MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2006

Announcement

The Board of Directors of MEASAT Global Berhad ("MEASAT Global" or "Company") hereby announces the following unaudited consolidated results for the third quarter and nine months ended 30 September 2006.

Unaudited Condensed Consolidated Income Statements

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30.9.2006	QUARTER ENDED 30.9.2005	**PERIOD ENDED 30.9.2006**	PERIOD ENDED 30.9.2005
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Revenue	8	**34,156**	32,786	**103,506**	97,301
Cost of services		**(16,405)**	(17,260)	**(49,562)**	(51,029)
Gross profit		**17,751**	15,526	**53,944**	46,272
Other operating income		**2,568**	397	**4,519**	1,421
Selling and administrative expenses		**(6,166)**	(9,045)	**(27,201)**	(27,430)
Profit from operations	8	**14,153**	6,878	**31,262**	20,263
Finance cost		**(7,903)**	(1,329)	**(5,760)**	(9,138)
Profit from ordinary activities before taxation		**6,250**	5,549	**25,502**	11,125
Taxation	17	**3,919**	(72)	**10,258**	(204)
Net Profit		**10,169**	5,477	**35,760**	10,921
Earnings per share (sen):	26				
- Basic		**2.61**	1.40	**9.17**	2.80

The unaudited condensed consolidated income statement should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2005.

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QUARTERLY REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2006

Unaudited Condensed Consolidated Balance Sheet

	Note	AS AT 30.9.2006 (Unaudited) RM'000	AS AT 31.12.2005 (Audited) RM'000
Non-Current Assets			
Property, Plant and Equipment		**1,014,017**	904,799
Goodwill		**1,186,589**	1,186,589
		2,200,606	2,091,388
Current Assets			
Trade and Other Receivables[1]		**15,839**	27,130
Deposits with Licensed Banks[2]		**242,403**	36,422
Cash and Bank Balances[2]		**53,892**	27,772
		312,134	91,324
Current Liabilities			
Other Payables		**19,460**	23,190
Borrowings (secured and interest bearing)	21	**215,094**	51,115
Taxation		**565**	626
		235,119	74,931
Net Current Assets		**77,015**	16,393
Non-Current Liabilities			
Borrowings (secured and interest bearing)	21	**555,360**	574,683
Other payable	22	**163,961**	-
Deferred Taxation	17	**31,081**	41,639
		750,402	616,322
		1,527,219	1,491,459
Capital and Reserves			
Share Capital		**304,148**	304,148
Reserves			
- Merger Reserve		**554,802**	554,802
- General Reserves		**15,899**	15,899
- Retained Earnings		**652,370**	616,610
		1,527,219	1,491,459

[1] - Lower receivables balances on account of improved receivable turnover period.

[2] - Higher cash and bank positions on account of performance incentive received. (Note 22)

	RM	RM
Net Assets per share attributable to ordinary equity holders of the parent	**3.92**	3.82

The unaudited condensed consolidated balance sheet should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2005.

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QUARTERLY REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2006

Unaudited Condensed Consolidated Statement of Changes in Equity

	Issued and fully paid ordinary shares of RM0.78		Non-distributable	Distributable		
	Number of shares	Nominal value	Merger reserve	General reserves	Retained earnings	Total
	('000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Period ended 30/9/2006						
Balance as at 1 January 2006	389,933	304,148	554,802	15,899	616,610	1,491,459
-Net profit for the period	-	-	-	-	35,760	35,760
Balance as at 30 September 2006	389,933	304,148	554,802	15,899	652,370	1,527,219
Period ended 30/9/2005						
Balance as at 1 January 2005	389,933	304,148	554,802	15,899	601,811	1,476,660
-Net profit for the period	-	-	-	-	10,921	10,921
Balance as at 30 September 2005	389,933	304,148	554,802	15,899	612,732	1,487,581

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2005.

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QUARTERLY REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2006

Unaudited Condensed Consolidated Cash Flow Statement

	CUMULATIVE QUARTER	
	Period Ended 30.9.2006 RM'000	Period Ended 30.9.2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	**35,760**	10,921
Adjustments for :		
- Depreciation of property, plant and equipment	**45,405**	44,450
- Write down of fixed assets	**-**	435
- Taxation	**(10,258)**	204
- Interest income	**(1,062)**	(1,401)
- Finance charges	**12,974**	12,294
- Unrealised foreign exchange gain	**(6,697)**	(3,156)
- Allowance for doubtful debts	**595**	(24)
	76,717	63,723
Decrease/ (increase) in trade and other receivables	**11,147**	(526)
(Decrease)/ increase in trade and other payables	**(4,390)**	226
Net cash from operations	**83,474**	63,423
-Interest income received	**611**	1,557
-Interest expense paid	**(32,579)**	(27,084)
-Taxes paid	**(361)**	(448)
Net cash flow from operating activities	**51,145**	37,448
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(131,333)**	(45,649)
Proceeds from disposal of Property, Plant and Equipment	**205**	-
Net cash flow from investing activities	**(131,128)**	(45,649)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from drawdown of borrowings	**312,916**	13,860
Decrease/(increase) in debt service reserve accounts	**(29,769)**	(2,330)
Payment of quarterly commitment fees	**(832)**	-
Net cash flow from financing activities	**282,315**	11,530
Net (decrease)/increase in cash and cash equivalents	**202,332**	3,329
Cash and cash equivalents at beginning of the period	**45,149**	62,058
Cash and cash equivalents at end of the period	**247,481**	65,387
Deposits with licensed banks	**242,403**	63,102
Cash and bank balances	**53,892**	19,143
	296,295	82,245
Deposit in debt service reserve account	**(48,814)**	(16,858)
	247,481	65,387

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2005.

