



[For Immediate Release]

**Xinhua Finance reports solid growth from all businesses
for the first nine months of 2006**

**Significant progress in
China distribution strategy and operational integration**

SHANGHAI, November 14, 2006 – Xinhua Finance (TSE Mothers: 9399 and OTC: XHFNY), China's premier financial information and media service provider, today announced, under International Financial Reporting Standards ("IFRS"), the consolidated results were revenue of US\$125.1 million, EBITDA of US\$19.7 million and net income of US\$15.8 million for the nine months ending September 30, 2006, representing increases of 64%, 68% and 227% respectively over the same period last year. Fully diluted earnings-per-share (EPS) reached US\$18.11, up from US\$7.38 for the nine months ending September 30, 2005.

Under IFRS, proforma results, adjusted to exclude non-cash ESOP expense and one-time items, were EBITDA of US\$24.3 million and net income of US\$12.1 million, showing solid growth of 107% and 149% respectively over prior year levels. Proforma IFRS adjusted EBITDA margin was 19% and net income margin was 10%, as compared to full year forecasts of 15.4% and 8.3%, respectively. The non-cash ESOP expense and one-time items are items that were unforeseen when preparing the Company's forecasts. The Company believes these proforma results may be helpful for understanding underlying operating and financial trends. In order to reflect the full year impact of non-cash ESOP expenses and one-time items to its 2006 projected net income, the Company has revised its net income forecast upward to US\$18.5 million from US\$13.8 million.

Xinhua Finance CEO Fredy Bush commented, "With the continued execution of our strategy and successful integration of new revenue streams, we have achieved another period of solid top- and bottom- line growth. Over the past eight fiscal quarters since our IPO, we have consistently delivered period after period of stable growth in line with or exceeding our financial targets. This established track record of strong financial performance demonstrates our ability to deliver value-added products and services to our global markets. It is also a testament to management's focused efforts to streamline operations and tightly control costs, which has translated directly into significant gains in our bottom line profit and EPS."

"I am pleased to report that all service lines are performing well while we continue our march along our key strategic initiatives. As the China distribution strategy takes hold and the

Distribution service line begins to stand on its own, we expect to see a further multiplying effect through our core service lines, as the generation of additional distribution channels drives greater value from our proprietary products and services. By all strategic, operational and financial measures, this has been another very successful quarter for Xinhua Finance.”

During the third quarter, Xinhua Finance further expanded the robustness of its core product offerings. As of the end of October, an estimated \$27.6 billion in assets under management benchmarks against or tracks the Xinhua FTSE Index Series worldwide. Several short-term bond ratings were issued during the period, including those for two leading Chinese pharmaceutical companies. In the period several significant operational milestones were attained including: Financial News reported its second-highest month of sales, Investor Relations made further inroads into the Asian market by signing ongoing advisory agreements with major Asian clients, and Stone & McCarthy Research Associates opened its Beijing office.

Xinhua Finance also strengthened the scope and impact of its China distribution platform. By leveraging its proprietary content, the Company created a special “Finance” section for distribution in the *Beijing Review* and *Economic Observer*, both of which are prominent media sources in China. The Company also established an integrated financial advertising and marketing platform across magazine, newspaper, radio and TV to better serve its customers and advertisers.

At the same time, the Company remains focused on continuously enhancing the efficiency of its operations. With such recent initiatives as the initiation of the Shared Service Center to provide back office financial processes for multiple Service Lines centrally, Xinhua Finance is maximizing the value of its growing and synergistic businesses.

ends

First Nine Months 2006 vs. First Nine Months 2005 (IFRS) – unit: USD mil.

	1st 9 Mo. 2006	1st 9 Mo. 2005	Change
Revenue	125.1	76.5	64%
EBITDA	19.7	11.8	68%
Net Income	15.8	4.8	227%

NOTE: The 2006 projected net income under IFRS is revised upward to US\$18.5 million from US\$13.8 million to reflect the full year impact of non-cash ESOP expenses and one-time items.

First Nine Month 2006 vs. First Nine Months 2005 (JGAAP) – unit: USD mil.

	1st 9 Mo. 2006	1st 9 Mo. 2005	Change
Revenue	125.1	76.5	64%
EBITDA	20.1	11.6	73%
Net Income	10.3	-1.0	N/A

NOTE: The 2006 projected net income under JGAAP is revised upward to US\$10.5 million from US\$1.1 million to reflect the full year impact of non-cash ESOP expenses and one-time items.

More Information:

Xinhua Finance

Hong Kong/Shanghai

Ms. Joy Tsang, +852 3196 3983, +852 9486 4364, +86 21 6113 5999,
joy.tsang@xinhuafinance.com

Japan

Mr. Sun Jiong, +81 3 3221 9500, jsun@xinhuafinance.com

Taylor Rafferty (Media/IR Contact)

Japan

Mr. James Hawrylak, +81 3 5444 2730, james.hawrylak@taylor-rafferty.com

United States

Ms. Ishviene Arora, +1 212 889 4350, ishviene.arora@taylor-rafferty.com

Europe

Mr. John Dudzinsky, +44 20 7614 2900, john.dudzinsky@taylor-rafferty.co.uk

Notes to Editors

About Xinhua Finance Limited

Xinhua Finance Limited is China's premier financial information and media service provider and is listed on the Mothers board of the Tokyo Stock Exchange (symbol: 9399) (OTC ADR: XHFNY). Bridging China's financial markets and the world, Xinhua Finance serves financial institutions, corporations and re-distributors through four focused and complementary service lines: Indices, Ratings, Financial News and Investor Relations. Founded in November 1999, the Company is headquartered in Shanghai with 20 news bureaus and offices in 19 locations across Asia, Australia, North America and Europe.

For more information, please visit www.xinhuafinance.com.