



# XINHUA FINANCE

Bridging China's Financial Markets and the World

3<sup>rd</sup> Quarter 2007 Results Announcement  
*November 2007*

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### YTD Q3 2007 Results Overview

- Investment in the business to take advantage of China growth opportunities
- Continued integration and leveraging of the business
- Expansion of distribution platform in China, strengthened by recent acquisitions



## IFRS Results - YTD Q3 2007 vs previous year

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### YTD Q3 2007 Compared to YTD Q3 2006 IFRS

<i>US\$ millions / JPY millions</i>	YTD Q307	YTD Q306	Variance % Year over Year
Revenue	180.7 ¥20,854	125.1 ¥14,436	44%
Proforma EBITDA	38.3 ¥4,426	24.3 ¥2,810	57%
EBITDA	26.1 ¥3,010	19.7 ¥2,276	32%
Net Income	85.9 ¥9,913	15.8 ¥1,823	444%

*Proforma EBITDA is EBITDA plus non-cash ESOP expenses and excluding one time items.*



## JGAAP Results - YTD Q3 2007 vs previous year

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### YTD Q3 2007 Compared to YTD Q3 2006 JGAAP

<i>US\$ millions / JPY millions</i>	YTD Q307	YTD Q306	Variance % Year over Year
Revenue	180.7 ¥20,854	125.1 ¥14,436	44%
Proforma EBITDA	37.8 ¥4,366	24.8 ¥2,857	53%
EBITDA	18.8 ¥2,173	20.1 ¥2,317	-6%
Net Income	80.3 ¥9,265	10.3 ¥1,192	677%

*Proforma EBITDA is EBITDA plus non-cash ESOP expenses and recurring non operating income and excluding one time items.*



## Reconciliation of IFRS EBITDA to JGAAP EBITDA

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### Reconciliation of IFRS EBITDA to JGAAP EBITDA YTD Q3 2007

*US\$ millions*

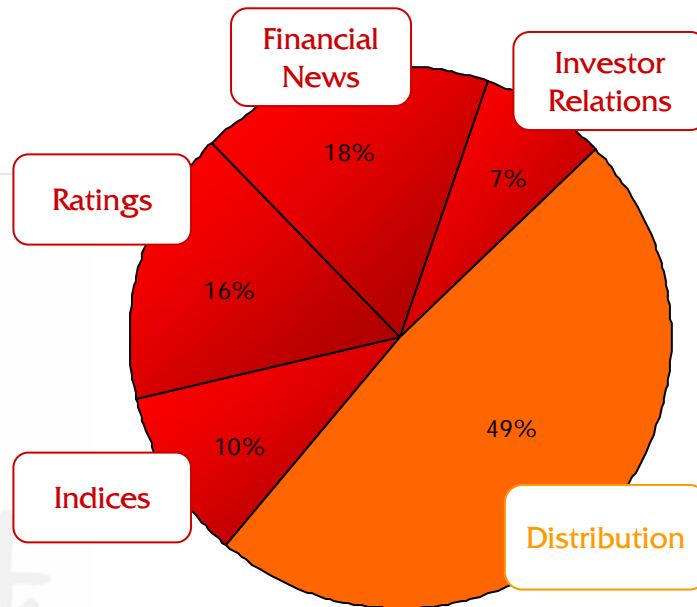
<b>EBITDA under IFRS</b>	<b>26.1</b>
Interest income	(7.6)
Other income / expenses (net)	(5.4)
Non cash revaluation loss on XFMedia convertible loan	5.7
<b>EBITDA under JGAAP</b>	<b>18.8</b>



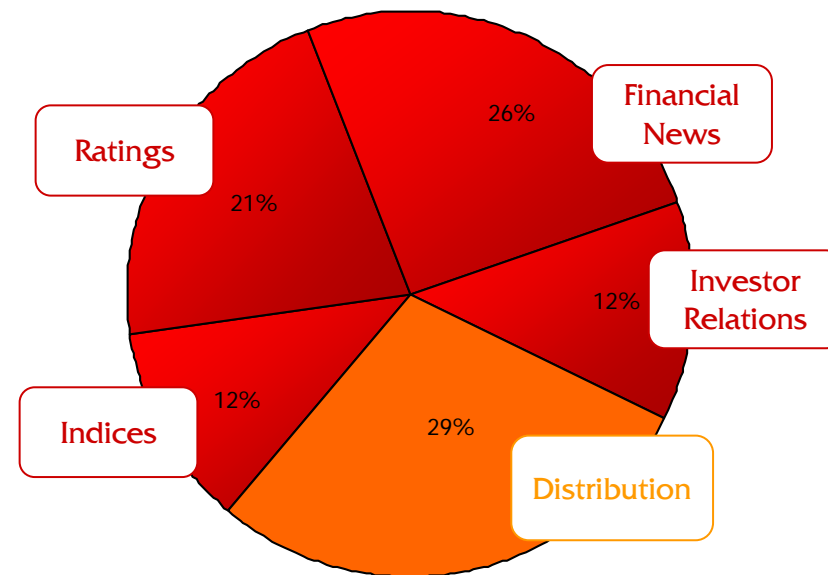
## YTD Q3 2007 Results: Service Line Breakdown

