



First Half 2008 Results and Operational Update Conference Call

NASDAQ: NINE

Investor Presentation
November 2008

NINETOWNS
Listed on
NASDAQ





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

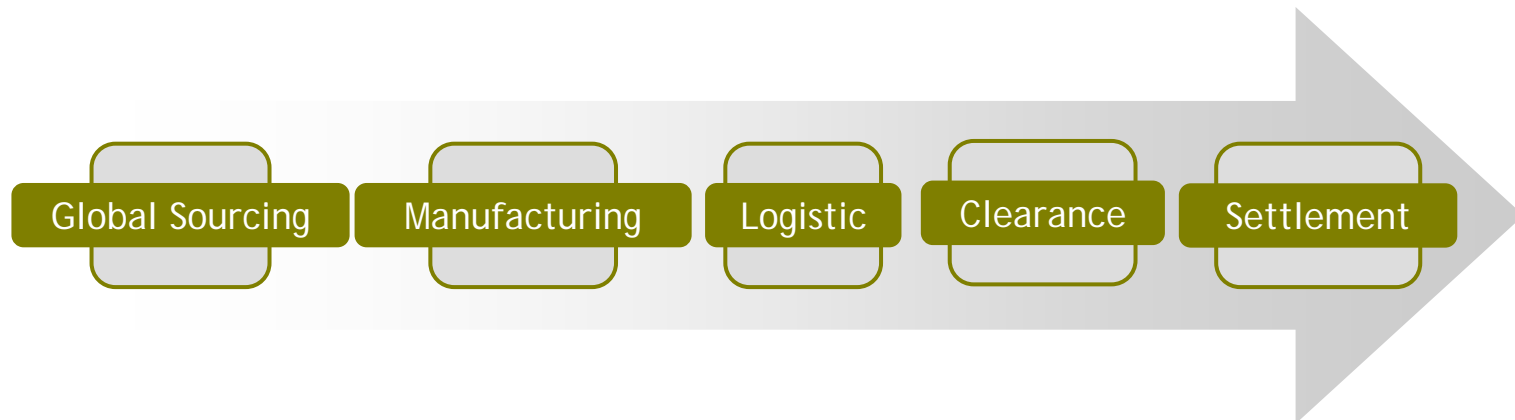
www.ninetowns.com/english.

Ninetowns: Leading Online B2B Search and Service Provider in China



NASDAQ: NINE
Headquarters: Beijing, China
Employees: As of end of October 2008, ~300 in total

International Trade Value Chain:



Ninetowns' Services:





Operational Update



Enterprise Software - Continuing iDeclare Services

<i>(Units Sold)</i>	1H'07	2H'07	FY2007	1H'08
iDeclare Packages	4,300	4,100	8,400	1,800
iDeclare Service	18,300	19,400	37,700	24,100

Sample new customer-wins in 1H2008

- Shanghai Lotus Stationery Co., Ltd.
- Shanghai Qiangsheng Import & Export Co., Ltd.
- Jiangsu Yueda Int'l Freight & forwarding Co., Ltd.
- Wuxi Suntech Power Co., Ltd.
- Jianlimei Sports (Suzhou) Co., Ltd.
- Shandong Jinxiang Fangda Fruit & Vegetable Co., Ltd.

Enterprise Software - Pay Per Transaction

- iDeclare Pricing Alternative
- Expanded pay per transaction to major geographical regions including Shanghai, Tiangjin, Jiangsu, Fujian, Guangdong and Liaoning
 - Prices range from RMB10 to RMB30 per transaction
 - No initial purchase fee or post-sales annual maintenance fee
 - Available to both new and existing customers
- Maximizing flexibility to both maintain existing customers and drive new customer growth

Enterprise Software - Expanding iProcess

<i>(Units Sold)</i>	Q4'07	1H'08
iQM Packages	628	410
Service Contracts to Free Software	0	1,100

Sample new customer-wins in 1H2008

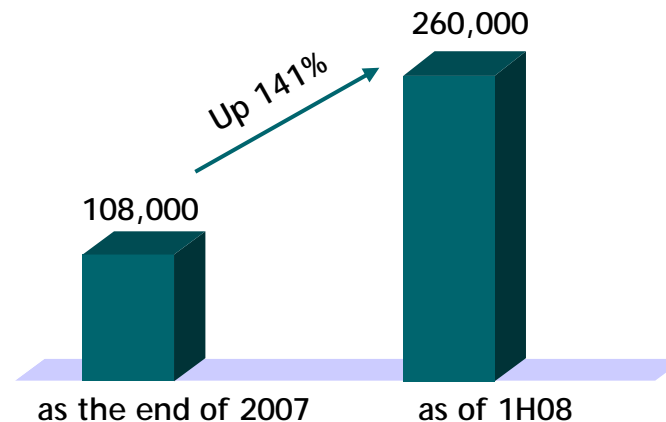
- Heinz-UFE Ltd.
- Jibaili Candy (Guangzhou) Co., Ltd.
- Guangzhou Pepsi-Cola Beverage Co. Ltd.
- Guangdong Yanjing Beer Co., Ltd.
- Foshan Melogo Toys Ltd
- Zhongshan City Tian Le Yuan Foods Co., Ltd.

