MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2009

Announcement

The Board of Directors of MEASAT Global Berhad ('MEASAT Global' or 'Company') hereby announces the following unaudited interim consolidated results for the second quarter ended 30 June 2009.

Unaudited Interim Consolidated Income Statements

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30.06.2009	QUARTER ENDED 30.06.2008	**PERIOD ENDED 30.06.2009**	PERIOD ENDED 30.06.2008
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Revenue	8	**54,981**	48,146	**109,036**	91,284
Cost of services		**(19,520)**	(26,777)	**(41,068)**	(54,838)
Gross profit		**35,461**	21,369	**67,968**	36,446
Other operating income		**876**	1,188	**1,710**	2,340
Selling and administrative expenses:					
- Foreign exchange translation differences		**(3,133)**	994	**842**	(1,272)
- Others		**(16,867)**	(10,844)	**(28,754)**	(20,518)
Profit from operations	8	**16,337**	12,707	**41,766**	16,996
Finance cost :					
- Interest and finance charges		**(8,756)**	(11,072)	**(17,909)**	(21,890)
- Foreign exchange translation differences		**32,495**	(21,918)	**(17,802)**	10,730
				-	
Profit/(Loss) from ordinary activities before taxation		**40,076**	(20,283)	**6,055**	5,836
Taxation	17	**(3,048)**	(2,233)	**(10,508)**	(2,234)
Profit/(Loss)for the financial period		**37,028**	(22,516)	**(4,453)**	3,602
Earnings/(Loss)per share (sen):					
- Basic	26	**9.50**	(5.77)	**(1.14)**	0.92

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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2009

Unaudited Interim Consolidated Balance Sheet

	Note	AS AT 30.06.2009 (Unaudited) RM'000	AS AT 31.12.2008 (Audited) RM'000
Non-Current Assets			
Property, Plant and Equipment		**1,398,195**	1,315,484
Prepaid lease		**1,477**	740
Goodwill		**1,186,589**	1,186,589
Deferred Taxation		**180,636**	191,141
		2,766,897	2,693,954
Current Assets			
Trade and Other Receivables		**33,928**	28,082
Prepaid lease		**26**	25
Deposits with Licensed Banks		**9,763**	7,567
Cash and Bank Balances		**102,836**	121,853
		146,553	157,527
Current Liabilities			
Other Payables	22	**158,060**	116,830
Borrowings (secured and interest bearing)	21	**839,282**	803,136
Taxation		**621**	621
		997,963	920,587
Net Current Lilibilities		**(851,410)**	(763,060)
Non-Current Liabilities			
Other Payables	22	**167,617**	178,571
		167,617	178,571
		1,747,870	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		**873,021**	877,474
		1,747,870	1,752,323
		RM	RM
Net Assets per share attributable to ordinary equity holders of the Company		**4.48**	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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 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 30/6/2009						
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	-	-	-	-	(4,453)	(4,453)
Balance as at 30 June 2009	389,933	304,148	554,802	15,899	873,021	1,747,870
Period ended 30/6/2008						
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	-	-	-	-	3,602	3,602
Balance as at 30 June 2008	389,933	304,148	554,802	15,899	730,260	1,605,109

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
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QUARTERLY REPORT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2009

Unaudited Interim Consolidated Cash Flow Statement

	CUMULATIVE QUARTER	
	Period Ended 30.06.2009 (Unaudited)	Period Ended 30.06.2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the financial period	**(4,453)**	3,602
Adjustments for :		
- Depreciation of property, plant and equipment	**32,113**	45,199
- Taxation	**10,508**	2,234
- Interest income	**(466)**	(1,086)
- Interest and finance charges	**17,105**	21,890
- Unrealised foreign exchange loss/(gain)	**14,218**	(8,864)
- Realised foreign exchange loss/(gain) on borrowings	**2,125**	(977)
- Allowance for doubtful debts	**30**	-
- Gain from disposal of property plant and equipment	**71**	-
	71,251	61,998
Increase in trade and other receivables	**(6,336)**	(1,452)
Decrease/(Increase) in trade and other payables	**36,637**	(4,700)
Net cash from operations	**101,552**	55,846
-Interest income received	**499**	1,101
-Taxes (paid)/refund	**(3)**	1
Net cash flow from operating activities	**102,048**	56,948
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(106,740)**	(54,113)
Net cash flow used in investing activities	**(106,740)**	(54,113)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from drawdown of borrowings	**18,896**	40,361
Increase/(Decrease) in debt service reserve accounts	**15,190**	(21,281)
Interest expense paid	**(17,662)**	(25,808)
Payments to non-trade payables	**(14,189)**	(6,813)
Payment of quarterly commitment fees	**(398)**	(372)
Net cash flow from/(used in) financing activities	**1,837**	(13,913)
Net decrease in cash and cash equivalents	**(2,855)**	(11,078)
Currency translation differences	**1,224**	(439)
Cash and cash equivalents at beginning of the period	**30,266**	25,066
Cash and cash equivalents at end of the period	**28,635**	13,549
Deposits with licensed banks	**9,763**	5,065
Cash and bank balances	**102,836**	93,383
	112,599	98,448
Deposit in debt service reserve accounts	**(83,964)**	(84,899)
	28,635	13,549

