

MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

Announcement

The Board of Directors of MEASAT Global Berhad ("MEASAT Global" or "Company") hereby announces the following unaudited consolidated results for the first quarter ended 31 March 2008.

Unaudited Interim Consolidated Income Statements

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31.3.2008	QUARTER ENDED 31.3.2007 (As restated)	PERIOD ENDED 31.3.2008	PERIOD ENDED 31.3.2007 (As restated)
		RM'000	RM'000	RM'000	RM'000
Revenue	8	43,138	41,657	43,138	41,657
Cost of services		(28,061)	(28,207)	(28,061)	(28,207)
Gross profit		15,077	13,450	15,077	13,450
Other operating income		1,152	1,191	1,152	1,191
Selling and administrative expenses		(11,940)	(10,223)	(11,940)	(10,223)
Profit from operations	8	4,289	4,418	4,289	4,418
Finance cost :					
- Interest and finance charges		(10,818)	(16,629)	(10,818)	(16,629)
- Foreign exchange translation differences		32,648	15,132	32,648	15,132
Profit from ordinary activities before taxation		26,119	2,921	26,119	2,921
Taxation	17	(1)	(2)	(1)	(2)
Profit for the financial period		26,118	2,919	26,118	2,919
Earnings per share (sen):					
- Basic	26	6.70	0.75	6.70	0.75

The unaudited interim consolidated income statement should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2007.

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Unaudited Interim Consolidated Balance Sheet

	AS AT 31.3.2008 (Unaudited) RM'000	AS AT 31.12.2007 (Restated) RM'000
Note		
Non-Current Assets		
Property, Plant and Equipment	1,322,907	1,316,478
Goodwill	1,186,589	1,186,589
	<u>2,509,496</u>	<u>2,503,067</u>
Current Assets		
Trade and Other Receivables	23,761	22,331
Deferred taxation	2,873	2,873
Deposits with Licensed Banks	22,231	15,352
Cash and Bank Balances	70,913	73,332
	<u>119,778</u>	<u>113,888</u>
Current Liabilities		
Other Payables	22 58,703	56,825
Borrowings (secured and interest bearing)	21 90,575	90,287
Taxation	621	621
	<u>149,899</u>	<u>147,733</u>
Net Current Liabilities	(30,121)	(33,845)
Non-Current Liabilities		
Borrowings (secured and interest bearing)	21 668,816	671,035
Other Payables	22 182,934	196,680
	<u>851,750</u>	<u>867,715</u>
	<u>1,627,625</u>	<u>1,601,507</u>
Capital and Reserves		
Share Capital	304,148	304,148
Reserves		
- Merger Reserve	554,802	554,802
- General Reserves	15,899	15,899
- Retained Earnings	752,776	726,658
	<u>1,627,625</u>	<u>1,601,507</u>
	RM	RM
Net Assets per share attributable to ordinary equity holders of the Company	<u>4.17</u>	<u>4.11</u>

The unaudited interim consolidated balance sheet should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2007.

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Unaudited Interim Consolidated Statement of Changes in Equity

	Issued and fully paid ordinary shares of RM0.78		Non-distributable	Distributable		Total
	Number of shares	Nominal value	Merger reserve	General reserves	Retained earnings	
	('000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Period ended 31/3/2008						
Balance as at 1 January 2008 (As previously stated)	389,933	304,148	554,802	15,899	718,495	1,593,344
Change in accounting policy - effects of adopting FRS 112	-	-	-	-	8,163	8,163
Balance as at 1 January 2008 (As restated)	389,933	304,148	554,802	15,899	726,658	1,601,507
-Net profit for the financial period	-	-	-	-	26,118	26,118
Balance as at 31 March 2008	389,933	304,148	554,802	15,899	752,776	1,627,625
Period ended 31/3/2007						
Balance as at 1 January 2007 (As previously stated)	389,933	304,148	554,802	15,899	676,779	1,551,628
Change in accounting policy - effects of adopting FRS 112	-	-	-	-	31,163	31,163
Balance as at 1 January 2007 (As restated)	389,933	304,148	554,802	15,899	707,942	1,582,791
-Net profit for the financial period (As restated)	-	-	-	-	2,919	2,919
Balance as at 31 March 2007	389,933	304,148	554,802	15,899	710,861	1,585,710

The unaudited interim consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2007.

