

Financial Summary for the First Nine Months of Fiscal Year ending December 31, 2009

13 November, 2009

Listed Company Name: Xinhua Finance Limited

Listed Section: Mothers

Code No. : 9399

URL: <http://www.xinhuafinance.com>

Representative-Title: Chief Executive Officer;

Name : Jae Lie

Inquiry-Title: Chief Financial Officer;

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Schedule of filing quarterly report: 13 November, 2009

Schedule of dividends: -

(Note: Figures are rounded to the nearest thousand of US dollar (US\$) or the nearest million of Japanese Yen (JPY).)

1. Consolidated results for the First Nine Months (from January 1, 2009 to September 30, 2009) of Fiscal Year ending December 31, 2009 under Japan GAAP

(1) Consolidated Operating Results (Accumulated)

(Note: % represents increase or decrease compared to the corresponding period of a year earlier.)

	Net Sales		Operating Income / Δ Loss		Ordinary Income / Δ Loss	
	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%
30 September, 2009	26,111 (2,356)	Δ87.8	Δ2,205 (Δ199)	-	Δ17,094 (Δ1,542)	-
30 September, 2008	213,199 (19,233)	18.0	Δ18,128 (Δ1,635)	-	Δ21,071 (Δ1,901)	-

	Net Income / Δ Loss		Basic Earnings per share		Diluted Earnings per Share	
	US\$ thousand (JPY million)	%	US\$ (JPY) 2 decimal places		US\$ (JPY) 2 decimal places	
30 September, 2009	Δ29,399 (Δ2,652)	-	Δ19.63 (Δ1,771.07)		- (-)	
30 September, 2008	Δ70,542 (Δ6,364)	-	Δ59.59 (Δ5,375.61)		- (-)	

(Notes)

- Exchange rate used US\$1 = ¥90.21; the amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), from the quotations by The Bank of Tokyo-Mitsubishi UFJ, Ltd. for buying and selling spot US\$ by telegraphic transfer against yen as of September 30, 2009.

(2) Consolidated Financial Status

	Total Assets	Total Net Assets	Adjusted Shareholders' Equity to Total Assets (%)	Net Assets per Share
	US\$ thousand (JPY million)	US\$ thousand (JPY million)	%	US\$ (JPY) 2 decimal places
30 September, 2009	139,205 (12,558)	90,447 (8,159)	60.3	55.42 (4,999.44)
31 December, 2008	216,113 (19,496)	119,592 (10,788)	51.7	75.15 (6,779.28)

(Reference)

Adjusted shareholders' equity:

September 30, 2009: US\$83,909 thousand (JPY7,569 million)

December 31, 2008: US\$111,674 thousand (JPY10,074 million)

2. Condition of Dividends

(Recorded Date)	Dividend per Share				
	For the First Quarter	For the Second Quarter	For the Third Quarter	For the Fourth Quarter	For the year
	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places
For the year of 2008	- (-)	- (-)	- (-)	- (-)	- (-)
For the year of 2009	- (-)	- (-)	- (-)		
For the year of 2009 (Forecast)				- (-)	- (-)

(Note)

Revisions to forecast on dividends in the first nine months: None

3. Forecast on Consolidated Results for Fiscal Year ending December 31, 2009 (from January 1, 2009 to December 31, 2009) under Japan GAAP

(Note: % represents increase or decrease compared to the corresponding period of a year earlier.)

	Net Sales		Operating Income /Δ Loss		Ordinary Income /Δ Loss	
	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%
For the year	33,292 (3,003)	Δ88.1	Δ1,307 (Δ118)	-	Δ18,008 (Δ1,625)	-

	Net Income /Δ Loss		Basic Earnings per share	
	US\$ thousand (JPY million)	%	US\$ (JPY) 2 decimal places	
For the year	Δ28,953 (Δ2,612)	-	Δ19.43 (Δ1,752.78)	

(Notes)

- 1) Revisions to forecast on consolidated results in the first nine months: None
- 2) Exchange rate used: US\$1 = ¥90.21

4. Miscellaneous

- (1) Changes of significant subsidiary during the period (with changes in scope of specified consolidated entities): Yes

Newly consolidated subsidiaries: 0, excluded: 1 (Shanghai Far East Credit Rating Co., Ltd.)

