



FOR IMMEDIATE RELEASE

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Global Sources reports second quarter 2015 results

- Reported second quarter revenue of \$68.5 million –
- Posted IFRS EPS of \$0.52 and Non-IFRS EPS of \$0.35 –
- Provides guidance for second half of 2015 –

NEW YORK, Aug. 5, 2015 – [Global Sources Ltd.](http://GlobalSourcesLtd.com) (NASDAQ: GSOL) reported financial results for the second quarter ended June 30, 2015.

Global Sources’ executive chairman, Merle A. Hinrich, said: “In the second quarter, total revenue was \$68.5 million, with our exhibition business revenue growing 42 percent year-over-year, driven primarily by the performance of our large electronics international trade shows held in Hong Kong in April and the move of our *SIMM* machinery shows from the first quarter of 2014 to the second quarter of 2015. We were especially pleased with the revenue and attendance growth for the *Global Sources Electronics* and *Mobile Electronics* shows.

“Recently, we completed three important actions to return value to our shareholders and to focus on our core business. First, we completed a cash tender offer to return up to approximately \$50 million to shareholders, which commenced on June 26, 2015 and expired at 12:00 midnight, New York City time, on July 27, 2015. Second, we completed the sale of our eMedia subsidiary. And third, following the end of the second quarter, we entered into an agreement to sell an investment property in Shenzhen.”

Financial highlights – Second quarter: 2015 compared to 2014

As a result of completing the sale of its eMedia subsidiary during the quarter, the eMedia business has been reclassified as a discontinued operation.

- Revenue from continuing operations was \$66.0 million, as compared to \$55.5 million.
 - Online revenue was \$16.4 million, as compared to \$19.3 million.
 - Exhibitions revenue was \$46.1 million, as compared to \$32.4 million.
 - Print revenue was \$1.3 million, as compared to \$1.7 million.
- Revenue from discontinued operations was \$2.5 million, as compared to \$2.9 million.
- IFRS net income from continuing operations was \$16.7 million, or \$0.52 per diluted share, as compared to \$7.1 million, or \$0.20 per diluted share.
- IFRS net loss from discontinued operations was \$0.04 million, as compared to \$0.1 million.
- Non-IFRS net income was \$11.2 million, or \$0.35 per diluted share, as compared to \$9.4 million, or \$0.27 per diluted share, for the second quarter of 2014.
- Adjusted EBITDA was \$17.4 million, as compared to \$11.8 million for the second quarter of 2014.
- Total deferred income and customer prepayments were \$86.2 million as at June 30, 2015, as compared to \$99.0 million as at June 30, 2014.

Financial highlights – Six months ended June 30: 2015 compared to 2014

- Revenue from continuing operations was \$85.9 million, as compared to \$87.5 million.
- Revenue from discontinued operations was \$4.8 million, as compared to \$5.3 million.
- IFRS net income from continuing operations was \$14.6 million, or \$0.46 per diluted share, as compared to \$7.4 million, or \$0.21 per diluted share.
- IFRS net loss from discontinuing operations was \$0.1 million, as compared to \$0.3 million.
- Non-IFRS net income was \$9.7 million, or \$0.31 per diluted share, as compared to \$10.0 million, or \$0.28 per diluted share, for the six months ended June 30, 2014.
- Adjusted EBITDA was \$17.4 million, as compared to \$17.7 million for the six months ended June 30, 2014.

Global Sources' CFO, Connie Lai, stated: "Our second quarter 2015 results reflect growth of the electronics trade shows held in April, the *SIMM* machinery shows moving from the first quarter last year to the second quarter of 2015 and the capital gain of \$6.2 million recorded from the sale of our eMedia subsidiary. We continue to maintain an efficient cost structure, while maintaining a strong balance sheet with no short- or long-term debt."

Financial expectations for the second half of 2015 under IFRS

“It is important to note that our second half 2015 guidance takes into consideration the impact on revenue resulting from the sale of our eMedia subsidiary, as well as capital gains from the expected sale of our Shenzhen investment property,” Lai stated.

