

global sources

Online • Trade shows • Magazines

(NASDAQ-GS: GSOL)

December 2011 Investor Presentation

global  sources

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
- Exhibitions
- Private Sourcing Events
- Digital and print magazines

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- Established 1971
- HQ: Hong Kong
- 3,200 team members
- 60 locations, 40 in Greater China

Revenue Sources*

- 97% for marketing services
- By media:
 - 53% online
 - 34% exhibitions
 - 11% print
 - 2% miscellaneous
- 78% China

Financial Strength

- TTM Revenue of \$213M*
- TTM Adjusted EBITDA of \$39M#*
- \$89M Cash and Securities**
- No bank or long term debt**

* TTM ending September 30, 2011

** As of September 30, 2011

See reconciliation in the appendix



Media for Global Trade



20 Consumer Product Categories

Lead Generation:
127 million RFIs annually to suppliers through *Global Sources Online* alone



Product Shipments

Community: More than 262,000 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

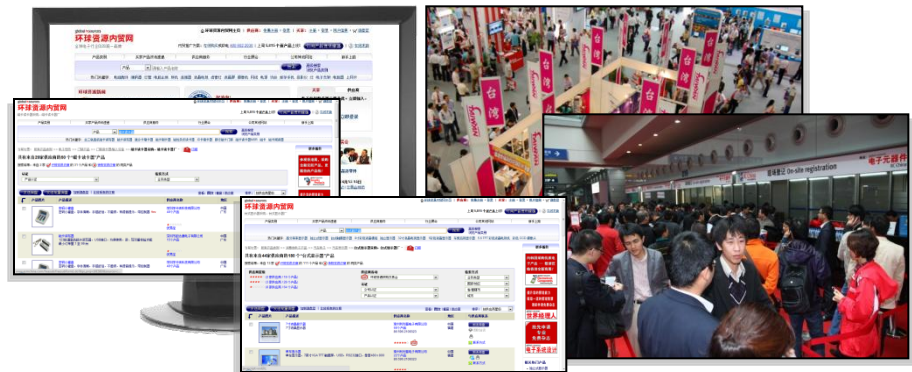
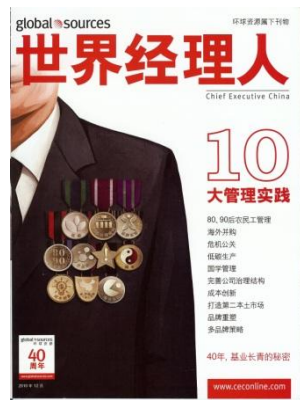


- 18 Verticals**
- Electronic Engineering
 - Electronic Design
 - Electronics Manufacturing
 - Electronic Components
 - Integrated Circuits
 - Optoelectronics
 - Management
 - 11 consumer product categories



Community: More than 2.8 million registered online users and magazine readers

Community: Overseas manufacturers of semi-conductors and electronics equipment; luxury consumer brands; domestic suppliers of electronics 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 for suppliers and make inquiries (*import buyers do not place large-volume orders through online marketplaces*)
 - Trade shows & Private Sourcing Events enable negotiation, supplier selection, and ordering