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 30 June 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 (M3a) 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, as the Group had appointed a financial advisor to assist in the restructuring of the terms of borrowings, obtained a waiver of the financial covenants to enable the withdrawal of excess Debt Service Reserve Account for working capital purposes, and considering the fact that the Group had successfully launched M3a on 22 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 30 June 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 30/6/2009	QUARTER ENDED 30/6/2008	**PERIOD ENDED 30/6/2009**	PERIOD ENDED 30/6/2008
	RM'000	RM'000	**RM'000**	RM'000
Revenue				
Satellite operations	**54,981**	48,146	**109,036**	91,284
Segment Results				
Satellite operations	**15,461**	11,518	**40,056**	14,655
Rental income	**622**	621	**1,244**	1,242
Interest income	**254**	568	**466**	1,086
Waiver of debt	**-**	-	**-**	13
Profit from operations	**16,337**	12,707	**41,766**	16,996

9. Valuations of property, plant and equipment

There were no revaluations of property, plant and equipment during the quarter ended 30 June 2009. As at 30 June 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 30 June 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") had 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 to be made.

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 ("M2") 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 30 June 2009 are as follows:

	RM'000
Approved and contracted for	1,100
Approved but not contracted for	5,800
	6,900

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 ("2Q 2009") against the immediate preceding quarter ("1Q 2009").

The Group's results for 2Q 2009, as compared to 1Q 2009, were largely impacted by:

- The depreciation of the USD against the Ringgit resulting in (i) a foreign exchange translation loss on USD held cash deposits of RM3.1 million (compared to a gain of RM4.0 million in 1Q 2009); and, (ii) a foreign exchange translation gain on USD denominated borrowings and performance incentives of RM32.5 million (compared to a loss of RM50.3 million in 1Q 2009); and,

- A one off additional expense of RM4.5 million related to the launch of the MEASAT-3a satellite.

Taking note of the above, the Group's revenue during the period increased from RM54.1 million in 1Q 2009 to RM55.0 million in 2Q 2009, whilst profit from operations decreased from RM25.4 million to RM16.3 million. The Group's profit before tax and profit after tax , however, reversed from a loss of RM34.0 million and RM41.5 million respectively in 1Q 2009, to a profit of RM40.0 million and RM37.0 million in 2Q 2009.

Removing the effects of the foreign exchange movements on the Group's USD denominated cash deposits and borrowings, the Group's profit from operations decreased slightly from RM21.4 million in 1Q 2009 to RM19.5 million in 2Q 2009, whilst profit after tax increased from RM4.8 million to RM 7.7 million.

While the Group continues to recognise unrealised foreign exchange translation effects on a quarterly basis, over the life of the satellite the Group operates with a natural hedge against movements in the USD:Ringgit exchange rate given that 96% of the revenue contracted and 92% of the Group's debt and performance incentives are denominated in USD. During 2Q 2009, however, the depreciation of the USD effectively increased the Group's earnings per share by 7.5 sen.

(B) Review of performance of the current year-to-date ("YTD 2Q 2009") against the preceding year-to-date ("YTD 2Q 2008").

A comparison of performance YTD 2Q 2009 against YTD 2Q 2008 reflects the ramp-up of M3 operations; the re-tasking of AFRICASAT-1 ("A1") and M2 into new operational roles; the full depreciation of M2 in 4Q 2008; and, the fluctuations in the USD:Ringgit exchange rate.

As a result of the above, the Group's profit from operations increased from RM17.0 million in YTD 2Q 2008 to RM41.8 million in YTD 2Q 2009, whilst profit before tax increased from RM5.8 million to RM6.1 million. The Group's profit after tax, however, fell from a profit of RM3.6 million in YTD 2Q 2008 to a loss of RM4.5 million YTD 2Q 2009.

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 ("2Q 2009") against the corresponding preceding year quarter ("2Q 2008").

