

global sources

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

Investor Presentation

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

global  sources

- Established 1971
- HQ: Hong Kong
- 3,100 team members
- 60 locations, 40 in Greater China

Revenue Sources*

- 97% for marketing services
- By media:
 - 51% online
 - 38% exhibitions
 - 8% print
 - 3% miscellaneous
- 82% China

Financial Strength

- Revenue of \$232M*
- Adjusted EBITDA of \$48M#*
- \$116M Cash and Securities**
- No bank or long term debt**

* Year ended December 31, 2012
** As of December 31, 2012
See reconciliation in appendix



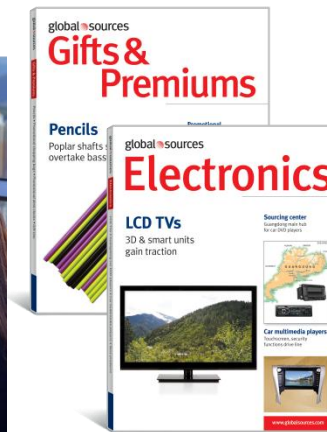
Media for Global Trade



Community: More than 250,000 verified and unverified suppliers



Community: More than 1 million active buyers



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 sourcing process
- Each media plays a different role. For example:
 - 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^{1,2}
- Professional buyers typically require experienced, financially sound exporters with manufacturing facilities
- In 2012, Private Sourcing Events were held 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