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YTD Q3 2007 Revenue  
Total: \$180.7mn



YTD Q3 2006 Revenue  
Total: \$125.1mn



*Note: Breakdown figures are internal management estimates only which have not been audited or reviewed. Methodologies for calculating service line breakdown are subject to adjustment and may be revised from time to time due to changes in business situation.*

*Proforma EBITDA under IFRS shown here. Proforma EBITDA is EBITDA plus non-cash ESOP expenses and excluding one time items.*

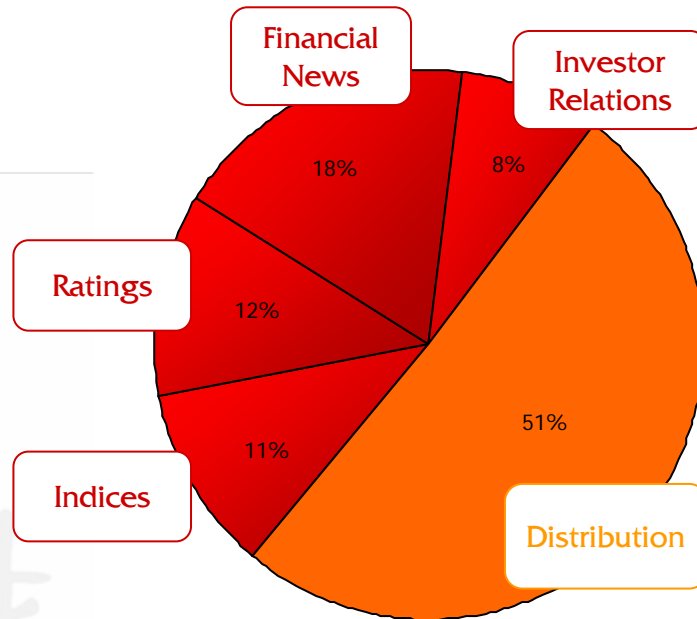


# YTD Q3 2007 Results: Continuing Operations only (1)

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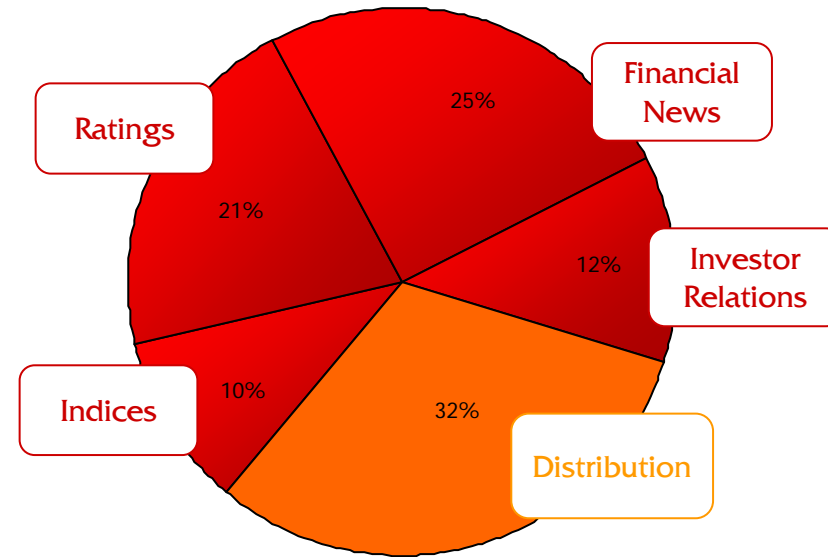
### YTD Q3 2007 Revenue

Total: \$172.0 mn



### YTD Q3 2006 Revenue

Total: \$114.6 mn



(1) To facilitate a more appropriate comparison of our service lines year on year, the Company has decided to exclude discontinued operations that ceased to operate since last year due either to disposal or dissolution.

