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**Online • Trade shows • Magazines • Research**  
**(NASDAQ-GS: GSOL)**

## **Investor Presentation**

# Safe Harbor

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*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
- Trade shows
- Digital and print magazines
- Private Sourcing Events

global  sources

- Established 1971
- HQ: Hong Kong
- 2,900 team members
- 60 locations, 40 in Greater China

## Financial Strength

- Revenue of \$198M\*
- Adjusted EBITDA of \$42M<sup>#</sup>\*
- \$93M Cash and Securities\*\*
- No debt\*\*

## Revenue Sources\*

- Marketing services through various channel
  - 43% online
  - 47% exhibitions
  - 6% print
  - 4% miscellaneous
- 84% China

\* TTM ending June 30, 2014

\*\* As of June 30, 2014

# See reconciliation in the appendix



# Media for Global Trade



Community: More than 250,000 verified and unverified suppliers

**19 Consumer Product Categories**



Community: More than 1 million active buyers worldwide



global  sources



**Verified Suppliers**

# Media for China Trade



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

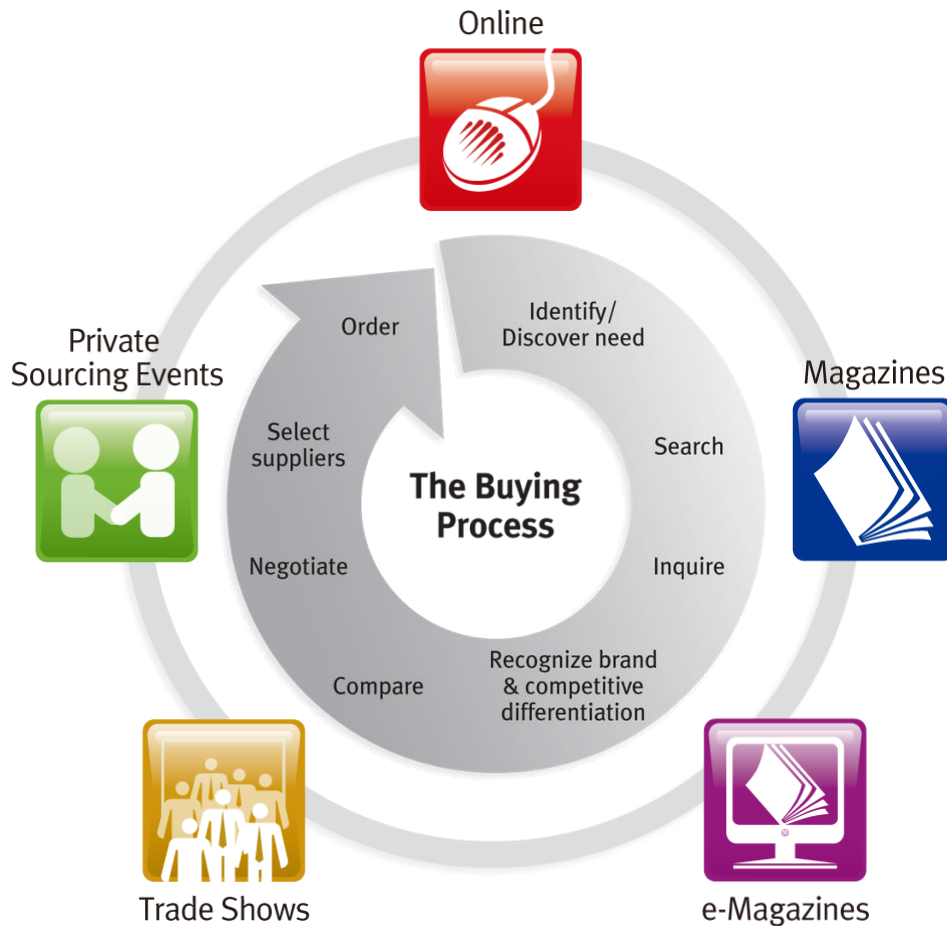


Community: Overseas manufacturers of semi-conductors and electronics equipment; luxury consumer brands; domestic suppliers of fashion and electronic products





# Fully Integrated Offering



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



# Large, Professional Buyers



- 80:20 rule generally applies where 80% of imports come from 20% of the buyers<sup>1,2</sup>
- Professional buyers typically require experienced, financially sound exporters with manufacturing facilities
- In 2013, Private Sourcing Events were held for some 250 sourcing teams, creating more than 1,700 high-quality, one-on-one selling opportunities for suppliers

