



Ninetowns (NASDAQ: NINE) is a leading provider of online solutions for international trade, with key services in automating import / export e-filing, as well as in operating tootoo.com, the leading B2B search and service provider for international trade.

NASDAQ : NINE



Shuang Wang
Chief
Executive
Officer

"Our business environment has been affected by the impact of the global financial crisis and the recent regulatory changes faced by our SME clients. In order to better address these ongoing challenges, we continue to review and refine our strategic, business and operational initiatives and are committed to the following business priorities: maximizing revenue and client retention; tightening cost controls and streamlining operations to enhance efficiency; and, continuing to invest for our future growth. In the long-term, our goal is to continue building our business with a focus on identifying and securing quality-related services such as enhanced quality management and control for Chinese companies, in order to streamline the overall international trade process from sourcing to final delivery. This unique competitive advantage will enable us to deliver long-term shareholder value."

B2G Industry Updates

As extensively covered by the media, China's food-related crisis has evoked "unusual measures" from various government entities, especially the PRC Inspections Administration. According to a recent article from the China Daily (see full story at http://www.chinadaily.com.cn/bizchina/2008-10/06/content_7080798.htm), the PRC Inspections Administration has completed or is in the process of:

1. Establishing an emergency response team to conduct a thorough overhaul of the milk powder market
2. Deploying over 5,000 inspectors to all dairy producers across the country to supervise the entire production process
3. Ensuring that factory laboratories and equipment meet quality standards
4. Examining the capabilities of in-house quality control personnel
5. Focusing priorities on fundamental areas, such as establishing measurements and standards, accreditation and certification, quality inspection and quarantine as well as the utilization of data
6. Planning to establish a set of systems securing scientific analysis, encouraging both public and private investigation and rewarding whistleblowers
7. Cooperating with other government departments to formulate relevant policies, regulations and testing standards

Recent Award for Ninetowns

Recently, Ninetowns' Call Center won the award for **2008 CCCS Best Call Center in China**, sponsored mainly by China Customer Relations Management (CRM) Committee of Ministry of Information Industry, Customer Contact Center Standard (CCCS) Committee.

At the same time, Ms. Lingyan Liu, Ninetowns' General Manager of Shenzhen call center was awarded **2008 CCCS Best Call Center Manager in China**, and Ms. Xiaomei Wang of Ninetowns' Qingdao call center was awarded **2008 CCCS Best Call Center Customer Representative in China**.

"Pay Per Transaction" Model - Positive Feedback from New and Existing Clients

- Pay Per Transaction currently available in major mainland Chinese cities indicated here
- No upfront purchase fee or post-sales annual maintenance fees
- User pays a fee of RMB10 to RMB30 per transaction, depending on the geographical regions
- This option will provide flexibility to the users and encourage them to continue to use e-filing



★ Ninetowns' Headquarter

Source: Ninetowns as of [insert date]

- "Due to the current economic downturn, our company is very concerned about cost control. We are really appreciative of Ninetowns' efforts to offer us a flexible payment alternative."

- Declaration manager, a food manufacturer in Jiangsu

- "Our company bought the iDeclare package this year, and we chose the Pay Per Transaction offering. In the near future, we may adjust the payment based on our business development."

- Declaration officer, a toy manufacturer in Dongguan

- "Our company renews its iDeclare service every year. We can see Ninetowns improves the maintenance service step by step. We believe in paying for quality services, and the new Pay Per Transaction seems like a better choice for our company. We are in the process of considering a switch to Pay Per Transaction."

- Declaration officer, an Imp. & Exp. trading company in Shanghai

Helen Wu, Investor Relations
Ninetowns Internet Technology Group
22 Floor, Building #1 Capital A Partners
#20 Gongti East Road, Chaoyang District
Beijing, China 100020
+86 10 6589 9287
ir@ninetowns.com

Lisa Zheng, Director
Taylor Rafferty
Room B, 5/F
170 Tun Hwa North Road
Taipei, Taiwan 105
+886-2-2717-1520
ninetowns@taylor-rafferty.com

Mahmoud Siddig, Director
Taylor Rafferty
8th Floor
205 Lexington Avenue
New York, NY 10016
+1 212 889 4350
ninetowns@taylor-rafferty.com

www.ninetowns.com/english

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