approved and contracted for	402,200
Approved but not contracted for	197,300
	<hr/>
	599,500
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**PART B – Explanatory Notes in Compliance with Listing Requirements of Bursa Malaysia Securities Berhad  
Under Part A of Appendix 9B**

**14. Review of Performance**

**(A) Review of performance of the current quarter (“4Q 2005”) against the immediate preceding quarter (“3Q 2005”).**

The Group’s revenue for the quarter under review increased by RM2.2 million compared to the preceding quarter, from RM32.8 million in 3Q 2005 to RM35.0 million in 4Q 2005. During this period, the Group signed new contracts with three customers from Malaysia, Indonesia and Hong Kong for satellite capacity and value added services (“VAS”) and renewed a contract with one additional customer. Further the Group has secured a lease reservation for the remaining Ku-Band capacity on the MEASAT-2 satellite.

The Group’s profit from operations increased by RM5.1 million over the period, from RM6.9 million in 3Q 2005 to RM12.0 million in 4Q 2005. The increase primarily resulted from improvement in revenue of RM2.2 million, rental income for the year from the lease of office space in the new facility in Cyberjaya of RM1.8 million and lower selling and administrative expenses of RM1.1 million.

The Group’s profit before taxation decreased from RM5.5 million in 3Q 2005 to RM5.3 million in 4Q 2005. The decrease in profit of RM0.2 million resulted primarily from a foreign exchange translation effect of RM4.2 million on our US denominated borrowings over the 2 quarters and higher other finance costs of RM1.1m offset by the increase in profit from operations by RM5.1m.

The Group’s profit after taxation decreased by RM1.6 million from RM5.5 million in 3Q 2005 to RM3.9 million as a result of the decrease in the profit before taxation and higher taxation of RM1.4 million. The higher taxation was primarily on account of higher corporate taxation and deferred taxation in that quarter.

**(B) Review of performance of the current year-to-date (“YTD 4Q 2005”) against the preceding year-to-date (“YTD 4Q 2004”).**

The Group recorded an increase in revenue of RM2.7 million, from RM129.6 million in YTD 4Q 2004 to RM132.3 million in YTD 4Q 2005.

Over the period, the Group’s profit from operations decreased by RM3.2 million, from RM35.4 million YTD 4Q 2004 to RM32.2 million YTD 4Q 2005. The decrease resulted primarily from higher direct marketing cost and net operating expenses offset by lower in-orbit insurance cost and a higher other operating income. The increase in operating expenses between the two periods was primarily due to a write-back for allowance for doubtful debts of RM5 million in the YTD 4Q 2004. Other cost increases includes one time costs relating to relocation to Cyberjaya, increased travel costs in connection with MEASAT-3, MEASAT-1R, and other business development activities.

The Group’s profit before taxation reduced from RM21.9 million YTD 4Q 2004 to RM16.4 million YTD 4Q 2005. The reduction in profit before taxation was due to the decrease in profit from operations and higher net finance costs of RM2.4 million due primarily to higher interest cost and amortization of deferred borrowing cost. Profit after taxation increased by RM0.8 million, from RM14.0 million in YTD 4Q 2004 to RM14.8 million in YTD 4Q 2005, primarily due to a lower deferred taxation of RM7.0 million over the same period as timing differences reversed.



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Under Part A of Appendix 9B**

**(C) Review of performance of the current quarter (“4Q 2005”) against the corresponding preceding quarter (“4Q 2004”).**

The Group’s profit from operations for the current quarter declined by RM2.2 million against the corresponding preceding quarter, from RM14.2 million in 4Q 2004 to RM12.0 million in 4Q 2005. The reduction was mainly the result of higher selling and administrative expenses of RM6.0 million, partially offset by an increase in revenue of RM1.9 million and increase in other operating income of RM1.7 million. The higher expenses in 4Q 2005 was primarily due to the write-back for allowance in doubtful debts of RM5.0 million in the corresponding preceding quarter.

The Group’s profit before taxation declined from RM10.3 million in 4Q 2004 to RM5.3 million in 4Q 2005 primarily due to decrease in profit from operations by RM2.2 million and higher finance costs on the account of the unrealized foreign losses on US denominated borrowings and the amortization of deferred borrowing cost.

**15. Prospects relating to financial year 2006**

The high utilization rates on MEASAT-1 and MEASAT-2 C-band are expected to continue for the year 2006. As such, the Group will seek to lease the remaining Ku-band capacity on MEASAT-2, and to grow the Group’s VAS business.

The manufacture and launch of MEASAT-3 continues to be delayed, and as a result of which: -

- (i) income previously expected from the lease of transponders on MEASAT-3 during 2006, will not materialize; and
- (ii) additional technical and legal costs will be incurred by the Group, which could be material.

Current indications are that MEASAT-3 is not expected to be available before the latter half of 2006.

Taking into account the impact of the delay of MEASAT-3, and barring any other unforeseen circumstances, the Board of Directors anticipates that the performance of the Group for the year 2006 will substantially reflect the results of the existing operations, which would generally be in line with expectations.

