MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2008

Announcement

The Board of Directors of MEASAT Global Berhad ('MEASAT Global' or 'Company') hereby announces the following unaudited interim consolidated results for the fourth and year ended 31 December 2008.

Unaudited Interim Consolidated Income Statements

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31.12.2008	QUARTER ENDED 31.12.2007 (As restated)	**YEAR ENDED 31.12.2008**	YEAR ENDED 31.12.2007 (As restated)
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Revenue	8	**53,416**	46,556	**195,946**	187,256
Cost of services		**(26,873)**	(34,591)	**(108,618)**	(127,334)
Gross profit		**26,543**	11,965	**87,328**	59,922
Other operating income		**1,175**	1,413	**4,637**	5,599
Selling and administrative expenses:					
- Foreign exchange translation differences		**1,023**	(1,458)	**7,784**	(3,005)
- Others		**(12,784)**	(10,197)	**(43,885)**	(39,151)
Profit from operations	8	**15,957**	1,723	**55,864**	23,365
Finance cost :					
- Interest and finance charges		**(9,883)**	(13,428)	**(42,012)**	(59,418)
- Foreign exchange translation differences		**(2,592)**	29,512	**(51,297)**	54,014
Profit/(loss) from ordinary activities before taxation		**3,482**	17,807	**(37,445)**	17,961
Taxation	17	**(421)**	(1)	**(693)**	755
Profit/(loss) for the financial period		**3,061**	17,806	**(38,138)**	18,716
Earnings per share (sen):					
- Basic	26	**0.79**	4.57	**(9.78)**	4.80

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.

MEASAT GLOBAL BERHAD
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INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2008

Unaudited Interim Consolidated Balance Sheet

	Note	AS AT 31.12.2008 (Unaudited) RM'000	AS AT 31.12.2007 (Restated) RM'000
Non-Current Assets			
Property, Plant and Equipment		**1,315,484**	1,316,478
Goodwill		**1,186,589**	1,186,589
Deferred Taxation		**2,187**	2,873
		2,504,260	2,505,940
Current Assets			
Trade and Other Receivables		**28,847**	22,331
Deposits with Licensed Banks		**7,567**	15,352
Cash and Bank Balances		**121,853**	73,332
		158,267	111,015
Current Liabilities			
Other Payables	22	**116,830**	56,825
Borrowings (secured and interest bearing)	21	**803,136**	90,287
Taxation		**621**	621
		920,587	147,733
Net Current Libilities		**(762,320)**	(36,718)
Non-Current Liabilities			
Borrowings (secured and interest bearing)		**-**	671,035
Other Payables	22	**178,571**	196,680
		178,571	867,715
		1,563,369	1,601,507
Capital and Reserves			
Share Capital		**304,148**	304,148
Reserves			
- Merger Reserve		**554,802**	554,802
- General Reserves		**15,899**	15,899
- Retained Earnings		**688,520**	726,658
		1,563,369	1,601,507
		RM	RM
Net Assets per share attributable to ordinary equity holders of the Company		**4.01**	4.11

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.

MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2008

Unaudited Interim 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 31/12/2008						
Balance as at 1 January 2008 (As previously stated)	389,933	304,148	554,802	15,899	726,658	1,601,507
-Loss for the financial year	-	-	-	-	(38,138)	(38,138)
Balance as at 31 December 2008	389,933	304,148	554,802	15,899	688,520	1,563,369
Year ended 31/12/2007						
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
-Profit for the financial year (As restated)	-	-	-	-	18,716	18,716
Balance as at 31 December 2007	389,933	304,148	554,802	15,899	726,658	1,601,507

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.

