

global sources

Online • Trade shows • Magazines

(NASDAQ-GS: GSOL)

April 2012 Investor Presentation

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40
YEARS

Quality Buyers
Verified Suppliers

www.globalsources.com

Safe Harbor

This presentation contains forward-looking statements within the meaning of Section 27-A of the Securities Act of 1933, as amended and Section 21-E of the Securities Exchange Act of 1934, as amended. The company's actual results could differ materially from those set forth in the forward-looking statements as a result of the risks associated with the company's business, changes in general economic conditions, and changes in the assumptions used in making such forward-looking statements.



Business at a Glance

A leading B2B media company facilitating China trade

Total Solution

- Online marketplaces
- Face-to-face and online trade shows
- Digital and print magazines
- Private Sourcing Events

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- Established 1971
- HQ: Hong Kong
- 3,600 team members
- 60 locations, 40 in Greater China

Financial Strength

- Revenue of \$225M*
- Adjusted EBITDA of \$42M#*
- \$98M Cash and Securities**
- No bank or long term debt**

Revenue Sources*

- 97% for marketing services
- By media:
 - 52% online
 - 35% exhibitions
 - 10% print
 - 3% miscellaneous
- 79% China

* Year 2011

** As of December 31, 2011

See reconciliation in the appendix



Media for Global Trade



18 Consumer Product Categories



Community: More than 250,000 verified and unverified suppliers

Community: More than 1 million active buyers worldwide (certified with Ernst & Young)



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Verified Suppliers

Media for China Trade



Product Shipments

18 Verticals



Community: More than 4 million registered online users and magazine readers

Community: Overseas manufacturers of semi-conductors and electronics equipment; luxury consumer brands; domestic suppliers of fashion and electronic products



Media for all Stages of the Buying Process



- Each media plays a different role throughout the buying process. Examples:
 - Online is effective early – to search and make inquiries
 - Trade shows & Private Sourcing Events enable negotiation, supplier selection, and ordering

Fully Integrated Offering

Print Magazines



Private Sourcing Events



Digital Magazines



- Additional exposure and sales leads for online advertisers through print magazines, which also act as a show guide and exhibitor directory for tradeshow participants
- Physical products displayed at tradeshows can be seen online – before and after each show

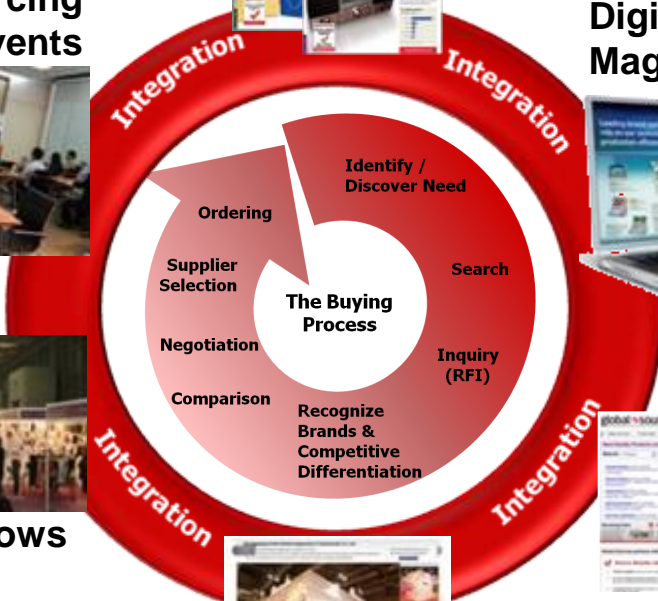


Trade Shows



Online Sourcing Fairs

Online



Large, Professional Buyers



- 80:20 rule generally applies where 80% of imports come from 20% of the buyers^{1,2}
- Professional buyers typically require experienced, financially sound exporters with manufacturing facilities
- In 2011, Private Sourcing Events were held for 290 sourcing teams – creating some 1,690 one-on-one selling opportunities for our advertisers