(Note) For more details, please see "4. Miscellaneous" in "Qualitative information and financial statements, etc." on page 11.

- (2) Application of simplified accounting policies or accounting policies specific to the preparation of quarterly consolidated financial statements: not applied
- (3) Changes in basis, procedures or representing method of accounting treatments, for the consolidated financial statements (significant matters as basis for the quarterly consolidated financial statements)
 - 1) Changes associated with the revision of accounting principles, etc.: Yes
 - 2) Changes other than 1): None

(Note) For more details, please see “4. Miscellaneous” in “Qualitative information and financial statements, etc.” on Page 11

(4) Issued Shares (common stock)

1) Total issued shares at the end of the period (including treasury shares)

The first nine months of fiscal year ending December 31, 2009: 1,513,943.79 shares

The fiscal year ended December 31, 2008: 1,486,051.79 shares

2) Total treasury shares at the end of the period

The first nine months of fiscal year ending December 31, 2009: 0 shares

The fiscal year ended December 31, 2008: 0 shares

3) Average number of shares during the period (accumulative consolidated nine month period)

The first nine months of fiscal year ending December 31, 2009: 1,497,458.59 shares

The first nine months of fiscal year ending December 31, 2008: 1,183,799.67 shares

***Cautionary Statement about the use of forecast information and other special information:**

From this fiscal year, the Company applies the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No. 14). The Company has prepared its quarterly consolidated financial statements pursuant to the “Rules for Quarterly Consolidated Financial Reporting.”

<Concerning the forward-looking statements>

The forward-looking statements in this document (including but not limited to performance forecast) are based on the information currently available to the Company and the assumptions the Company believes reasonable, and actual performance may significantly differ from estimates due to various unforeseen factors. Please see “3. Qualitative information about Forecast on Consolidated Results” in “Qualitative information and financial statements, etc.” on page 10 for the details of assumptions for the forecasts and the cautionary statements concerning the use of the forecasts.

(For reference only)
Consolidated Results under IFRS

1. Consolidated Operating Results for the First Nine Months (from January 1, 2009 to September 30, 2009) of the Fiscal Year ending December 31, 2009 under IFRS

	Net Sales	Net Income / Δ Loss	Basic Earnings per share	Diluted earnings per share	Proforma EBITDA	EBITDA	Proforma Net Income / Δ Loss
	US\$ thousand (JPY million)	US\$ thousand (JPY million)	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal	US\$ thousand (JPY million)	US\$ thousand (JPY million)	US\$ thousand (JPY million)
30 September, 2009	26,111	Δ 18,448	Δ 12.32	-	3,879	Δ 2,288	Δ 4,977
	(2,356)	(Δ 1,664)	(Δ 1,111.39)	(-)	350	((Δ 206)	(Δ 449)
30 September, 2008	213,199	Δ 106,391	Δ 89.87	-	44,204	Δ 70,479	5,063
	(19,391)	(Δ 9,598)	(Δ 8,107.17)	(-)	(3,988)	(Δ 6,358)	(457)

(Notes)

- 1) Exchange rate used US\$1 = ¥90.21. The amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), from the quotations by The Bank of Tokyo – Mitsubishi UFJ, Ltd. for buying and selling spot US\$ by telegraphic transfer against yen as of September 30, 2009.
- 2) We define EBITDA in relation to our IFRS financial statements as profit (loss) before interest expense, tax, depreciation and amortization.
- 3) We define Proforma EBITDA in relation to our IFRS financial statements as EBITDA excluding non cash share based payments, one time items such as legal fees incurred outside the ordinary course of business and discontinued operations in 2009 such as MNI (defined below) and SFE (defined below).
- 4) We define Proforma Net Income in relation to our IFRS financial statements as Net Income excluding non cash share based payments, one time items such as legal fees incurred outside the ordinary course of business and discontinued operations in 2009 such as MNI and SFE, amortization arising from acquisitions and non cash imputed interest.