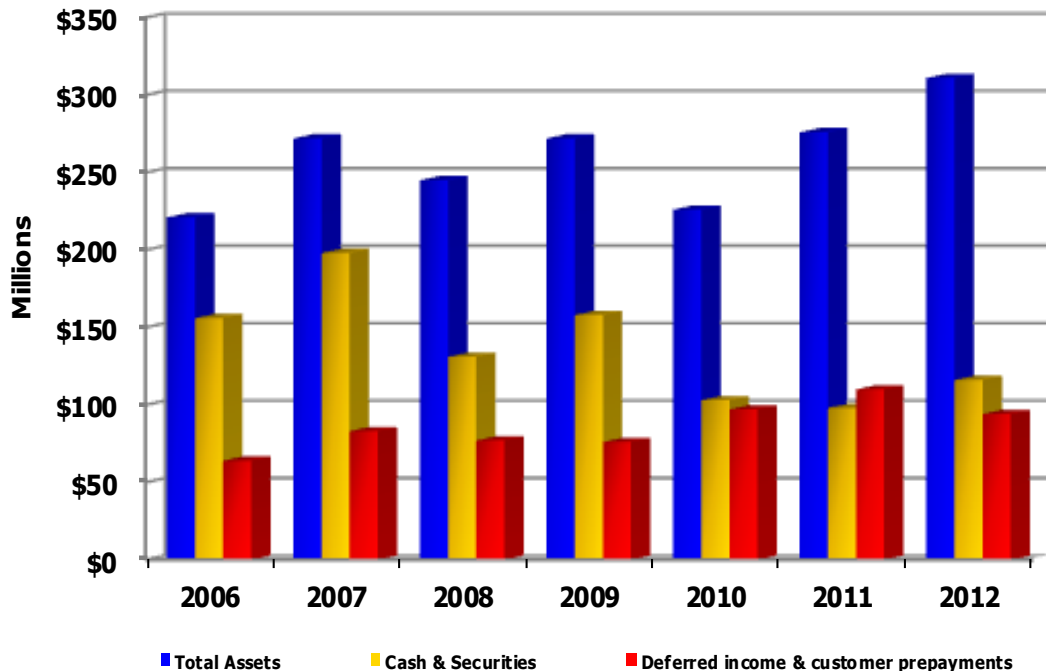
Income Statement

(in US\$ millions except number of shares and per share data)	Q4 2012	Q4 2011	growth %	YEAR 2012	YEAR 2011	growth %
Revenues						
Online	28.1	30.5	(8)	119.0	117.9	1
Print	4.2	6.4	(34)	17.1	23.5	(27)
Exhibitions	32.7	35.5	(8)	88.8	78.0	14
Miscellaneous	1.9	1.7	12	6.9	5.6	22
Total revenue	66.9	74.0	(10)	231.7	225.1	3
Operating expenses	(56.7)	(61.8)	8	(196.8)	(193.3)	(2)
Profit from Operations	10.2	12.2	(16)	35.0	31.7	10
Interest income	0.3	0.2	94	1.0	0.4	190
Share of loss of associate	0.0	0.0	0	0.0	0.0	0
Impairment loss on investment in associate	0.0	0.0	0	(0.3)	0.0	(100)
Profit before Income Taxes	10.5	12.4	(15)	35.7	32.1	11
Income Tax Expense	(0.7)	(0.5)	(52)	(2.7)	(1.6)	(70)
Net profit attributable to non-controlling interests	1.3	0.0	100	(0.7)	(1.0)	25
IFRS Net Profit	11.2	11.9	(6)	32.2	29.5	9
IFRS Net Profit per diluted share	0.31	0.33	(6)	0.90	0.83	8
Total shares used in diluted net profit per share calculations (IFRS Net Profit)	35,870,511	35,501,296		35,742,495	35,385,218	



Strong Balance Sheet

Cash, Securities, Deferred Income and Total Assets



- No debt*
- Cash and securities: \$116M*
 - 37% of total assets
- Deferred income \$94M*
 - 40% of revenue

Notes:

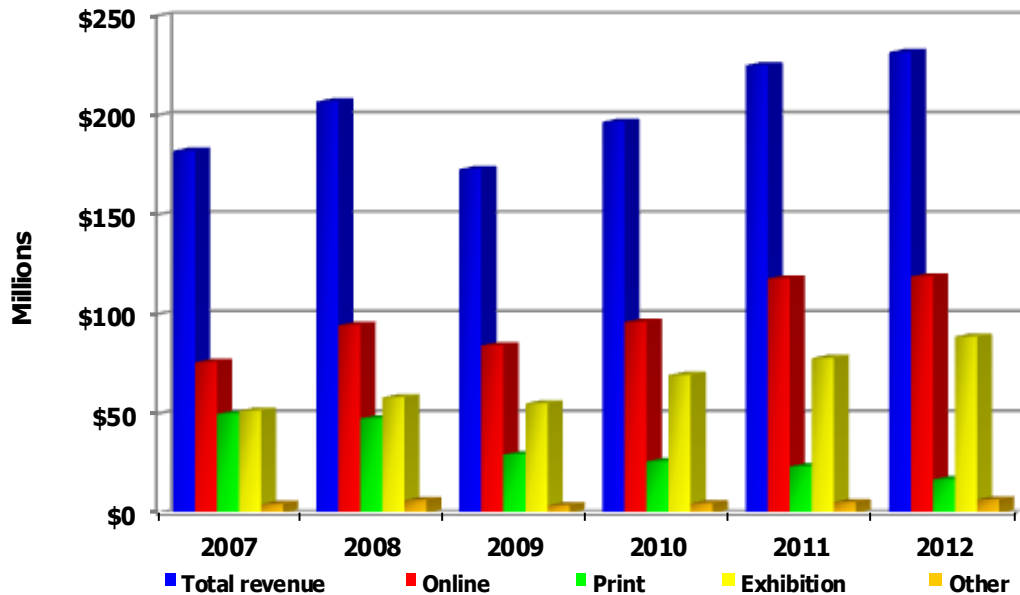
- 1) In Q308, purchased real estate for a sum of \$47.9 million, and in Q408 completed a tender offer of 6.25M shares at \$8.00 per share.
- 2) In 2010, completed a tender offer USD 100M at \$9.00 per share for 11.2M shares.
- 3) In Q311, purchased Shanghai office space for a sum of \$52.2 million.
- 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, 2012



Revenue

Total Revenue & Revenue Mix



- Online accounted for 51% of total revenue in 2012
- \$89M of exhibition revenue for 2012, 14% YOY growth
- Exhibitions continued to grow as a proportion of total revenue