Tootoo.com - Optimization Continues with v4.0

Improve User Interactivity

- Synchronized data updates
- Illustration of historical inquiry records
- Quality-driven comparative functionalities

Increased Registered Users





Financial Updates



Key Financials: Segment Revenue

<i>(USD in thousands)</i>	US GAAP (Consolidated)			
	1H2007	2H2007	1H2008	Growth Rate YoY Base on RMB
Total Net Revenue	6,000	7,922	7,436	12%
Enterprise Software Revenue	4,879	5,509	5,770	7%
Software Development Services Revenue	1,116	2,350	1,495	21%
B2B Search Services	5	62	171	3188%
Gross Margin (%)	83%	74%	72%	
Unearned Revenue	3,672	4,451	4,330	

Key Financials: Costs and Expenses

<i>(USD in thousands)</i>	US GAAP (Consolidated)			
	1H2007	2H2007	1H2008	Growth Rate YoY
Costs of Revenues	995	2,095	2,092	89%
Operating Expenses	9,160	41,763	11,839	16%
Sells & Marketing	2,291	3,241	3,024	19%
General and Administrative	4,891	6,731	6,469	19%
R&D Expense	1,964	2,338	2,336	7%

Key Financials: Profitability and Cash Flow

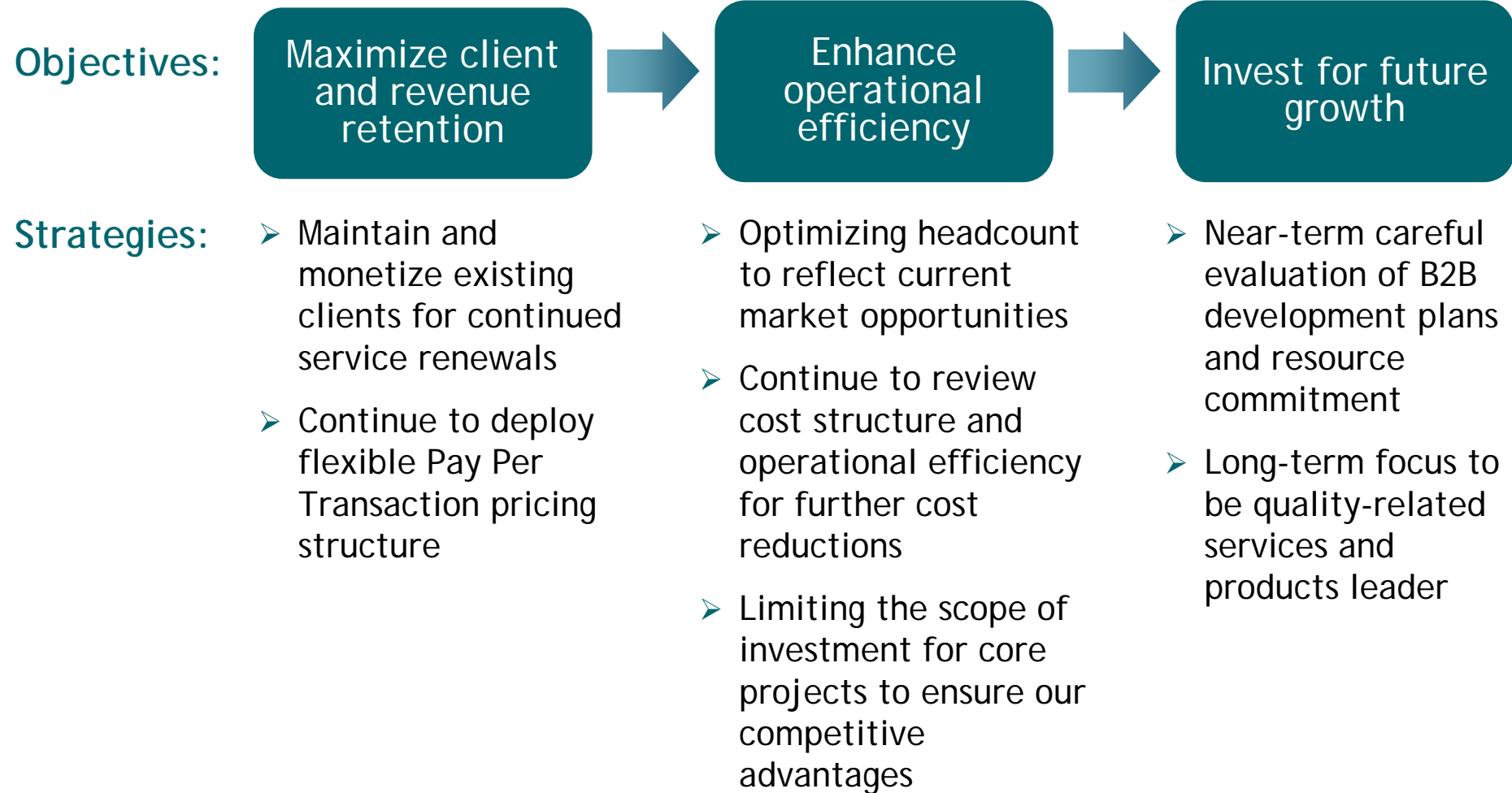
<i>(USD in thousands)</i>	US GAAP (Consolidated)			
	1H2007	2H2007	1H2008	Growth Rate YoY
Operating Profit/(Loss)	(4,155)	(35,935)*	(6,495)	41%
Net Profit/(Loss)	(2,509)	(28,983)*	(4,192)	51 %
Net Cash Flow from Operating Activities	(2,831)	2,551	(3,517)	-12%
CAPEX for PP&E and Intangible Assets	(1,192)	(13,815)	(1,741)	32%
Cash and Cash Equivalent at the end of period	103,169	89,088	87,826	-23%

