

FOR IMMEDIATE RELEASE

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Global Sources reports second quarter 2013 results

- Reported second quarter revenue of \$61.4 million –
- Posted IFRS EPS of \$0.46 and Non-IFRS EPS of \$0.32 –
- Provides guidance for the second half of 2013 –

NEW YORK, Aug. 15, 2013 – [Global Sources Ltd.](#) (NASDAQ: GSOL) reported financial results for the second quarter ended June 30, 2013.

Global Sources' executive chairman, Merle A. Hinrich, said: "In the second quarter, our exhibitions business performed well. However, the soft export demand and uncertain global economic environment continued to impact our overall results. With our balance sheet providing a strong foundation, we remain committed to maintaining long-term growth and profitability, as we focus on the continuous improvement of our products and services, and our overall positioning in the market."

Financial highlights – Second quarter: 2013 compared to 2012

- Revenue was \$61.4 million, as compared to \$66.8 million.
 - Online revenue was \$22.7 million, as compared to \$30.0 million.
 - Exhibitions revenue was \$33.3 million, as compared to \$30.5 million.
 - Print revenue was \$3.5 million, as compared to \$4.4 million.
- IFRS net income was \$16.8 million, or \$0.46 per diluted share, as compared to second quarter 2012 IFRS net income of \$9.7 million, or \$0.27 per diluted share.
- Non-IFRS net income was \$11.4 million, or \$0.32 per diluted share, as compared to \$11.0 million, or \$0.31 per diluted share, for the second quarter of 2012.

- Adjusted EBITDA was \$13.2 million, as compared to \$12.8 million for the second quarter of 2012.
- Total deferred income and customer prepayments were \$100.1 million as at June 30, 2013, as compared to \$121.3 million as at June 30, 2012.

Financial highlights – Six Months Ended June 30: 2013 compared to 2012 – in accordance with IFRS

- Revenue was \$92.7 million, as compared to \$105.7 million.
- IFRS net income was \$22.4 million, or \$0.62 per diluted share, as compared to \$12.8 million, or \$0.36 per diluted share.
- Non-IFRS net income was \$13.2 million, or \$0.37 per diluted share, as compared to \$14.6 million, or \$0.41 per diluted share, for the six months ended June 30, 2012.
- Adjusted EBITDA was \$16.3 million, as compared to \$18.2 million for the six months ended June 30, 2012.

Global Sources' CFO, Connie Lai, said: "Among the factors impacting second quarter results was the move of the *China Sourcing Fairs* in Miami from the third quarter last year to the second quarter this year. We also recorded a write down of approximately \$2.5 million in consideration of goodwill impairment charges related to the *China International Fashion Brand Fair – Shenzhen (FashionSZshow)*. In addition, we completed the sale of one of our properties in Shenzhen, which increased our cash by \$15.2 million, and contributed capital gains of \$8.7 million, net of transaction costs and related tax expenses. As a result, we closed the quarter with a cash and securities position of \$135.1 million, as compared to \$106.0 million at the end of June 2012, and we continue to have no debt."

Financial expectations for the second half of 2013 under IFRS

- For the second half of 2013 ending Dec. 31, 2013:
 - Revenue is expected to be in the range of \$101.0 million to \$103.0 million, as compared to \$126.0 million for the second half of 2012.
 - IFRS EPS is expected to be in the range of \$0.32 to \$0.36, as compared to \$0.54 per diluted share in the second half of 2012. SBC and the amortization of intangibles as it relates to certain equity compensation plans are estimated to be an expense of \$0.04 per diluted share for the second half of 2013.
 - Non-IFRS EPS is expected to be in the range of \$0.36 to \$0.40, as compared to \$0.63 per diluted share for the same period in 2012.

- Adjusted EBITDA is expected to be between \$19.7 million and \$20.9 million, as compared to \$29.7 million in the second half of 2012.

“For the second half of 2013, we expect the revenue mix to range between 40% and 41% for online, 50% and 51% for exhibitions, 5% and 6% for print, and approximately 3% for miscellaneous. This compares to a second half 2012 revenue mix of approximately 46% for online, 44% for exhibitions, 7% for print and 3% for miscellaneous,” Lai concluded.