2. Forecast on Consolidated Results for the period ended December 31, 2009 (from January 1, 2009 to December 31, 2009) under IFRS

	Net Sales	Net Income / Δ Loss	EBITDA
	US\$ thousand (JPY million)	US\$ thousand (JPY million)	US\$ thousand (JPY million)
For a year	33,292	Δ 17,878	1,323
	(3,003)	(Δ 1,613)	(119)

(Notes)

- 1) Exchange rate used: US\$1 = ¥90.21
- 2) We define EBITDA in relation to our IFRS financial statements as profit or loss before interest expense, tax, depreciation and amortization.
- 3) Performance estimates are determined based on information currently available. Due to various unforeseen factors, actual performance may differ from estimates.

Difference in net results under IFRS and Japan GAAP

The material differences between IFRS and Japan GAAP when applied to us include:

- 1) Recognition of earnout obligations
Under IFRS, earnout obligations arising from strategic acquisitions are required to be recognized. Under Japan GAAP, earnout obligations arising from strategic acquisitions are not required to be recognized until the considerations are highly probable and can be measured reasonably, which will result in later recognition of investment (hence goodwill) under Japan GAAP.
- 2) Amortization of goodwill on consolidation arising from strategic acquisitions (a consolidation adjustment which is a non-cash expense)
Japan GAAP requires goodwill arising from consolidation to be amortized within 20 years. The goodwill on consolidation of the Company has been and is projected to be amortized by the straight-line method over a period of 20 years. Under IAS 36, our goodwill on consolidation in connection with subsidiaries acquired on or after March 31, 2004 is not amortized but is assessed for impairment at least annually.
- 3) Goodwill Impairment
Under Japan GAAP, goodwill arising from consolidation is required to be amortized within 20 years, whereas under IFRS, such amortization is not required, as mentioned in point 1 above. As a result, the goodwill balance arising from consolidation under Japan GAAP is lower than the corresponding amount under IFRS. Thus when there is goodwill impairment for a certain asset, the amount of goodwill impairment under Japan GAAP will be lower than under IFRS.

1. Qualitative information about Consolidated Operating Results

Operating results analysis

In the Index service line, we offer a broad series of benchmark and tradable indices, tracking the China equity and bond markets, through our partnerships with FTSE Group and Barclays Capital. During the first nine months ended September 30, 2009, we signed an Index Service Agreement with Dachang FMC, a local Chinese financial institution, to provide benchmarking services against our Chinese indices. Dachang FMC is a fund management company based in Shenzhen and is one of the ten largest fund management companies in China. At the end of September 2009, the AUM tracking Xinhua FTSE Index (“XFI”) indices or benchmarking against XFI products was US\$92 billion.

In the Ratings service line, we publish Chinese company reports and industry studies on the China markets. During the first nine months ended September 30, 2009, the ratings team published the “2009 Competition in the China Securities Industry” report. The team also designed judging criteria and nominated candidates to China’s Banking Industry Awards, organized by Economic Observer, a leading Chinese economic newspaper. Dr. Chung Hsing Chen, our Ratings head, was invited to speak at the 21st Century Capital Market 2009 Annual Conference which was attended by major institutional investors in China. Dr. Chen was also invited to speak at various investor conferences organized by Chinese and Taiwanese financial institutions. The team also published over 50 public information reports concerning the real estate, shipping & port, pharmaceuticals and energy sectors. These reports expanded our ratings coverage and provided insights and credit risk analysis in response to the global financial crisis and China’s economic stimulus plan. The ratings team was selected by Taiwan Academy of Banking and Finance, (Taiwan’s top research and training institution and a think tank for the finance industry) to conduct research on China’s Banking industry and to propose on Taiwan banks’ market entry strategy into the China market. The interim report and presentation were delivered successfully in September. The team was also selected by HSBC China to provide internal training services on cash management and credit risk management.