Note: Breakdown figures are internal management estimates only which have not been audited or reviewed. Methodologies for calculating service line breakdown are subject to adjustment and may be revised from time to time due to changes in business situation.

Proforma EBITDA under IFRS shown here. Proforma EBITDA is EBITDA plus non-cash ESOP expenses and excluding one time items.

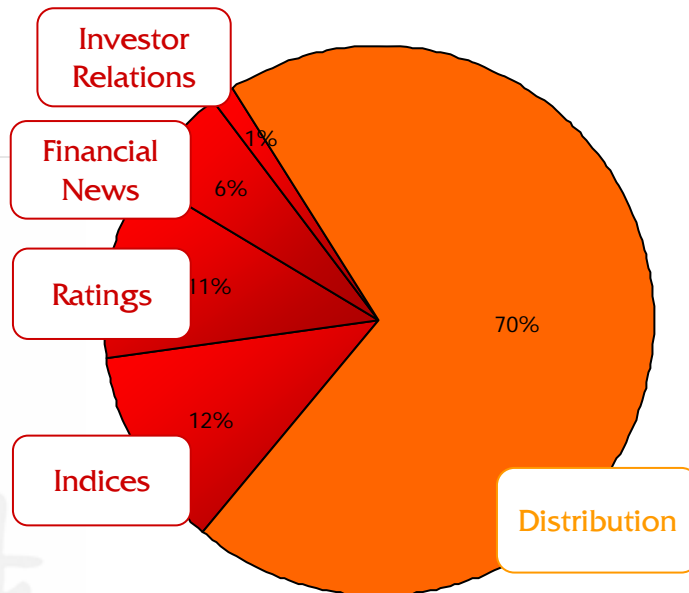


# YTD Q3 2007 Results: Continuing Operations only (1)

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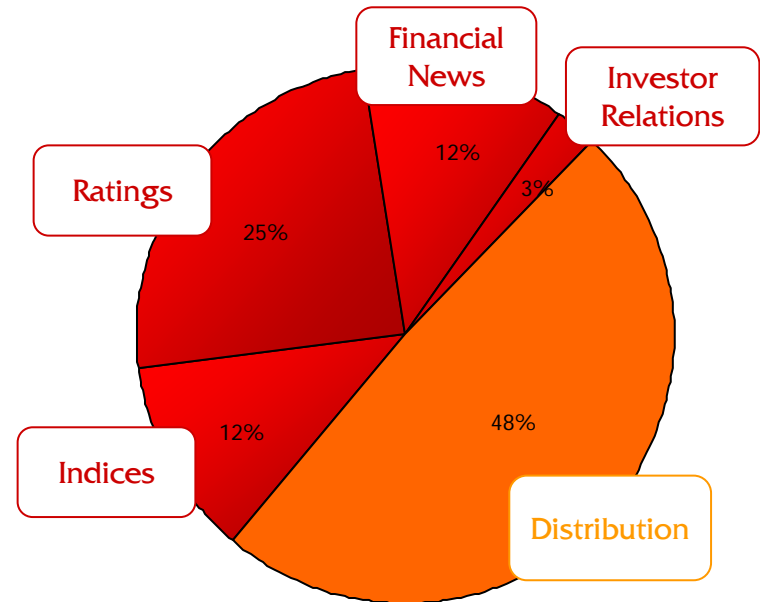
## YTD Q3 2007 Pro forma EBITDA

Total: \$38.0 mn



## YTD Q3 2006 Pro forma EBITDA

Total: \$18.7 mn



(1) To facilitate a more appropriate comparison of our service lines year on year, the Company has decided to exclude discontinued operations that ceased to operate since last year due either to disposal or dissolution.

Note: Breakdown figures are internal management estimates only which have not been audited or reviewed. Methodologies for calculating service line breakdown are subject to adjustment and may be revised from time to time due to changes in business situation.

Proforma EBITDA under IFRS shown here. Proforma EBITDA is EBITDA plus non-cash ESOP expenses and excluding one time items.



## Performance of continuing operations (1)

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### YTD Q3 2007 Compared to YTD Q3 2006

*US\$ millions*

	YTD Q307	YTD Q306	Growth %
<b>Overall Operations</b>			
Revenue	180.7	125.1	44%
Proforma EBITDA	38.3	24.3	57%
<b>Continuing Operations</b>			
Revenue	172.0	114.6	50%
Proforma EBITDA	38.0	18.7	103%

(1) To facilitate a more appropriate comparison of our service lines year on year, the Company has decided to exclude discontinued operations that ceased to operate since last year due either to disposal or dissolution.