Export Marketing Total Solution

Print Magazines



Private Sourcing Events



Digital Magazines



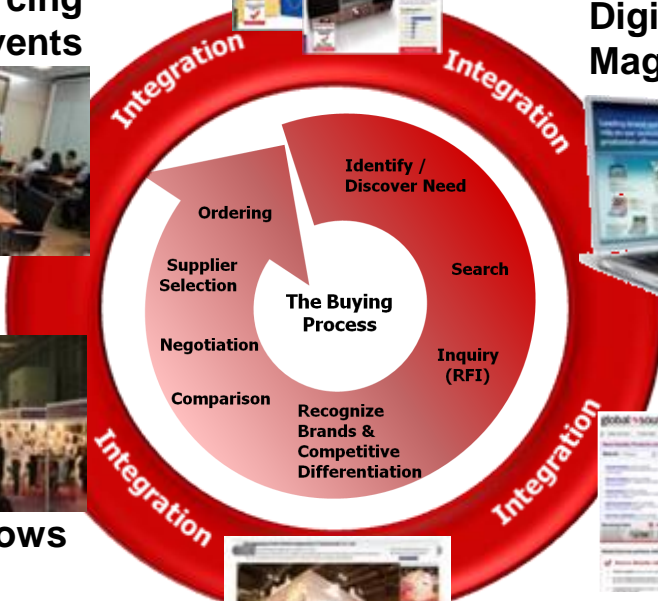
Online



Trade Shows



Online Sourcing Fairs



- The industry's broadest offering
- Increasing integration:
 - Exhibitors products are online before the show, and their booth remains online after the show
 - Advertisers' products have a physical and/or digital presence at shows
 - Advertisers gain additional exposure and sales leads because magazines also act as a show guide and exhibitor directory



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 2010, Private Sourcing Events were held for 270 sourcing teams -- creating some 1,500 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



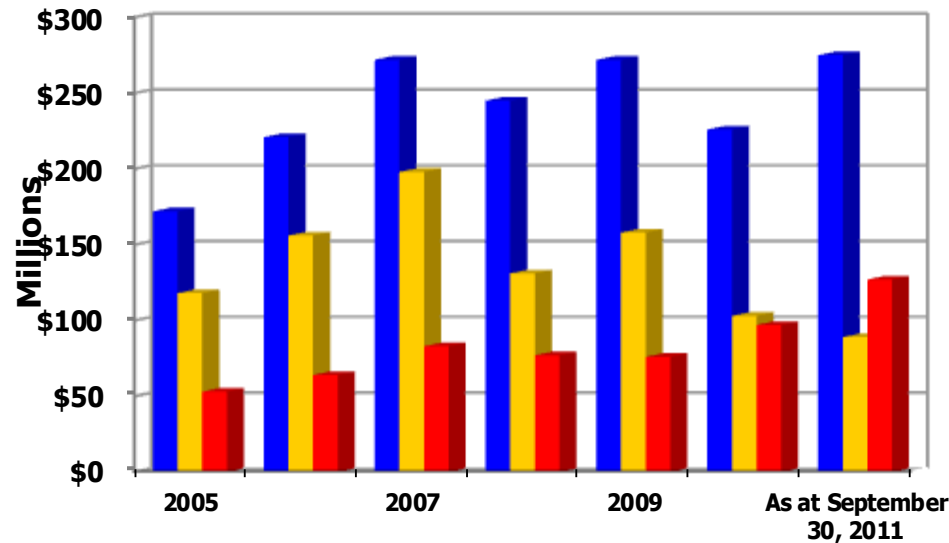
Income Statement

(in US\$ millions except number of shares and per share data)	Q3 2011	Q3 2010	growth %	YTD SEPT 2011	YTD SEPT 2010	growth %
Revenues						
Online	30.4	24.8	22	87.5	70.7	24
Print	6.3	5.8	9	17.1	19.8	(14)
Exhibitions	9.0	7.7	17	42.5	39.6	7
Miscellaneous	1.3	1.2	8	3.9	3.6	8
Total revenue	47.0	39.5	19	151.1	133.6	13
Operating expenses	(41.3)	(36.2)	(14)	(131.5)	(118.4)	(11)
Profit from Operations	5.6	3.3	70	19.5	15.3	27
Interest income	0.1	0.1	0	0.2	0.4	(50)
Profit before Income Taxes	5.7	3.3	73	19.7	15.7	25
Income Tax Expense	(0.6)	(0.4)	(50)	(1.2)	(0.6)	(100)
Net profit attributable to non-controlling interests	(1.1)	(0.8)	(38)	(1.0)	(1.1)	9
IFRS Net Profit	4.0	2.1	90	17.6	13.9	27
IFRS Net Profit per diluted share	0.11	0.05	120	0.50	0.32	56
Total shares used in diluted net profit per share calculations (IFRS Net Profit)	35,482,592	39,873,952		35,387,418	43,919,109	



Strong Balance Sheet

Cash, Securities, Deferred Income and Total Assets



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

Notes:

1) In Q308, the company purchased real estate for a sum of \$47.9 million, and in Q408 Global Sources completed a tender offer of 6.25M shares at \$8.00 per share.

2) In Q311, the company purchased Shanghai office space for a sum of \$52.2 million.

