**MEASAT GLOBAL BERHAD**
**(2866-T)**
**INCORPORATED IN MALAYSIA**

## QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2006

### 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 2006.

### Unaudited Condensed Consolidated Income Statements

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | | **QUARTER ENDED 31.12.2006** | QUARTER ENDED 31.12.2005 | **YEAR ENDED 31.12.2006** | YEAR ENDED 31.12.2005 |
| | | **RM'000** | RM'000 | **RM'000** | RM'000 |
| Revenue | 8 | **33,923** | 34,992 | **137,429** | 132,293 |
| Cost of services | | **(16,250)** | (17,291) | **(65,812)** | (68,320) |
| Gross profit | | **17,673** | 17,701 | **71,617** | 63,973 |
| Other operating income | | **2,923** | 2,235 | **7,442** | 3,656 |
| Selling and administrative expenses | | **(23,173)** | (7,954) | **(50,374)** | (35,384) |
| (Loss)/profit from operations | 8 | **(2,577)** | 11,982 | **28,685** | 32,245 |
| Finance cost : | | | | | |
| - Interest and finance charges | | **(4,354)** | (5,625) | **(17,328)** | (17,919) |
| - Foreign exchange translation diferrences | | **28,514** | (1,095) | **35,728** | 2,061 |
| Profit from ordinary activities before taxation | | **21,583** | 5,262 | **47,085** | 16,387 |
| Taxation | 17 | **2,826** | (1,384) | **13,084** | (1,588) |
| Net Profit | | **24,409** | 3,878 | **60,169** | 14,799 |
| Earnings per share (sen): | 26 | | | | |
| - Basic | | **6.26** | 0.99 | **15.43** | 3.80 |

*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.*

**MEASAT GLOBAL BERHAD**
**(2866-T)**
**INCORPORATED IN MALAYSIA**

**QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2006**

## Unaudited Condensed Consolidated Balance Sheet

| | Note | AS AT 31.12.2006 (Unaudited) RM'000 | AS AT 31.12.2005 (Audited) RM'000 |
|---|---|---|---|
| **Non-Current Assets** | | | |
| Property, plant and equipment | | **1,189,433** | 904,799 |
| Goodwill | | **1,186,589** | 1,186,589 |
| | | **2,376,022** | 2,091,388 |
| **Current Assets** | | | |
| Trade and other receivables | | **22,726** | 27,130 |
| Deposits with licensed banks | | **8,465** | 36,422 |
| Cash and bank balances | | **94,369** | 27,772 |
| | | **125,560** | 91,324 |
| **Current Liabilities** | | | |
| Other payables | | **55,917** | 23,190 |
| Borrowings (secured and interest bearing) | 21 | **223,154** | 51,115 |
| Taxation | | **565** | 626 |
| | | **279,636** | 74,931 |
| **Net Current (Liabities)/Assets** | | **(154,076)** | 16,393 |
| **Non-Current Liabilities** | | | |
| Borrowings (secured and interest bearing) | 21 | **484,876** | 574,683 |
| Other payable | 22 | **157,152** | - |
| Deferred taxation | 17 | **28,290** | 41,639 |
| | | **670,318** | 616,322 |
| | | **1,551,628** | 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 | | **676,779** | 616,610 |
| | | **1,551,628** | 1,491,459 |
| | | **RM** | RM |
| **Net Assets per share attributable to ordinary equity holders of the parent** | | **3.98** | 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.*

**MEASAT GLOBAL BERHAD**
**(2866-T)**
**INCORPORATED IN MALAYSIA**

**QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 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) |
| **Year ended 31/12/2006** | | | | | | |
| Balance as at 1 January 2006 | 389,933 | 304,148 | 554,802 | 15,899 | 616,610 | 1,491,459 |
| -Net profit for the year | - | - | - | - | 60,169 | 60,169 |
| Balance as at 31 December 2006 | 389,933 | 304,148 | 554,802 | 15,899 | 676,779 | 1,551,628 |
| Year ended 31/12/2005 | | | | | | |
| Balance as at 1 January 2005 | 389,933 | 304,148 | 554,802 | 15,899 | 601,811 | 1,476,660 |
| -Net profit for the year | - | - | - | - | 14,799 | 14,799 |
| Balance as at 31 December 2005 | 389,933 | 304,148 | 554,802 | 15,899 | 616,610 | 1,491,459 |