*Note: Breakdown figures are internal management estimates only which have not been audited or reviewed. Methodologies for calculating service line breakdown are subject to adjustment and may be revised from time to time due to changes in business situation.*

*Proforma EBITDA under IFRS shown here. Proforma EBITDA is EBITDA plus non-cash ESOP expenses and excluding one time items.*



## Progress in Q3 2007 Across All Service Lines

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### Indices

- China indices followed by more funds, with total AUM (benchmarking or tracking) increasing to US\$108 bn at 3Q07 vs US\$27 bn a year ago
  - China indices benchmarked by more China-based funds, up to est. \$95 bn at end of 3Q07
  - China indices tracked by \$13 bn ETFs at end of 3Q07
- ETFs globally tracking our U.S. indices now up to \$4 bn at end of 3Q07
- Launched the Treasury Ladder 30 Year Index, the 6th index that PowerShares has based an ETF on

### Ratings

- Appointed Dr. Chen Chung-Hsing as head of its Ratings Service Line and vice-chairman of Shanghai Far East Credit Ratings

### Financial News

- Enhanced coverage of Forex Bullet Points with additional reports on forex related to emerging currencies
- Consistently reported key stories ahead of the competition such as August 22nd PBoC interest rate hike

### Investor Relations

- XPRN becomes first to provide 24-hour corporate announcement distribution services in China
- Corporate announcements volume increases 11% in 3Q07 versus 2Q07
- XPRN's journalist number increased to 7,500 at 3Q07, from 6,500 in 2Q07
- IR consulting project for Giant Interactive Group's NYSE listing (pre to post-IPO IR)



### Solutions

- Chosen by Fermat, global top Risk Management System provider, to be its exclusive sales agency in greater China because of our strong sales network

### Media

- Television: all six Fortune China financial TV programs recorded highest ratings in all time in August or September on NMTV
- New Media: mobile interactive services signs two contracts to provide mobile platform for key financial information providers in Beijing and Shenzhen
- Magazines: EconWorld launched new magazine Insurance China, targeting VIP clients of Chinese banks and insurance companies
- Research: Conducted research project on consumption behavior of platinum credit card holders for one of China's largest banks



## Balance Sheet Items

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### Balance Sheet items under IFRS (US\$ millions)

*US\$ millions*

	<b>Q307</b>	<b>Q306</b>
Cash <sup>(1)</sup>	227.3	93.9
Total Assets	1,119.8	606.5
Total Liabilities	444.7	182.3
Total Long Term Debt	101.3	34.4
Shareholder's Equity	675.1	424.2

*(1) Cash includes cash and bank balances, pledged deposits, foreign exchange linked notes and less bank overdrafts*



## Balance Sheet Items

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### Balance Sheet items under JGAAP (US\$ millions)

