



First Half 2013 Financial Results and Operation Update Conference Call

Nasdaq: NINE

September 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'12 | 2H'12 | 1H'13 |
|---|-------|--------|-------|
| iDeclare Packages | 666 | 473 | 1,041 |
| iDeclare Service Contracts | 8,183 | 12,641 | 9,484 |
| Service Contracts to Free Software Users | 153 | 226 | 81 |

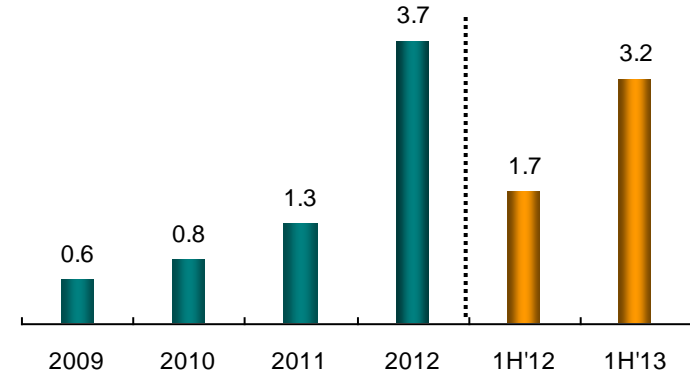
e-Grocery Business Updates

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



12 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 | Completed construction of the first of three planned buildings |
| 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)

| | 1H'12 | 2H'12 | 1H'13 |
|--|--------------|--------------|--------------|
| Total Net Revenues | 6,909 | 7,463 | 8,373 |
| Enterprise Software Revenue | 4,623 | 4,884 | 4,929 |
| Software Development Services Revenue | 583 | 606 | 248 |
| Food sales and services | 1,703 | 1,973 | 3,196 |
| Gross Margin (%) | 76% | 78% | 68% |
| Deferred Revenue | 2,012 | 2,162 | 1,893 |

Costs and Expenses

US GAAP (Consolidated)

(USD in thousands)

| | 1H'12 | 2H'12 | 1H'13 |
|-----------------------------------|--------------|--------------|--------------|
| Costs of Revenues | 1,680 | 1,614 | 2,673 |
| Operating Expenses | 9,242 | 8,321 | 8,781 |
| Selling & Marketing | 1,856 | 1,582 | 1,883 |
| General and Administrative | 6,297 | 5,463 | 5,791 |
| R&D Expense | 1,089 | 1,276 | 1,107 |

Profitability

US GAAP (Consolidated)

(USD in thousands)

| | 1H'12 | 2H'12 | 1H'13 |
|---|--------------|--------------|--------------|
| Loss from operations | (4,013) | (2,472) | (3,081) |
| Other income | 12,818 | 4,603 | 5,649 |
| Income before income tax and non-controlling interest | 8,805 | 2,131 | 2,568 |
| Net loss (income) attributable to non-controlling interest | 6 | (7) | (39) |
| Net Income | 8,709 | 2,120 | 2,442 |
| Net income per ADS-basic | 0.24 | 0.06 | 0.06 |
| Net income per ADS-diluted | 0.21 | 0.05 | 0.06 |

For more information

ir.ninetowns.com

Thank you