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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 \$186M\*
- Adjusted EBITDA of \$31M<sup>#</sup>\*
- \$104M Cash and Securities\*\*
- No debt\*\*

## Revenue Sources\*

- Marketing services through various channels
  - 48% exhibitions
  - 42% online
  - 6% print
  - 4% miscellaneous
- 83% China

\* TTM ending March 31, 2015

\*\* As of March 31, 2015

# See reconciliation in the appendix



# Media for Global Trade

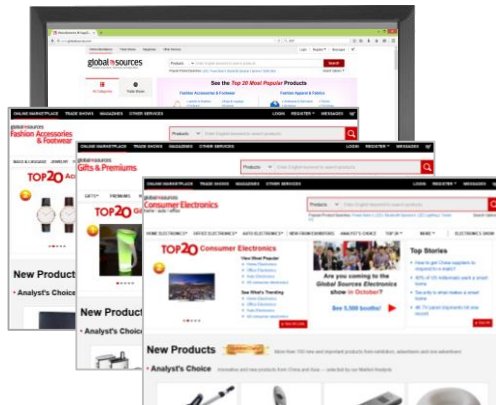


Community: More than 250,000 verified and unverified suppliers

**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 semiconductors and electronics equipment; luxury consumer brands; domestic suppliers of fashion and electronic products





# Fully Integrated Offering

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Online



Trade Shows



Magazines



e-Magazines



Private  
Sourcing Events



- 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 enable negotiation, supplier selection, and ordering



# Large, Professional Buyers



- Professional buyers typically require experienced, financially sound exporters with manufacturing facilities
- In 2014, Private Sourcing Events were held for some 250 sourcing teams



# Income Statement

(in US\$ millions except number of shares and per share data)	Q1 2015	Q1 2014	YEAR 2014	YEAR 2013
<b>Revenues</b>				
Online	17.9	21.3	81.9	91.4
Print	2.1	2.6	11.4	13.2
Exhibitions	0.3	8.9	97.0	85.6
Miscellaneous	1.9	1.8	7.9	7.3
<b>Total revenue</b>	<b>22.2</b>	<b>34.5</b>	<b>198.2</b>	<b>197.5</b>
Operating expenses	(25.4)	(33.6)	(178.0)	(176.8)
Profit on sale of property	0.0	0.0	0.0	15.4
<b>Profit / (loss) from Operations</b>	<b>(3.2)</b>	<b>0.9</b>	<b>20.2</b>	<b>36.1</b>
Interest income	0.3	0.4	1.3	1.5
Gain on sale of available-for-sale securities	0.2	0.0	0.0	0.1
Interest expenses	0.0	0.0	(0.2)	0.0
<b>Profit / (loss) before income taxes</b>	<b>(2.8)</b>	<b>1.2</b>	<b>21.3</b>	<b>37.6</b>
Income tax credit / (expense)	0.2	(0.4)	(2.5)	(4.8)
Net (profit) / loss attributable to non-controlling interests	0.5	(0.7)	(0.5)	(0.1)
<b>IFRS Net profit / (loss)</b>	<b>(2.1)</b>	<b>0.1</b>	<b>18.3</b>	<b>32.7</b>
<b>IFRS Net profit / (loss) per diluted share</b>	<b>(0.07)</b>	*	<b>0.55</b>	<b>0.91</b>
Total shares used in diluted net profit /(loss) per share calculations (IFRS Net profit / (loss))	31,361,130	36,174,507	33,482,371	36,068,326

