



XINHUA FINANCE

Bridging China's Financial Markets and the World

FY 2005 Results and 2006 Forecast Announcement
February 2006



Significantly Outperformed 2005 Forecasts...

	FY05 Actual	FY05 Market Forecast
Revenue	US\$110.0 mn	US\$105.7 mn
EBITDA	US\$18.8 mn	US\$16.7 mn
Net Income ⁽¹⁾	US\$-2.8 mn	US\$-3.0 mn
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Net Income (IFRS)	US\$10.3 mn	US\$9.0 mn

(1) Includes one-time commission charge of USD\$4.4 million for fundraising activities.

...of Both Top-line Growth and Profitability



Fundamental Business Growth in 2005...

-  Efficient integration of newly acquired companies and expanding business opportunities worldwide deliver record financial results
-  Demand for China-related financial information products generates significant client wins across all service lines
-  Positive developments in regulatory environment drives diversification of product portfolio and revenue streams

...Driven By Robust Demand for Our Services



Strong Business Growth in 2005 Sets Foundation...

2005 Results and 2006 Forecast

<i>US\$ millions</i>	2005 Actual	2006 Forecast ⁽²⁾	Growth %
Revenue	110.0	166.0	51%
EBITDA	18.8	25.6	36%
<i>EBITDA Margin %</i>	<i>17.1%</i>	<i>15.4%</i>	
Operating Income	3.5	9.4	171%
Ordinary Income	0.5	8.9	N/A
Net Income⁽¹⁾	(2.8)	1.1	N/A
<i>Net Margin %</i>		<i>0.7%</i>	

Net Income (IFRS)	10.3	13.8	35%
<i>Net Margin %</i>	<i>9.3%</i>	<i>8.3%</i>	

(1) Includes one-time commission charge of USD\$4.4 million for fundraising activities.

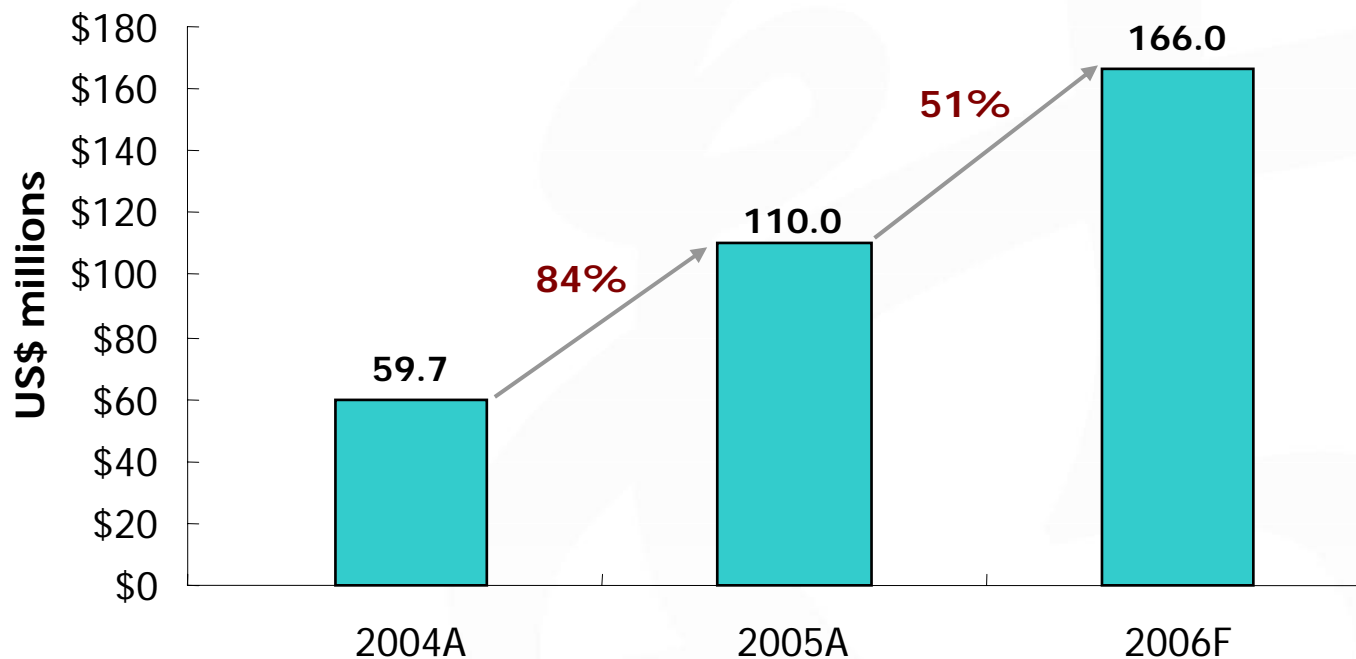
(2) Forecasts ("F") are management estimates only, figures have not been audited or reviewed.