Recent Corporate Highlights

- The 13th *China International Fashion Brand Fair – Shenzhen (FashionSZshow)*, the largest and most influential fashion exhibition in southern China, was held in Shenzhen in July.
- The third annual [*China Sourcing Fairs*](#) in Miami were held in June.
- The seventh annual *China Sourcing Fairs* in Dubai were held in May.
- Held its spring series of *China Sourcing Fairs* in Hong Kong featuring approximately 6,700 booths from more than 20 countries and regions. Total attendance exceeded 60,000 and included buyers from more than 140 countries and territories.
- *Private Sourcing Events* were held from April 21, 2013 through the end of July for more than 100 sourcing teams from very large buying organizations including Amazon China, Monster Cable, Panasonic, Office Depot, Pacific Brands, Auchan, Bossini, J.C. Penney, RadioShack, Li & Fung and Metro. These events created more than 500 high quality, one-on-one selling opportunities for Global Sources suppliers.

Conference call for Global Sources second quarter 2013 earnings

Executive Chairman Merle A. Hinrich and CFO Connie Lai are scheduled to conduct a conference call at 8:00 a.m. ET Aug. 15, 2013 (8:00 p.m. on Aug. 15, 2013 in Hong Kong) to review these results in more detail. Investors in the United States may participate in the call by dialing (877) 941-2068, and non-Hong Kong international participants may dial (1-480) 629-9712. Investors in Hong Kong may participate by dialing (852) 3009-5027. The conference ID is 4630876 and participants are encouraged to dial 10 minutes prior to the call to prevent a delay in joining. A live webcast of the conference call is scheduled to be available on Global Sources’ corporate site at <http://www.investor.globalsources.com>.

For those who cannot listen to the live broadcast, a webcast replay of the call is scheduled to be available on the company’s corporate site for 30 days. A telephone replay of the call is also scheduled to be available through Aug. 23, 2013. To listen to the telephone replay dial (800) 406-7325 or dial

(1-303) 590-3030 outside the United States, and enter pass code 4630876. For those in the Hong Kong area, the replay dial-in number is (852) 3056-2777, and the pass code is 4630876.

About Global Sources

Global Sources is a leading business-to-business media company and a primary facilitator of trade with Greater China.

The core business facilitates trade between Asia and the world using English-language media such as online marketplaces (GlobalSources.com), print and digital magazines, sourcing research reports, private sourcing events, and trade shows.

More than 1 million international buyers, including 95 of the world's top 100 retailers, use these services to obtain product and company information to help them source more profitably from overseas supply markets. These services also provide suppliers with integrated marketing solutions to build corporate image, generate sales leads and win orders from buyers in more than 240 countries and territories.

Global Sources' other businesses provide Chinese-language media to companies selling to and within Greater China. These services include online web sites, print and digital magazines, seminars and trade shows. In mainland China, Global Sources has a network of more than 30 office locations and a community of more than 4 million registered online users and magazine readers of its Chinese-language media.

Now in its fifth decade, Global Sources has been publicly listed on the NASDAQ since 2000.

Global Sources' non-IFRS metrics

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, profits or losses on acquisitions and investments net of transaction costs and related tax expenses, 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. 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.

Safe Harbor Statement

This news release 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.

– Tables Follow –

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	<u>As at June 30,</u> <u>2013</u> <u>(Unaudited)</u>	<u>As at December 31,</u> <u>2012</u>
ASSETS		
Current assets		
Cash and cash equivalents.....	\$ 124,517	\$ 104,631
Term deposits with banks.....	3,099	4,184
Financial assets, available-for-sale.....	7,474	7,472
Accounts receivables.....	3,321	4,242
Receivables from sales representatives.....	8,843	7,773
Inventories.....	388	410
Prepaid expenses and other current assets.....	14,926	18,396
	162,568	147,108
Non-current assets		
Property and equipment.....	49,762	30,442
Investment properties.....	89,651	97,377
Intangible assets.....	29,216	33,136
Long term investment.....	100	100
Deferred income tax assets.....	205	244
Other non-current assets.....	6,353	2,762
	175,287	164,061
Total assets.....	\$ 337,855	\$ 311,169
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable.....	\$ 9,144	\$ 12,531
Deferred income and customer prepayments.....	92,400	84,540
Accrued liabilities.....	19,952	20,409
Income tax liabilities.....	1,089	1,225
	122,585	118,705
Non-current liabilities		
Deferred income and customer prepayments.....	7,716	9,062
Deferred income tax liabilities.....	5,842	6,090
	13,558	15,152
Total liabilities.....	136,143	133,857
Equity attributable to Company's shareholders		
Common shares.....	524	521
Treasury shares.....	(150,089)	(150,089)
Other reserves.....	159,187	156,629
Retained earnings.....	181,254	158,859
Total Company shareholders' equity.....	190,876	165,920
Non-controlling interests.....	10,836	11,392
Total equity.....	\$ 201,712	\$ 177,312
Total liabilities and equity.....	\$ 337,855	\$ 311,169