- No debt*
- Cash and securities: \$89M*
 - 32% of total assets
- Deferred income \$127M*
 - 59% of TTM revenue

* As of September 30, 2011

Primary Market Forces



- Cost pressures on manufacturers
 - Materials, components, labor, Yuan
- Weakening and shifting demand
 - Lower expectations from key Western Europe and U.S. markets
 - Growing importance of emerging markets:
 - China's export growth in 2010 to Brazil, India, and Russia was 42%, 38%, and 69% respectively
- Incidents of fraud
 - Heightened appreciation of quality content and trusted content providers
- Trade shows becoming more digital
 - Interaction of physical shows, magazines and online

Growth Strategy



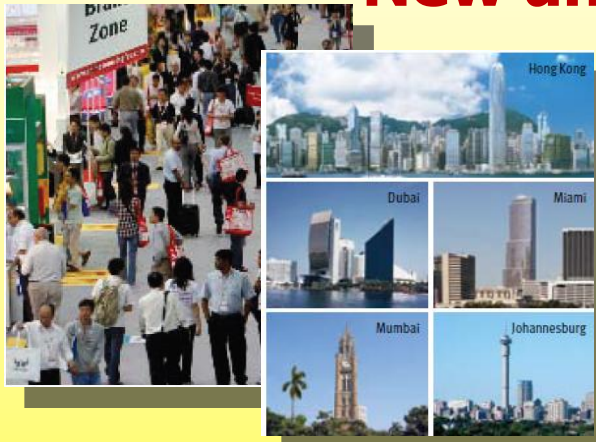
Four foundations:

- Further 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
 - Help customers penetrate high growth emerging markets
- Continued strength anticipated from our flagship site *Global Sources Online* – from our *China Sourcing Fairs* – and geographically from China

New and Developing Initiatives



- 57 export trade shows scheduled in 2011
- Continued expansion of shows in sourcing hubs for key emerging markets
 - Currently Dubai, Miami, Mumbai, Johannesburg

2011 Export Show Schedule

Location	Hong Kong		Dubai	Miami	Mumbai	Johannesburg
Show Dates	Apr 12 - 15, 20-23, 27-30	Oct 12-15, 20-23, 27-30	May 31- June 2	Jul 11 - 13	Nov 23 - 25	Nov 30 - Dec 2
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: Fashion Accessories	●	●		●		●
CSF: Underwear & Swimwear	●	●				
CSF: Garments & Textiles	●	●	●	●		●
CSF: Hardware & Building Materials			●		●	●
CSF: Bathroom Products					●	
CSF: Christmas & Seasonal Products		●				
ISF: Home Products	●	●				
India Sourcing Fair			●	●		
ISF: Garments & Accessories	●	●				
KSF: Gifts & Premiums	●					
KSF: Electronics & Components	●	●				
Total (by show period)	14	14	7	7	6	9
Total (by location)	28		7	7	6	9
Total Shows:	57					

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 – the development of new verticals -- as well as entirely new media formats
- Launched *China Sourcing Fairs* in July in Miami
- For the China domestic market, various new shows have been launched, announced or are planned

New and Developing Initiatives



- Launched "*Online Sourcing Fairs*" in April 2011 to extend the value of face-to-face shows
- Entering India's domestic B2B market with scheduled launch of *Global Sources Machinery & Industrial Supplies Fair* in November 2011

Expansion in China's Domestic Market

- Focused on becoming increasingly involved in China's domestic B2B markets
- Currently over 2.8 million registered online users and magazine readers for our Chinese-language media

New and Developing Initiatives



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Global Sourcing Fairs
Premier trade shows helping volume buyers source from Greater China

- New division recently established to develop domestic shows, under our new *Global Sourcing Fairs* brand
- 6 *Global Sourcing Fairs* scheduled during 2011