...for Double Digit Top- and Bottom-line Growth in 2006



Continuing Trend of Powerful Revenue Growth

Revenue Trends for FY2004A-FY2006F⁽¹⁾

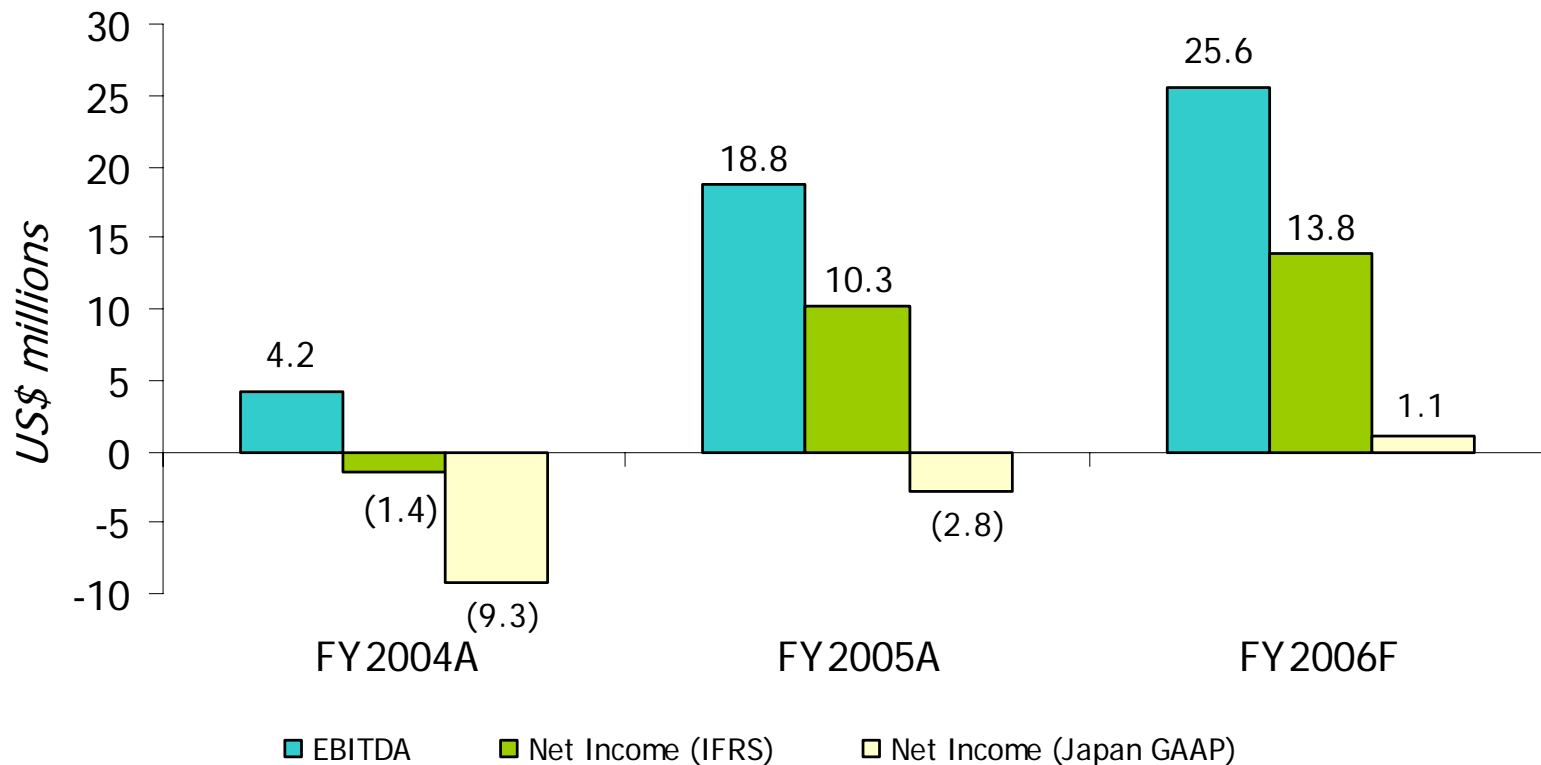


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Intense Management Focus on Profitability

EBITDA and Net Income Trends for FY2004A-FY2006F⁽¹⁾



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Continued Effective Execution...