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:				
Online and other media services (Note 1).....	\$ 26,217	\$ 34,410	\$ 54,176	\$ 69,633
Exhibitions	33,274	30,507	34,775	32,724
Miscellaneous	1,948	1,861	3,740	3,338
	61,439	66,778	92,691	105,695
Operating Expenses:				
Sales (Note 2)	19,272	23,532	30,265	38,566
Event production.....	10,254	9,660	10,650	9,986
Community and content (Note 2).....	7,547	8,968	13,732	15,896
General and administrative (Note 2).....	13,364	11,404	23,156	21,578
Information and technology (Note 2).....	3,161	3,248	6,475	6,639
Total Operating Expenses.....	53,598	56,812	84,278	92,665
Profit on sale of property	10,953	-	15,410	-
Profit from Operations.....	18,794	9,966	23,823	13,030
Interest income.....	347	246	621	432
Share of loss of associate.....	-	(10)	-	(24)
Impairment loss on investment in associate.....	-	(302)	-	(302)
Profit before Income Taxes	19,141	9,900	24,444	13,136
Income tax expense.....	(2,643)	(373)	(2,669)	(536)
Net Profit	\$ 16,498	\$ 9,527	\$ 21,775	\$ 12,600
Net profit attributable to non-controlling interests...	276	192	620	224
Net profit attributable to the Company's shareholders	\$ 16,774	\$ 9,719	\$ 22,395	\$ 12,824
Diluted net profit per share attributable to the Company's shareholders.....	\$ 0.46	\$ 0.27	\$ 0.62	\$ 0.36
Shares used in diluted net profit per share calculations.....	36,200,567	35,853,512	36,048,346	35,716,189

Note: 1. Online and other media services consists of:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Online services	\$ 22,689	\$ 30,045	\$ 47,664	\$ 60,922
Print services	3,528	4,365	6,512	8,711
	\$ 26,217	\$ 34,410	\$ 54,176	\$ 69,633

Note: 2. Non-cash compensation expenses associated with the several equity compensation plans and Global Sources Directors Share Grant Award Plan included under various categories of expenses are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	\$ 159	\$ 175	\$ 227	\$ 237
Community and content	25	51	(16)	16
General and administrative.....	374	470	603	735
Information and technology	54	64	139	136
	\$ 612	\$ 760	\$ 953	\$ 1,124

GLOBAL SOURCES LTD. AND SUBSIDIARIES
ACTUAL IFRS to NON-IFRS RECONCILIATION
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
IFRS EPS	\$ 0.46	\$ 0.27	\$ 0.62	\$ 0.36
IFRS Net Profit	\$ 16,774	\$ 9,719	\$ 22,395	\$ 12,824
Non-cash stock based compensation expense (Note 1)	612	760	953	1,124
Amortization of intangibles (Note 2)	172	192	426	383
Impairment loss on investment in associate	-	302	-	302
Impairment of goodwill and intangibles	2,531	-	2,531	-
Profit on sale of property, net of transaction costs & related tax expenses	(8,667)	-	(13,124)	-
Non-IFRS Net Profit	\$ 11,422	\$ 10,973	\$ 13,181	\$ 14,633
Non-IFRS diluted net profit per share	\$ 0.32	\$ 0.31	\$ 0.37	\$ 0.41
Total shares used in non-IFRS diluted net profit per share calculations	36,200,567	35,853,512	36,048,346	35,716,189

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.

