

[For Immediate Release]

Xinhua Finance announces adjustment in financial forecasts

SHANGHAI, August 12, 2010 – Xinhua Finance Limited (“XFL”, TSE Mothers: 9399), today announced that the Company has revised its consolidated financial forecasts for the first half of the year and the full year, which were made public on May 15th, 2010, at the time of the announcement of the Financial Results for the full year (from January 1 2009 to December 31, 2009) of Fiscal Year ended December 31, 2010

1. Adjustments in consolidated financial forecasts (Japan GAAP) for the first half of the year ended June 30, 2010 (January 1, 2010 – June 30, 2010)

(units: thousands of US\$ (millions of JP¥) except for %)

	Turnover	Operating Income/ (Loss △)	Ordinary Income/ (Loss △)	Net Income/ (Loss △)	Basic Earnings per share
Previous Projections ^{1,2} (A)	9,400 (832)	△5,676 (△502)	△2,143 (△190)	△2,116 (△187)	△1.40 (△123.55)
Revised Projections ¹ (B)	7,245 (641)	△6,220 (△550)	△1,675 (△148)	△1,994 (△176)	△1.32 (△116.41)
Difference (B - A)	△2,155 (△191)	△544 (△48)	468 (41)	122 (11)	0.08 (7.15)
Percent Change (%)	△22.9	—	—	—	—
<i>(for reference only)</i> Previous half year's Results ¹ (year ended Dec 31, 2009)	17,555 (1,553)	△1,885 (△167)	△12,053 (△1,066)	△18,507 (△1,638)	△12.43 (△1,099.43)

1. Exchange rate used: USD1 = JP¥88.48 based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of June 30, 2010.

2. The previously used exchange rate for December 30, 2009 forecast has been changed from: USD1 = JP¥92.10 to USD1 = JP¥88.48.

3. △Denotes loss.

2. Adjustments in consolidated financial forecasts (Japan GAAP) for the full year of 2010 ended December 31, 2010 (January 1, 2010 – December 31, 2010)

(units: thousands of US\$ (millions of JP¥) except for %)

	Turnover	Operating Income/ (Loss △)	Ordinary Income/ (Loss △)	Net Income/ (Loss △)	Basic Earnings per share
Previous Projections ^{1,2} (A)	22,510 (1,992)	△8,688 (△769)	△1,610 (△142)	△1,676 (△148)	△1.11 (△97.88)

Revised Projections (Not including the consideration from the selling of FXI)	17,593 (1,557)	△10,469 (△926)	△2,523 (△223)	△4,027 (△356)	△2.66 (△235.15)
Revised Projections ¹ (B) (Included the consideration from the selling of FXI)	17,593 (1,557)	△10,469 (△926)	△4,550 (△403)	26,844 (2,375)	17.72 (1,567.44)
Difference (B - A)	△4,917 (△435)	△1,781 (△158)	△2,940 (△260)	28,520 (2,523)	18.82 (1,665.32)
Percent Change (%)	△21.8	—	—	—	—
<i>(for reference only)</i> Previous Year's Results ¹ (year ended Dec 31, 2009)	32,717 (2,895)	△4,173 (△369)	△85,360 (△7,553)	△113,454 (△10,038)	△75.56 (△6,685.24)

1. Exchange rate used: USD1 = JPY88.48 based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of June 30, 2010.

2. The previously used exchange rate for December 30, 2009 forecast has been changed from: USD1 = JPY92.10 to USD1 = JPY88.48.

3. △Denotes loss.

4. Figures have been described for those including and not including the consideration from the selling of FXI. The Extraordinary Income could be posted subject to the approval by the shareholders of the Company at the Extraordinary General Meeting on 10th September. Please refer our announcement "Announcement of the sale of a company that was accounted for using the equity method and Extraordinary Income" for more information our announcement " on 7th July.

Note: Performance estimates are determined based on information currently available. Due to various unforeseen factors, actual performance may differ from estimates.

3. Reasons for the adjustments

Company has revised its consolidated financial forecasts for the first half of the year and full year,

First half year ended June 30th, 2010

The Company is revising its consolidated financial forecast for Turnover from US\$9,400 thousand (JP¥832 million) to US\$7,245 thousand (JP¥641 million) mainly due to delay of inception of new business.

The Company is revising its consolidated financial forecast for Operating Loss from US\$5,676 thousand (JP¥502 million) to a loss of US\$6,220 thousand (JP¥550 million) mainly due to less than expected gross profit from lower revenue.

The Company is revising its consolidated financial forecast for Ordinary Loss from US\$2,143 thousand (JP¥190 million) to US\$1,675 thousand (JP¥148 million). This is mainly due to the higher than expected foreign exchange gain.