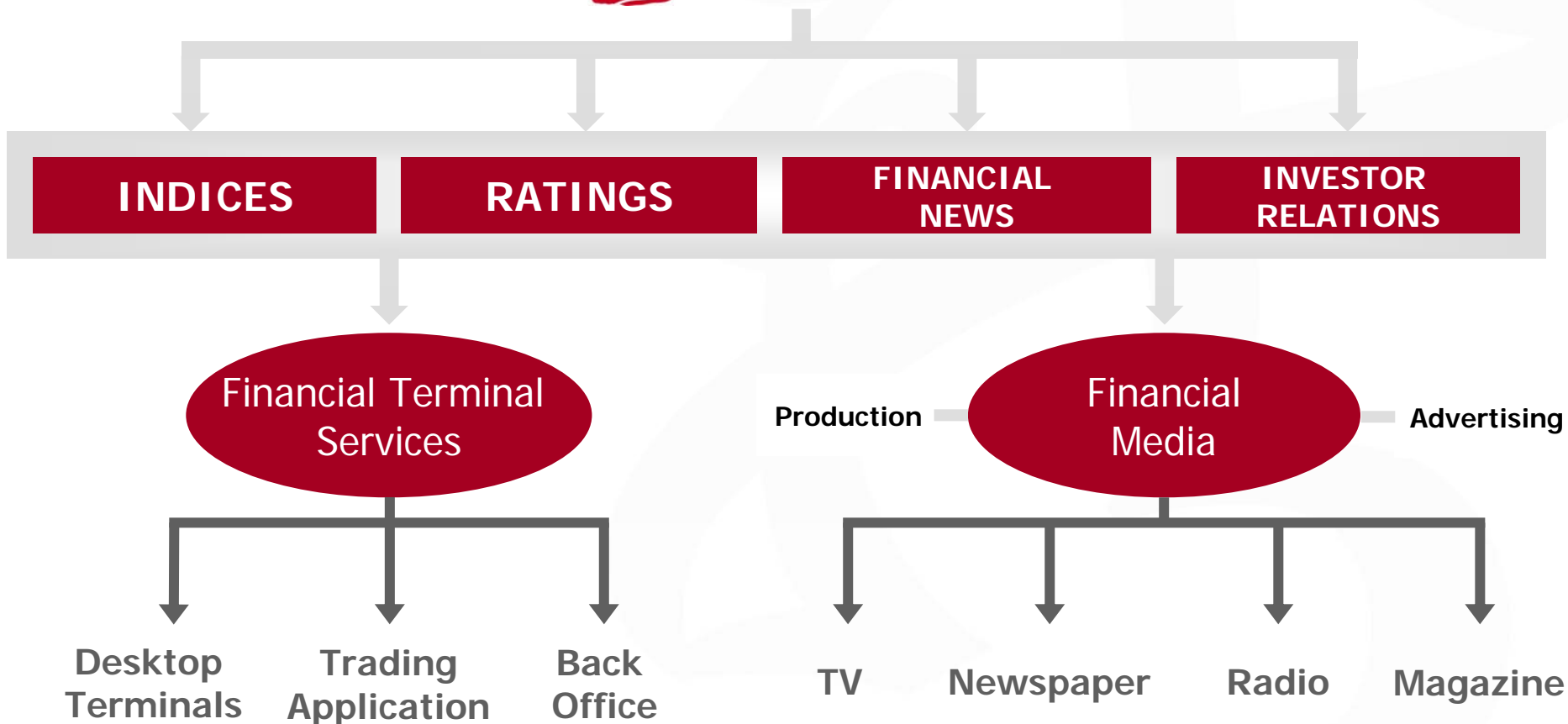
INDICES		RATINGS		FINANCIAL NEWS		INVESTOR RELATIONS	
CHINA/GLOBAL							
Measuring China's equity and bond markets		In-depth company rating and research		Financial markets news and analysis		Corporate and financial communications	
China Equity Index		China Ratings & Research		Equity News		Corporate Announcement	
China Bond Index		China Sector Analysis		Fixed Income/Forex News		Distribution	
Customized Indices		Corporate Data & Analysis		Market & News Analysis		Professional IR/PR Services	
		Economic Indicators					
DISTRIBUTION							
CHINA							
Leveraging proprietary content over multiple platforms							
Print/Publication		Financial terminals		Market Research		Advertising	
• EconWorld Media		Commodity & futures				• Ming Shing	
						• Beijing Century	

• Newly acquired in 2005; *acquired in 2006*

...to Realize Strategic Vision and Potential



Long Term Vision of Xinhua Finance...