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

1. Basis of preparation

The quarterly condensed interim 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 interim financial report should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2005. The accounting policies adopted for the quarterly condensed interim financial report as at 30 September 2006 are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2005 except for the adoption of the following new and revised FRS issued by the Malaysian Accounting Standard Board that are effective for the Group for the financial period beginning 1 January 2006:

FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Presentation of Discontinued Operations
FRS 101	Presentations of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of FRS 5, 102, 108, 110, 127, 132 and 133 does not have significant financial impact on the Group. The effects of the changes in accounting policies resulting from the adoption of the other new and revised FRS are discussed below:

(i) FRS 101: Presentations of Financial Statements

The adoption of the revised FRS 101 required the Group to disclose, in the summary of significant accounting policies or other notes, the significant judgements made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) FRS 116: Property, Plant and Equipment

The cost of an item of property, plant and equipment now includes the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is installed or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. There was no impact on opening retained earnings as at 1 January 2006 from adoption of FRS 116.

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

1. Basis of preparation (continued)

(iii) FRS 121: The Effects of Changes in Foreign Exchange Rates

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(iv) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The adoption of FRS 3 and the consequential changes to FRS 136 and FRS 138 requires goodwill to be stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGU") and the carrying amount is tested annually for impairment or more frequently if events of changes in circumstances indicate that it might be impaired. Goodwill impairment is determined by comparing its carrying amount against its recoverable amount in accordance with FRS 136. Any impairment loss is recognised in the income statement and subsequent reversal is not allowed.

There is no change in the Group's current accounting policy on goodwill as the Group already complies with the new requirements. However more disclosures are required in the financial statements in relation to the assumptions and estimates used on the CGU and management's approach in determining the values assigned to the key assumptions.

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 seasonal or 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 30 September 2006.

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 to provide satellite network operations. Segmental reporting for the current quarter is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2006	QUARTER ENDED 30/09/2005	**PERIOD ENDED 30/09/2006**	PERIOD ENDED 30/09/2005
	RM'000	RM'000	**RM'000**	RM'000
Revenue				
Satellite operations	**34,156**	32,786	**103,506**	97,301
Segment Results				
Satellite operations	**11,585**	6,481	**26,743**	18,842
Rental income	**444**	7	**1,334**	20
Interest income	**2,124**	390	**3,185**	1,401
Profit from operations	**14,153**	6,878	**31,262**	20,263

9. Valuations of property, plant and equipment

There were no revaluations of property, plant and equipment during the quarter ended 30 September 2006. As at 30 September 2006, 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.

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 30 September 2006 are as follows:

	RM'000
Approved and contracted for	401,700
Approved but not contracted for	240,600
	642,300

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 ("3Q 2006") against the immediate preceding quarter ("2Q 2006").

For the quarter under review, revenue for the Group decreased by RM1.1 million, or 3.1%, from RM35.3 million in 2Q 2006 to RM34.2 million in 3Q 2006. The decrease in revenue was largely due to a reduction in transponder lease rates from the renewal of two major transponder lease contracts, the expiry of two lease contracts, partially offset by the signing of a new contract with a customer in Hong Kong.

The Group's profit from operations increased from RM10.4 million in 2Q 2006 to RM14.2 million in 3Q 2006. The increase of RM3.8 million was due to lower net operating expenses of RM3.4 million, higher interest income arising from cash deposits of RM1.5 million, offset by lower revenue of RM1.1 million. The improvement in net operating expenses was mainly due to an unrealised foreign exchange translation gain on the USD denominated cash deposits and debtors balances of RM2.0 million, reduced selling and administrative expenses of RM0.8 million and lower professional fees in connection with the MEASAT -3 program of RM0.6 million.

The Group's profit before taxation decreased from RM6.9 million in 2Q 2006 to RM6.3 million in 3Q 2006. This decrease resulted from a foreign exchange translation effect of RM4.2 million arising from the appreciation of USD on the USD denominated borrowings, offset by the increase in profit from operations. As a result of the above, and taking into account the effect of higher deferred taxation reversal of RM0.9 million in 3Q 2006, the Group's results improved from RM10.0 million in 2Q 2006 to RM10.2 million in 3Q 2006.

(B) Review of performance of the current year-to-date ("YTD 3Q 2006") against the preceding year-to-date ("YTD 3Q 2005").