MEASAT GLOBAL BERHAD
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QUARTERLY REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2008

Unaudited Interim Consolidated Cash Flow Statement

	CUMULATIVE QUARTER	
	Period Ended 31.12.2008 (Unaudited)	Period Ended 31.12.2007 (Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the financial year	**(38,138)**	18,716
Adjustments for :		
- Depreciation of property, plant and equipment	**88,539**	115,158
- Taxation	**693**	(755)
- Interest income	**(2,034)**	(3,120)
- Interest and finance charges	**42,012**	59,418
- Unrealised foreign exchange loss/(gain)	**37,007**	(43,333)
- Realised foreign exchange loss/(gain) on borrowings	**5,929**	(8,085)
-Gain from disposal of property plant and equipment	**-**	(23)
	134,008	137,976
Increase in trade and other receivables	**(6,838)**	(4,658)
Increase/(Decrease) in trade and other payables	**51,564**	(28,302)
Net cash from operations	**178,734**	105,016
-Interest income received	**2,027**	3,151
-Taxes refund	**789**	3
Net cash flow from operating activities	**181,550**	108,170
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(73,599)**	(148,209)
Proceeds from disposal of property, plant and equipment	**6**	329
Net cash flow used in investing activities	**(73,593)**	(147,880)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from drawdown of borrowings	**(6,308)**	86,948
Increase in debt service reserve accounts	**(35,536)**	(15,612)
Interest expense paid	**(48,253)**	(55,173)
Other payable	**(20,533)**	(1,130)
Payment of quarterly commitment fees	**(755)**	(2,165)
Net cash flow used in financing activities	**(111,385)**	12,868
Net increase/(decrease) in cash and cash equivalents	**(3,428)**	(26,842)
Currency translation differences	**8,628**	(2,920)
Cash and cash equivalents at beginning of the period	**25,066**	54,828
Cash and cash equivalents at end of the period	**30,266**	25,066
Deposits with licensed banks	**7,567**	15,352
Cash and bank balances	**121,853**	73,332
	129,420	88,684
Deposit in debt service reserve accounts	**(99,154)**	(63,618)
	30,266	25,066

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

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 December 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:

	Before restatement RM'000	Effect of change in policy RM'000	Restated RM'000
Balance sheet At 1 January 2007			
Retained earnings	676,779	31,163	707,942
Deferred taxation liability/(asset)	28,290	(31,163)	(2,873)
At 31 December 2007			
Retained earnings	718,495	8,163	726,658
Deferred taxation liability/(asset)	5,290	(8,163)	(2,873)

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

1. Basis of preparation (continued)

	Before restatement RM'000	Effect of change in policy RM'000	Restated RM'000
Income statement Year ended 31 December 2007			
Taxation	23,755	(23,000)	755
Net profit for the financial year	41,716	(23,000)	18,716

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.

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

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 quarter ended 31 December 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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2008	QUARTER ENDED 31/12/2007	**YEAR ENDED 31/12/2008**	YEAR ENDED 31/12/2007
	RM'000	RM'000	**RM'000**	RM'000
Revenue				
Satellite operations	**53,416**	46,556	**195,946**	187,256
Segment Results				
Satellite operations	**14,784**	310	**51,331**	18,012
Rental income	**622**	570	**2,486**	2,233
Interest income	**551**	843	**2,034**	3,120
Waiver of debt	**-**	-	**13**	-
Profit from operations	**15,957**	1,723	**55,864**	23,365

9. Valuations of property, plant and equipment

There were no revaluations of property, plant and equipment during the quarter ended 31 December 2008. As at 31 December 2008, 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 quarter ended 31 December 2008.

12. Contingent liabilities and contingent assets

a) 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 appealed against MCMC's decisions that the Group be liable to make payment towards the USP Fund pursuant to the Communications and Multimedia Act 1998 (the "Act") and the USP Regulations.

In view of the opinion received, the Directors are of the view that no provision for this liability is required.

b) On 3 September 2008, PT Ayunda Prima Mitra ("PT APM"), a limited liability company, commenced proceedings ("Suit") in the South Jakarta District Court, Indonesia ("Court") against the Group's wholly-owned subsidiary, MEASAT Satellite Systems Sdn Bhd ("MEASAT") and 12 other defendants.

PT APM is seeking (i) to prohibit MEASAT from ceasing the provision of transponder capacity on the MEASAT-2 satellite to PT First Media Tbk, an affiliate company of PT APM; (ii) to prohibit MEASAT from entering into any cooperation with another party relating to subscriber pay TV in Indonesia; and, (iii) compensation from the defendants on a joint and several liability basis.

The Group's Indonesian counsel has advised:
(i) that the Suit lacks proper legal basis; and
(ii) that PT APM has no legal standing to make any claim against MEASAT.