In the Solutions service line, we provide comprehensive market data and research via financial terminals, reports, SMS and mobile applications. Our Solutions team co-hosted a 2 day seminar on pig livestock issues which was attended by enterprises involved in the food processing chain and companies involved in providing agricultural information. The team also attended a national agricultural products trade fair which discussed the opportunities for domestic and foreign funds to invest in China’s agricultural sector. Members of the team were also invited to speak about China’s agricultural sector on Chinese business television.

During the first nine months ended September 30, 2009, the Company purchased and cancelled US\$42,054 thousand (¥3,794 million) principal amount of its 10% Senior Guaranteed Notes due 2011 (the “Notes”) by using the proceeds from the sale of non-core businesses, leaving US\$9,207 thousand (¥831 million) principal amount of the Notes outstanding as at the end of September 2009.

Comparative Analysis

(1) The sale of many of our non-core businesses, such as Mergent Inc (“Mergent”), Washington Analysis Corporation (“Washington Analysis”), Market News International Inc. (“MNI”) and Shanghai Far East Credit Rating Co., Ltd. (“SFE”), (2) the closure of our Asia news business, and (3) the deconsolidation of Xinhua Sports and Entertainment Limited (“XSEL”) (formerly known as Xinhua Finance Media Limited) in 2008, have resulted in significant differences between the results of FY2008 and FY2009.

To facilitate a more appropriate year on year comparison, the Company provides Continuing Operations analysis as comparative analysis which excludes (1) operations that have been disposed such as Mergent, Washington Analysis, MNI and SFE, and (2) discontinued operations such as the Company’s Asia news business. Results from Continuing Operations are unaudited not reviewed by auditors and are management estimates only. The Continuing Operations figures enable investors to more appropriately compare our FY2009 results with the prior year.

(Note) Since the quarterly financial accounting standard from relevant quarter is applied to the Company from this fiscal year, the accounting standard for this fiscal year is different from the one for the last fiscal year. The percentage increase or decrease as compared against the corresponding period of the preceding fiscal year and the actual amounts of results in the corresponding period of the preceding fiscal year are included below for reference.

Net Sales

Net Sales was US\$26,111 thousand (¥2,356 million) for the nine months ended September 30, 2009, as compared to US\$213,199 thousand (¥19,233 million) for the nine months ended September 30, 2008.

Lower net sales in 2009 is primarily due to the Company's much reduced size in 2009 as compared to 2008. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent and Washington Analysis in 2008, the sale of MNI and SFE in 2009, and the closure of the Company's Asia news business.

On a Continuing Operations basis, Net Sales for the nine months ended September 30, 2009 was US\$24,583 thousand (¥2,217 million) compared to US\$21,850 thousand (¥1,971 million) for the nine months ended September 30, 2008. The increase in Net Sales in 2009 was mainly due to the growth of the indices business.

Cost of sales

Cost of sales was US\$8,777 thousand (¥792 million) for the nine months ended September 30, 2009, as compared to US\$113,663 thousand (¥10,254 million) for the nine months ended September 30, 2008.

Lower cost of sales in 2009 is primarily due to the Company's much reduced size in 2009 as compared to 2008. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent and Washington Analysis in 2008, the sale of MNI and SFE in 2009, and the closure of the Company's Asia news business.

Gross profit margin

Gross profit margin was 66% for the nine months ended September 30, 2009 versus 46.7% for the nine months ended September 30, 2008. The higher gross profit margin in 2009 was mainly the result of the deconsolidation of XSEL, as XSEL has a lower gross profit margin.

Selling, general and administrative expenses

Selling, general, and administrative expenses were US\$19,539 thousand (¥1,763 million) for the nine months ended September 30, 2009, versus US\$117,664 thousand (¥10,614 million) for the nine months ended September 30, 2008.