** Including provision for impairment of goodwill of US\$26.5 million and allowance for doubtful accounts of US\$3.0 million*



Business Outlook

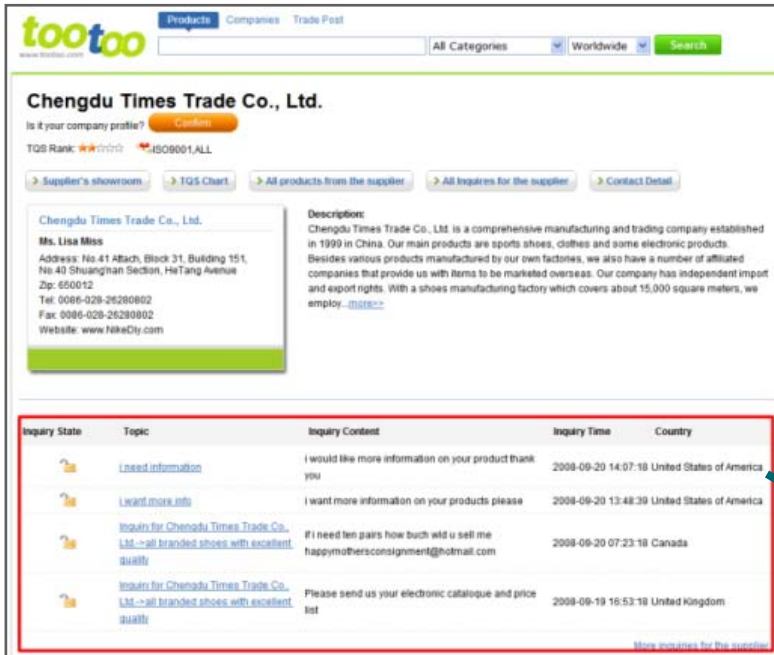
Strategic Initiatives





Appendices

Tootoo.com 4.0: Inquiry Records



Chengdu Times Trade Co., Ltd.
 Is it your company profile? [Confirm](#)
 TQS Rank: ISO9001:ALL

[Supplier's showroom](#) [TQS Chart](#) [All products from the supplier](#) [All Inquires for the supplier](#) [Contact Detail](#)

Chengdu Times Trade Co., Ltd.
Ms. Lisa Miss
 Address: No.41 Aibach, Block 31, Building 151,
 No.40 Shuangnan Section, HeTang Avenue
 Zip: 650012
 Tel: 0086-028-26280802
 Fax: 0086-028-26280802
 Website: www.NikeCity.com

Description:
 Chengdu Times Trade Co., Ltd. is a comprehensive manufacturing and trading company established in 1999 in China. Our main products are sports shoes, clothes and some electronic products. Besides various products manufactured by our own factories, we also have a number of affiliated companies that provide us with items to be marketed overseas. Our company has independent import and export rights. With a shoes manufacturing factory which covers about 15,000 square meters, we employ [more>>](#)

Inquiry State	Topic	Inquiry Content	Inquiry Time	Country
	i need information	i would like more information on your product thank you	2008-09-20 14:07:18	United States of America
	i want more info	i want more information on your products please	2008-09-20 13:48:39	United States of America
	Inquiry for Chengdu Times Trade Co., Ltd.->all branded shoes with excellent quality	if i need ten pairs how buch wld u sell me happymothersconsignment@hotmail.com	2008-09-20 07:23:18	Canada
	Inquiry for Chengdu Times Trade Co., Ltd.->all branded shoes with excellent quality	Please send us your electronic catalogue and price list	2008-09-19 16:53:18	United Kingdom