1 Source: U.S. Customs & Border Control

2 Source: Global Sources estimate from U.S. Customs data



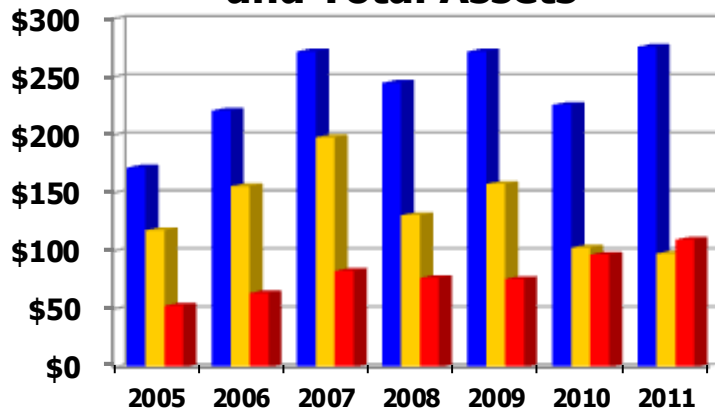
Income Statement

(in US\$ millions except number of shares and per share data)	Q4 2011	Q4 2010	growth %	YEAR 2011	YEAR 2010	growth %
Revenues						
Online	30.5	25.5	20	117.9	96.1	23
Print	6.4	6.3	2	23.5	26.1	(10)
Exhibitions	35.5	29.9	19	78.0	69.5	12
Miscellaneous	1.7	1.4	21	5.6	5.0	12
Total revenue	74.0	63.0	17	225.1	196.6	14
Operating expenses	(61.8)	(52.7)	(17)	(193.3)	(171.0)	(13)
Profit from Operations	12.2	10.3	18	31.7	25.6	24
Interest income	0.2	0.1	100	0.3	0.5	(40)
Gain on sale of available-for-sale securities	0.0	1.2	(100)	0.0	1.2	0
Profit before Income Taxes	12.4	11.7	6	32.0	27.3	17
Income Tax Expense	(0.5)	(0.5)	0	(1.6)	(1.1)	(45)
Net profit attributable to non-controlling interests	0.0	0.1	100	(1.0)	(1.0)	0
IFRS Net Profit	11.9	11.3	5	29.5	25.3	17
IFRS Net Profit per diluted share	0.34	0.32	6	0.83	0.61	36
Total shares used in diluted net profit per share calculations (IFRS Net Profit)	35,501,296	35,119,162		35,385,218	41,693,616	



Strong Balance Sheet

Cash, Securities, Deferred Income and Total Assets



■ Total Assets ■ Cash and Securities ■ Total deferred income and customer prepayments

- No debt*
- Cash and securities: \$98M*
 - 35% of total assets
- Deferred income \$110M*
 - 49% of revenue

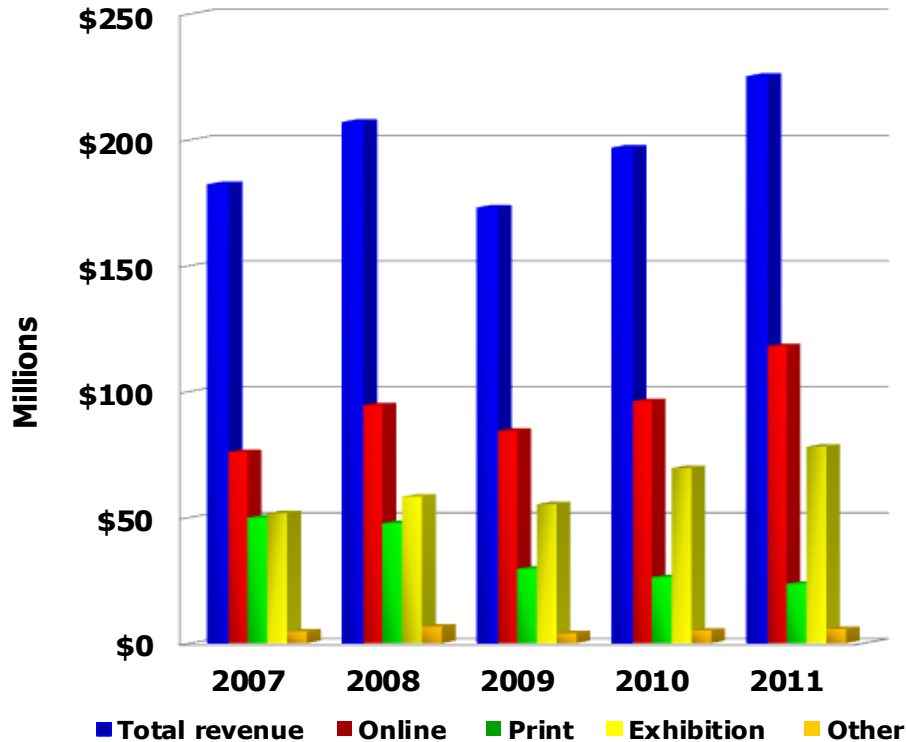
Notes:

- 1) In Q308, purchased real estate for a sum of \$47.9 million, and in Q408 completed a tender offer of 6.25M shares at \$8.00 per share.
- 2) In 2010, completed a tender offer USD 100M at \$9.00 per share for 11.2M shares.
- 3) In Q311, purchased Shanghai office space for a sum of \$52.2 million.
- 4) As of Dec 31, 2011, the current market value of office properties was approx. \$209.8M, and the company reclassified approx. \$75M from "Property & Equipment" to "Investment Property" in the balance sheet.

* As of December 31, 2011



Total Revenue & Revenue Mix



- \$118M online revenue for year 2011, 23% YOY growth
- \$78M of exhibition revenue for year 2011, 12% YOY growth

Key Trends



- Cost pressures on manufacturers
 - Materials, components, labor, Yuan
- Weakening and shifting demand
 - Lower demand from key Western Europe and U.S. markets
 - Growing importance of emerging markets
- Incidents of fraud
 - Heightened appreciation of quality content and trusted content providers
- Trade shows becoming more digital
 - Online shows, hybrid shows, bar code technology etc.



Growth Strategy



Four foundations:

- Penetration of the market for export promotion media
- New product and market development
- Expansion in China's domestic B2B market
- Acquisitions, joint-ventures, and alliances

Export Market Penetration

- Objectives:
 - Grow suppliers' usage of one or more of our media
 - Increase customer base
 - Help customers penetrate emerging markets
- Continued strength anticipated from our flagship site *Global Sources Online* – and from our *China Sourcing Fairs*

New and Developing Initiatives



- 60 export trade shows scheduled in 2012
- Continued expansion of shows in sourcing hubs for key emerging markets
 - Currently Dubai, Miami, Mumbai, Johannesburg

2012 Export Show Schedule

Location	Hong Kong		Dubai	Miami	Sao Paulo	Mumbai	Johannesburg
Show Dates	Apr 12 -15, 20-23, 27-30	Oct 12-15, 20-23, 27-30	May 29-31	Jul 10-12	Aug 14-16	Sept 20 -22	Nov 28-30
CSF: Electronics & Components	●	●				●	
CSF: Electronics			●	●	●		●
CSF: Security Products	●	●					
CSF: Solar & Energy Savings Products	●	●					●
CSF: Medical & Health Products	●	●					
CSF: Gifts & Premiums	●	●	●	●	●		●
CSF: Home Products	●	●	●	●		●	●
CSF: Baby & Children's Products	●	●	●	●			●
CSF: Christmas & Seasonal Products	●	●					
CSF: Fashion Accessories	●	●		●			●
CSF: Underwear & Swimwear	●	●					
CSF: Garments & Textiles	●	●	●	●	●		●
CSF: Hardware & Building Materials			●	●	●	●	●
CSF: Bathroom Products						●	
ISF: Home Products	●	●					
ISF: Garments & Accessories	●	●					
India Sourcing Fair				●			
KSF: Gifts & Premiums	●						
KSF: Electronics & Components	●	●					
Total (by show period)	15	14	6	8	4	4	8
Total (by location)	29		6	8	4	4	8
Total Shows:	59						

Legend: CSF = China Sourcing Fair; ISF = India Sourcing Fair; KSF = Korea Sourcing Fair

New Product and Market Development

- Plans include increasingly specialized online marketplaces, magazines and trade shows – entries into new geographies – new verticals , and new media formats

New and Developing Initiatives



- Launching China Sourcing Fairs in Sao Paulo, Brazil in 2012
- Fully launched "*Online Sourcing Fairs*" in October 2011 to extend the value of face-to-face shows

Expansion in China's Domestic Market

- Focused on becoming increasingly involved in China's domestic B2B markets
- Currently over 4 million registered online users and magazine readers for our Chinese-language media