Lower selling, general and administrative expenses in 2009 is primarily due to the Company's much reduced size in 2009 as compared to 2008. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent and Washington Analysis in 2008, the sale of MNI and SFE in 2009, and the closure of the Company's Asia news business. The reduction is also attributable to reductions in corporate costs from a year ago.

Operating income

Operating loss was US\$2,205 thousand (¥199 million) for the nine months ended September 30, 2009, versus operating loss of US\$18,128 thousand (¥1,635 million) for the nine months ended September 30, 2008.

The smaller operating loss in 2009 is primarily due to the Company's lower selling general and administrative expenses, and lower depreciation, as a result of the Company's much reduced size in 2009 as compared to 2008. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent and Washington Analysis in 2008, the sale of MNI and SFE in 2009, and the closure of the Company's Asia news business. The improvement is also attributable to reductions in corporate costs from a year ago.

Ordinary income

Ordinary loss was US\$17,094 thousand (¥1,542 million) for the nine months ended September 30, 2009, versus

ordinary loss of US\$21,071 thousand (¥1,901 million) for the nine months ended September 30, 2008.

The ordinary loss in 2009 is primarily due to the sharing of XSEL's losses in 2009. In 2009, XSEL is accounted for as an associated company instead of a consolidated subsidiary. In addition, a foreign exchange loss of US\$78 thousand (¥7 million) was recorded in the first nine months of 2009, whereas an exchange gain of US\$ 10,244 thousand (¥924 million) was recorded in the first nine months of 2008.

Net income for the period

Net loss was US\$29,399 thousand (¥2,652 million) for the nine months ended September 30, 2009, versus net loss of US\$70,542 thousand (¥6,364 million) for the nine months ended September 30, 2008.

The net loss for the nine months ended September 30, 2009 includes:

- 1) gain on sales of stocks of subsidiaries and affiliates of US\$1,042 thousand (¥94 million);
- 2) deemed loss on change in equity of US\$5,368 thousand (¥484 million) due to the Company's reduced shareholding in XSEL;
- 3) taxation charge of US\$2,626 thousand (¥237 million); and
- 4) minority interests in income of US\$4,789 thousand (¥432 million).

Non-Japan GAAP Financial Measures

To supplement XFL's consolidated financial results under Japan GAAP, XFL also provides the following non-Japan GAAP financial measures:

- 1) "EBITDA", defined as operating income or loss plus depreciation, amortization of goodwill and amortization of deferred long term contracts within cost of sales.
- 2) "Proforma EBITDA", defined as EBITDA excluding non cash share based payments, one time items such as legal fees incurred outside the ordinary course of business and discontinued operations in 2009 such as MNI and SFE and including recurring non operating income.
- 3) "Proforma Net Income", defined as net income (loss) excluding non cash share based payments, one time items such as legal fees incurred outside the ordinary course of business, and goodwill impairments, discontinued operations in 2009 such as MNI and SFE, and amortization arising from acquisition.

XFL believes that these non-Japan GAAP financial measures provide investors with another method for assessing XFL's underlying operational and financial performance. These non-Japan GAAP financial measures are not intended to be considered in isolation or as a substitute for the financial results under Japan GAAP.

	Proforma EBITDA		EBITDA		Proforma Net Income / Δ Loss	
	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%
30 September, 2009	3,859 (348)	Δ91.2	Δ1,172 (Δ106)	-	Δ8,232 (Δ743)	-
30 September, 2008	43,886 (3,959)	23.4	16,242 (1,465)	Δ13.7	3,106 (280)	668.8

EBITDA

For the nine months ended September 30, 2009, EBITDA was a loss of US\$1,172 thousand (¥106 million), versus a profit of US\$16,242 thousand (¥1,465 million) for the nine months ended September 30, 2008.