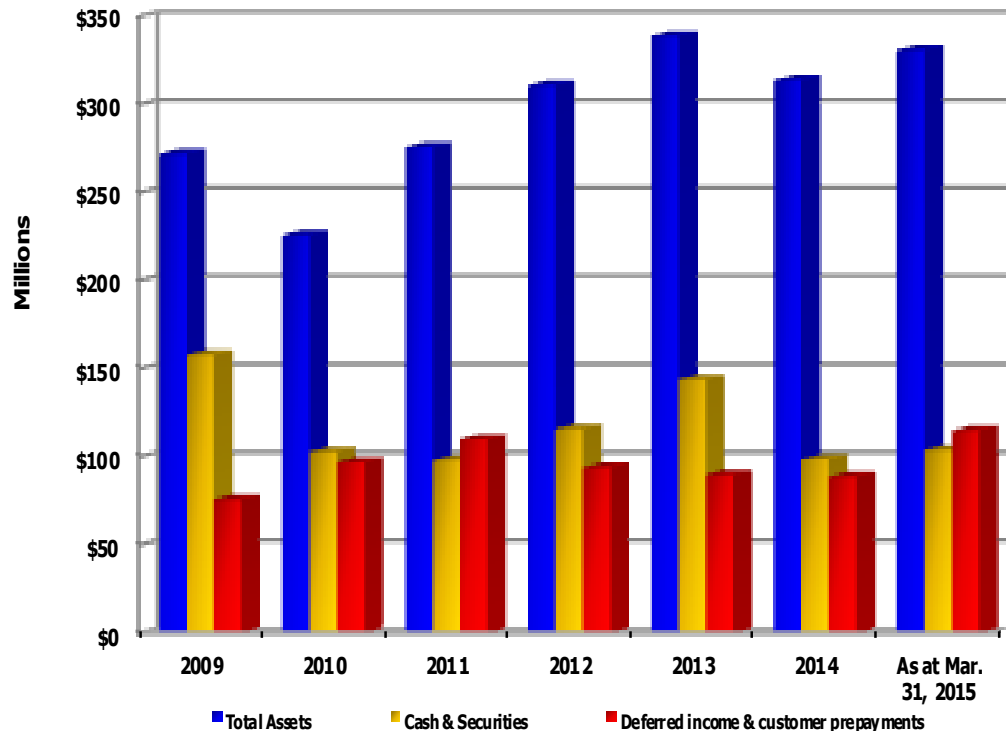
\* Basic and diluted net profit per share attributable to the Company's shareholders is less than \$0.01





# Strong Balance Sheet\*

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



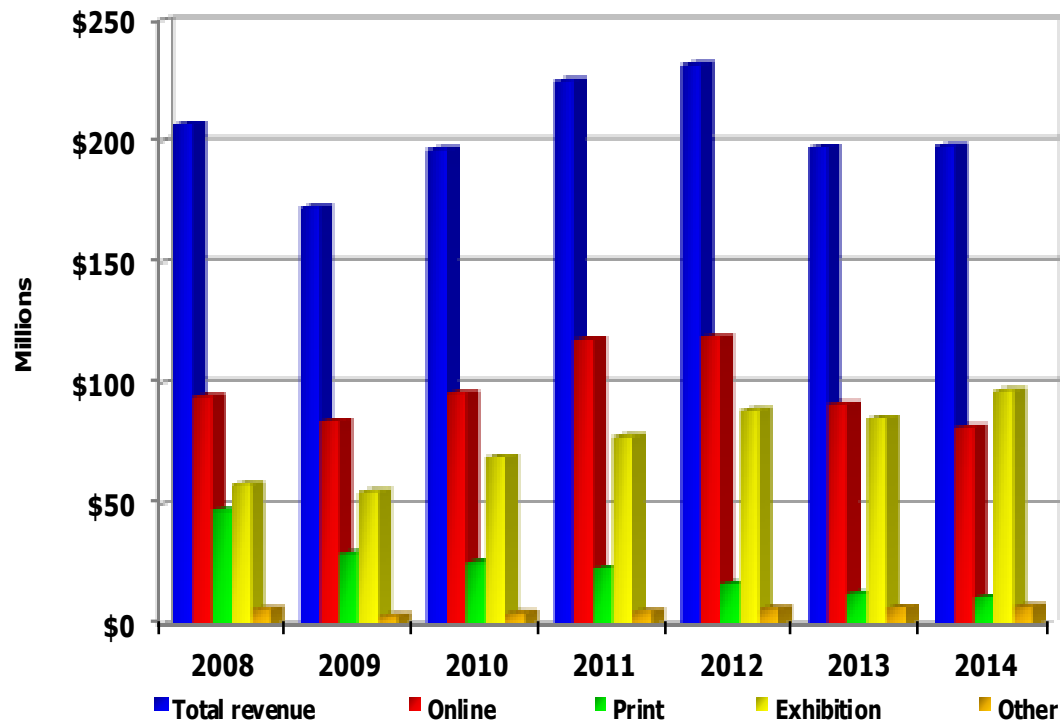
- No debt
- Cash and securities \$104M
  - 31% of total assets
- In June 2014, completed \$50 million cash tender offer
- Deferred income \$115M