1 Source: U.S. Customs & Border Control

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



# Income Statement

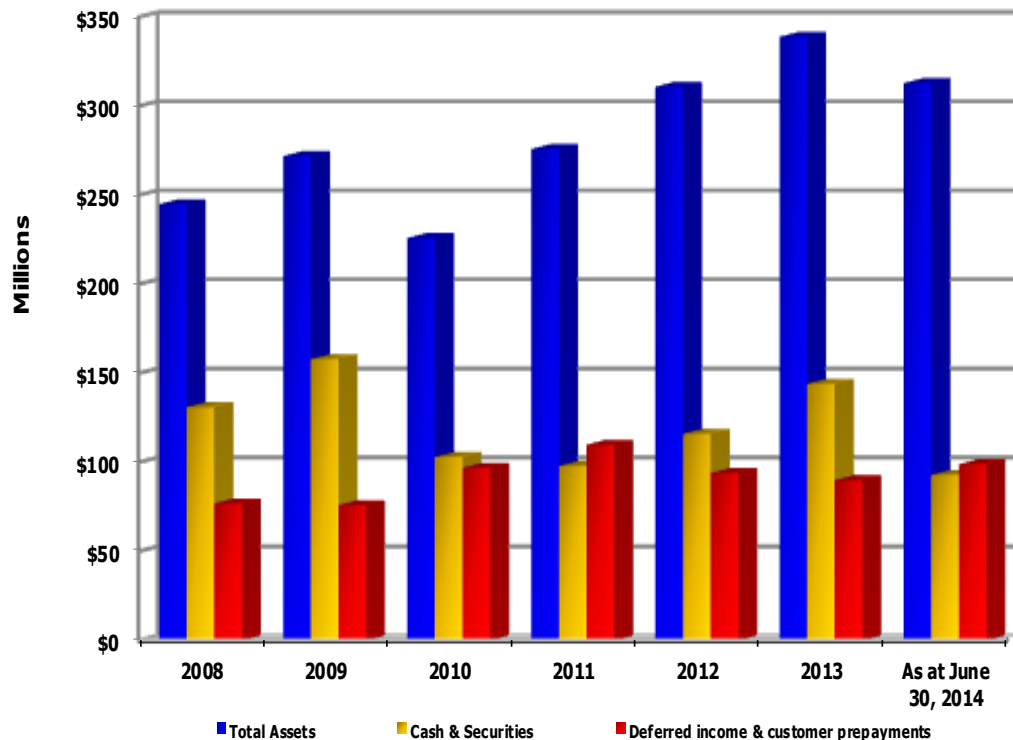
(in US\$ millions except number of shares and per share data)	Q2 2014	Q2 2013	YTD JUNE 2014	YTD JUNE 2013
<b>Revenues</b>				
Online	20.8	22.7	42.1	47.7
Print	3.0	3.5	5.6	6.5
Exhibitions	32.4	33.3	41.3	34.8
Miscellaneous	2.1	1.9	3.8	3.7
<b>Total revenue</b>	<b>58.3</b>	<b>61.4</b>	<b>92.8</b>	<b>92.7</b>
Operating expenses	(52.1)	(53.6)	(85.7)	(84.3)
Profit on sale of property	0.0	11.0	0.0	15.4
<b>Profit from Operations</b>	<b>6.2</b>	<b>18.8</b>	<b>7.1</b>	<b>23.8</b>
Interest income	0.3	0.3	0.8	0.6
Gain on sale of available-for-sale securities	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	(0.1)	0.0
<b>Profit before Income Taxes</b>	<b>6.5</b>	<b>19.1</b>	<b>7.7</b>	<b>24.4</b>
Income Tax Expense	(0.4)	(2.6)	(0.8)	(2.7)
Net (profit) / loss attributable to non-controlling interests	0.9	0.3	0.2	0.6
<b>IFRS Net Profit</b>	<b>7.0</b>	<b>16.7</b>	<b>7.1</b>	<b>22.4</b>
<b>IFRS Net Profit per diluted share</b>	<b>0.20</b>	<b>0.46</b>	<b>0.20</b>	<b>0.62</b>
Total shares used in diluted net profit per share calculations (IFRS Net Profit)	35,183,171	36,200,567	35,672,551	36,048,346