A comparison of performance 2Q 2009 against 2Q 2008 reflects the ramp-up of M3 operations; the re-tasking of A1 and M2; the full depreciation of M2 in 4Q 2008; and, the fluctuations in the USD:Ringgit exchange rate.

As a result of the above, the Group's profit from operations increased from RM12.7 million in 2Q 2008 to RM16.3 million in 2Q 2009, whilst profit after tax reversed from a loss of RM22.5 million to a profit of RM37.0 million.

15. Prospects relating to financial year 2009

The Group's results for the financial year 2009 will benefit from the growth in revenue from the leasing of additional capacity on M3a, but will be partially offset by the additional costs associated with the new satellite. The financial performance for the year may be impacted by the current economic conditions which could result in a 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 30/6/2009	QUARTER ENDED 30/6/2008	**PERIOD ENDED 30/6/2009**	PERIOD ENDED 30/6/2008
	RM'000	RM'000	**RM'000**	RM'000
In respect of current period:				
Malaysian income tax				
- Current	**(1)**	(1)	**(3)**	(2)
Deferred taxation				
- Current	**(3,047)**	(2,232)	**(10,505)**	(2,232)
	(3,048)	(2,233)	**(10,508)**	(2,234)

The current income tax of the Group is in relation to tax charge on rental income. The tax charge for the quarter ended 30 June 2009 are due to the utilisation of capital allowances previously recognized as deferred tax assets.

The effective tax rate for the quarter/period ended 30 June 2009 is different from the Malaysian Tax Rate of 25% due to the tax effects of the foreign exchange translations on USD denominated borrowings in the quarter/period.

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.

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

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 (Secured and interest bearing)

The details of the borrowings as at 30 June 2009 are as follows:

	Total as at 30/6/2009	RM Facilities	USD Facilities	
	RM'000	RM'000	USD'000	RM'000 equivalent
Syndicated Term Loan Facilities	**315,031**	**71,204**	**69,220**	**243,827**
Export Credit Agency Loan Facilities	**524,251**	**-**	**148,829**	**524,251**
	839,282	**71,204**	**218,049**	**768,078**

The borrowings represent an equivalent sum of RM861.9 million, less unamortised costs of RM22.6 million. These are secured against assets of a subsidiary and a corporate guarantee from the Company. On 22 May 2009, the Group has further drawndown on the borrowings to finance the M3a launch, after it was granted waiver from the covenants by the lenders on 15 April 2009.

As at 30 June 2009, the Group has not met the financial covenants stipulated under the terms of the borrowings, attributable to unfavorable foreign exchange translation. The Group, with its financial adviser's assistance, is continuing its discussions with the lenders to restructure the terms of the borrowings, to take into account the impact from unrealised foreign exchange translation. Accordingly, under the requirements of FRS 101 - Presentation of Financial Statements, the borrowings continued to be classified as a current liability.

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

22. Other payables

	Total as at 30/6/2009 RM'000
Current liability	
Performance incentives	**34,880**
	34,880
Non current liability	
Performance incentives	**125,347**
Deferred payment	**42,270**
	167,617
Total	**202,497**

Included in other payables are unsecured performance incentives ("PI") of USD45.5 million (equivalent to RM160.2 million) and a deferred payment of USD12.0 million (equivalent to RM42.3 million), for M3.

USD35.2 million (equivalent to RM124.1 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.

USD10.3 million (equivalent to RM36.1 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.

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

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 M2 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.

Following several hearings and adjournments, on 27 May 2009, MEASAT proceeded to file its Statement of Defense. The Suit was then adjourned to 3 June 2009, to allow PT APM to file its reply to the Statement of Defense. During the last hearing held on 4 August 2009, PT APM made a new request to file additional documentary evidence. The request was granted by the Panel of Judges whereby the hearing was then adjourned to 25 August 2009 to allow the defendants to file their additional documentary evidence in view of PT APM’s new documentary evidence. On 25 August 2009, the hearing was further adjourned to 1 September 2009, in the absence of the chairman of the Panel of Judges.

25. Dividends

No dividends have been recommended or declared for the current quarter ended 30 June 2009.

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 30/6/2009	QUARTER ENDED 30/6/2008	**PERIOD ENDED 30/6/2009**	PERIOD ENDED 30/6/2008
Profit/(Loss) for the financial period (RM'000)	**37,028**	(22,516)	**(4,453)**	3,602
Weighted average number of ordinary shares in issue ('000)	**389,933**	389,933	**389,933**	389,933
Basic earnings/(loss) per share (sen)	**9.50**	(5.77)	**(1.14)**	0.92

By order of the Board

CHUA SOK MOOI
(MAICSA 0777524)
Company Secretary

28 August 2009
Kuala Lumpur