MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

Announcement

The Board of Directors of MEASAT Global Berhad ('MEASAT Global' or 'Company') hereby announces the following unaudited interim consolidated results for the first quarter ended 31 March 2009.

Unaudited Interim Consolidated Income Statements

		INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
		QUARTER ENDED 31.03.2009	QUARTER ENDED 31.03.2008	**PERIOD ENDED 31.03.2009**	PERIOD ENDED 31.03.2008
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Revenue	8	**54,055**	43,138	**54,055**	43,138
Cost of services		**(21,548)**	(28,061)	**(21,548)**	(28,061)
Gross profit		**32,507**	15,077	**32,507**	15,077
Other operating income		**834**	1,152	**834**	1,152
Selling and administrative expenses:					
- Foreign exchange translation differences		**3,975**	(2,266)	**3,975**	(2,266)
- Others		**(11,887)**	(9,674)	**(11,887)**	(9,674)
Profit from operations	8	**25,429**	4,289	**25,429**	4,289
Finance cost :					
- Interest and finance charges		**(9,153)**	(10,818)	**(9,153)**	(10,818)
- Foreign exchange translation differences		**(50,297)**	32,648	**(50,297)**	32,648
				-	
(Loss)/Profit from ordinary activities before taxation		**(34,021)**	26,119	**(34,021)**	26,119
Taxation	17	**(7,460)**	(1)	**(7,460)**	(1)
(Loss)/Profit for the financial period		**(41,481)**	26,118	**(41,481)**	26,118
(Loss)/Earnings per share (sen):					
- Basic	26	**(10.64)**	6.70	**(10.64)**	6.70

The unaudited interim consolidated income statement should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2008.

MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

Unaudited Interim Consolidated Balance Sheet

	Note	AS AT 31.03.2009 (Unaudited) RM'000	AS AT 31.12.2008 (Audited) RM'000
Non-Current Assets			
Property, Plant and Equipment		**1,303,521**	1,315,484
Prepaid lease		**1,483**	740
Goodwill		**1,186,589**	1,186,589
Deferred Taxation		**183,683**	191,141
		2,675,276	2,693,954
Current Assets			
Trade and Other Receivables		**37,333**	28,082
Prepaid lease		**26**	25
Deposits with Licensed Banks		**17,273**	7,567
Cash and Bank Balances		**109,452**	121,853
		164,084	157,527
Current Liabilities			
Other Payables	22	**103,313**	116,830
Borrowings (secured and interest bearing)	21	**843,825**	803,136
Taxation		**621**	621
		947,759	920,587
Net Current Libilities		**(783,675)**	(763,060)
Non-Current Liabilities			
Other Payables	22	**180,759**	178,571
		180,759	178,571
		1,710,842	1,752,323
Capital and Reserves			
Share Capital		**304,148**	304,148
Reserves			
- Merger Reserve		**554,802**	554,802
- General Reserves		**15,899**	15,899
- Retained Earnings		**835,993**	877,474
		1,710,842	1,752,323
		RM	RM
Net Assets per share attributable to ordinary equity holders of the Company		**4.39**	4.49

The unaudited interim consolidated balance sheet should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2008.

MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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)
Period ended 31/3/2009						
Balance as at 1 January 2009	389,933	304,148	554,802	15,899	877,474	1,752,323
-Net Loss for the financial period	-	-	-	-	(41,481)	(41,481)
Balance as at 31 March 2009	389,933	304,148	554,802	15,899	835,993	1,710,842
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	-	-	-	-	197,117	197,117
Balance as at 1 January 2008 (As restated)	389,933	304,148	554,802	15,899	915,612	1,790,461
-Net Profit for the financial period	-	-	-	-	26,118	26,118
Balance as at 31 March 2008	389,933	304,148	554,802	15,899	941,730	1,816,579

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 2008.

MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

Unaudited Interim Consolidated Cash Flow Statement

	CUMULATIVE QUARTER	
	Period Ended 31.03.2009	Period Ended 31.03.2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the financial period	**(41,481)**	26,118
Adjustments for :		
- Depreciation of property, plant and equipment	**16,043**	22,568
- Taxation	**7,460**	1
- Interest income	**(212)**	(518)
- Interest and finance charges	**10,538**	10,818
- Unrealised foreign exchange loss/(gain)	**46,249**	(30,479)
- Realised foreign exchange loss/(gain) on borrowings	**381**	(10)
- Asset written-off	**-**	1
- Gain from disposal of property plant and equipment	**(1)**	-
	38,977	28,499
Increase in trade and other receivables	**(9,649)**	(1,322)
Decrease in trade and other payables	**(17,624)**	(8,652)
Net cash from operations	**11,704**	18,525
-Interest income received	**257**	521
-Taxes paid	**(2)**	-
Net cash flow from operating activities	**11,959**	19,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(2,116)**	(25,413)
Net cash flow used in investing activities	**(2,116)**	(25,413)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayments)/proceeds from drawdown of borrowings	**(1,384)**	20,532
(Decrease)/Increase in debt service reserve accounts	**(3,587)**	1,357
Interest expense paid	**(7,493)**	(7,379)
Payments to non-trade payables	**(7,226)**	(375)
Payment of quarterly commitment fees	**(88)**	(147)
Net cash flow (used in)/from financing activities	**(19,778)**	13,988
Net (decrease)/increase in cash and cash equivalents	**(9,935)**	7,621
Currency translation differences	**3,653**	(1,803)
Cash and cash equivalents at beginning of the period	**30,266**	25,066
Cash and cash equivalents at end of the period	**23,984**	30,884
Deposits with licensed banks	**17,273**	22,231
Cash and bank balances	**109,452**	70,913
	126,725	93,144
Deposit in debt service reserve accounts	**(102,741)**	(62,260)
	23,984	30,884