Acquisitions and/or Alliances

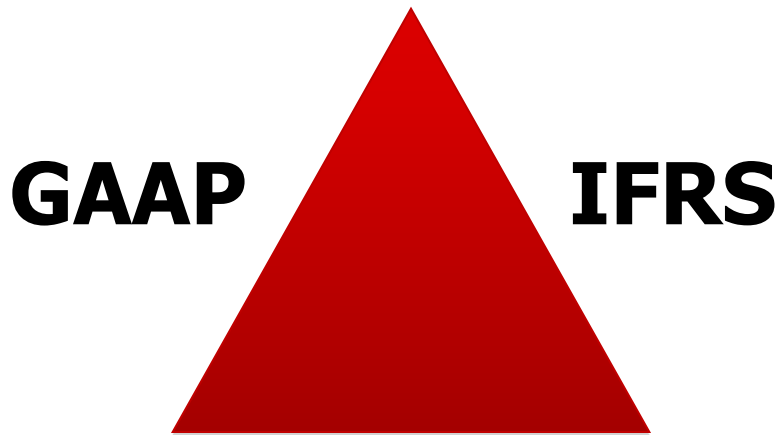
- Strategy to seek complementary businesses, technologies or products that will help us maintain or achieve market leading positions in particular niche markets
- Priorities include acquiring media properties that will extend and enhance our existing brands

New and Developing Initiatives

The logo for CIE, featuring the letters 'CIE' in a bold, sans-serif font with a red circular graphic element to the right.The logo for C&D, featuring the letters 'C&D' in a bold, sans-serif font with a red ampersand.

- 2009: acquired the *China International Optoelectronic Expo*
- 2010: established cooperative JV with C&D Tourism and Hotels to launch *Sports & Leisure* show in Xiamen
- 2011:acquired EDN-China and EDN-Asia

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: Second Half 2011*

- Revenue \$115 M to \$117 M
 - 12% - 14% growth
- IFRS EPS \$0.36 to \$0.39
 - Compared to \$0.36
- Non-IFRS EPS \$0.41 to \$0.44
 - Compared to \$0.39

* *As compared to 2H 2010 and as reported Nov 17th, 2011*

Note: As stated on November 17th, we expect the following revenue mix in the second half of 2011: 51% to 52% for online -- 36% to 37% for exhibitions, 10% to 11% for print, and approximately 2% for miscellaneous. This is as compared to the second half of 2010 mix of approximately 49% for online, 37% for exhibitions, 12% for print and 2% 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 September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
IFRS EPS	\$ 0.11	\$ 0.05	\$ 0.50	\$ 0.32
IFRS Net Profit	\$ 3,963	\$ 2,085	\$ 17,587	\$ 13,945
Non-cash stock based compensation expense (Note 1)	740	695	1,963	1,854
Amortization of intangibles (Note 2)	191	154	572	371
Non-IFRS Net Profit	\$ 4,894	\$ 2,934	\$ 20,122	\$ 16,170
Non-IFRS diluted net profit per share	\$ 0.14	\$ 0.07	\$ 0.57	\$ 0.37
Total shares used in non-IFRS diluted net profit per share calculations	35,482,592	39,873,952	35,387,418	43,919,109

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 September 30,		TTM ended	Nine months ended September 30,	
	2011	2010	September 30,	2011	2010
IFRS profit from operations	\$ 5,647	\$ 3,266	\$ 29,855	\$ 19,512	\$ 15,283
Depreciation and amortization	1,984	1,840	6,792	5,321	5,197
EBITDA	7,631	5,106	36,647	24,833	20,480
Non-cash stock based compensation expense	740	695	2,296	1,963	1,854
Adjusted EBITDA	\$ 8,371	\$ 5,801	\$ 38,943	\$ 26,796	\$ 22,334



Actual GAAP To IFRS Reconciliation

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

	Three months ended September 30, 2010	Nine months ended September 30, 2010
GAAP diluted EPS	<u>\$ 0.06</u>	<u>\$ 0.28</u>
Shares used in GAAP diluted net income per share calculations	<u>39,873,952</u>	<u>44,010,618</u>
GAAP Net Income	\$ 2,282	\$ 12,121
IFRS conversion adjustments:		
Revenue	43	1,847
Exhibition promotion costs	(267)	(641)
Non-cash stock based compensation expense	27	618
IFRS Net Profit	<u>\$ 2,085</u>	<u>\$ 13,945</u>
IFRS diluted EPS	<u>\$ 0.05</u>	<u>\$ 0.32</u>
Shares used in IFRS diluted net income per share calculations	<u>39,873,952</u>	<u>43,919,109</u>

