

eFuture

Leading provider of software and services
in China's retail and consumer goods industries

January 2012



NASDAQ: EFUT

In this presentation, we make estimates and forward-looking statements that are the current beliefs and opinions of certain members of eFuture's management. These statements are indicated by such terms as "plans to," "preliminary," "goal," "will," "believe," "targeting," "expect," "anticipate," "intend" and "likely." They may include statements regarding future revenues or expenses, earnings and operations, as well as statements regarding demand for the company's solutions and the company's ability to achieve its targets, goals and initiatives. We can give no assurance regarding the achievement of these forward-looking statements, as they are only estimates, and the actual outcomes may be significantly different. Additionally, we expect that these forward-looking statements will change in the normal course of our business, and management specifically disclaims any obligation to update forward-looking statements that we may make in today's presentation.

Investment Highlights

Industry and Market

Business Overview

Financial Performance

Appendix

1 Market share leader¹ in China's retail and consumer goods software and services market

- Strong brand recognition
- Strategic partnerships with leading global technology companies
- One-stop, end-to-end integrated portfolio of products and services

Company Snapshot

- Founded in 1997
- Approximately 820 full-time employees
- IPO in October 2006
- Nasdaq Ticker: EFUT

2 Strong industry growth catalysts

- CAGR of 18.7% from 2006-2010, with positive retail and consumer goods market outlook
- China retail industry IT solutions market expected to grow to RMB3.29 billion in 2015, with a CAGR of 12.6% from 2010-2015, according to IDC

3 Investing in new verticals to capitalize on emerging retail industry trends

- Entering two new verticals (B2C and Apparel)
- Developing and upgrading products to boost margins and attain more stable income stream
- Simultaneously streamlining product lines to enhance profitability and revenue stability
- Increased efficiency from sales restructuring in 2010 and delivery team restructuring in 2011

¹ IDC July 2011 *China Retail Industry IT Solution 2011-2015 Forecast and Analysis*