13. Capital commitments

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

	RM'000
Approved and contracted for	90,400
Approved but not contracted for	4,400
	94,800

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 2008") against the immediate preceding quarter ("3Q 2008").

The Group's results for 4Q 2008, as compared to 3Q 2008, were impacted by:

- Continued growth of customer base: 4Q 2008 saw an increase in revenues from the expansion of the Group's M-3 video distribution business, and the Group's African telecommunications business.

- Foreign exchange translation effect: The quarter saw a slight appreciation of the USD against the Ringgit. This appreciation led to (i) a lower foreign exchange translation gain on USD held deposits of RM0.2 million (compared to RM8.8 million in 3Q 2008); and, (ii) a lower foreign exchange translation loss on USD denominated borrowings of RM2.6 million (compared to a loss of RM59.4 million in 3Q 2008).

- Completion of M2 depreciation: During the quarter, the Group completed the depreciation of the M-2 satellite asset.

As a result of the above, the Group's revenue increased from RM51.2 million in 3Q 2008 to RM53.4 million in 4Q 2008, while profit from operations decreased slightly from RM22.9 million to RM16.0 million. Despite the fall in operational performance, the Group's profit after tax increased from a loss of RM44.8 million in 3Q 2008 to a profit of RM3.1 million in 4Q 2008 due to lower foreign exchange translation losses. The profit after tax of RM3.1 million in 4Q 2008 included a foreign exchange translation loss of RM2.6 million on USD denominated borrowings during the period.

With the Group's financing largely denominated in USD, changes in the USD:Ringgit exchange rate continue to lead to the recognition of unrealized foreign exchange translation effects on a quarterly basis. Given that the Group's revenues are also denominated in USD, over the life of the satellite such effects will largely cancel each other out, and will not impact the satellite's underlying business case.

(B) Review of performance of the current year-to-date ("YTD 4Q 2008") against the preceding year-to-date ("YTD 4Q 2007").

A comparison of performance YTD 4Q 2008 against YTD 4Q 2007 reflects the ramp-up of M-3 operations; the re-tasking of M-1/M-2 into new operational roles; and, the full depreciation of M-1 in 4Q 2007.

As a result of the above, the Group's profit from operations increased from RM23.4 million in YTD 4Q 2007 to RM55.9 million in YTD 4Q 2008. As a result of the appreciation of the USD against the Ringgit, however, the Group's profit before tax fell from a profit of RM18.0 million in YTD 4Q 2007 to a loss of RM37.4 million in YTD 4Q 2008. Over the same period, the Group's profit after tax fell from a profit of RM18.7 million in YTD 4Q 2007 to a loss of RM38.1 million in YTD 4Q 2008.

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 2008") against the corresponding preceding quarter ("4Q 2007").

A comparison of performance of 4Q 2008 against 4Q 2007 reflects the impact on the business of the re-configuration of the satellite network and of fluctuations in the USD:Ringgit exchange rate.

As a result of the above, the Group's profit from operations increased from RM1.8 million in 4Q 2007 to RM16.0 million in 4Q 2008. Despite this increase, the Group's profit before tax decreased from a profit of RM17.8 million in 4Q 2007 to RM3.5 million in 4Q 2008, while the Group's profit after tax decreased from a profit of RM17.8 million to a profit of RM3.1 million over the same period. These changes were largely due to a higher translation loss on USD denominated borrowings.

15. Prospects relating to financial year 2009

Group results for the financial year 2009 will benefit from the full year impact of revenues and earnings derived from the M-3 operation. However, launch and initial operating costs related to M-3a, which is expected to be launched in mid 2009, will impact overall Group's earnings. Additionally, the financial performance for 2009 is expected to be impacted by the movement of the USD:Ringgit exchange rate.

Overall, the Board expects that there will be revenue growth as capacity gets filled, but is concerned that the onset of recessionary conditions, and the continuing tight credit conditions, could materially impact results for the financial year ending 31 December 2009.

