



XINHUA FINANCE

Bridging China's Financial Markets and the World

1st Quarter 2006 Results Announcement

May 2006



Profitability Under Japan GAAP Posted in 1st Quarter...

1st Quarter 2006 posts positive results

- Revenue of US\$37.4 mn achieved in 1st Quarter 2006
- EBITDA of US\$5.6 mn already 49% of 1st Half 2006 forecasted EBITDA
- Net profit under International GAAP and Japan GAAP of US\$3.6 mn and US\$0.9 mn respectively
- Confident of achieving 1st Half 2006 and Full Year 2006 forecasts

...with Continued IFRS Profitability



Profitability Under Japan GAAP Posted in 1st Quarter...

1st Quarter 2006 Actual Compared to 1st Quarter 2005 Actual

	1st Quarter 2006 Actual	1st Quarter 2005 Actual	1st Qtr 2006A/ 1st Qtr 2005A (%)
Revenue	US\$37.4 mn	US\$22.2 mn	68%
EBITDA (Int'l)	US\$5.8 mn	US\$3.1 mn	84%
EBITDA (J GAAP)	US\$5.6 mn	US\$3.1 mn	82%
Net Income (Int'l) ⁽¹⁾	US\$3.6 mn	US\$1.0 mn	273%
Net Income (J GAAP) ⁽¹⁾	US\$0.9 mn	US\$-0.8 mn	-

(1) Includes one-time gain of US\$0.6mn from the sale of a minority stake in a subsidiary to a strategic investor.

...with Continued IFRS Profitability



Strong 1st Quarter Results Provide Confidence...

1st Quarter 2006 Actual Compared to 1st Half 2006 Forecast

	1st Quarter 2006 Actual	1st Half 2006 Forecast	1st Qtr 2006 Actual/ 1st Half 2006 Forecast (%)
Revenue	US\$37.4 mn	US\$74.7 mn	50.0%
EBITDA (Int'l)	US\$5.8 mn	US\$11.5 mn	50.0%
EBITDA (J GAAP)	US\$5.6 mn	US\$11.5 mn	49.0%
Net Income (Int'l) ⁽¹⁾	US\$3.6 mn	US\$6.4 mn	56.6%
Net Income (J GAAP) ⁽¹⁾	US\$0.9 mn	US\$0.3 mn	315.0%

(1) Includes one-time gain of US\$0.6mn from the sale of a minority stake in a subsidiary to a strategic investor.

...For Achieving 1st Half Forecasts



Continuing to Achieve Milestones in 2006...

INDICES

- US\$12.1 bn tracks our indices*:
 - \$9.4 bn on China indices (US\$2.7 bn in China-based funds, US\$6.7 bn in overseas-based funds)
 - US\$2.7 bn on U.S. indices (U.S.-based funds)
- Singapore Stock Exchange to launch first internationally available futures contract based on FTSE/Xinhua China A50 index in Sep 2006
- PICC Asset Mgmt adopts Xinhua FTSE Insurance Inv't Index and China's National Social Sec. Fund adopts Xinhua FTSE A200
- Vanguard launches new ETF based on our Dividend Achievers index and NASDAQ Dividend Achievers Index launched
- Announces Xinhua Finance/Milken Institute China Indicators product

* Management estimates only, as of May 2006.

RATINGS

- Completed 8 corporate bond and commercial paper ratings in first quarter
- Added coverage for 6 additional companies based on client demand:
 - China Yangtze Power, Aluminum Corporation of China, Datang Int'l Power, China Shipping Development, Shanghai Municipal Raw Water, and Guangzhou Development Industry
- Asiamoney's cover story on the credibility of China's ratings agencies quotes Ratings MD Ivan Chung for reliable market expertise
- Expanding loan certificate ratings coverage nationally throughout China

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



Continuing to Achieve Milestones in 2006...

FINANCIAL NEWS

- Consistently beating competition in terms of speed to market and quality:
 - XFN/MNI first to report Wen Jia Bao quote regarding yuan reevaluation on March 14th
 - XFN/MNI first to report People's Bank of China's rate hike in April, ahead of other int'l agencies
- XFN/MNI China Business Sentiment Survey (published March 24) accurately predicted data released on April 20 by the Chinese gov't
- New client contracts with international financial institutions such as ABN Amro, Bear Stearns, Fidelity, Legg Mason, CITIC Capital, and Fubon Securities

INVESTOR RELATIONS

- Total 1st quarter 2006 corporate announcement volume increased 99% year on year
- Corporate announcements China distribution network expands to 2,600 media accessing 6,000 journalists (mostly added new journalists in business, tech and other trade media)
- XPRN ranked by Communications Monthly as one of the "12 Players in the PR industry of the Year" in China in 2005
- Taylor Rafferty establishes China/Hong Kong office to cover the Greater China markets and signs three new China clients, China Biopharmaceuticals, New Dragon Asia, and Harbin Manhattan Multi-line

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



Continuing to Achieve Milestones in 2006...