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 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 2008. The accounting policies adopted for the quarterly interim financial report as at 31 March 2009 are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2008

2. Qualification of preceding annual financial statements

There was no audit qualification to the proceeding annual audited financial statements of the Group. The audit report of the Group for the preceding annual financial statements, however, included an emphasis of matter on the basis of preparation of financial statements which discloses that the Group did not meet certain financial covenants stipulated under the terms of its borrowings mainly due to:
i) unrealised foreign translation losses; and,
ii) the delay of the MEASAT-3a launch.

Notwithstanding, the Directors are of the opinion that it is appropriate to prepare the financial statements of the Group as a going concern basis, having obtained a waiver of the breach of the financial covenants to enable continued drawdown, the appointment of a financial advisor to assist to restructure the terms of the borrowings and considering the fact that the Group is now proceeding with the launch of MEASAT-3a scheduled for June 2009.

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.

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

7. Dividends paid

There were no dividends paid during the quarter ended 31 March 2009.

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 31/3/2009	QUARTER ENDED 31/3/2008	**PERIOD ENDED 31/3/2009**	PERIOD ENDED 31/3/2008
	RM'000	RM'000	**RM'000**	RM'000
Revenue				
Satellite operations	**54,055**	43,138	**54,055**	43,138
Segment Results				
Satellite operations	**24,595**	3,137	**24,595**	3,137
Rental income	**622**	621	**622**	621
Interest income	**212**	518	**212**	518
Waiver of debt	**-**	13	**-**	13
Profit from operations	**25,429**	4,289	**25,429**	4,289

9. Valuations of property, plant and equipment

There were no revaluations of property, plant and equipment during the quarter ended 31 March 2009. As at 31 March 2009, 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 March 2009.

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

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 legal advice on the applicability of this requirement and has appealed against the MCMC's decisions that the Group be liable to make payment towards the USP Fund pursuant to the Communications and Multimedia Act 1998 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 against the Group's wholly-owned subsidiary, MEASAT Satellite Systems Sdn Bhd ("MEASAT") and 12 other defendants.

PT APM is seeking to (i) 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 that:
(i) the Suit lacks proper legal basis; and
(ii) PT APM has no legal standing to make any claim against MEASAT

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 2009 are as follows:

	RM'000
Approved and contracted for	111,500
Approved but not contracted for	8,700
	120,200

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 2009") against the immediate preceding quarter ("4Q 2008").

The Group's results for 1Q 2009, as compared to 4Q 2008, were impacted by the:

- Continued growth of the Group's customer base from the expansion of the M3 video distribution and African telecommunications businesses, which was partially offset by a reduction of capacity leased by a key Indonesian customer;
- Appreciation of the USD against the Ringgit leading to (i) higher foreign exchange translation gain on USD held deposits of RM4.0 million (compared to RM1.0 million in 4Q 2008); (ii) higher reported Group's revenue of RM1.6 million and, (iii) higher foreign exchange translation loss on USD denominated borrowings and performance incentives of RM50.3 million (compared to a loss of RM2.6 million in 4Q 2008). The impact from the appreciation in the USD has effectively reduced the earnings per share of the Group by 11.6 sen in 1Q 2009.
- Completion of M2 depreciation in 4Q 2008.

As a result of the above, the Group's revenue increased from RM53.4 million in 4Q 2008 to RM54.1 million in 1Q 2009, while profit from operations increased from RM16.0 million to RM25.4 million. Despite the improvement in operational performance, the Group's profit after tax decreased from a profit of RM3.1 million in 4Q 2008 to a loss of RM41.5 million in 1Q 2009. The loss after tax of RM41.5 million included (i) foreign exchange translation loss of RM50.3 million on USD denominated borrowings performance incentives and (ii) the reversal of a deferred tax asset of RM7.5 million recognized during the quarter.

While the Group continues to recognise unrealised foreign exchange translation effects on a quarterly basis, given that 96% of the revenue contracted and 92% of the Group's debt and performance incentives are denominated in USD, the Group operates with a natural hedge against movements in the USD:Ringgit exchange rate.