*US\$ millions*

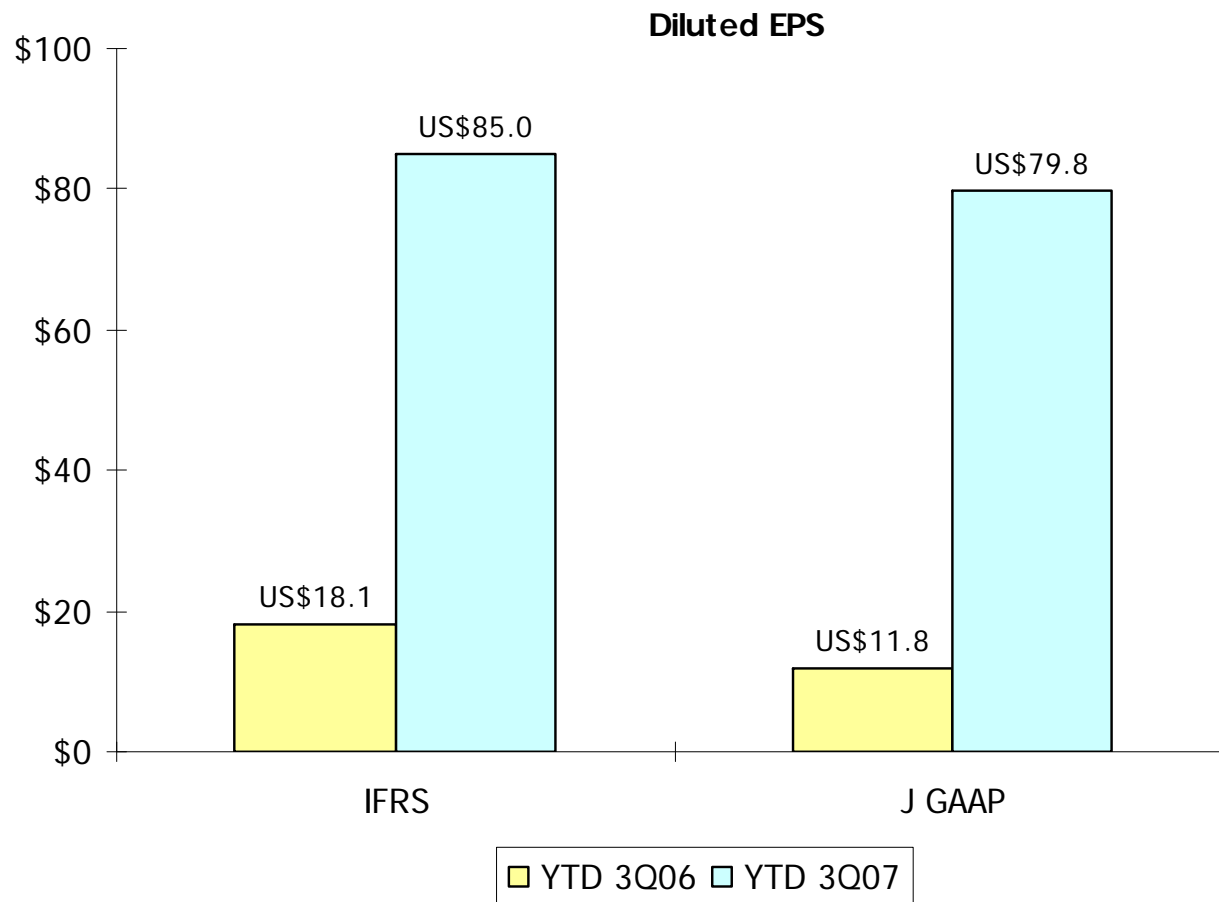
	Q307	Q306
Cash <sup>(1)</sup>	237.9	100.3
Total Assets	1047.8	578.2
Total Liabilities	422.0	172.1
Total Long Term Debt	100.5	44.4
Shareholder's Equity	625.8	406.1

*(1) Cash includes cash and bank balances, pledged deposits, foreign exchange linked notes and less bank overdrafts*



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### YTD Q3 2007 Compared to YTD Q3 2006 Diluted EPS





## IFRS Forecast - YTD Q3 2007 against Full Year Forecast

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### YTD Q3 2007 Actual Compared to Full Year Forecast IFRS

<i>US\$ millions / JPY millions</i>	YTD Q307	Full Year 2007F	% Achieved
Revenue	180.7 ¥20,854	260.0 ¥28,600	69%
Proforma EBITDA	38.3 ¥4,426	60.5 ¥6,657	63%
EBITDA	26.1 ¥3,010	46.6 ¥5,124	56%
Net Income	85.9 ¥9,913	57.3 ¥6,298	150%

*Proforma EBITDA is EBITDA plus non-cash ESOP expenses and excluding one time items.*



## JGAAP Forecast - YTD Q3 2007 against Full Year Forecast

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### YTD Q3 2007 Actual Compared to Full Year Forecast JGAAP

<i>US\$ millions / JPY millions</i>	YTD Q307	Full Year 2007F (1)	% Achieved
Revenue	180.7 ¥20,854	260.0 ¥28,600	69%
Proforma EBITDA	37.8 ¥4,366	60.4 ¥6,648	63%
EBITDA	18.8 ¥2,173	32.0 ¥3,520	59%
Net Income	80.3 ¥9,265	32.0 ¥3,520	251%

(1) Reforecast on November 15, 2007:

Forecast for EBITDA was revised downwards from EBITDA of US\$44.4 to EBITDA of US\$32.0m

Forecast for Operating Income was revised downwards from Operating Income of US\$6.7m to Operating Loss of US\$10m

Proforma EBITDA is EBITDA plus non-cash ESOP expenses and recurring non operating income and excluding one time items.



### Looking forward

- Investing in the business to take advantage of growth in China
- Integrating and leveraging the business
- Building leading distribution platform in China



### Disclaimer:

During the course of this presentation, projections or other forward-looking statements regarding future events, including new product and service introductions, market acceptance of the Company's current products and services or future financial performance of the Company may be made. We wish to caution you that these statements are only predictions and that a number of factors could cause actual results, performance, achievements of the Company or industries in which it operates to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. We refer you to documents the Company files from time to time with the Tokyo Stock Exchange. These documents identify important factors that could cause actual events or results to differ materially from those contained in any forward-looking statements.