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Unaudited Interim Consolidated Cash Flow Statement

	CUMULATIVE QUARTER	
	Period Ended 31.3.2008 (Unaudited) RM'000	Period Ended 31.3.2007 (Restated) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	26,118	2,919
Adjustments for :		
- Depreciation of property, plant and equipment	22,568	25,903
- Taxation	1	2
- Interest income	(518)	(669)
- Interest and finance charges	10,818	16,629
- Unrealised foreign exchange gain	(30,479)	(12,975)
- Realised foreign exchange gain on borrowings	(10)	-
- Asset written off	1	-
	<u>28,499</u>	<u>31,809</u>
(Increase)/Decrease in trade and other receivables	(1,322)	4,526
Decrease in trade and other payables	(8,652)	(8,414)
Net cash from operations	<u>18,525</u>	<u>27,921</u>
-Interest income received	521	702
-Taxes paid	-	(2)
Net cash flow from operating activities	<u>19,046</u>	<u>28,621</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,413)	(64,124)
Net cash flow from investing activities	<u>(25,413)</u>	<u>(64,124)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from drawdown of borrowings	20,532	28,912
Decrease in debt service reserve accounts	1,357	23,875
Interest expense paid	(7,379)	(10,411)
Payment of quarterly commitment fees	(522)	(463)
Net cash flow from financing activities	<u>13,988</u>	<u>41,913</u>
Net increase in cash and cash equivalents	7,621	6,410
Currency translation differences	(1,803)	-
Cash and cash equivalents at beginning of the period	25,066	54,828
Cash and cash equivalents at end of the period	<u>30,884</u>	<u>61,238</u>
Deposits with licensed banks	22,231	49,607
Cash and bank balances	70,913	35,762
	<u>93,144</u>	<u>85,369</u>
Deposit in debt service reserve accounts	(62,260)	(24,131)
	<u>30,884</u>	<u>61,238</u>

MEASAT GLOBAL BERHAD
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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

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

1. Basis of preparation

The quarterly 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 interim financial report should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2007. The accounting policies adopted for the quarterly interim financial report as at 31 March 2008 are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following applicable new and revised FRS issued by the Malaysian Accounting Standard Board that are effective for the Group for the financial period beginning 1 January 2008:

- FRS 107 Cash Flow Statements
- FRS 112 Income Taxes
- FRS 118 Revenue
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of FRS 107, FRS 118, FRS 134 and FRS 137 does not have significant financial impact on the Group.

The financial impact of adopting FRS 112 is as follows:

	<u>Before</u> <u>restatement</u> RM’000	<u>Effect of</u> <u>change</u> <u>in policy</u> RM’000	<u>Restated</u> RM’000
<u>Balance sheet</u>			
<u>At 1 January 2007</u>			
Retained earnings	676,779	31,163	707,942
Deferred taxation liability/(asset)	28,290	(31,163)	(2,873)
<u>At 31 March 2007</u>			
Retained earnings	681,298	29,563	710,861
Deferred taxation liability/(asset)	26,690	(29,563)	(2,873)

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

1. Basis of preparation (continued)

	<u>Before restatement</u> RM'000	<u>Effect of change in policy</u> RM'000	<u>Restated</u> RM'000
<u>At 31 December 2007</u>			
Retained earnings	718,495	8,163	726,658
Deferred taxation liability/(asset)	5,290	(8,163)	(2,873)
<u>Income statement</u>			
<u>Period ended 31 March 2007</u>			
Taxation	1,598	(1,600)	(2)
Net profit for the period	4,519	(1,600)	2,919
<u>Period ended 31 December 2007</u>			
Taxation	3599	(3,600)	(1)
Net profit for the period	21,407	(3,600)	17,807
<u>Period ended 31 March 2008</u>			
Taxation	(476)	475	(1)
Net profit for the period	25,643	475	26,118

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.

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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 March 2008.