# Strong Balance Sheet

Total Assets, Cash & Securities, and Deferred Income & Customer Prepayments



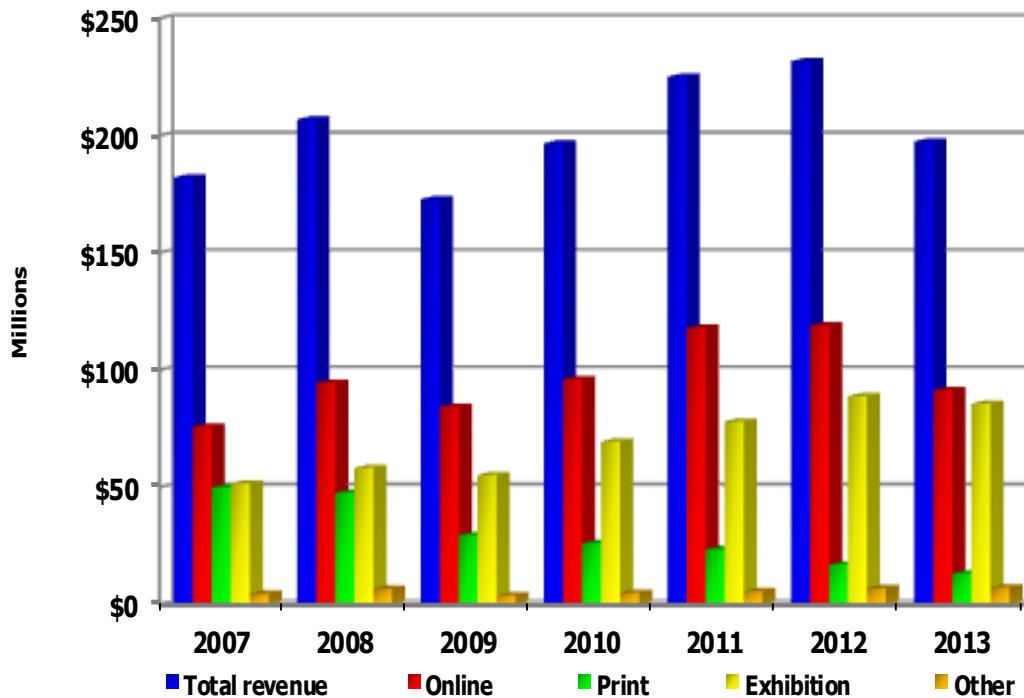
- No debt\*
- Cash and securities: \$93M\*
  - 30% of total assets
- In June 2014, we had completed \$50 million cash tender offer.
- Deferred income \$99M\*
  - 50% of TTM revenue

\* As of June 30, 2014



# Revenue

Total Revenue & Revenue Mix



- Online accounted for 46% of total revenue in 2013
- Exhibitions accounted for 43% of total revenue in 2013

# Key Trends



- Quantity of export suppliers online
  - Millions of suppliers and many millions of products
  - Overwhelming to buyers looking for the right products and the right suppliers
- Cost pressures on manufacturers
  - Materials, components, labor, rent
- Weak and shifting demand
  - Weak demand from EU, Japan
  - Growing importance of emerging markets
- Incidents of fraud
  - Heightened appreciation of quality content and trusted content providers



# Strategy



Four foundations:

- Strengthen position in core, export-focused business
- New product and market development
- Expansion in China's domestic B2B market
- Acquisitions, joint ventures, and alliances



# Export Market Penetration

- Objectives:
  - Leverage the combined strengths of GlobalSources.com and the *China Sourcing Fairs*
  - Help customers penetrate emerging markets
  - Help customers differentiate and boost their image

## New and Developing Initiatives



- *Find Them and Meet Them* initiative aims to integrate the best of online with the best of and shows
- Adding Product Showcases to China Sourcing Fairs to include additional suppliers and featured products



# New Product and Market Development

- Plans include:
  - New geographies
  - New verticals

## New and Developing Initiatives



- Launched China Sourcing Fairs in Brazil in August 2012
- *Mobile Electronics* show launched in April 2014
- China Sourcing Fairs launched in Jakarta, Indonesia in August 2014

# Expansion in China's Domestic B2B Market

- Currently over 4 million registered online users and magazine readers
- Positions in the consumer electronic, semiconductor, optoelectronic, fashion, management and machinery sectors

## New and Developing Initiatives

深圳机械展  
**SIMM**



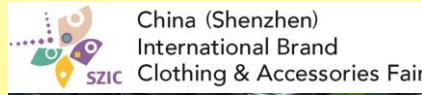
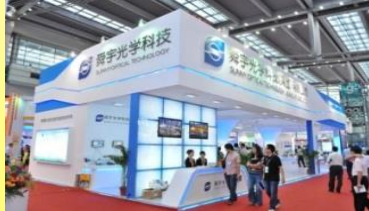
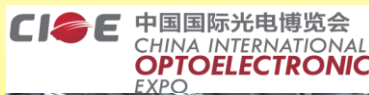
- Further development of organic and acquired businesses
- Expanding into new geographies and new verticals



# Acquisitions and/or Alliances

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

## New and Developing Initiatives



- **2014:** Completed acquisition of *Shenzhen International Machinery Manufacturing Industry Exhibition*
- **2012:** Acquired *China (Shenzhen) International Brand Clothing and Accessories Fair*