New and Developing Initiatives



- New division recently established to develop domestic China tradeshows, under the *Global Sourcing Fairs* brand
- 4 *Global Sourcing Fairs* scheduled during 2012
 - In Shanghai: Electronics & Components, Gifts & Home Products, Fashion Accessories
 - In Shenzhen: Electronics & Components



Acquisitions and/or Alliances

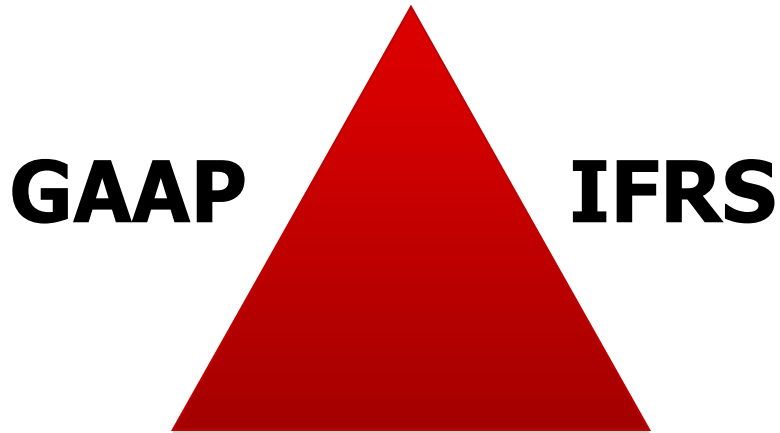
- Strategy to seek complementary businesses, technologies or products that will help us maintain or achieve market leading positions in particular niche markets
- Priorities include acquiring media properties that will extend and enhance existing brands

New and Developing Initiatives



- **2012:** acquired the *China (Shenzhen) International Brand Clothing & Accessories Fair*, one of Asia's largest fashion shows, for consideration of approx. US\$17.3 million
- **2011:** acquired EDN-China and EDN-Asia , for consideration of approx. US\$4 million
- **2009:** acquired the *China International Optoelectronic Expo*, China's largest optoelectronics event, for consideration of approx. US\$5 million

From GAAP to IFRS



- Starting Q1 2011, Global Sources shifted to International Financial Reporting Standards (IFRS)
- Primary objective: To provide investors and analysts with the ability to easily compare us with other non-US based international companies

Guidance: 1H 2012*

- Revenue \$104 M to \$106 M
 - Flat to 2% growth
- IFRS EPS \$0.31 to \$0.34
 - Compared to \$0.38
- Non-IFRS EPS \$0.36 to \$0.39
 - Compared to \$0.43

** As compared to 1H 2011 and updated on April 17, 2012*

Note: As stated on 3Q 2011 results, we expect the following revenue mix in the first half of 2012: 59% to 60% for online -- 31% to 32% for exhibitions, 5% to 6% for print, and approximately 3% for miscellaneous. This is as compared to the first half of 2011 mix of approximately 55% for online, 32% for exhibitions, 10% for print and 3% for miscellaneous.



Board of Directors



Merle Hinrichs
Executive Chairman

Founder; Member of Board of Trustees of Thunderbird School of Global Management; Board Member of Economic Strategy Institute; Masters Degree in International Trade from Thunderbird; and Honorary Doctorate Degrees from the University of Nebraska and Thunderbird.



Sarah Benecke
Director

Chief Executive Officer from 1994 to 1999; launched flagship website *Global Sources Online*; consultant for *China Sourcing Fairs* launch, development and expansion; and former Vice Chairman of the Hong Kong Exhibition & Convention Industry Association.



Eddie Heng
Director

Former Chief Financial Officer; Singapore CPA and Member of Singapore Institute of CPAs; Fellow Member of UK Association of Chartered Certified Accountants; Director and Audit Committee Chairman of Prison Fellowship Singapore; and former Regional Financial Controller of Hitachi Data Systems.



Roderick Chalmers
Independent Director

Member of Audit, Compensation & Executive Sessions Committees; former Asia-Pacific Chairman & Global Management Board Member of PricewaterhouseCoopers; has at various times been a Non-executive Director of Hong Kong Securities & Futures Commission, Member of Hong Kong Takeovers & Mergers Panel, and Chairman of Hong Kong Working Group on Financial Disclosure.



