



First Half 2011 Financial Results and Operational Update Conference Call

Nasdaq: NINE

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Safe Harbor Statement

Certain statements in this presentation include forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “project” or “continue” or the negative thereof or other similar words. All forward-looking statements involve risks and uncertainties, including, but not limited to, customer acceptance and market share gains, competition from companies that have greater financial resources; introduction of new products into the marketplace by competitors; successful product development; dependence on significant customers; the ability to recruit and retain quality employees as the Company grows; and economic and political conditions globally. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this presentation and the Company assumes no duty to update them to reflect new, changing or unanticipated events or circumstances. We urge you to read our public filings, which are available on our corporate website at www.ninetowns.com/english.



Business Positioning & Outlook

Leveraging our experience and core competency in technology to develop complementary revenue streams.

**Ninetowns'
Solid Technology
Core Competency**

**B2G: enterprise
software**

B2C: e-Grocery

**Smarter City Application-
Intelligent Property
Development Initiative**

B2G Business Updates

B2G Enterprise Software

(Units Sold)	1H'10	2H'10	FY2010	1H'11
iDeclare Packages	530	610	1,140	830
iDeclare Service Contracts	8,200	8,470	16,670	8,500
Service Contracts to Free Software Users	230	280	510	330

e-Grocery Business Updates

Successful model in Beijing

- Online B2C e-Commerce platform services available 7*24
- Upgraded online ordering and payment system
- Diversified offering covering groceries, household goods and consumer products
- Full chain quality control “from farm to household”
- Ready to expand for more CPUs & SDCs therefore more customer coverage in greater Beijing



Leading
Local B2C food
Online platform



1,000 hectares
Organic Farm



3,000 sq meters
CPU
Central Processing Unit



2 SDCs
Service & Delivery Center



400,000
Targeted Families

Value Chain



Owned Organic Farm



Guaranteed 100% Customer Satisfaction



Regional Service & Delivery Center (SDC)



Central Processing Unit (CPU)



Hi-tech Packing



Cold Chain Logistics

Property Development Business Updates

Lands Acquired & Pipeline

Product Models	Date	City	Area	Use Purpose
e-Commerce Bio-system Industrial Parks	October, 2008	Yizhuang, Beijing	44,476 square meters	Commercial and industrial use
Intelligent Residential Communities	March 30, 2011	Huainan, Anhui Province	141,000 square meters	Commercial and residential use
e-Commerce Bio-system Industrial Parks	April 11, 2011	Dalian, Liaoning Province	20,973 square meters	Commercial and residential use



Financial Updates

Segment Revenue

	US GAAP (Consolidated)		
(USD in thousands)	1H'10	2H'10	1H'11
Total Net Revenues	5,670	6,130	4,937
Enterprise Software Revenue	3,576	3,849	3,949
Software Development Services Revenue	1,750	1,809	319
Food sales and services	344	472	669
Gross Margin (%)	85%	72%	83%
Deferred Revenue	1,342	1,621	1,716

Costs and Expenses

US GAAP (Consolidated)

(USD in thousands)

	1H'10	2H'10	1H'11
Costs of Revenues	860	1,701	858
Operating Expenses	10,779	7,785	6,707
Selling & Marketing	1,147	1,346	1,431
General and Administrative	7,982	5,364	4,934
R&D Expense	1,171	1,175	823
Bad Debt Provision	479	(100)	(481)

Profitability and Cash Flow

	US GAAP (Consolidated)		
(USD in thousands)	1H'10	2H'10	1H'11
(Loss)/Income from continuing operations	(858)	2,809	798
(Loss)/Income from discontinued operations net of income tax and non-controlling interest	(178)	123	-
Net (Loss)/Income	(1,036)	2,932	798
Net Cash (Used in) provided by Operating Activities	(1,230)	2,571	(50,182)
CAPEX for PP&E and Intangible Assets	(723)	(7)	(323)
Cash and Cash Equivalent at the end of Period	77,658	77,086	30,572

For more information

www.ninetowns.com/english

Thank you