[More inquiries for the supplier](#)

- ✓ A listing of all historical inquires for a particular seller;
- ✓ Enables users to view the popularity of a particular seller;

Inquiry State	Topic	Inquiry Content	Inquiry Time	Country
	i need information	i would like more information on your product thank you	2008-09-20 14:07:18	United States of America
	i want more info	i want more information on your products please	2008-09-20 13:48:39	United States of America
	Inquiry for Chengdu Times Trade Co., Ltd.->all branded shoes with excellent quality	if i need ten pairs how buch wld u sell me happymothersconsignment@hotmail.com	2008-09-20 07:23:18	Canada

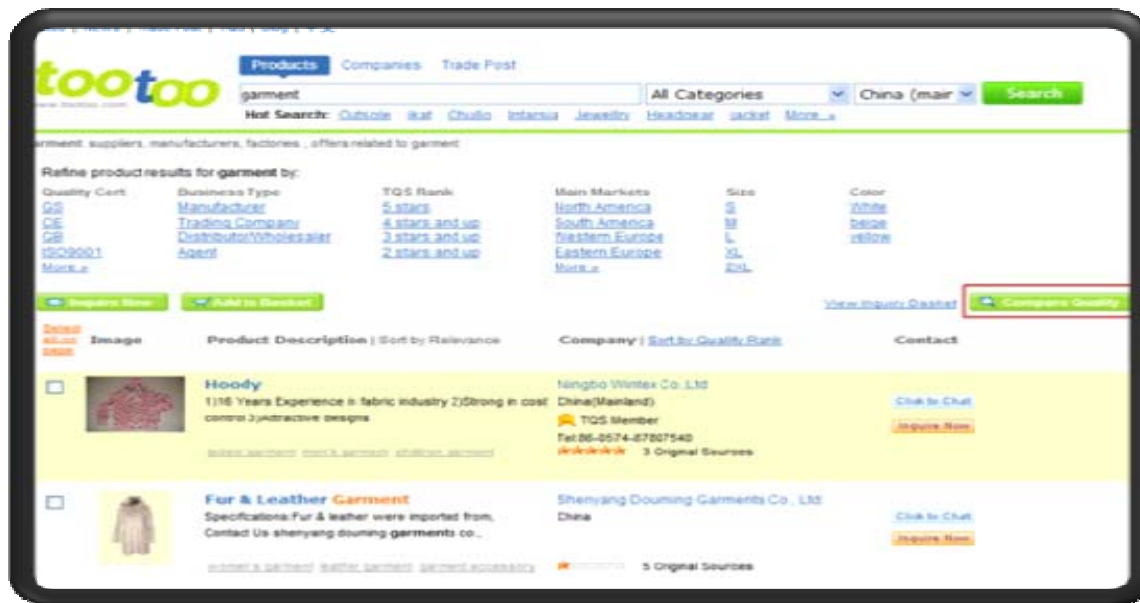
Tootoo.com 4.0: Synchronized and Automatic Updates



- ✓ *Allows sellers to provide unlimited data sources, including company websites and showrooms on other B2B websites;*
- ✓ *Automatic, synchronized updates of tootoo.com data when changes are made on linked websites*



Tootoo.com 4.0: Quality Comparisons



Allows users to view and compare selected companies'

- ✓ *TQS rank*
- ✓ *Export Records*
- ✓ *Certifications*
- ✓ *Verifications*
- ✓ *Business Type*
- ✓ *Total Staff*
- ✓ *Year Established*

Tootoo.com 4.0: "Filter" Function

Tootoo | News | Trade Post | TQS | Blog | 中文

Sign In | Join


Products Companies Trade Post

All Categories China (main) Search

Hot Search: [Stocklots](#) [Lacework](#) [Moiri](#) [Kurtu](#) [galoshes](#) [Boutique](#) [footwear](#) [More >](#)

Compare all Suppliers: 239611

[Inquire Now](#) [Add to Basket](#) [View Inquiry Basket](#)

Select Option	Product Image	Company Information	Export Records	Certifications	Verifications	Business Type	Total Staff	Year Established	Contact
<input type="checkbox"/>		Nan Jing Tri-Brothers Down Garment CO.,LTD China TQS Rank: ★★☆☆☆		<ul style="list-style-type: none"> • ISO9000 • ALL • ISO9002 		Manufacturer	201-500 People		Click to Chat Inquire Now
<input type="checkbox"/>		Yantai Huajian Sports Garments Shop				Manufacturer	11 - 50 People	2007	Click to Chat Inquire Now



NINETOWNS INTERNET TECHNOLOGY GROUP
NASDAQ: NINE
www.ninetowns.com/english

Thank you.

