



Second Half and Full Year 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 ir.ninetowns.com.



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	2H'11	FY2011
iDeclare Packages	530	610	1,140	826	815	1,641
iDeclare Service Contracts	8,200	8,470	16,670	8,529	10,205	18,734
Service Contracts to Free Software Users	230	280	510	326	320	646



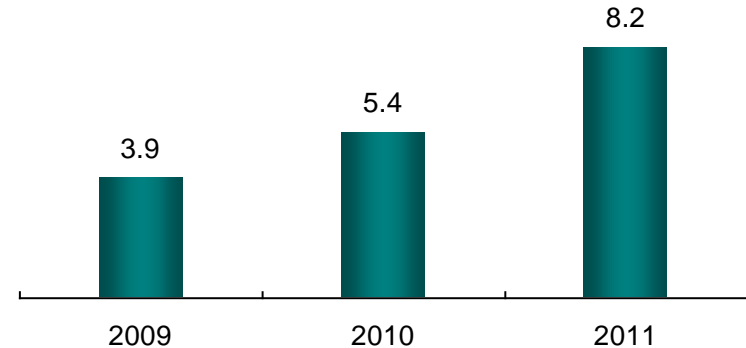
e-Grocery Business Updates

Proven Business Concept, Delivering Steady Growth

Leading Local B2C Food Online Platform

- 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 with more CPUs & SDCs, thereby increasing customer coverage in greater Beijing

Revenue (RMB million)



Beijing Model



703,200 sq meters

Organic Farm



3,000 sq meters CPU

Central Processing Unit



8 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

Recent Updates & Project Pipeline

- ❖ Revised construction plan for the project in Yizhuang, now developing the site as a mixed-use real estate project.
- ❖ Formed a partnership agreement with Shouchuang Huaxia (Tianjin) and Shouchuang Caifu Gengyin (Tianjin) to invest in the development of a residential real estate project located in Binzhou, Shandong Province, China.
- ❖ Commenced development of the Dalian project.
- ❖ Approved the termination of Investment Trust Plan related to “Smarter Town” project slated for development in Huainan, China. Will continue development of the project, and may seek alternative financing options.

Lands Acquired & Pipeline

Product Models	Date	City	Area	Use Purpose
e-Commerce Bio-system Industrial Parks	October, 2008	Yizhuang, Beijing	58,527 square meters	Commercial and industrial use
Intelligent Residential Communities	April, 2011	Huainan, Anhui Province	141,000 square meters	Commercial and residential use
e-Commerce Bio-system Industrial Parks	April, 2011	Dalian, Liaoning Province	20,973 square meters	Commercial and residential use
Intelligent Residential Communities	December, 2011	Binzhou, Shandong Province	79,139 square meters	Residential use



Financial Updates

Segment Revenue

US GAAP (Consolidated)

(USD in thousands)	2H'10	1H'11	2H'11	FY2010	FY2011
Total Net Revenues	6,130	4,937	6,881	11,954	11,950
Enterprise Software Revenue	3,849	3,949	5,639	7,522	9,694
Software Development Services Revenue	1,809	319	619	3,607	947
Food sales and services	472	669	623	825	1,309
Gross Margin (%)	72%	83%	88%	78%	86%
Deferred Revenue	1,621	1,716	2,277	1,621	2,277

Costs and Expenses

US GAAP (Consolidated)

(USD in thousands)

	2H'10	1H'11	2H'11	FY2010	FY2011
Costs of Revenues	1,701	858	825	2,584	1,705
Operating Expenses	7,785	6,707	9,963	18,860	16,849
Selling & Marketing	1,346	1,431	2,104	2,525	3,574
General and Administrative	5,364	4,934	7,542	13,565	12,608
R&D Expense	1,175	823	909	2,378	1,754
Bad Debt Provision	(100)	(481)	(592)	392	(1,087)

Profitability and Cash Flow

US GAAP (Consolidated)

(USD in thousands)

	2H'10	1H'11	2H'11	FY2010	FY2011
Income/(Loss) from Continuing Operations	2,809	798	(265)	1,926	556
Income/(Loss) from Discontinued Operations Net of Income Tax and Non-controlling Interest	123	-	2	(60)	2
Net Income/(Loss)	2,932	798	(263)	1,866	558
Net Cash Provided (Used in) by Operating Activities	2,571	(50,182)	40,173	1,341	(10,009)
CAPEX for PP&E and Intangible Assets	(7)	(323)	(686)	(730)	(1,009)
Cash and Cash Equivalent and Term Deposits at the End of Period	77,086	30,572	41,696	77,086	41,696



For more information

ir.ninetowns.com

Thank you