



Second Half and Full Year 2012 Financial Results and Operational Update Conference Call

Nasdaq: NINE

April 2013

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'11

2H'11

FY2011

1H'12

2H'12

FY2012

iDeclare Packages

826

815

1,641

666

473

1,139

**iDeclare Service
Contracts**

8,529

10,205

18,734

8,183

12,641

20,824

**Service Contracts
to Free Software
Users**

326

320

646

153

226

379

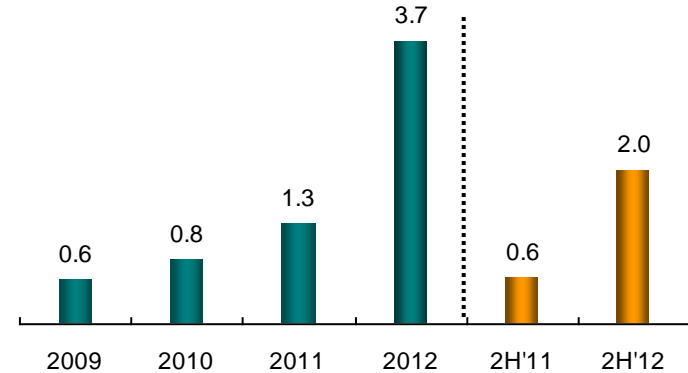
e-Grocery Business Updates

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
- Introducing higher quality products to drive profit margin

Revenue (US\$ million)



Beijing Model



703,200 sq meters

Organic Farm



3,000 sq meters CPU

Central Processing Unit



10 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

Lands Acquired & Pipeline

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

Financial Updates

Segment Revenue

US GAAP (Consolidated)

(USD in thousands)

	2H'11	1H'12	2H'12	FY2011	FY2012
Total Net Revenues	6,881	6,909	7,463	11,950	14,509
Enterprise Software Revenue	5,639	4,623	4,884	9,694	9,598
Software Development Services Revenue	619	583	606	947	1,201
Food sales and services	623	1,703	1,973	1,309	3,710
Gross Margin (%)	88%	76%	78%	86%	77%
Deferred Revenue	2,277	2,012	2,163	2,277	2,163

Costs and Expenses

US GAAP (Consolidated)

(USD in thousands)	2H'11	1H'12	2H'12	FY2011	FY2012
Costs of Revenues	825	1,680	1,614	1,705	3,327
Operating Expenses	9,963	9,242	8,321	16,849	17,745
Selling & Marketing	2,104	1,856	1,582	3,574	3,475
General and Administrative	7,542	6,317	6,053	12,608	12,494
R&D Expense	909	1,089	1,276	1,754	2,387
Bad Debt Provision	(592)	(20)	(590)	(1,087)	(611)

Profitability and Cash Flow

	US GAAP (Consolidated)				
(USD in thousands)	2H'11	1H'12	2H'12	FY2011	FY2012
(Loss)/Income from continuing operations	(265)	8,703	2,219	556	11,094
(Loss)/Income from discontinued operations net of income tax and non-controlling interest	2	6	(7)	2	-
Net (Loss)/Income	(263)	8,709	2,212	558	11,094
Net Cash provided (used in) by Operating Activities	40,173	(26,305)	(4,973)	(10,009)	(31,278)
CAPEX for PP&E and Intangible Assets	(686)	(294)	(1,289)	(1,009)	(1,583)
Cash and Cash Equivalent and term deposits at the end of Period	41,696	37,637	41,089	41,696	41,089

* less than US\$0.01



For more information

ir.ninetowns.com

Thank you