# Guidance: 2H 2014 vs. 2H 2013

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- Revenue \$102M to \$104M
  - Compared to \$105M
- IFRS EPS \$0.13 to \$0.17
  - Compared to \$0.29
- Non-IFRS EPS \$0.18 to \$0.22
  - Compared to \$0.47



# 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 Management  
and Corporate Governance  
2011, 2012 & 2013*



*Titanium Award for Corporate  
Governance & Investor Relations  
2009 & 2010*



*2006, 2007, 2008, 2009,  
2010, 2011, 2012 & 2013*



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



*Since June 2007*



# Investment Highlights

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- 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
- Industry's broadest multi-channel platform driven by online marketplaces and trade shows
- Strong balance sheet and 43 year track record of profitability





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**Thank You**

# 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, stock based compensation (SBC) expense or credit, amortization of intangibles as it relates to certain equity compensation plans, profits or losses on acquisitions and investments net of transaction costs and related tax expenses, and/or impairment charges net of related taxes, 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 June 30,		Six months ended June 30,	
	2014	2013	2014	2013
<b>IFRS EPS</b>	<b>\$ 0.20</b>	<b>\$ 0.46</b>	<b>\$ 0.20</b>	<b>\$ 0.62</b>
IFRS Net Profit	\$ 6,987	\$ 16,774	\$ 7,132	\$ 22,395
Non-cash stock based compensation expense (Note 1)	563	612	764	953
Amortization of intangibles (Note 2)	151	172	404	426
Impairment of goodwill and intangibles (Note 3)	1,678	2,531	1,678	2,531
Profit on sale of property, net of transaction costs & related tax expenses	-	(8,667)	-	(13,124)
<b>Non-IFRS Net Profit</b>	<b>\$ 9,379</b>	<b>\$ 11,422</b>	<b>\$ 9,978</b>	<b>\$ 13,181</b>
<b>Non-IFRS diluted net profit per share</b>	<b>\$ 0.27</b>	<b>\$ 0.32</b>	<b>\$ 0.28</b>	<b>\$ 0.37</b>
Total shares used in non-IFRS diluted net profit per share calculations	35,183,171	36,200,567	35,672,551	36,048,346

**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.
- (3) Impairment of intangibles are net of related taxes.



# Adjusted EBITDA Reconciliation

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation, impairment of goodwill and intangible assets, and profits or losses on acquisitions and investments net of transaction costs and related tax expenses.

*In U.S. Dollars Thousands*

	Three months ended June 30,		TTM ended June 30,		Six months ended June 30,	
	2014	2013	2014	2014	2013	
IFRS profit from operations	\$ 6,203	\$ 18,794	\$ 19,327	\$ 7,061	\$ 23,823	
Depreciation and amortization	2,819	2,179	12,245	7,665	4,449	
<b>EBITDA</b>	<b>9,022</b>	<b>20,973</b>	<b>31,572</b>	<b>14,726</b>	<b>28,272</b>	
Non-cash stock based compensation expense	563	612	1,981	764	953	
Impairment of goodwill and intangibles	2,238	2,531	8,232	2,238	2,531	
Profit on sale of property, net of transaction costs	-	(10,953)	-	-	(15,410)	
Adjusted EBITDA	<b>\$ 11,823</b>	<b>\$ 13,163</b>	<b>\$ 41,785</b>	<b>\$ 17,728</b>	<b>\$ 16,346</b>	





# 2014 Export Show Schedule

Location	Hong Kong		Miami	Jakarta	Sao Paulo	Johannesburg
Show Dates	Apr 12-15, 27-30	Oct 11-14, 18-21, 19-22 & 27-30	Jun 19-21	Aug 7-9	Aug 11-13	Nov 13-15
CSF: Electronics & Components	●	●				
CSF: Mobile Electronics	●	●				
CSF: Electronics			●	●	●	●
CSF: Security Products	●	●				
CSF: Gifts & Premiums	●	●	●		●	●
CSF: Home Products	●	●	●			●
CSF: Fashion Accessories	●	●	●			●
CSF: Underwear & Swimwear	●	●				
CSF: Garments & Textiles	●	●	●	●	●	●
CSF: Hardware & Building Materials				●	●	●
India Sourcing Fair	●					
ISF: Garments & Accessories		●				
KSF: Gifts & Premiums	●					
KSF: Electronics & Components	●	●				
KSF: Mobile Electronics		●				
Korea Sourcing Fair				●		
Total (by show period)	11	11	5	4	4	6
Total (by location)	22		5	4	4	6
Total shows	41					
Legend: CSF = China Sourcing Fair ; ISF = India Sourcing Fair ; KSF = Korea Sourcing Fair						