Investment Highlights

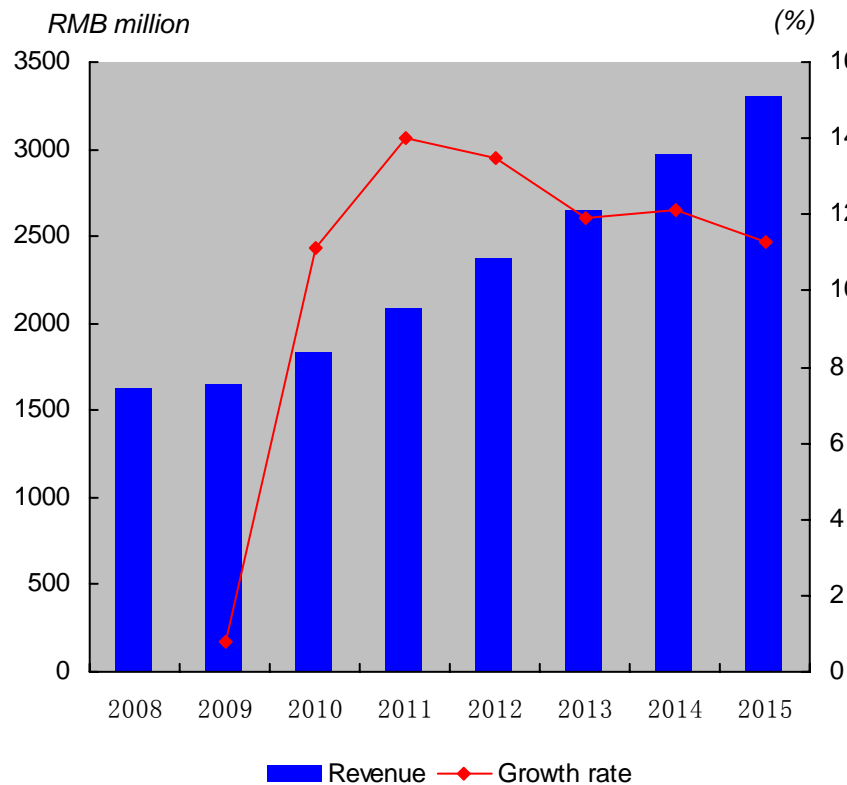
Industry and Market

Business Overview

Financial Performance

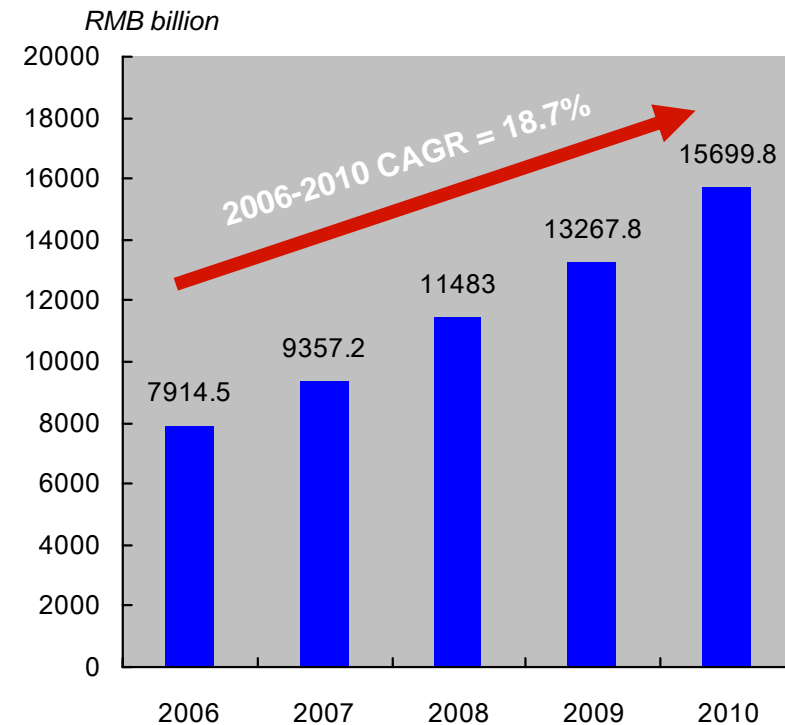
Appendix

China Retail Industry IT Solutions 2008-2015 Size and Forecast



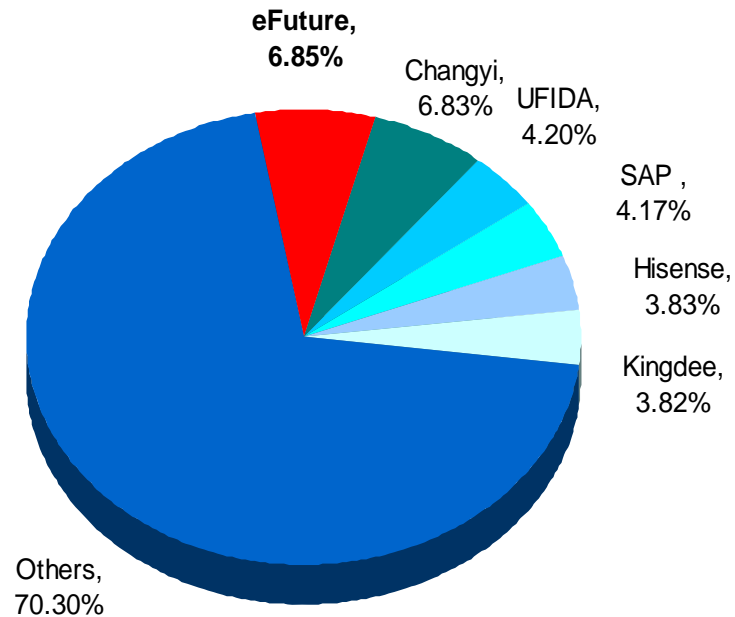
Source: IDC, July 2011

China's Retail Sales Growth



Source: National Bureau of Statistics of China

2010 IT Solutions Market Share in China's Retail Chain Industry



Source: IDC, 2011

Three Driving Forces

- Massive urbanization
- Rise of the middle class
- Online retailing



**1 billion
city dwellers
by 2025**

**800+ million
middle class
by 2025**

**600+ million
online shoppers
by 2025**

Investment Highlights

Industry and Market

Business Overview

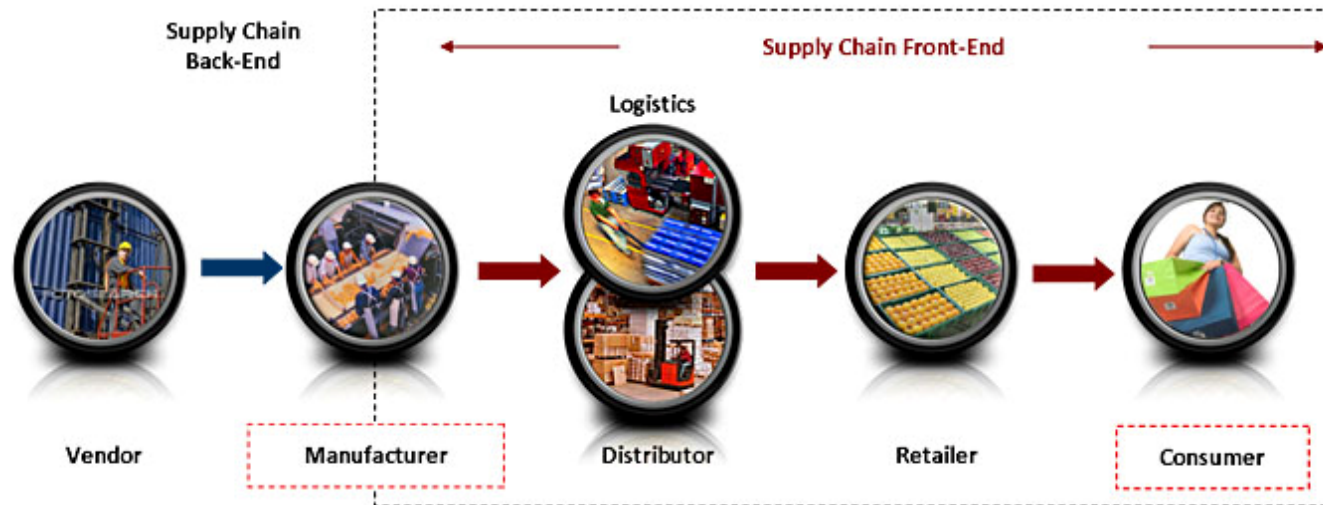
Financial Performance

Appendix



Focus on Front-end Supply Chain

eFuture



SUPPLY SIDE



DEMAND SIDE