*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.*

# MEASAT GLOBAL BERHAD
# (2866-T)
# INCORPORATED IN MALAYSIA

## QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2006

## Unaudited Condensed Consolidated Cash Flow Statement

| | CUMULATIVE QUARTER | |
|---|---|---|
| | **Year Ended 31.12.2006** | Year Ended 31.12.2005 |
| | **RM'000** | RM'000 |
| | **(Unaudited)** | (Audited) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net profit for the year | **60,169** | 14,799 |
| **Adjustments for :** | | |
| - Depreciation of property, plant and equipment | **60,494** | 58,884 |
| - Taxation | **(13,084)** | 1,588 |
| - Interest income | **(5,663)** | (1,873) |
| - Finance charges | **17,328** | 17,919 |
| - Unrealised foreign exchange gain | **(32,685)** | (2,061) |
| - Allowance for doubtful debts | **594** | - |
| | **87,153** | 89,256 |
| **Changes in working capital:** | | |
| Decrease/ (increase) in trade and other receivables | **3,789** | (6,523) |
| Increase in trade and other payables | **31,699** | 6,020 |
| Net cash from operations | **122,641** | 88,753 |
| -Interest income received | **5,679** | 1,825 |
| -Interest paid | **(45,916)** | (36,472) |
| -Taxation paid | **(326)** | (842) |
| Net cash flow generated from operations | **82,078** | 53,264 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | **(311,643)** | (78,178) |
| Proceeds from disposal of property, plant and equipment | **219** | - |
| Net cash flow from investing activities | **(311,424)** | (78,178) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net proceeds from drawdown of borrowings | **268,828** | 15,199 |
| Increase in debt service reserve accounts | **(28,961)** | (4,517) |
| Commitment and other fees on borrowings | **(842)** | (2,677) |
| Net cash flow from financing activities | **239,025** | 8,005 |
| Net movement in cash and cash equivalents | **9,679** | (16,909) |
| Cash and cash equivalents at beginning of the year | **45,149** | 62,058 |
| Cash and cash equivalents at end of the year | **54,828** | 45,149 |
| Deposits with licensed banks | **8,465** | 36,422 |
| Cash and bank balances | **94,369** | 27,772 |
| | **102,834** | 64,194 |
| Deposit in debt service reserve account | **(48,006)** | (19,045) |
| | **54,828** | 45,149 |

*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 31 December 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 FRSs 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 FRSs are discussed below:

(i) <u>FRS 101: Presentations of Financial Statements</u>

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) <u>FRS 116: Property, Plant and Equipment</u>

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 31 December 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 31/12/2006** | QUARTER ENDED 31/12/2005 | **YEAR ENDED 31/12/2006** | YEAR ENDED 31/12/2005 |
| | **RM'000** | RM'000 | **RM'000** | RM'000 |
| **Revenue** | | | | |
| Satellite operations | **33,923** | 34,992 | **137,429** | 132,293 |
| **Segment Results** | | | | |
| Satellite operations | **(5,500)** | 10,005 | **21,243** | 28,593 |
| Rental income | **445** | 1,505 | **1,779** | 1,779 |
| Interest income | **2,478** | 472 | **5,663** | 1,873 |
| (Loss)/Profit from operations | **(2,577)** | 11,982 | **28,685** | 32,245 |

## 9. Valuations of property, plant and equipment

There were no revaluations of property, plant and equipment during the quarter ended 31 December 2006. As at 31 December 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 31 December 2006 are as follows:

| | RM'000 |
|---|---|
| Approved and contracted for | 301,800 |
| Approved but not contracted for | 111,700 |
| | 413,500 |

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

The Group's revenue decreased slightly by RM0.2 million, or 0.6%, from RM34.1 million in 3Q 2006 to RM33.9 million in 4Q 2006. The decrease in revenue was largely due to the expiry of a contract with an Indo-China customer partially offset by two new contracts with existing customers from Malaysia.

For the quarter under review, the Group's profits from operations decreased from a profit of RM14.2 million in 3Q 2006 to a loss of RM2.6 million in 4Q 2006. The decrease of RM16.8 million was due to higher net operating cost of RM16.6 million primarily due to unrealised foreign exchange translation differences on the USD denominated cash deposits and debtors balances of RM8.0 million and one-off MEASAT-3 ("M-3") launch related expenses of RM8.4 million.

The Group's profit before taxation increased from RM6.3 million in 3Q 2006 to RM21.6 million in 4Q 2006. This increase resulted from a foreign exchange translation effect of RM31.8 million arising from the depreciation of USD on the USD denominated borrowings offset by the decrease in Group's profit from operations. As a result of the above, and taking into account the deferred taxation reversal of RM2.8 million in 4Q 2006, the Group's profit after tax improved from RM10.2 million in 3Q 2006 to RM24.4 million in 4Q 2006.

**(B) Review of performance of the current year-to-date ("YTD 4Q 2006") against the preceding year-to-date ("YTD 4Q 2005").**

The Group recorded a revenue of RM137.4 million for YTD 4Q 2006, compared to RM132.3 million for YTD 4Q 2005, an improvement of RM5.1 million or 3.9%. The Group's profit from operations decreased by RM3.5 million, from RM32.2 million in YTD 4Q 2005 to RM28.7 million in YTD 4Q 2006. The decrease was due to higher net operating expenses of RM8.6 million offset by the increase in revenue of RM5.1 million. The higher net operating expenses were mainly due to one-off M-3 launch related expenses of RM8.4 million.