Key Trends



- Cost pressures on manufacturers
 - Materials, components, labor, Yuan
- Weakening and shifting demand
 - Weak demand from 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
 - Serving buyers before, at, and after physical shows

Growth Strategy



Four foundations:

- Penetration of the market for export promotion
- 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

New and Developing Initiatives



- Initiative to integrate the best of online media -- with the best of trade shows.
 - Providing online content to buyers before shows
 - Providing show content after the show to non-attendees
 - Engaging advertisers with show attendees

2013 Export Show Schedule

Location	Hong Kong		Dubai	Miami	Sao Paulo	Johannesburg	New Dehli
Show Dates	Apr 12-15, 19-22 & 27-30	Oct 12-15, 19-22 & 27-30	May 28-30	Jun 25-27	Sept 8-10	Nov 7-9	Dec 12-14
CSF: Electronics & Components	●	●					●
CSF: Electronics			●	●	●	●	
CSF: Security Products	●	●					
CSF: Solar & Energy Savings 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			●		●	●	●
ISF: Garments & Accessories	●	●					
KSF: Gifts & Premiums	●						
KSF: Electronics & Components	●	●					
Korea Sourcing Fair				●			
Total (by show period)	12	12	4	6	4	7	3
Total (by location)	24		4	6	4	7	3
Total Shows:	48						

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



- Held China Sourcing Fairs in Sao Paulo, Brazil in August 2012
- Interactive editions for digital magazines

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



- Trade shows scheduled during 2013
 - Shenzhen: Electronics & Components
 - Shenzhen: China International Optoelectronics Fair
 - Shenzhen: FashionSZ Show



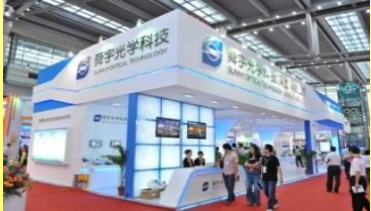
Acquisitions and/or Alliances

- 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



CIOE 中国国际光电博览会
CHINA INTERNATIONAL
OPTOELECTRONIC
EXPO



China (Shenzhen)
International Brand
Clothing & Accessories Fair
SZIC



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



Guidance: 1H 2013*

- Revenue \$87 M to \$89 M
 - Compared to 105.7
- IFRS EPS \$0.49 to \$0.53
 - Compared to \$0.36
- Non-IFRS EPS \$0.18 to \$0.22
 - Compared to \$0.41

** As compared to 1H 2012*



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
- Industry's broadest multi-channel platform of media
- Strong balance sheet and 42-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, 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,	
	2012	2011	2012	2011
IFRS EPS	\$ 0.31	\$ 0.33	\$ 0.90	\$ 0.83
IFRS Net Profit	\$ 11,177	\$ 11,889	\$ 32,206	\$ 29,476
Non-cash stock based compensation expense (Note 1)	602	814	2,409	2,777
Amortization of intangibles (Note 2)	148	191	751	763
Impairment loss on investment in associate	-	-	302	-
Impairment of goodwill and intangibles	1,390	670	1,390	670
Non-IFRS Net Profit	\$ 13,317	\$ 13,564	\$ 37,058	\$ 33,686
Non-IFRS diluted net profit per share	\$ 0.37	\$ 0.38	\$ 1.04	\$ 0.95
Total shares used in non-IFRS diluted net profit per share calculations	35,870,511	35,501,296	35,742,495	35,385,218

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 as 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,	
	2012	2011	2012	2011
IFRS profit from operations	\$ 10,217	\$ 12,208	\$ 34,971	\$ 31,720
Depreciation and amortization	2,184	1,464	9,112	6,785
EBITDA	<u>12,401</u>	<u>13,672</u>	<u>44,083</u>	<u>38,505</u>
Non-cash stock based compensation expense	602	814	2,409	2,777
Impairment of goodwill and intangibles	1,390	670	1,390	670
Adjusted EBITDA	<u><u>\$ 14,393</u></u>	<u><u>\$ 15,156</u></u>	<u><u>\$ 47,882</u></u>	<u><u>\$ 41,952</u></u>

