



[For Immediate Release]

Xinhua Finance reports financial results for the full fiscal year 2006

Continued execution of growth strategy delivers better-than-expected revenue and net income

SHANGHAI, February 15, 2007 – 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"), consolidated revenue of US\$175.0 million and net income of US\$18.7 million, which represented gains of 59% and 82% respectively over those of the last fiscal year. Fully diluted earnings-per-share (EPS) reached US\$20.14, up from US\$15.23 in 2005.

Following management's upward revision of projected net income in November 2006, both revenue and net income came in ahead of forecasts of US\$166.0 million and US\$18.5 million, respectively. Proforma EBITDA, adjusted to exclude non-cash ESOP expense and one-time items, was US\$32.4 million, with a margin of 18.5% which outpaced the full year forecast of 15.4%. Xinhua Finance provides proforma results to help investors better understand the Company's underlying operating and financial trends.

Xinhua Finance CEO Fredy Bush commented, "This is an exciting time for Xinhua Finance. As we have completed our second full fiscal year as a public company, our strategy for long-term profitable growth continues to drive top- and bottom-line gains year on year. I am pleased to report that both our revenue and net income for the fiscal year came in ahead of expectations. Most importantly, we have delivered on our promise to generate shareholder value by positioning our global operations to profit from China's internationalization."

"I am happy to see that the investments we have made in our core service lines generated encouraging results. As we extend our track record of financial and strategic success, we are continuing on our mission to bridge China's financial markets and the world."

Xinhua Finance continues to make strides across its service lines. The amount of assets tracking and benchmarking the Company's indices worldwide increased to over US\$53 billion, from just under US\$10 billion the end of fiscal year 2005 based on management estimates. Xinhua FTSE indices achieved the largest market share among benchmark indices in China, covering 46% of

all newly issued open-ended equity funds. The Ratings service line was further bolstered by the acquisitions of Glass Lewis and Praeidea (renamed Mergent Data Tech).

Xinhua Finance also launched several new products in Financial News, including China Bullet Points, China Mainwire and Daily China News briefings, and expanded its China news presence. In Investor Relations Service Line, both Xinhua PR Newswire and Taylor Rafferty opened new offices (in Shenzhen and Hong Kong, respectively) to accommodate their expansion in Greater China.

Xinhua Finance CFO Gordon Lau added, "Xinhua Finance prides itself in its ability to capitalize on opportunities to expand our business, while at the same time maintaining a focus on cost controls and bottom-line discipline. As a result, our fiscal year 2006 proforma EBITDA margin, a key measure of the profitability of our underlying businesses, was 18.5%, beating our forecasted margin by 3.1%. We continue to integrate our global operations and streamline our sales and marketing approach and have realized further synergies across the group through effective implementation of cross-selling initiatives."

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Fiscal Year 2006 vs. Fiscal Year 2005 (IFRS) – unit: USD million

	Fiscal Year 2006	Fiscal Year 2005	Change
Revenue	175.0	110.0	59%
EBITDA⁽¹⁾	23.3	21.2	10%
Net Income	18.7	10.3	82%

(1) EBITDA for FY2006 includes ESOP expense of US\$8.1 million. For FY2005, ESOP expense was US\$0.2 million.

Initial and Revised Forecasts vs. Fiscal Year 2006 (IFRS) – unit: USD million

	Actual		Forecasts	
	FY2006	Variance ⁽³⁾	Initial	Revised ⁽⁴⁾
Revenue	175.0	5%	166.0	166.0
EBITDA	32.4 ⁽²⁾	27%	25.6	25.6
Net Income	18.7	1%	13.8	18.5

(2) Proforma EBITDA excludes one time items and non cash ESOP expense. Xinhua Finance reports proforma results to help investors better understand the Company's underlying operating and financial trends.

(3) From revised forecasts

(4) Revised in November 2006

Fiscal Year 2006 (JGAAP) – unit: USD million

	Fiscal Year 2006
Revenue	175.0
EBITDA	24.7
Net Income	10.8

Fiscal Year 2007 Forecasts (IFRS) – unit: USD million

Revenue	228.7
EBITDA	37.4
Net Income	27.3

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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.

This is a press release to the public and should not be relied on as information to make an investment decision by any investor. Investors should read the Company's Securities Report filed to Tokyo Stock Exchange and consider the risk factors together with other information contained therein when making an investment decision. This press release contains some forward-looking statements that involve a number of risks and uncertainties. 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.