The Group recorded a revenue of RM103.5 million for YTD 3Q 2006, compared to RM97.3 million for YTD 3Q 2005, an improvement of RM6.2 million or 6.4%. The Group's profit from operations correspondingly increased by RM11.0 million, from RM20.3 million in YTD 3Q 2005 to RM31.3 million in YTD 3Q 2006. The increase was due to an increase in revenue of RM6.2 million and lower net operating expenses of RM4.8 million.

The Group's profit before taxation increased by RM14.4 million, from RM11.1 million in YTD 3Q 2005 to RM25.5 million in YTD 3Q 2006. The increase in profit before taxation was due to a foreign exchange translation effect of RM4.1 million on the USD denominated borrowings and the increase in profit from operations. After taking into account the reversal in deferred taxation of RM10.5 million, the Group's profit after taxation increased from RM10.9 million in YTD 3Q 2005 to RM35.8 million in YTD 3Q 2006.

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

(C) Review of performance of the current quarter ("3Q 2006") against the corresponding preceding quarter ("3Q 2005").

The Group's profit from operations for the current quarter rose by RM7.3 million compared to the corresponding preceding quarter, from RM6.9 million in 3Q 2005 to RM14.2 million in 3Q 2006. The improvement was largely the result of higher revenue of RM1.4 million, higher other operating income of RM2.2 million and lower operating expenses of RM3.7 million.

The Group's profit before taxation increased from RM5.5 million in 3Q 2005 to RM6.3 million in 3Q 2006 primarily due to increase in profit from operations of RM7.3 million, offset by higher finance costs.

15. Prospects relating to financial year 2006

The high utilisation rates on M-1 and M-2 are expected to continue for the remainder of the year. As a result, the Group will continue to focus on improving the level of customer care, growing the Group's value added services business, and maintaining a strong customer pipeline for the launch of M-3 which has now been confirmed for December 12th 2006.

Barring any other unforeseen circumstances, the Board of Directors anticipates that the performance of the Group for the year 2006 will be in line with expectations.

16. Variance to profit forecast

Not applicable.

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

17. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2006	QUARTER ENDED 30/09/2005	**PERIOD ENDED 30/09/2006**	PERIOD ENDED 30/09/2005
	RM'000	RM'000	**RM'000**	RM'000
In respect of current period:				
income tax	**(104)**	(31)	**(300)**	(107)
deferred taxation	**4,023**	(41)	**10,558**	(97)
	3,919	(72)	**10,258**	(204)

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 capital allowances and Investment Allowance ("IA"). The tax savings for the quarter ended 30 September 2006 arising from the utilisation of the capital allowances and IA amounted to RM21.0 million.

The deferred tax liability is in respect of a subsidiary. The subsidiary has unutilised IA estimated at RM586.2 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 deferred taxation liability of RM31.1 million provided for in the Group as at 30 September 2006 will not materialise as the IA will be utilised against future statutory business income. Notwithstanding this, the amount of RM31.1 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.

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 the Group's borrowings as at 30 September 2006 are as follows:

	AS AT 30/09/2006	AS AT 30/09/2005
	RM'000	RM'000
Current liability		
Syndicated Term Loan Facilities	**100,874**	0
Bridging Loan Facilities	**114,220**	0
	215,094	0
Non current liability		
Syndicated Term Loan Facilities	**555,360**	622,549
Total	**770,454**	622,549

The Syndicated Term Loan Facilities represent an equivalent sum of RM668.2 million, drawndown from the USD facility of USD150 million and the RM facility of RM380 million, less unamortised costs of RM12.0 million.

The Bridging Loan Facilities represents an equivalent sum of RM114.2 million drawndown from the total available funding of USD40 million (approximately RM147.4 million).

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

One of the Bridging Loan Facilities is secured against a corporate guarantee from the Company.

22. Other payable (Non-Current)

Other payable (Non-Current Liabilities) represent performance incentives of USD 44.5 million (equivalent to RM164.0 million) for M-3 which have been provided in the form of an unsecured loan with interest of 7% payable in arrears from 1 January 2007. The amount is repayable in twenty four (24) equal instalments over a period of 6 years commencing in 2008.

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

23. 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 a subsidiary based on the underlying liability of the Group's borrowings which consist of Syndicated Term Loan Facilities disclosed in note 21:

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.

24. 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.

25. Dividends

No dividends have been recommended or declared for the current quarter ended 30 September 2006.

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

26. Earnings per share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/9/2006	QUARTER ENDED 30/09/2005	**PERIOD ENDED 30/09/2006**	PERIOD ENDED 30/09/2005
Net profit for the quarter/period (RM'000)	**10,169**	5,477	**35,760**	10,921
Weighted average number of ordinary shares in issue ('000)	**389,933**	389,933	**389,933**	389,933
Basic earnings per share (sen)	**2.61**	1.40	**9.17**	2.80

By order of the Board

CHUA SOK MOOI
(MAICSA 0777524)
Company Secretary

27 November 2006
Kuala Lumpur