(B) Review of performance of the current quarter ("1Q 2009") against the corresponding preceding quarter ("1Q 2008").

A comparison of performance of 1Q 2009 against 1Q 2008 reflects the impact on the business of the growth of the M3 customer base; the completion of the depreciation of the M2 satellite; and, the fluctuations in the USD:Ringgit exchange rate.

As a result of the above, the Group's profit from operations increased from RM4.3 million in 1Q 2008 to RM25.4 million in 1Q 2009. Despite this increase, the Group's profit after tax decreased from a profit of RM26.1 million in 1Q 2008 to a loss of RM41.5 million in 1Q 2009. This change was largely due to (i) higher translation loss from USD denominated borrowings and performance incentives and (ii) a reversal of deferred tax asset during the quarter attributable to temporary difference relating to property, plant and equipment, particularly Measat-3.

The impact from the foreign translation differences has reduced the earnings per share of the Group by 19.0 sen during this period.

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 2009

The Group's result for the financial year 2009 will benefit from the full year impact of revenues and earnings from M3 operations, but will be partially offset by the launch and initial operating costs related to M3a which is expected to be launched mid 2009.

The financial performance for 2009 is also expected to be impacted by the current economic conditions which could likely result in slower take-up of capacity; and by the movement of the USD:Ringgit exchange rate.

16. Variance to profit forecast

Not applicable.

17. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/3/2009	QUARTER ENDED 31/3/2008	**PERIOD ENDED 31/3/2009**	PERIOD ENDED 31/3/2008
	RM'000	RM'000	**RM'000**	RM'000
In respect of current period:				
Malaysian income tax				
- Current	**(2)**	(1)	**(2)**	(1)
Deferred taxation				
- Current	**(7,458)**	0	**(7,458)**	0
	(7,460)	(1)	**(7,460)**	(1)

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 saving for the quarter ended 31 March 2009 arising from the utilisation of the capital allowances and investment allowances amounted to RM41.5 million.

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 March 2009 are as follows:

	Total as at 31/3/2009	RM Facilities	USD Facilities	
	RM'000	RM'000	USD'000	RM'000 equivalent
Syndicated Term Loan Facilities	**217,349**	**86,352**	**35,919**	**130,997**
Export Credit Agency Loan Facilities	**626,476**	**-**	**171,778**	**626,476**
	843,825	**86,352**	**207,697**	**757,473**

The borrowings represent an equivalent sum of RM864.6 million, less unamortised costs of RM20.8 million. These are secured against assets of a subsidiary and a corporate guarantee from the Company.

The Group has continued to work with the financial adviser to assist in restructuring the terms of borrowings to take into account the i) delay in launch of M3a; and ii) the unrealised foreign exchange translation loss.

Accordingly under the requirements of FRS 101 – Presentation of Financial Statements, the borrowings are continued to be classified as a current liability.

The Group is currently in discussion with the lenders to restructure the terms of the borrowings. On 15 April 2009, the lenders granted a waiver from the said financial covenants, thus enabling the Group to further drawdown on the borrowings.

22. Other payables

	Total as at 31/3/2009 RM'000
Current liability	
Performance incentives	**36,110**
	36,110
Non current liability	
Performance incentives	**136,995**
Deferred payment	**43,764**
	180,759
Total	**216,869**

Included in other payables are unsecured performance incentives (“PI”) of USD47.5 million (equivalent to RM173.1 million) and a deferred payment of USD12.0 million (equivalent to RM43.8 million), for M3.

USD37.1 million (equivalent to RM135.2 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.

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

22. Other payables (continued)

USD10.4 million (equivalent to RM37.9 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.

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 USD105 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 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 against the Group's wholly-owned subsidiary, MEASAT Satellite Systems Sdn Bhd ("MEASAT") and 12 other defendants.

PT APM is seeking to (i) 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 September 2008 during which the presiding judges directed all parties to the Suit to proceed to mediation (a mandatory process prescribed under the Indonesia procedural rules). On 16 February 2009, the mediator concluded the mediation following which the chairman of the presiding judges ordered that the case be returned to the presiding judges for hearing on 3 March 2009.

On 27 May 2009, MEASAT filed its Statement of Defense. The Suit has been adjourned to 3 June 2009, to allow PT APM to file its reply to the Statement of Defense.

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

25. Dividends

No dividends have been recommended or declared for the current quarter ended 31 March 2009.

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 31/3/2009	QUARTER ENDED 31/3/2008	**PERIOD ENDED 31/3/2009**	PERIOD ENDED 31/3/2008
(Loss)/Profit for the financial period (RM'000)	**(41,481)**	26,118	**(41,481)**	26,118
Weighted average number of ordinary shares in issue ('000)	**389,933**	389,933	**389,933**	389,933
Basic (loss)/earnings per share (sen)	**(10.64)**	6.70	**(10.64)**	6.70

By order of the Board

CHUA SOK MOOI
(MAICSA 0777524)
Company Secretary

28 May 2009
Kuala Lumpur