

Fosun Newsletter

Fosun International Limited (HK Stock Code: 656)
www.fosun-international.com

January, 2009

Crisis vs opportunities



Stock data

Share price(1/30/2009) ... HK\$ 2.58
52 Weeks range ... HK\$ 1.30-6.73
shares(million)..... 6,422
Market value(HK\$1bil).....16.57

Core businesses ⁽¹⁾

Pharmaceuticals

... Fosun Pharma(600196.SH)49.0%
....Sinopharm Holding 23.0%⁽²⁾

Property development

... Forte(2337.HK)65.2%

Steel

... NSU 60.0%
... Jianlong Steel26.7%
... Ningbo Steel 20.0%

Mining

... Hainan Mining 60.0%
... Jin'an Mining 60.0%
... Huaxia Mining 18.4%
... Shanjiao Wulin 20.0%
... Zhaojin Mining(1818.HK) 8.2%

Retail

... Yuyuan(600655.SH)17.3%

Financial services and other strategic investments

... Tebon Securities 25.4%
... Yong'an Insurance 14.6%
... Focus Media 23.0%⁽³⁾
... Fosun Capital 100.0%

Note:

(1)Effective Shareholding

(2)Fosun Pharma holds a 47.04% stake of Sinopharm Holding

(3)By date of 28th January 2009

"Analyzing the situation is to understand the cycle, learn to survive in the cycle, and to grow up in the cycle"

*---Guo Guangchang
Chairman of Fosun International*

Crisis economic cycle stresses upon company performance

Fosun International released the profit warning recently to expect that profits of the company and its subsidiaries for 2008 would decrease accordingly as compared to that of 2007. This is mainly due to a decrease of profits in the steel and the property development segments as a result of the change of the financial and economic conditions, and a decrease in the group's non-recurring income and gain.

Forte released the profit warning recently to expect that profits of Forte and its subsidiaries for 2008 will decrease accordingly as compared to that of 2007.

NSU released its profit alert recently, estimating that net profit for 2008 would decrease by over 50% as compared to that of 2007.

Opportunities to grow by capturing counter-cycle investment opportunities

Strategic investments

1. Fosun Intl. continued to acquire shares of Focus Media, one of China's biggest digital media groups

Project	Investor	Cost (incl. commission)	Investment type	Stake
Focus Media (NASDAQ:FCMN)	Fosun Intl.	USD249.89 Mil	2 nd market purchase	22.96%

Note:

(1) by NASDAQ closing day of 28th Jan. 2009

2. Fosun Pharma continued to increase its stake in TCM ⁽¹⁾

Project	Investor	Cost (incl. commission)	Investment type	Stake
TCM (NYSE:TCM)	Fosun Pharma	USD15.56Mil	2 nd market purchase	14.67%

Note:

(1) by NYSE closing day of 2nd Feb. 2009

Links to relevant information

Fosun International

www.fosun-international.com

Pharmaceuticals

www.fosunpharma.com

Property development

www.forte.com.cn

Steel

www.njsteel.com.cn

www.ejianlong.com

www.ningbosteel.com

Mining

www.hnmining.com

www.zhaojin.com.cn

Retail

www.yuyuantm.com.cn

Financial Service

www.tebon.com.cn

ya.netecweb.com

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Investor Relations Manager

Change weather external changes with quick adjustments and strengthened functions

Mr. Liang Xinjun was recently appointed as CEO of Fosun to be in charge of overall management and operations; Mr. Wang Qunbin was appointed as the president and will assist the CEO with daily management and operations. Mr. Guo Guangchang remains as the chairman and an executive director. These appointments were made to further enhance the management team's administrative and management roles, enabling the company to better cope with the current volatility.

Consistency winning the crisis with inner strengths via continuous management optimization and efficiency improvement

1. Recently, NSU's west area sewage treatment/recycle system passed inspection. Estimated 20 mil tons of water will be saved with close to zero sewage discharge.
2. NSU recently launched a sintered smoke/gas desulfurization project, which will reduce its annual emission of sulfate dioxide, nitrogen oxides and smoke by 4000t, 690t and 260t respectively.
3. Yuyuan was awarded "meritorious enterprise of commercial service industry of China 30-year reform and opening" by CGCC and other agencies.

Industrial Trend**1. Outputs of pig iron, crude steel, steel products**

Unit: Mil tons

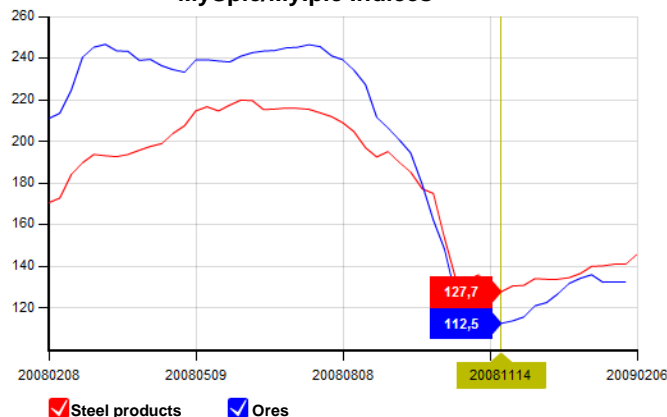
	January	Yoy change %	YTD	Yoy accum change %
Pig iron	36.23	-9.40	470.67	-0.20
Crude steel	37.79	-10.50	500.49	1.10
Steel products	48.82	-1.70	581.77	3.60

In Dec08, China's steel outputs reversed its declining course since Jun08 with pig iron, crude steel and steel outputs increased by 8.1%, 7.4% and 15.4% m-o-m. However, outputs still declined y-o-y. 08 crude steel output was 500.5mil ton, much less than the 520-540mil tons expected early in the year.

Source: China Iron & Steel Association

2. The whole Chinese steel industry incurred a loss of RMB 29.1 billion in Dec08, representing a 129% m-o-m increase. 44 out of the 71 large-and-medium-sized steel mills were in red with total loss of RMB30.5bil.

Source: China Iron & Steel Association

3. Recent price trend of steel and iron ore**MySpic/MyIpic Indices**

MySpic/MyIpic Index kept rising for about 80days after bottoming in early Nov08.
Source: www.MySteel.com