...Is To Build and Acquire Platforms in China to Leverage Content



Advancing Strategically and Operationally...

- Driving top line growth through successful execution of management strategy while achieving significant bottom line profitability for FY2005
- Confident of achieving forecasts for full year 2006 based on core business growth and strategic vision
- Focused on extending distribution network in China and leveraging content and clients on multiple media platforms

...to Achieve Long-term Profitable Growth



Select Achievements



Continuing to Achieve Milestones...

INDICES

- US\$9.5 bn tracks our indices*:
 - \$6.9 bn on China indices (US\$2.5 bn in China-based funds, US\$4.4 bn in overseas-based funds)
 - US\$2.6 bn on U.S. indices (U.S.-based funds)
- Increased market share -12 new fund clients
- New indices: QDII HK Index, QDII HK ex-H Share Index, High Yield 150 Index, Insurance Investment Index
- Major clients: China Asset Mgmt, China Life, China Nature, CITIC Fund, LION Fund, China Nature Fund, and China International Fund
- 2 new Blackrock funds (U.S. and Canada) and 3 new Powershares ETFs tracking Dividend Achievers indices

* Management estimates only.

RATINGS

- Completed 110 company ratings and consulted on >30 China commercial paper ratings
- China Brokerage Sector Report predicted int'l investment trend in China brokerage firms:
 - UBS investment in Beijing Securities
 - Citigroup, HSBC, Morgan Stanley, CLSA, and ABN Amro all seeking targets
- First to assign money market fund rating in China (Prudential Everbright)
- Quoted widely in international media, e.g. FT, Int'l Herald Tribune, Bloomberg TV
- Developing Chinese/Korean language versions of online corporate database China Insight™

... As the Pioneers in Each of Our Service Lines



Continuing to Achieve Milestones...

FINANCIAL NEWS

- Consistently beating competition in terms of speed to market and quality
- Washington Analysis rated Institutional Investor Magazine's 2005 All-American Research Team
- New products tailored for the China market:
 - Xinhua G7 China Service, China Business Sentiment Survey, Daily China News Briefings, China Reality Check
- First to cover the yuan reevaluation:
 - In April 2005, our China Fiscal Policy Analysis predicted that the yuan would be revalued in the last week of July
 - First financial news agency to report, beating Reuters, Bloomberg and Dow Jones

INVESTOR RELATIONS

- Corporate announcements clients grew 85% with client retention rate of over 75%
- XPRN signs all NASDAQ-listed China companies and launches XPRN Investor Wire
- Taylor Rafferty expands in Korea and Tokyo and begins China expansion
- Taylor Rafferty signs major int'l clients: Mastercard, Vodafone, Intercontinental Hotels Group, Pernod Ricard, and Nikko Asset Mgmt
- Other major int'l/China clients: Disney HK, Texas Instruments, United Nations, Volvo, Hang Seng Bank, SAIC Motor, Geely Auto, and HiSense Electronics

... As the Pioneers in Each of Our Service Lines



Continuing to Achieve Milestones...

DISTRIBUTION

- Now producing three market update programs daily on the only bilingual radio channels in Beijing and Shanghai
- TV Consulting provided branding and consulting for CCTV's international channel and for the most popular TV show in China, on Hunan Satellite TV
- Econworld signs exclusive agreement with Shandong Economic Observer Co. Ltd to organize financial information seminars across China
- Econworld secured significant contracts:
 - Emperor Group, largest Hong Kong forex trader, SG, largest Hong Kong derivatives trader, and Hang Seng Bank
- MoneyJournal secured key advertisers such as Emirates, Audi, Remy Martin and Volkswagen

FINANCIAL TERMINALS

- Deployment of commodities and futures desktop terminal application
 - Now have 30% of brokers in China*
- Cooperative partnership with Kamakura Corporation, leading provider of enterprise wide risk management systems

* Management estimates only.

... As the Pioneers in Each of Our Service Lines



2006 IR Update



Pursuing Global Best Practice Investor Relations...

In FY2006, we plan to continue our IR efforts worldwide:

-  IR Roadshows planned in Tokyo, Asia, U.S., and Europe
-  Attend investor conferences to meet with potential shareholders globally
-  Hold institutional investor global conference calls after interim and full-year announcements
-  Retail seminars scheduled in the Japanese market

...in 2006 and Beyond