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 31/12/2008	QUARTER ENDED 31/12/2007	**YEAR ENDED 31/12/2008**	YEAR ENDED 31/12/2007
	RM'000	RM'000	**RM'000**	RM'000
		(As restated)		(As restated)
In respect of current period:				
Malaysian income tax				
- Current	**(2)**	(1)	**(7)**	755
Deferred taxation				
- Current	**(419)**	0	**(686)**	0
	(421)	(1)	**(693)**	755

The current income tax of the Group is in relation to tax charge on rental income. There is no taxation charge in respect of business income due to the utilisation of capital allowances and investment allowances. The tax savings for the quarter ended 31 December 2008 arising from the utilisation of the capital allowances and investment allowances amounted to RM28.6 million.

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

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. Borrowings (Secured and interest bearing)

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

	Total as at 31/12/2008	RM Facilities	USD Facilities	
	RM'000	RM'000	USD'000	RM'000 equivalent
Syndicated Term Loan Facilities	**210,134**	**86,300**	**35,749**	**123,834**
Export Credit Agency Loan Facilities	**593,002**	**-**	**171,190**	**593,002**
	803,136	**86,300**	**206,939**	**716,836**

The borrowings represent an equivalent sum of RM825.6 million, less unamortised costs of RM22.5 million. These are secured against assets of a subsidiary and a corporate guarantee from the Company.

As at 31 December 2008, the Group has not met certain covenants stipulated under the terms of the borrowings. This was largely attributed to (i) delay in the launch of M-3a; and (ii) the unrealised foreign exchange translation loss. Accordingly, under the requirements of FRS 101 – Presentation of Financial Statements, the borrowings have been classified as current liabilities.

The Group has written to the lenders to seek their indulgence on the same and is currently awaiting their approvals. Separately, the Group has appointed a financial adviser to assist in restructuring the terms of the borrowings.

22. Other payables

	Total as at 31.12.08 RM'000
Current liability	
Performance incentives	**34,260**
	34,260
Non current liability	
Performance incentives	**137,003**
Deferred payment	**41,568**
	178,571
Total	**212,831**

Included in other payables are unsecured performance incentives (“PI”) of USD49.4 million (equivalent to RM171.3 million) and a deferred payment of USD12.0 million (equivalent to RM41.6 million), for M-3.

USD38.9 million (equivalent to RM134.9 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.

USD10.5 million (equivalent to RM36.4 million) of the PI bears interest at 7% per annum payable in arrears commencing 25 January 2007 and repayable in 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.

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

a) Interest rate swap (“IRS”)
IRS agreements with a total notional principal of USD105 million.

b) Cross currency swap (“CCS”)
CCS agreements with total notional principal of RM130 million.

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

24. Changes in material litigation

On 3 September 2008, PT Ayunda Prima Mitra ("PT APM"), a limited liability company, commenced proceedings ("Suit") in the South Jakarta District Court, Indonesia ("Court") against the Group’s wholly-owned subsidiary, MEASAT Satellite Systems Sdn Bhd ("MEASAT") and 12 other defendants.

PT APM is seeking (i) to prohibit MEASAT from ceasing the provision of transponder capacity on the MEASAT-2 satellite to PT First Media Tbk, an affiliate company of PT APM; (ii) to prohibit MEASAT from entering into any cooperation with another party relating to subscriber pay TV in Indonesia; and, (iii) compensation from the defendants on a joint and several liability basis.

The matter first came up for hearing on 18 December 2008 during which the presiding judges directed all parties to the Suit to proceed to mediation (a mandatory process prescribed under the Indonesian procedural rules). On 16 February 2009, the mediator concluded the mediation session following which the chairman of the presiding judges ordered that the case be returned to the presiding judges for hearing on 3 March 2009.

25. Dividends

No dividends have been recommended or declared for the current quarter ended 31 December 2008.

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

26. 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 31/12/2008	QUARTER ENDED 31/12/2007 (As restated)	**PERIOD ENDED 31/12/2008**	PERIOD ENDED 31/12/2007 (As restated)
Profit/(Loss) for the financial period (RM'000)	**3,061**	17,807	**(38,138)**	18,716
Weighted average number of ordinary shares in issue ('000)	**389,933**	389,933	**389,933**	389,933
Basic earnings per share (sen)	**0.79**	4.57	**(9.78)**	4.80

By order of the Board

CHUA SOK MOOI
(MAICSA 0777524)
Company Secretary

20 February 2009
Kuala Lumpur