The Group's profit before taxation increased by RM30.7 million, from RM16.4 million in YTD 4Q 2005 to RM47.1 million in YTD 4Q 2006. The increase in profit before taxation was due to a foreign exchange translation gain of RM33.6 million on the USD denominated borrowings and the decrease in profit from operations. After taking into account the reversal in deferred taxation of RM13.1 million, the Group's profit after taxation increased from RM14.8 million in YTD 4Q 2005 to RM60.2 million in YTD 4Q 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 ("4Q 2006") against the corresponding preceding quarter ("4Q 2005").**

The Group's profit from operations for the current quarter decreased by RM14.6 million compared to the corresponding preceding quarter, from profit of RM12.0 million in 4Q 2005 to a loss of RM2.6 million in 4Q 2006. The decrease was largely the result of lower revenue of RM1.1 million and higher operating expenses of RM14.2 million, offset by higher other operating income of RM0.7 million.

The Group's profit before taxation increased from RM5.3 million in 4Q 2005 to RM21.6 million in 4Q 2006 primarily due to a foreign exchange translation gain of RM29.6 million on the USD denominated borrowings, offset by decrease profit from operations of RM14.6 million.

## 15. Prospects relating to financial year 2007

With the successful launch and commencement of commercial operations of M-3, the Group is now focused on meeting the growth requirements of existing customers and expanding the customer base across new segments and the new geographic markets of South Asia and The Middle East. The Group will continue to seek to improve the level of customer care and expand the value added services business to support the growth of the core business.

However, the results of the year will be impacted by the increase in deferred tax, depreciation and finance charges in relation to M-3 ahead of fully utilizing the satellite. Barring any unforeseen circumstances, the Directors expect the overall financial and operating performance of the Company to benefit from the additional capacity and coverage created by M-3.

## 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 31/12/2006** | QUARTER ENDED 31/12/2005 | **YEAR ENDED 31/12/2006** | YEAR ENDED 31/12/2005 |
| | **RM'000** | RM'000 | **RM'000** | RM'000 |
| In respect of current period/year: | | | | |
| income tax | **35** | (742) | **(265)** | (849) |
| deferred taxation | **2,791** | (642) | **13,349** | (739) |
| | **2,826** | (1,384) | **13,084** | (1,588) |

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 31 December 2006 arising from the utilisation of the capital allowances and IA amounted to RM26.1 million.

The deferred tax liability in the balance sheet is in respect of a subsidiary. The subsidiary has unutilised IA estimated at RM563.5 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 RM28.3 million provided for in the Group as at 31 December 2006 will not materialise as the IA will be utilised against future statutory business income. Notwithstanding this, the amount of RM28.3 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 31 December 2006 are as follows:

| | **AS AT 31/12/2006 RM'000** | AS AT 31/12/2005 RM'000 |
|---|---|---|
| Current liabilities | | |
| Syndicated Term Loan Facilities | **152,524** | 0 |
| Bridging Loan Facility | **70,630** | 51,115 |
| | **223,154** | 51,115 |
| Non current liability | | |
| Syndicated Term Loan Facilities | **484,876** | 574,683 |
| Total | **708,030** | 625,798 |

The Syndicated Term Loan Facilities represent an equivalent sum of RM648.5 million, drawndown from the USD facility of USD150 million and the RM facility of RM380 million, less unamortised costs of RM11.1 million.

The Bridging Loan Facility represents an equivalent sum of RM70.6 million fully drawndown from the total available funding of USD20 million.

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

## 22. Other payable (Non-Current Liabilities)

Other payable (Non-Current Liabilities) represents performance incentives of USD 44.5 million (equivalent to RM157.2 million) for M-3 which have been provided in the form of an unsecured loan with interest of 7% per annum payable in arrears commencing 1 January 2007. The amount is repayable in twenty four (24) equal instalments over a period of 6 years commencing in 25 January 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 31 December 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 31/12/2006** | QUARTER ENDED 31/12/2005 | **YEAR ENDED 31/12/2006** | YEAR ENDED 31/12/2005 |
| Net profit for the quarter/year (RM'000) | **24,409** | 3,878 | **60,169** | 14,799 |
| Weighted average number of ordinary shares in issue ('000) | **389,933** | 389,933 | **389,933** | 389,933 |
| Basic earnings per share (sen) | **6.26** | 0.99 | **15.43** | 3.80 |

**By order of the Board**

CHUA SOK MOOI
(MAICSA 0777524)
Company Secretary

16 February 2007
Kuala Lumpur