DISTRIBUTION

- Completes acquisition of Ming Shing, advertising agency in China, furthering financial media strategy
- Signs agreement with Economic Observer, a weekly Chinese financial and business newspaper, to publish the Xinhua FTSE stock index quotes in each issue
- Econworld signs exclusive agreement with Shandong Economic Observer to organize financial information seminars across China
- 3 daily market update programs on the only bilingual radio channels in Beijing & Shanghai

FINANCIAL TERMINALS

- Deployment of commodities and futures desktop terminal application
 - Now have 30% of brokers in China*
- Continuing to develop terminal applications for other areas such as foreign exchange

* Management estimates only.

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



Continued Effective Execution...

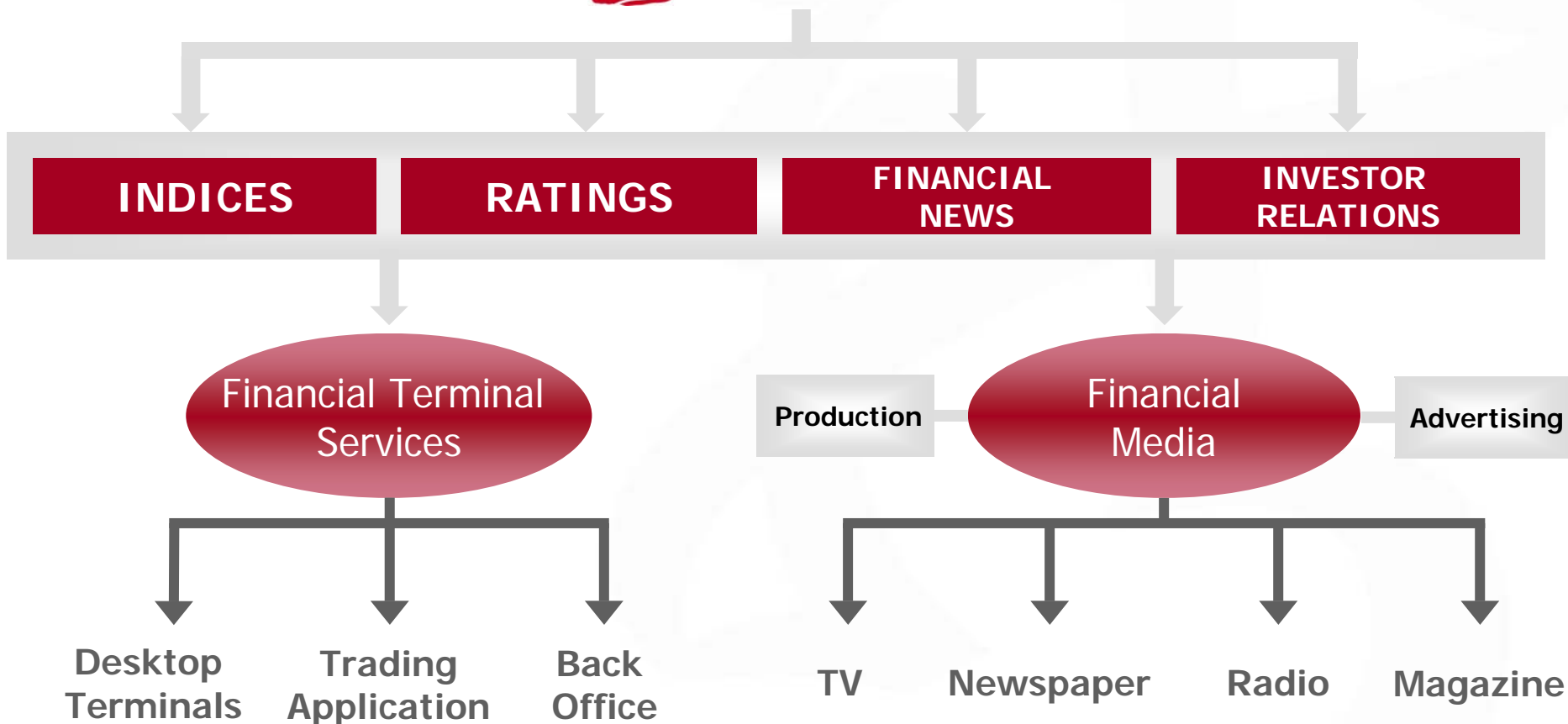
INDICES		RATINGS		FINANCIAL NEWS		INVESTOR RELATIONS	
CHINA/GLOBAL							
Measuring China's equity and bond markets		In-depth company rating and research		Financial markets news and analysis		Corporate and financial communications	
China Equity Index		China Ratings & Research		Equity News		Corporate 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 1st Quarter 2006
- ▣ 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