8. Segment results and reporting

The main business segment of the Group is its satellite operations. Segmental reporting for the current quarter is as follows:

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 31/3/2008</u>	<u>QUARTER ENDED 31/3/2007</u>	<u>PERIOD ENDED 31/3/2008</u>	<u>PERIOD ENDED 31/3/2007</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Revenue</u>				
Satellite operations	<u>43,138</u>	<u>41,657</u>	<u>43,138</u>	<u>41,657</u>
<u>Segment Results</u>				
Satellite operations	3,137	3,227	3,137	3,227
Rental income	621	522	621	522
Interest income	518	669	518	669
Waiver of debt	13	0	13	0
Profit from operations	<u>4,289</u>	<u>4,418</u>	<u>4,289</u>	<u>4,418</u>

9. Valuations of property, plant and equipment

There were no revaluations of property, plant and equipment during the quarter ended 31 March 2008. As at 31 March 2008, property, plant and equipment were stated at cost less accumulated depreciation.

10. Material events subsequent to the end of the financial year

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

11. Changes in the composition of the Group

There have been no changes in the composition of the Group during the quarter under review.

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12. Contingent liabilities and contingent assets

The Malaysian Communications and Multimedia Commission (“MCMC”) has notified the Group, that it is required to contribute an accumulated amount of RM31.5 million to the Universal Service Provision (“USP”) Fund for the period 2003 to 2006.

The Group has taken advice on the applicability of this requirement and has, on the basis of the advice received appealed against the decision of the MCMC. In view of the opinion received, the Directors are of the view that no provision for this liability is required.

13. Capital commitments

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2008 are as follows:

	RM'000
Approved and contracted for	41,400
Approved but not contracted for	<u>75,500</u>
	<u>116,900</u>

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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 (“1Q 2008”) against the immediate preceding quarter (“4Q 2007”).

The Group’s results for 1Q 2008, as compared to 4Q 2007, were impacted by two key factors:

- Changes in satellite fleet configuration: Results in Q1 2008 were impacted by the decommissioning of M-1 from operational service at 91.5E in Q4 2007. The termination of contracts for customers on the satellite not migrated to M-3 resulted in a reduction in revenue of RM1.9 million. The decommissioning also resulted in a reduction in satellite depreciation cost of RM7.5 million.
- RM appreciation against USD: The Group’s results continued to be impacted by the appreciation of the Ringgit against the USD. With the Group’s customer contracts denominated in USD, the continued appreciation during the quarter led to a reduction in the Group’s revenue of RM1.1million. The appreciation also led to a higher foreign exchange translation loss on USD held deposits of RM1.8 million (4Q 2007: RM1.6 million) and a higher foreign exchange translation gain on USD denominated debt of RM32.6 million (4Q 2007: RM29.5 million).

Overall, the Group’s revenue fell from RM46.6 million in 4Q 2007 to RM43.1 million in 1Q 2008. The Group’s profit after tax, however, rose from RM17.8 million in 4Q 2007 to RM26.1 million in 1Q 2008.

(B) Review of performance of the current year-to-date (“YTD 1Q 2008”) against the preceding year-to-date (“YTD 1Q 2007”).

The Group’s results for YTD 1Q 2008, as compared to YTD 1Q 2007 were impacted by:

- Changes in satellite fleet configuration: The start of commercial operations of M-3 in 1Q 2007 and the end of commercial operations of M-1 at the 91.5E orbital location led to a net increase in revenue of RM4.5 million. The changes in the satellite configuration and the decommissioning also resulted in a reduction in satellite depreciation amount of RM3.5 million, partially offset by, higher in-orbit insurance and migration costs of RM3.3 million.
- RM appreciation against USD: The Group’s results continued to be impacted by the appreciation of the Ringgit against the USD. With the Group’s customer contracts denominated in USD, the continued appreciation during the quarter led to a reduction in the Group’s revenue of RM3.0 million. The appreciation also led to a higher foreign exchange translation loss on USD held deposits and assets of RM2.3 million (YTD 1Q 2007: RM0.3 million) and a higher foreign exchange translation gain on USD denominated debt of RM32.6 million (YTD 1Q 2007: RM29.5 million).