- Helps clients profitably match supply and demand for products and services

Strong Brand and Wide Client Base

eFuture

Clients include over 30 of CCFA* top 100 retailers in China

Manufacturers and Distributors	Retailers
       	           

*CCFA, China Chain Store & Franchise Association

1

Core Business

Software

- Merchandizing Management Solution (“MMS”)
- Distribution Management Solution (“DMS”)
- Warehouse Management Solution (“WMS”)
- Supply Chain Management Solution (“SCM”)
- Customer Relationship Management Solution (“CRM”)
- Logistics Management Solution (“LMS”)
- Point of Sales Solution (“POS”)

2

Fast Growing Business

Professional Services

- Operation services
- Delivery services
- Consulting services
- Maintenance services

3

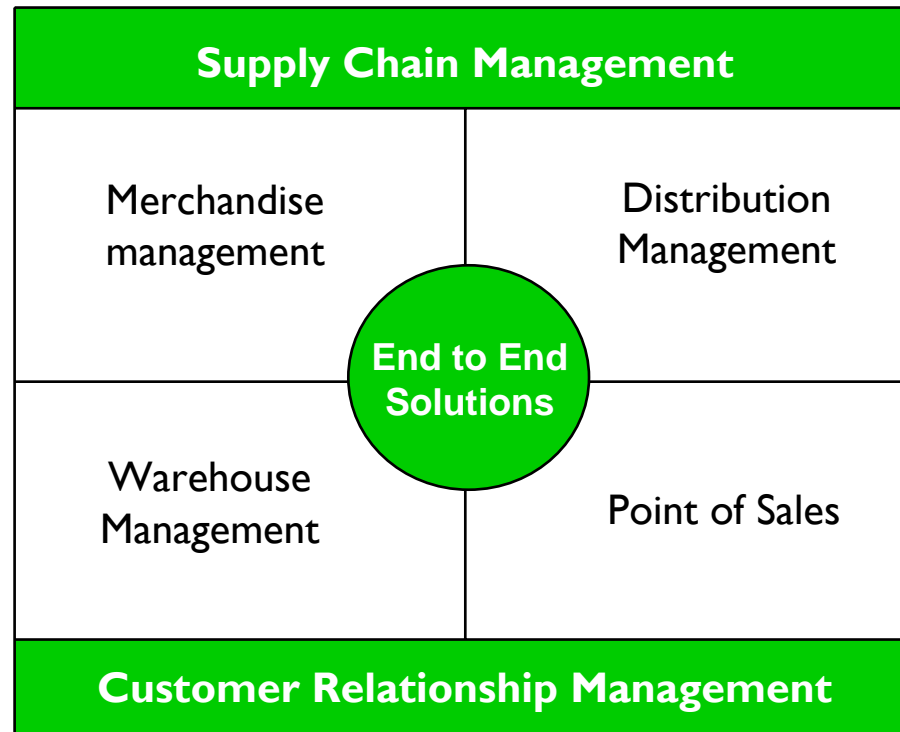
Seed Business

Cloud Service

- Web-based services
 - B2C eCommerce
 - Salesforce Automation (“SFA”)