**16. Variance to profit forecast**

Not applicable.

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**PART B – Explanatory Notes in Compliance with Listing Requirements of Bursa Malaysia Securities Berhad  
Under Part A of Appendix 9B**

**17. Taxation**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER</u> <u>ENDED</u> <u>31/12/2005</u> <u>RM'000</u>	<u>QUARTER</u> <u>ENDED</u> <u>31/12/2004</u> <u>RM'000</u>	<u>YEAR</u> <u>ENDED</u> <u>31/12/2005</u> <u>RM'000</u>	<u>YEAR</u> <u>ENDED</u> <u>31/12/2004</u> <u>RM'000</u>
<u>In respect of current period:</u>				
income tax	(742)	(37)	(849)	(146)
deferred taxation	(642)	(2,799)	(739)	(7,700)
	<u>(1,384)</u>	<u>(2,836)</u>	<u>(1,588)</u>	<u>(7,846)</u>

The current income tax of the Group is in relation to tax charge on rental income and interest income. There is no taxation charge in respect of business income due to the utilisation of unabsorbed capital allowances and Investment Allowance (“IA”). The tax savings for the quarter ended 31 December 2005 arising from the utilisation of the unabsorbed capital allowances amounted to RM11.8 million.

The deferred tax liability is in respect of a subsidiary. The subsidiary has unutilised IA estimated at RM651.0 million at the end of the current quarter, accorded by way of a tax incentive under Schedule 7B of the Income Tax Act, 1967. The IA can be utilised against future statutory business income of the subsidiary arising from its existing satellites. As a consequence thereof, the RM41.6 million deferred taxation liability provided for in the Group as at 31 December 2005 will not materialise as the IA will be utilised against future statutory business income. Notwithstanding this, the amount of RM41.6 million has been taken up as deferred tax liability in the financial statements as FRS 112 - Income Taxes, does not allow the recognition of deferred tax benefits of IA.

**18. Profit/(loss) on sales of unquoted investments and/or properties**

There were no sales of unquoted investments and/or properties during the quarter under review.

**19. Quoted securities**

There were no quoted securities acquired or disposed during the quarter under review.

**20. Status of corporate proposal announced**

There were no corporate proposals announced but not completed at the date of issue of this quarterly report.

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**PART B – Explanatory Notes in Compliance with Listing Requirements of Bursa Malaysia Securities Berhad  
Under Part A of Appendix 9B**

**21. Group borrowings**

The details of Group borrowings as at 31 December 2005 are as follows:

	<b>AS AT 31/12/2005</b>	<b>AS AT 31/12/2004</b>
<u>Non current liability</u>	<b>RM'000</b>	<b>RM'000</b>
Syndicated Loan Facilities	<b>625,798</b>	608,628

The Syndicated Loan Facilities represent an equivalent sum of RM640.2 million drawdown from the total available funding of USD250 million (approximately RM945.4 million), less unamortised costs of RM14.4 million.

The Syndicated Loan Facilities are secured against assets of a subsidiary and a corporate guarantee from the Company.

**22. Off balance sheet financial instruments**

The Group manages its exposure to market rate movements on its financial liability through the use of the derivative financial instruments which includes interest rate and cross currency swap agreements.

The details of the derivative financial instruments that the Group has entered into are as follows:

Off-balance sheet instruments which were entered into by MSS based on the underlying liability of the Group's borrowings which consist of USD250 million Syndicated Loan Facilities:

- a) Interest rate swap ("IRS")

IRS agreements with a total notional principal of USD95 million to mitigate the risks of interest rate fluctuations.
- b) Cross currency swap ("CCS")

CCS agreements with total notional principal of RM130 million to hedge local currency borrowings to mitigate the foreign currency exchange risks.

All the above financial instruments were executed with creditworthy financial institutions with a view to limiting the credit risk exposure of the Group.

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Under Part A of Appendix 9B**

**23. Changes in material litigation**

There were no material litigation matters dealt with during the period or pending as at the date of this quarterly report.

**24. Dividends**

No dividends have been recommended or declared for the current quarter ended 31 December 2005.

**25. Earnings per share**

Basic earnings per share of the Group are calculated by dividing the net profit for the current quarter by the number of ordinary shares in issue during the current quarter.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER</b>	<b>QUARTER</b>	<b>YEAR</b>	<b>YEAR</b>
	<b>ENDED</b>	<b>ENDED</b>	<b>ENDED</b>	<b>ENDED</b>
	<b>31/12/2005</b>	<b>31/12/2004</b>	<b>31/12/2005</b>	<b>31/12/2004</b>
Net profit for the quarter/year (RM'000)	<b>3,878</b>	7,497	<b>14,799</b>	14,046
Weighted average number of ordinary shares in issue ('000)	<b>389,933</b>	389,933	<b>389,933</b>	389,933
Basic earnings per share (sen)	<b>0.99</b>	1.92	<b>3.80</b>	3.60

**By order of the Board**

CHUA SOK MOOI  
(MAICSA 0777524)  
Company Secretary

28 February 2006  
Kuala Lumpur