The Company is revising its consolidated financial forecast for Net Loss from US\$2,116

thousand (JP¥ 187 million) to US\$1,994 thousand (JP¥ 176 million) mainly due to the reasons for lower Ordinary Loss mentioned above coupled with the unexpected gain on disposal of subsidiaries and impairment loss on property, plant and equipment

Full year ended December 31st, 2010

The Company is revising its consolidated financial forecast for Turnover from US\$22,510 thousand (JP¥ 1,992 million) to US\$17,593 thousand (JP¥ 1,557 million) mainly due to delay of inception of new business.

The Company is revising its consolidated financial forecast for Operating Loss from US\$8,688 thousand (JP¥ 769 million) to a loss of US\$10,469 thousand (JP¥ 926 million) mainly due to lower revenue and higher than expected legal and new business development expenses.

The Company is revising its consolidated financial forecast for Ordinary Loss from US\$1,610 thousand (JP¥ 142 million) to US\$4,550 thousand (JP¥ 403 million). This is mainly due to lower revenue and higher legal and new business development costs

The Company is revising its consolidated financial forecast for Net Loss from US\$1,676 thousand (JP¥ 148 million) to gain of US\$26,844 thousand (JP¥ 2,375 million). This is mainly due to the expected gain arising from disposal of the Company's interest in FTSE/Xinhua Index Limited in the third quarter.

<For Reference Only (IFRS)>

1. Adjustment in consolidated financial forecasts (IFRS) for the first half of the year ended June 30th, 2010 (January 1, 2010 –June 30, 2010)

(units: thousands of US\$ (millions of JP¥) except for %)

	Turnover	Net Income/ (Loss Δ)	EBITDA
Previous Projections ^{1,2} (A)	9,400 (832)	Δ2,138 (Δ189)	Δ5,103 (Δ452)
Revised Projections ¹ (B)	7,245 (641)	Δ2,000 (Δ177)	Δ4,266 (Δ377)
Difference (B - A)	Δ2,155 (Δ191)	138 (12)	837 (74)
Percent Change (%)	Δ22.9	—	—
<i>(for reference only)</i>			
Previous Half Year's Results ¹ (year ended Dec 31, 2009)	17,555 (1,553)	Δ 8,743 (Δ774)	485 (43)

1. Exchange rate used: USD1 = JP¥88.48 based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of June 30, 2010.

2. The previously used exchange rate for December 30, 2009 forecast has been changed from: USD1 = JP¥92.10 to USD1 = JP¥88.48.

3. ΔDenotes loss.

2. Adjustment in consolidated financial forecasts (IFRS) for the full year ended December 31, 2010 (January 1, 2010 – December 31, 2010)

(units: thousands of US\$ (millions of JP¥) except for %)

	Turnover	Net Income/ (Loss Δ)	EBITDA
Previous Projections ^{1,2} (A)	22,510 (1,992)	Δ1,721 (Δ152)	Δ7,524 (Δ666)
Revised Projections (Not including the consideration from the selling of FXI)	17,593 (1,557)	Δ4,032 (Δ357)	Δ7,406 (Δ655)
Revised Projections ¹ (B) (Included the consideration from the selling of FXI)	17,593 (1,557)	26,833 (2,374)	25,411 (2,248)
Difference (B - A)	Δ4,917 (Δ435)	28,554 (2,526)	32,935 (2,914)
Percent Change (%)	Δ22.8	—	—
<i>(for reference only)</i> Previous Year's Results ¹ (year ended Dec 31, 2009)	32,717 (2,895)	Δ111,763 (Δ9,889)	Δ19,016 (Δ1,683)

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Note: Performance estimates are determined based on information currently available. Due to various unforeseen factors, actual performance may differ from estimates.

Forward looking statements in this report are based on information available to management at the time this report was prepared. As such, they carry risks and uncertainties and actual results and events may differ significantly from the forecast. Investors are advised not to rely solely on business forecasts in this report for making investment decisions. Forecasts of business results will also be revised as and when considered necessary, in accordance with disclosure rules.

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More Information:

IR Contact

Shanghai

Mr. Chris Chiang, +86 21 3865 4506, chris.chiang@xinhuafinance.com

Tokyo

Mr. Takuo Hamada, +81 3 5403 4832, takuo.hamada@xinhuafinance.com

About Xinhua Finance Limited

Xinhua Finance Limited ("XFL") is a leading financial information provider in China and is listed on the Mothers Board of the Tokyo Stock Exchange (symbol: 9399). Bridging China's markets, business opportunities, and the world, Xinhua Finance's proprietary content platform and local know-how, comprising Indices and Solutions, serves major financial institutions and corporations. Founded in November 1999, XFL is headquartered in Shanghai. 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 the 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.