Proforma EBITDA

For the nine months ended September 30, 2009 Proforma EBITDA was US\$3,859 thousand (¥348 million) compared to US\$43,886 thousand (¥3,959 million) for the nine months ended September 30, 2008.

Proforma Net Income

For the nine months ended September 30, 2009 Proforma Net Income was a loss of US\$8,232 thousand (¥743 million) compared to profit of US\$3,106 thousand (¥280 million) for the nine months ended September 30, 2008.

2. Qualitative information about Consolidated Financial Status

Total Assets, Net Assets and Liabilities Analysis

Total Assets

Total Assets as at September 30, 2009, was US\$139,205 thousand (¥12,558 million) compared to US\$880,056 thousand (¥79,390 million) as at September 30, 2008. Lower Total Assets as at September 30, 2009 compared to those as at September 30, 2008 is mainly due to the reduced size of the Company in 2009. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent and Washington Analysis in 2008, the sale of MNI and SFE in 2009, and the closure of the Company's Asia news business.

Total Net Assets

Total Net Assets as at September 30, 2009, was US\$90,447 thousand (¥8,159 million) compared to US\$545,505 thousand (¥49,210 million) as at September 30, 2008. Lower Total Net Assets as at September 30, 2009 compared to those as at September 30, 2008 is mainly due to the reduced size of the Company in 2009. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent and Washington Analysis in 2008, the sale of MNI and SFE in 2009, and the closure of the Company's Asia news business.

Total Liabilities

Total Liabilities as at September 30, 2009, was US\$48,758 thousand (¥4,398 million) compared to US\$334,551 thousand (¥30,180 million) as at September 30, 2008. Lower Total Liabilities as at September 30, 2009 compared to those as at September 30, 2008 is mainly due to the reduced size of the Company in 2009. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent and Washington Analysis in 2008, the sale of MNI and SFE in 2009, and the closure of the Company's Asia news business.

Cashflow analysis

Operating activities

Net cash used in operating activities amounted to US\$5,053 thousand (¥456 million) for the nine months ended September 30, 2009 was mainly due to working capital requirements.

Investing activities

Net cash obtained in investing activities amounted to US\$2,004 thousand (¥181 million) for the nine months ended September 30, 2009 was mainly due to proceeds from sales of investments in subsidiaries resulting US\$7,740 thousand (¥698 million) and interest and dividend income of US\$931 thousand (¥84 million) offset with payment of a short term loan receivable of US\$6,576 thousand (¥593 million).

Financing Activities

Cash flow used in financing activities amounted to US\$40,921 thousand (¥3,691 million) for the nine months ended September 30, 2009 which mainly consisted of bond redemption of US\$42,054 thousand (¥3,794 million) and interest expense payment of US\$2,407 thousand (¥217 million) offset with US\$6,258 thousand (¥565 million) receipt of short term loan.

Cash Balance

As a result of the activities described in “Operating Activities”, “Investing Activities” and “Financing Activities” above, the net cash and cash equivalents was US\$13,683 thousand (¥1,234 million) as at September 30, 2009. The ending cash and bank balance was US\$31,905 thousand (¥2,878 million) as at September 30, 2009, as shown on the balance sheet.

3. Qualitative information about Forecast on Consolidated Results

In 2009 we will continue to streamline the Company and focus resources on our core competency of providing valuable information on China’s financial information sector. We will focus on Indices, Ratings and Solutions. We will continue to diversify out of non core assets which no longer fit with the Company’s overall focus on China’s markets.

With a cost cutting, restructuring and reorganizing strategy in place, the Company is expecting to reduce its overall corporate costs which are a part of sales, general and administrative cost by 50% from 2008 to 2009. The measures taken to reduce overall corporate costs included the closing of loss making operations, disposal of non core businesses, cutting of travel and entertainment expenses, office relocations and the negotiated reduction of audit and professional fees.