Software – Core Business

eFuture



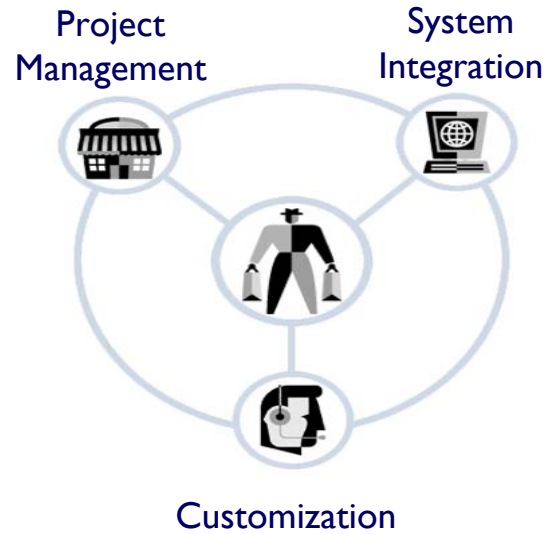
Professional Services – Fast Growing Business



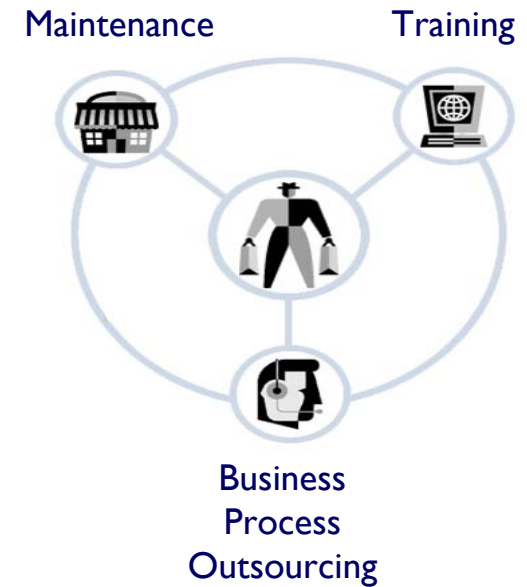
Consulting



Delivery



Operations

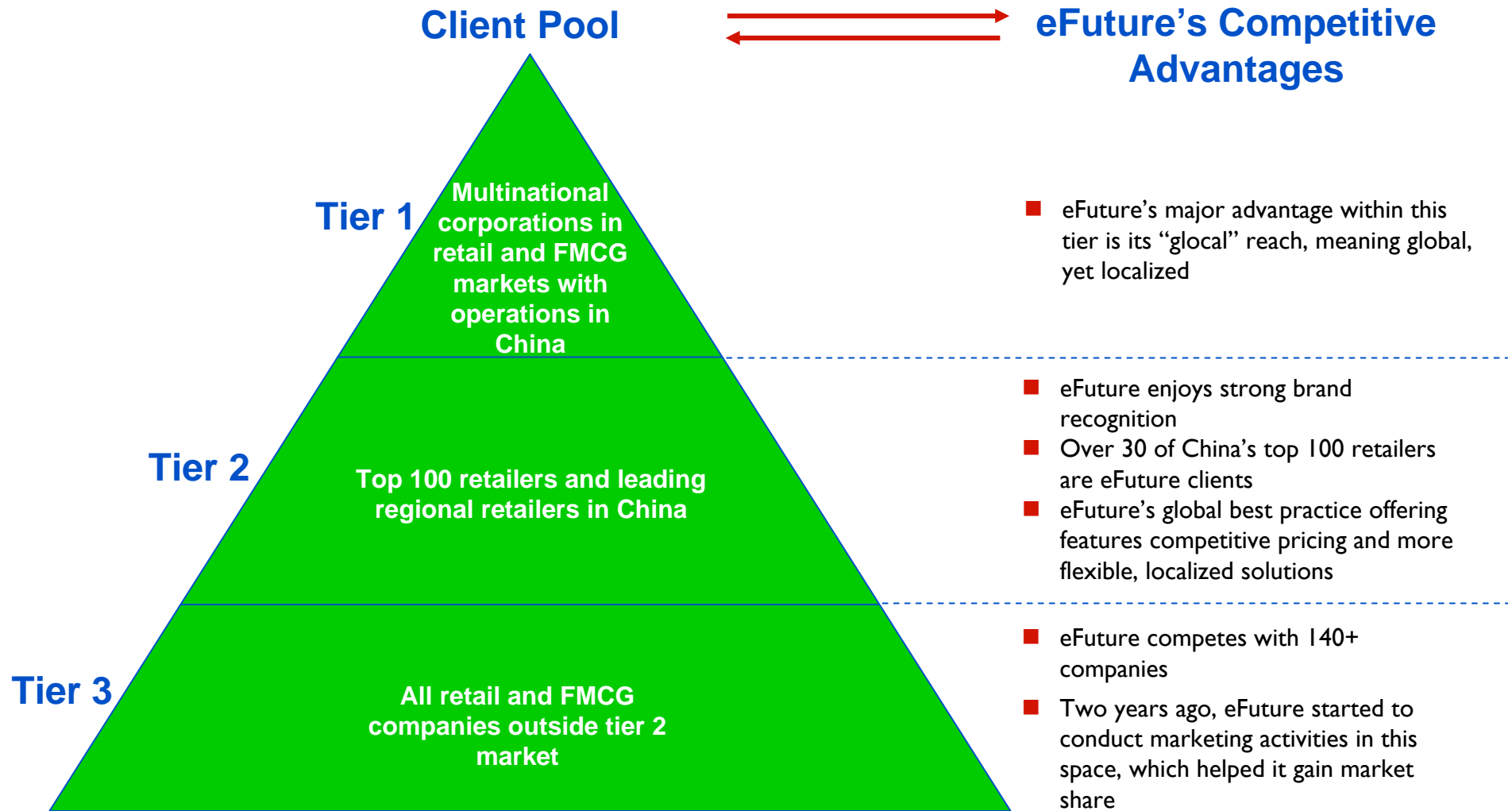


Mobile-based Sales Force Automation ("SFA") Platform

- User-friendly solution speeds up and simplifies all aspects of sales process
- Access to be via both Android and iPhone as well as tablet
- Enables clients to increase revenue through access to real time information on replenishment and promotions