- For the second half of 2015 ending Dec. 31, 2015:
 - Revenue from continuing operations is expected to be in the range of \$86.0 million to \$88.0 million, as compared to \$91.8 million for the second half of 2014.
 - IFRS EPS from continuing operations is expected to be in the range of \$0.50 to \$0.55, as compared to \$0.32 per diluted share in the second half of 2014. SBC and the amortization of intangibles as it relates to certain equity compensation plans and gain on sale of investment property, net of transaction costs and related tax expenses, are estimated to be a credit of \$0.24 per diluted share for the second half of 2015.
 - Non-IFRS EPS is expected to be in the range of \$0.26 to \$0.31, as compared to \$0.36 per diluted share for the same period in 2014.
 - Adjusted EBITDA from continuing operations is expected to be between \$12.0 million and \$13.2 million, as compared to \$15.8 million in the second half of 2014.

“For the second half of 2015, we expect the revenue mix to range between 52% and 54% for exhibitions, 41% and 42% for online and print, and approximately 6% for miscellaneous. This compares to a second half 2014 revenue mix of approximately 52% for exhibitions, 44% for online and print and 4% for miscellaneous,” Lai concluded.

Recent Corporate Highlights

- Completed its cash tender offer, which commenced on June 26, 2015 and expired at 12:00 midnight, New York City time, on July 27, 2015, purchasing a total of 6,666,666 shares at \$7.50 per share.
- Entered into a Letter of Intent on July 6, 2015 to sell its investment property on the 50th floor of the Shenzhen International Chamber of Commerce Tower in Shenzhen, China for approximately \$21.7 million. Completion of the transaction is conditional upon, and subject to, the further signing of a formal sale and purchase agreement by the parties on or before Sept. 1, 2015, and the buyer’s full payment of the sale price on or before Nov. 10, 2015.
- The 15th China International Fashion Brand Fair – Shenzhen (*FashionSZshow*) was held in Shenzhen in July.
- Sold its interest in eMedia Asia Limited.

- Launched five new vertically specialized websites: *Fashion Accessories & Footwear*; *Fashion Apparel & Fabrics*; *Gifts & Premiums*; *Hardware*; and *Home Products*.
- *China Sourcing Fairs* were held in April 2015 at Hong Kong's AsiaWorld-Expo. The spring shows had more than 7,600 booths. Total attendance exceeded 77,300 and included buyers from more than 150 countries and territories.
- The *Shenzhen International Machinery Manufacturing Industry Exhibition* and its related shows, known as the *SIMM* machinery shows, were held on March 30-April 2, 2015.
- Launched an enhanced version of *Mobile Electronics* plus three new vertically specialized websites for *Consumer Electronics*, *Security Products* and *Electronic Components*.
- *Private Sourcing Events* were held from April 2015 through June 2015 for more than 55 sourcing teams from very large buying organizations including BIC Graphic, Casino, Coop, Future Group, Hermes-OTTO International, Jula AB, Kingfisher, Panasonic, Philips, Sodimac, The Home Depot, The Source and others.

Conference call for Global Sources second quarter 2015 earnings

Executive chairman Merle A. Hinrich and CFO Connie Lai are scheduled to conduct a conference call at 8:00 a.m. ET on Aug. 5, 2015 (8:00 p.m. on Aug. 5, 2015 in Hong Kong) to review these results in more detail. Investors in the United States may participate in the call by dialing (888) 737-3616, and non-Hong Kong international participants may dial (1-913) 312-1391. Investors in Hong Kong may participate by dialing (852) 3008-0382. The conference ID is 3671969 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. 12, 2015. To listen to the telephone replay dial (888) 203-1112 or dial (1-719) 457-0820 outside the United States, and enter pass code 3671969. For those in the Hong Kong area, the replay dial-in number is (800) 901-108, and the pass code is 3671969.

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, 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.

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, investments and disposal 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. 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, investments and disposal 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)