Forecasted results are as follows:

(Units: US\$ thousand (JPY million))

	FY 2008 Actual	FY 2008 Continuing Operations (note)	FY 2009 First three quarters (accumulated) Actual	FY 2009 Forecast
Net Sales	279,351 (25,200)	30,610 (2,761)	26,111 (2,356)	33,292 (3,003)
EBITDA	Δ160 (Δ14)	Δ7,110 (Δ641)	Δ1,172 (Δ106)	Δ158 (Δ14)
Operating income / Δ loss	Δ44,838 (Δ4,045)	NA NA	Δ2,205 (Δ199)	Δ1,307 (Δ118)
Ordinary income / Δ loss	Δ54,789 (Δ4,943)	NA NA	Δ17,094 (Δ1,542)	Δ18,008 (Δ1,625)
Net Income / Δ loss	Δ268,322 (Δ24,205)	NA NA	Δ29,399 (Δ2,652)	Δ28,953 (Δ2,612)

Exchange rate used: USD1 = ¥90.21

(Notes)

(1) The sale of many of our non-core businesses, such as Mergent, Washington Analysis, MNI and SFE, (2) the closure of our Asia news business, and (3) the deconsolidation of XSEL in 2008, have resulted in significant differences between the results of FY2008 and FY2009.

To facilitate a more appropriate year on year comparison, the Company provides Continuing Operations which excludes (1) operations that have been disposed such as Mergent, Washington Analysis, MNI and SFE, and (2) discontinued operations such as the Company's Asia news business. Results from Continuing Operations are unaudited and not reviewed by auditors and are management estimates only. The Continuing Operations figures enable investors to more appropriately compare our FY2009 results with the prior year.

Turnover for FY2009 is expected to be US\$33,292 thousand (¥3,003 million) compared to 2008 continuing operations Turnover of US\$30,610 thousand (¥2,761 million) as a result of organic growth in the business, especially due to the growth in the indices business.

EBITDA for FY2009 is expected to be minus US\$158 thousand (¥14 million) compared to 2008 continuing operations EBITDA of minus US\$7,110 thousand (¥641 million) as a result of the Company's cost cutting efforts as well as the growth in the business, especially in the indices business.

Operating Income for FY2009 is expected to be a loss of US\$1,307 thousand (¥118 million) as a result of the Company's cost cutting efforts as well as the growth in the business, especially the indices business.

Ordinary Income for FY2009 is expected to be loss of US\$18,008 thousand (¥1,625 million) mainly due to share of the results of XSEL for the year, which are expected to be negative. XSEL is no longer consolidated into the Company's accounts, and is accounted for as an associated company.

Net Income for FY2009 is expected to be loss of US\$28,953 thousand (¥2,612 million) mainly due to the Company's share of XSEL's loss and deemed disposal in XSEL as a result of the Company's decreased percentage shareholding in XSEL due to XSEL's issuance of shares for acquisition consideration and share based compensation.

The Company is not revising its forecast as we expect the index business to outperform in the fourth quarter of FY2009 and also XSEL to improve their results in the fourth quarter of FY2009 as well

4. Miscellaneous

(1) Changes of significant subsidiary during the period (with changes in scope of specified consolidated entities)
Yes.

In January 2009, the Company sold its entire shareholding in Shanghai Far East to China Orient Asset Management Corporation and Shanghai Far East ceased to be a consolidated subsidiary of the Company.

(2) Application of simplified accounting policies or accounting policies specific to the preparation of quarterly consolidated financial statements
None.

(3) Changes in basis, procedures or representing method of accounting treatments, for the consolidated financial statements (significant matters as basis for the quarterly consolidated financial statements)

From this fiscal year, the Company applies the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Statements" (ASBJ Guidance No. 14). The Company also follows the "Rules for Quarterly Consolidated Financial Reporting" to prepare its quarterly consolidated financial statements.

5. Consolidated financial statements

Please refer to separate documents.

6. Other information

For presentation please visit: <http://www.xinhuafinance.com/en/for-investors/reporting/quarterly-results/>