- Allows sales teams to intensify focus on managing customer relationships
- Monthly fee rather than license fee:
 - cost-effective for clients
 - recurring revenue for eFuture



Potential additional long-term growth driver



Extensive Nationwide Network

- Headquartered in Beijing
- Main R&D centers in Guangzhou and Wuhan
- 10 regional service centers in locations including Shanghai, Guangzhou and Wuhan

Commitment to R&D and Customer Service

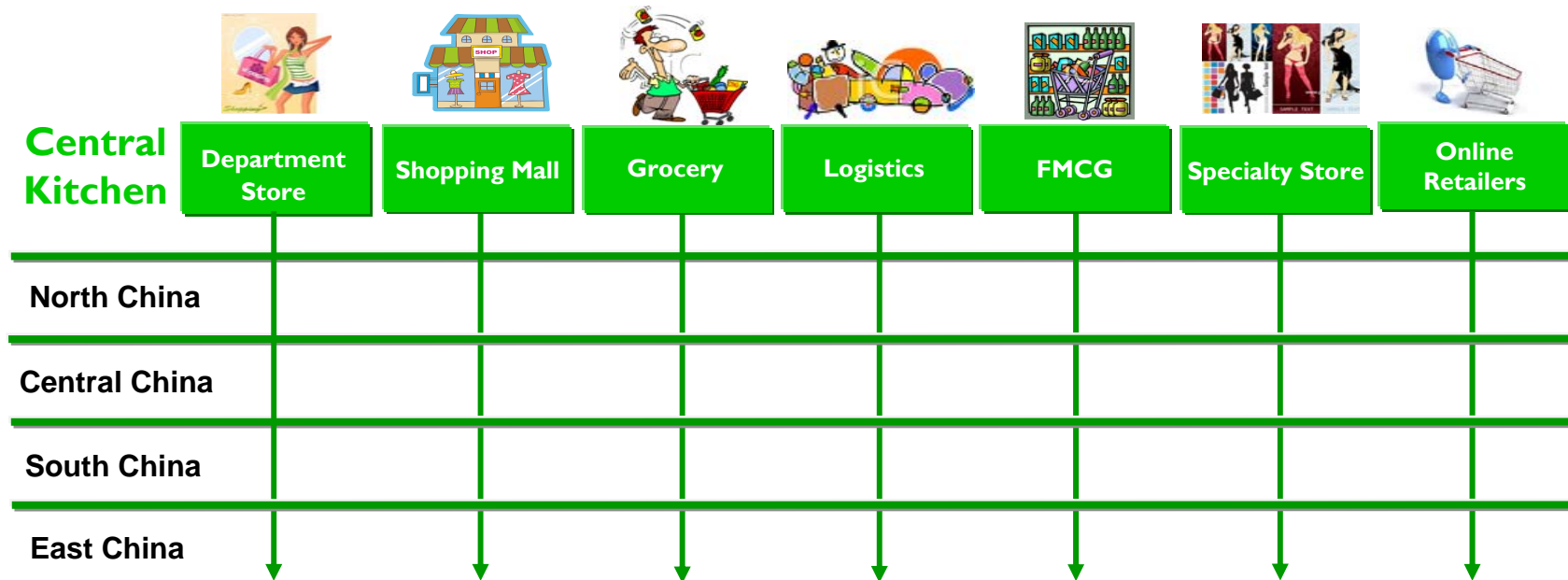
Over 740 employees including:

- 80+ sales and marketing staff
- 300+ consultants and service staff
- 300+ programmers in R&D and software customization



Cost-efficient, Client-driven Delivery Services

- Established four regional delivery centers
 - Built “central kitchen” with 7 vertical product lines
 - Expanding partner network for delivery and maintenance service in tier-2 and tier-3 cities
-
- ✓ Enhanced efficiency
 - ✓ Lower operating costs
 - ✓ Reduced inventory cycle time



1

Boost contributions from higher-margin core software business

2

Complement software revenues with more stable service revenues

3

Extend penetration into tier-2 and tier-3 cities

Shareholder Value

Investment Highlights

Industry and Market

Business Overview

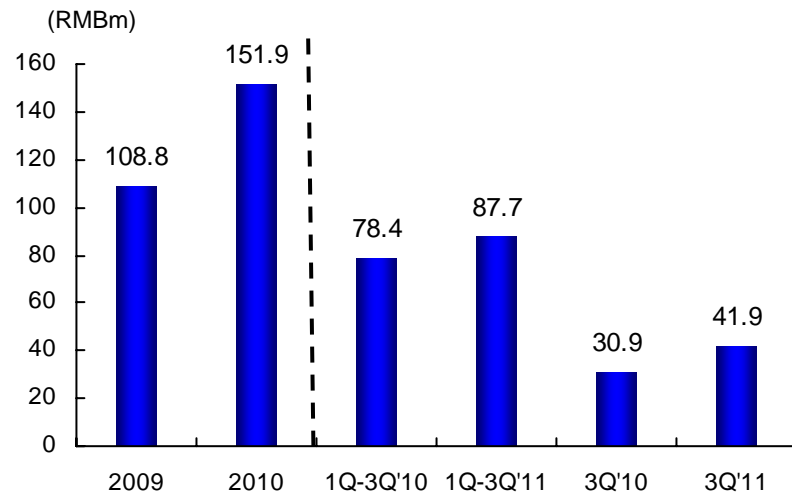
Financial Performance

Appendix



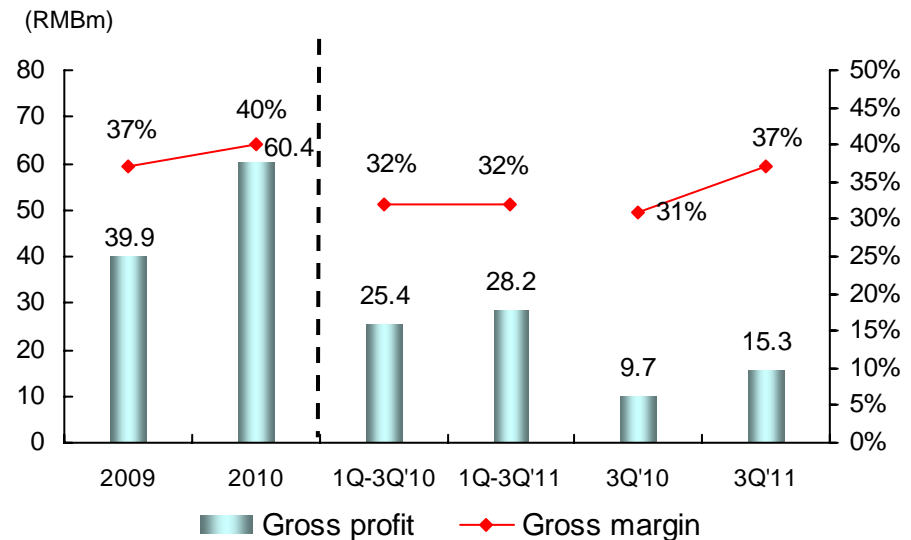
Healthy Revenue and Margin Growth

Revenue



- 35% YoY revenue growth in 3Q'11
- Service fee income accounted for 60% of revenue

Gross Profit and Margin

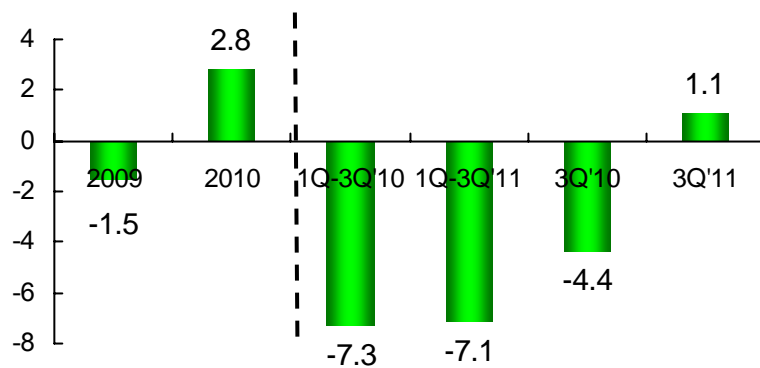


- Gross margin improved to 37% in 3Q'11
- Taking steps to boost margins via more equal balance between more stable service fee income and higher-margin software revenue

Improved Adjusted EBITDA/Net Income