\* As of March 31, 2015



# Revenue

Total Revenue & Revenue Mix



- Exhibitions accounted for 49% of total revenue in 2014
- Online accounted for 41% of total revenue in 2014

# Key Trends



- Millions of suppliers and many millions of products online
  - 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
  - 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 online marketplaces and trade shows
  - Help customers penetrate emerging markets
  - Help customers differentiate and boost their image

## New and Developing Initiatives

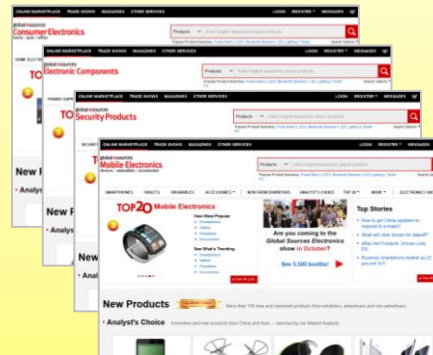


- *Find Them and Meet Them* initiative aims to integrate the best of online with the best of trade shows

# New Product and Market Development

- Plans include:
  - New geographies
  - New verticals
  - More specialized services

## New and Developing Initiatives



- *Mobile Electronics* show launched in April 2014
- Launched nine vertically specialized sites in Spring 2015

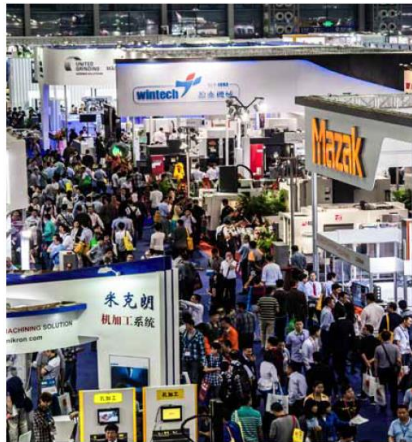


# Expansion in China's Domestic B2B Market

- 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 maintain or achieve market leading positions
- Priorities include acquiring media properties that will extend and enhance existing brands

## New and Developing Initiatives



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

# Guidance: 1H 2015 vs. 1H 2014

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- Revenue \$90M to \$92M
  - Compared to \$93M
- IFRS EPS \$0.15 to \$0.19
  - Compared to \$0.20
- Non-IFRS EPS \$0.19 to \$0.23
  - Compared to \$0.28



# 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 & 2014*



*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 44 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 March 31,	
	2015	2014
<b>IFRS diluted net profit / (loss) per share</b>	<b>\$ (0.07)</b>	<b>*</b>
IFRS Net Profit / (Loss)	\$ (2,127)	\$ 145
Non-cash stock based compensation expense (Note 1)	488	201
Amortization of intangibles (Note 2)	211	253
<b>Non-IFRS Net Profit / (Loss)</b>	<b>\$ (1,428)</b>	<b>\$ 599</b>
<b>Non-IFRS diluted net profit / (loss) per share</b>	<b>\$ (0.05)</b>	<b>\$ 0.02</b>
Total shares used in non-IFRS diluted net profit / (loss) per share calculations	31,361,130	36,174,507

\* Basic and diluted net profit per share attributable to the Company's shareholders is less than \$0.01

## 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.

# 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 March 31, 2015	2014	TTM ending March 31, 2015	Year ended December 31, 2014	2013
IFRS profit / (loss) from operations	\$ (3,212)	\$ 858	\$ 16,100	\$ 20,170	\$ 36,089
Depreciation and amortization	2,745	4,846	10,960	13,061	9,029
<b>EBITDA</b>	<b>(467)</b>	<b>5,704</b>	<b>27,060</b>	<b>33,231</b>	<b>45,118</b>
Non-cash stock based compensation expense	488	201	2,144	1,857	2,170
Impairment of goodwill and intangibles	-	-	2,242	2,242	8,525
Profit on sale of property, net of transaction costs	-	-	-	-	(15,410)
Adjusted EBITDA	<b>\$ 21</b>	<b>\$ 5,905</b>	<b>\$ 31,446</b>	<b>\$ 37,330</b>	<b>\$ 40,403</b>