GLOBAL SOURCES LTD. AND SUBSIDIARIES
ADJUSTED EBITDA RECONCILIATION
(In U.S. Dollars Thousands)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
IFRS profit from operations	\$ 18,794	\$ 9,966	\$ 23,823	\$ 13,030
Depreciation and amortization	2,179	2,089	4,449	4,053
EBITDA	20,973	12,055	28,272	17,083
Non-cash stock based compensation expense	612	760	953	1,124
Impairment of goodwill and intangibles	2,531	-	2,531	-
Profit on sale of property, net of transaction costs	(10,953)	-	(15,410)	-
Adjusted EBITDA	\$ 13,163	\$ 12,815	\$ 16,346	\$ 18,207

GLOBAL SOURCES LTD. AND SUBSIDIARIES
GUIDANCE IFRS to NON-IFRS RECONCILIATION
(In U.S. Dollars Million, Except Number of Shares and Per Share Data)

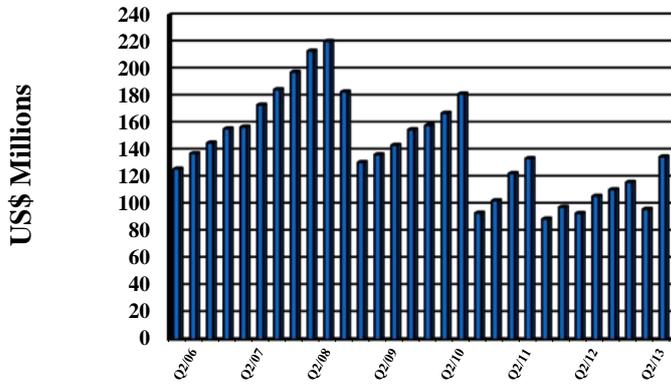
	GUIDANCE		ACTUAL	
	Six months ended December 31, 2013	to	Six months ended December 31, 2012	
Revenue	\$101.0	to	\$103.0	\$126.0
IFRS EPS	\$0.32	to	\$0.36	\$0.54
Non-cash stock based compensation expense (Note 1)	\$0.03		\$0.03	\$0.04
Amortization of intangibles (Note 2)	\$0.01		\$0.01	\$0.01
Impairment of goodwill and intangibles	-		-	\$0.04
Non-IFRS diluted net income per share	\$0.36	to	\$0.40	\$0.63
Total shares used in non-IFRS diluted net income per share calculations	36,205,000		36,205,000	35,821,061

Notes:

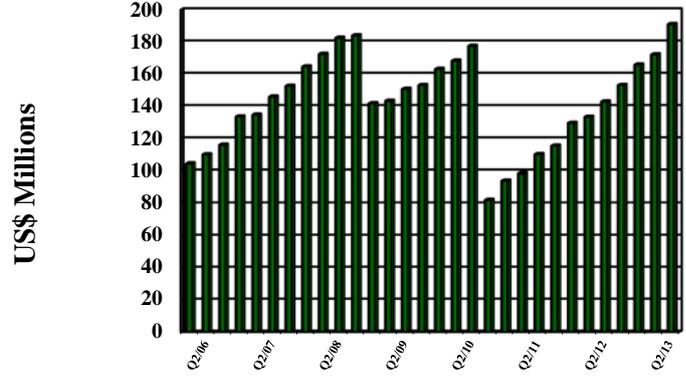
- (1) Actual SBC is calculated based on actual share price on date of the awards.
- (2) Amortization of intangible assets relating to certain non-compete agreements.

GLOBAL SOURCES LTD. AND SUBSIDIARIES

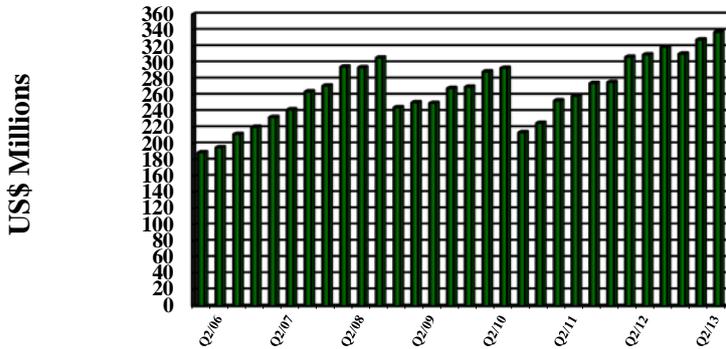
Total Cash and Securities



Total Shareholders' Equity



Total Assets



**Total Deferred Income
Customer Prepayments**