Adjusted EBITDA

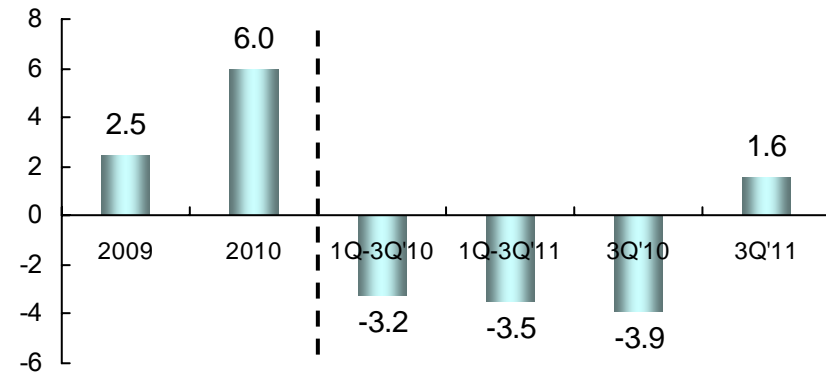
(RMBm)



* Adjusted EBITDA excludes amortization of acquired software technology, amortization of intangibles, share-based compensation expenses, depreciation

Adjusted Net Income

(RMBm)



* Adjusted net income/loss= net income + Depreciation + Amortization + Share-based compensation expenses + Accretion on convertible notes

- Revenue tends to increase throughout the year, with the second half much stronger than first half
- This results in improved bottom line over the year as a whole

Healthy Growth Trend

eFuture

HIGHLIGHTS						
(in millions)	2009	2010	YoY Change	1Q-3Q'10	1Q-3Q'11	YoY Change
	<i>(Audited) RMB</i>	<i>(Audited) RMB</i>	<i>%</i>	<i>(Unaudited) RMB</i>	<i>(Unaudited) RMB</i>	<i>%</i>
Total Revenue:	108.8	151.9	39.6	78.4	87.7	11.9
Software License	54.2	63.9	17.9	35.8	25.3	(29.3)
Hardware	21.5	35.8	66.4	17.5	13.3	(23.9)
Service Fee	33.1	52.2	57.6	25.1	49.1	95.5
Gross Profit	39.9	60.4	51.6	25.4	28.2	11.1
Total Operating Expenses	64.3	82.3	27.8	49.8	49.4	(0.8)
Operating Income (Loss)	(24.4)	(21.7)	11.0	(24.4)	(21.2)	na
Adjusted Net Income (Loss)	2.5*	6.0*	138.3	(3.2)	(3.5)	na
Adjusted Net Income (Loss) per Share (diluted)	0.75*	1.56*	108.0	(0.91)	(0.85)	na