Overall, the Group’s revenue increased by RM1.5 million from RM41.6 million in YTD 1Q 2007 to RM43.1 million in YTD 1Q 2008. The Group’s profit after tax correspondingly rose from RM2.9 million in YTD 1Q 2007 to RM26.1 million in YTD 1Q 2008.

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

15. Prospects relating to financial year 2008

With the migration to the new operational satellite configuration now completed, and utilization on the new satellite expected to exceed 80% by the middle of the year, 2008 will begin to see positive impact in the M-3 operations on the Group's financial results.

Barring any unforeseen circumstances, the Board expects the Group's financial performance for 2008 to be impacted by:

- The launch of the MEASAT-3a satellite, scheduled for 3Q 2008, where the increase in revenue associated with the new satellite is expected to lag the costs related to launch and initial operations; and,
- The movement of the Ringgit:USD exchange rate where, further appreciation of the Ringgit against the USD will negatively impact the Group's revenue while giving a positive impact on the Group's USD denominated debts.

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Under Part A of Appendix 9B**

16. Variance to profit forecast

Not applicable.

17. Taxation

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER</u> ENDED <u>31/3/2008</u> <u>RM'000</u>	<u>QUARTER</u> ENDED <u>31/3/2007</u> <u>RM'000</u> (As restated)	<u>PERIOD</u> ENDED <u>31/3/2008</u> <u>RM'000</u>	<u>PERIOD</u> ENDED <u>31/3/2007</u> <u>RM'000</u> (As restated)
<u>In respect of current period:</u>				
Malaysian income tax				
- Current	(1)	(2)	(1)	(2)
	<u>(1)</u>	<u>(2)</u>	<u>(1)</u>	<u>(2)</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 capital allowances. The tax savings for the quarter ended 31 March 2008 arising from the utilisation of the capital allowances amounted to RM4.7 million.

The taxation for the comparative quarter ended 31 March 2007 has been restated as disclosed in Note 1 of Part A.

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

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.

21. Borrowings

The details of the borrowings as at 31 March 2008 are as follows:

	<u>AS AT</u> <u>31/03/2008</u> <u>RM'000</u>
<u>Current liability</u>	
Syndicated Term Loan Facilities	66,191
Export Credit Agency Loan Facilities	24,384
Bridging Loan Facility	0
	<u>90,575</u>
<u>Non current liability</u>	
Syndicated Term Loan Facilities	199,614
Export Credit Agency Loan Facilities	469,202
	<u>668,816</u>
Total	<u><u>759,391</u></u>

The Syndicated Term Loan Facilities and Export Credit Agency Loan Facilities represent an equivalent sum of RM787.6 million, less unamortised costs of RM28.2 million.

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

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

22. Other payables

Included in other payables are unsecured performance incentives (“PI”) of USD55.4 million (equivalent to RM176.5 million) and a deferred payment of USD12.0 million (equivalent to RM38.3 million) for M-3.

USD44.5 million (equivalent to RM141.8 million) of the PI bears interest at 7% per annum which is payable in arrears commencing 1 January 2007 and the principal is repayable in twenty four (24) equal instalments over a period of 6 years commencing 1 January 2008.

USD10.9 million (equivalent to RM34.7 million) of the PI bears interest at 7% per annum payable in arrears commencing 25 January 2007 and repayable in sixty (60) equal instalments over a period of 15 years.

The deferred payment is interest free and is repayable in a single payment on 11 December 2011.

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 Syndicated Term Loan Facilities disclosed in note 21 are as follows:

a) Interest rate swap (“IRS”)

IRS agreements with a total notional principal of USD65 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 March 2008.

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**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 profit for the financial period by the weighted average number of ordinary shares in issue during the current quarter.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/03/2008	QUARTER ENDED 31/03/2007 (As restated)	PERIOD ENDED 31/03/2008	PERIOD ENDED 31/03/2007 (As restated)
Profit for the financial period (RM'000)	26,118	2,919	26,118	2,919
Weighted average number of ordinary shares in issue ('000)	389,933	389,933	389,933	389,933
Basic earnings per share (sen)	6.70	0.75	6.70	0.75

By order of the Board

CHUA SOK MOOI
(MAICSA 0777524)
Company Secretary

28 May 2008
Kuala Lumpur