David Jones
Independent Director

Member of Audit, Compensation & Executive Sessions Committees; Managing Director of CHAMP Private Equity; founded and led the development of UBS Capital's Australian and New Zealand business; former Chairman of Australian Venture Capital Association Limited.



James Watkins
Independent Director

Member of Audit, Compensation & Executive Sessions Committees; former Partner in Linklaters law firm, London and Hong Kong; former Director & Group General Counsel of Jardine Matheson Group, Hong Kong; Audit Committee Member of Jardine Cycle & Carriage Ltd., MCL Land Ltd. and Asia Satellite Telecommunications Holdings Ltd.; Audit Committee Chairman of Advanced Semiconductor Manufacturing Corporation Ltd.



Peter Yam
Independent Director

Former President of Emerson Greater China and Chairman of Emerson Electric (China) Holdings Co., Ltd.; non-executive director of ISG Asia Investment (HK) Ltd.; a director of the Executive Committee of Foreign Investment Companies in Beijing from 2003 to 2008; and a non-executive director of Sun Life Hong Kong Limited and affiliates from 2003 to 2010.



Awards and Indexes



Gold Award for Social
Responsibility and
Investor Relations 2011



Titanium Award for Corporate
Governance & Investor Relations
2009 & 2010



2006, 2007, 2008, 2009,
2010*, 2011



Forbes Asia's 200
'Best Under a Billion'
2007



Since June 2007



**Best IR Website in China; Certificate of Excellence for Corporate Governance
in Greater China; Certificate of Excellence for IR Websites in Asia-Pacific*



Investment Highlights

- Large and attractive market opportunity primarily focused on China export and domestic B2B market
- Leading provider to the professional market
 - Deep relationships with the largest buyers
 - High quality community of verified suppliers
- Strong online business and growing number of trade shows that are becoming increasingly digital
- Extensive, multi-channel media integration initiatives expected to drive growth
- Strong balance sheet and 40-year track record of profitability



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Thank You

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IFRS to Non-IFRS Reconciliation

Management believes non-IFRS metrics are useful measures of operations and provides IFRS to non-IFRS reconciliation tables at the end of this press release. Global Sources defines non-IFRS net income as net income excluding non-cash, SBC expense or credit, amortization of intangibles as it relates to certain equity compensation plans, gains or losses on acquisitions and investments, and/or impairment charges, for all historical and future references to non-IFRS metrics. Non-IFRS EPS is defined as non-IFRS net income divided by the weighted average of diluted common shares outstanding.

In U.S. Dollars Thousands, Except Number of Shares and Per Share Data

	Three months ended December 31,		Year ended December 31,	
	2011	2010	2011	2010
IFRS EPS	\$ 0.33	\$ 0.32	\$ 0.83	\$ 0.61
IFRS Net Profit	\$ 11,889	\$ 11,306	\$ 29,476	\$ 25,251
Non-cash stock based compensation expense (Note 1)	814	333	2,777	2,187
Amortization of intangibles (Note 2)	191	189	763	560
Impairment of goodwill and intangibles	670	-	670	-
Non-IFRS Net Profit	\$ 13,564	\$ 11,828	\$ 33,686	\$ 27,998
Non-IFRS diluted net profit per share	\$ 0.38	\$ 0.34	\$ 0.95	\$ 0.67
Total shares used in non-IFRS diluted net profit per share calculations	35,501,296	35,119,162	35,385,218	41,693,616

Notes:

- (1) Actual SBC is calculated based on actual share price on date of the awards.
- (2) Amortization of intangible assets relating to certain non-compete agreements.



EBITDA Reconciliation

Adjusted EBITDA is defined at earnings before interest, taxes, depreciation, amortization, stock-based compensation and impairment of goodwill and intangible assets.

In U.S. Dollars Thousands

	Three months ended December 31,		Year ended December 31,	
	2011	2010	2011	2010
IFRS profit from operations	\$ 12,208	\$ 10,343	\$ 31,720	\$ 25,626
Depreciation and amortization	1,464	1,471	6,785	6,668
EBITDA	13,672	11,814	38,505	32,294
Non-cash stock based compensation expense	814	333	2,777	2,187
Impairment of goodwill and intangibles	670	-	670	-
Adjusted EBITDA	\$ 15,156	\$ 12,147	\$ 41,952	\$ 34,481