Note: *Unaudited figure

Solid Balance Sheet to Support Growth

BALANCE SHEET				
(in millions)	December 31, 2010	September 30, 2011		Change
	<i>(audited) RMB</i>	<i>(unaudited) RMB</i>	<i>(unaudited) US\$</i>	<i>%</i>
Cash and Cash Equivalents	73.3	51.0	8.0	(30.3)
Current Assets	118.4	129.4	20.3	9.4
Total Assets	241.8	235.1	36.9	(2.8)
Current Liabilities	102.4	102.6	16.1	0.3
Total Liabilities	105.5	102.5	16.1	(2.9)
Working capital	16.0	26.8	4.2	67.8
Shareholders' Equity	139.5	132.6	20.8	(5.0)
Total Liabilities and Equity	241.8	235.1	36.9	(2.8)

- Market share leader in China's retail and consumer goods software and services market
- Strong industry growth catalysts
- Investing in new verticals to capitalize on emerging retail industry trends

Investment Highlights

Industry and Market

Business Overview

Financial Performance

Appendix

Our Vision:

有流通，就有富基

Where is consumer, there is eFuture

Our Mission:



Symbol	EFUT (Nasdaq)
Listing Date	October 31, 2006
Share Price	\$4.34
Market Cap	US\$17.4 M
Shares Outstanding	4.0 M
Fiscal Year-End	December 31

eFuture share price performance



*Source: NASDAQ January 6, 2012

Experienced Management Team



Management

Experience

Adam Yan

Chairman and
CEO



- Founded eFuture in 1997
- General Manager, Haikou Financial Bureau's Bangda Information Industry Center 1991-7
- BSc in computer science and MSc in machine vision engineering, Chongqing University

Sean Zheng

CFO



- CFO since January 2011
- Over 15 year's experience with US-listed technology companies
- Joined from NYSE-listed Advanced Micro Devices, where worked as financial controller in China and US; over 10 years in financial management roles with Motorola

Dehong Yang

President



- Appointed President in January 2010
- Over 10 years' experience of international business and global best practice
- Consultant to the distribution industry for IBM China Company Ltd

Qicheng Yang

CTO



- Chief Technology Officer since 1997
- Chief Technology Officer of Hainan Fujie Industrial Inc. from 1995 to 1997

Experienced Management Team

eFuture

Management

Experience

Johnson Li

Senior Vice
President



- Joined eFuture in 1997 as Vice President, and was Secretary of the Board from 2006-7
- Previously manager of Hainan Fujie Industrial Inc. 's project implementation department

Hongjun Zou

Senior Vice
President



- Chief Operating Officer from 1997 to 2007
- Previously general manager at Hainan Fujie Industrial Inc.

Strong Board



Name	Position	Experience
Adam Yan	Chairman, Director	A founder of eFuture and a Director since the company's inception
Deliang Tong	Director	Former eFuture COO and former President of eFuture (Beijing) Royalstone Information Technology Inc.
Ping Yu	Director	eFuture CFO from January 2007 to July 2010; CFO of NYSE-listed Lentuo International from July 2010 to July 2011; currently CFO of Prudent Energy
Ming Zhu	Independent Director	eFuture Director since 2005. International business consultant with RMCC International, Inc., a Richmond, Virginia based import/export consulting firm, since 1994
Dennis O. Laing	Independent Director	Over 30 years' experience in corporate and commercial law, with special interest in technology, energy and healthcare
Brian Lin	Independent Director Chair of Audit Committee	Currently CEO and Director of China Fire & Security Group, Inc., a leading total solution provider of industrial fire protection systems in China
Dong Cheng	Independent Director Chair of Corporate Governance Committee	Dong Cheng, Ph.D., has served as a Director since 2005. Dr. Cheng has been a Full Professor at Renmin University of China Business School since 2002.
John Dai	Independent Director Chair of Compensation Committee	Mr. Dai had 12 years of experience in various executive positions at IBM, including General Manager of IBM's Greater China Distribution Industry Group.
Weiquan Ren	Director	Senior partner at Cybernaut-Capital since 2006. CEO of Hong Kong-listed Founder Electronics from 2001 to 2006