	As at June 30, 2015	As at December 31, 2014
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents.....	\$ 86,614	\$ 90,223
Term deposits with banks.....	8,387	4,285
Financial assets, available-for-sale.....	-	3,952
Accounts receivables, net.....	879	2,269
Receivables from sales representatives.....	11,145	7,900
Inventories.....	151	154
Prepaid expenses and other current assets.....	29,155	17,027
	136,331	125,810
Non-current assets		
Property and equipment.....	61,799	63,519
Investment properties.....	84,453	85,546
Intangible assets.....	29,484	37,732
Long term investment.....	100	100
Deferred income tax assets.....	323	196
Other non-current assets.....	1,920	1,108
	178,079	188,201
Total assets.....	\$ 314,410	\$ 314,011
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable.....	\$ 7,459	\$ 9,418
Deferred income and customer prepayments.....	81,501	84,869
Accrued liabilities.....	17,277	19,100
Income tax liabilities.....	3,223	3,848
	109,460	117,235
Non-current liabilities		
Accounts payable.....	294	889
Deferred income and customer prepayments.....	4,712	3,971
Deferred income tax liabilities.....	5,407	6,842
	10,413	11,702
Total liabilities.....	119,873	128,937
Equity attributable to Company's shareholders		
Common shares.....	532	529
Treasury shares.....	(200,089)	(200,089)
Other reserves.....	162,225	161,242
Retained earnings.....	224,419	209,924
Total Company shareholders' equity.....	187,087	171,606
Non-controlling interests.....	7,450	13,468
Total equity.....	\$ 194,537	\$ 185,074
Total liabilities and equity.....	\$ 314,410	\$ 314,011

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,	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:				
Online and other media services (Note 2).....	\$ 17,721	\$ 21,022	\$ 35,730	\$ 42,381
Exhibitions	46,096	32,412	46,171	41,272
Miscellaneous	2,137	2,051	4,015	3,813
	<u>65,954</u>	<u>55,485</u>	<u>85,916</u>	<u>87,466</u>
Operating Expenses:				
Sales (Note 3).....	18,798	18,270	24,693	26,506
Event production.....	12,197	8,991	12,224	10,742
Community and content (Note 3).....	6,677	5,919	10,203	10,335
General and administrative (Note 3 & 4).....	10,635	12,819	20,752	26,004
Information and technology (Note 3).....	3,245	2,939	6,452	6,012
Total Operating Expenses.....	51,552	48,938	74,324	79,599
Profit on sale of subsidiary	6,159	-	6,159	-
Profit from Operations.....	20,561	6,547	17,751	7,867
Interest income.....	273	311	566	707
Gain on sale of available-for-sale securities	90	-	136	10
Interest expenses.....	(13)	(45)	(59)	(92)
Profit before Income Taxes.....	20,911	6,813	18,394	8,492
Income tax expense.....	(2,684)	(440)	(2,549)	(830)
Net Profit from continuing operations	\$ 18,227	\$ 6,373	\$ 15,845	\$ 7,662
Net Profit/(loss) from discontinued operations, net of income tax.....	(187)	(293)	(392)	(699)
Net profit	\$ 18,040	\$ 6,080	\$ 15,453	\$ 6,963
Net (profit)/loss attributable to non-controlling interests from:				
Continuing operations	(1,562)	712	(1,222)	(242)
Discontinued operations	144	195	264	411
Total.....	(1,418)	907	(958)	169
Net profit/(loss) attributable to the Company's shareholders from:				
Continuing operations	\$ 16,665	\$ 7,085	\$ 14,623	\$ 7,420
Discontinued operations	(43)	(98)	(128)	(288)
Total.....	\$ 16,622	\$ 6,987	\$ 14,495	\$ 7,132
Diluted net profit/(loss) per share attributable to the Company's shareholders from:				
Continuing operations	\$ 0.52	\$ 0.20	\$ 0.46	\$ 0.21
Discontinued operations	*	*	*	(0.01)
Total.....	\$ 0.52	\$ 0.20	\$ 0.46	\$ 0.20
Shares used in diluted net profit per share calculations.....	31,743,270	35,183,171	31,534,448	35,672,551

* Diluted net loss per share attributable to the Company's shareholders from discontinued operations is less than \$0.01

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

Note: 1. Total revenue from both the continuing operations and discontinued operations during the three months and six months ended June 30, 2015 and 2014 was as follows:

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Continuing operations	\$ 65,954	\$ 55,485	\$ 85,916	\$ 87,466
Discontinued operations	2,535	2,852	4,776	5,341
	<u>\$ 68,489</u>	<u>\$ 58,337</u>	<u>\$ 90,692</u>	<u>\$ 92,807</u>

Note: 2. Online and other media services consists of:

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Online services.....	\$ 16,440	\$ 19,293	\$ 33,201	\$ 39,200
Print services.....	1,281	1,729	2,529	3,181
	<u>\$ 17,721</u>	<u>\$ 21,022</u>	<u>\$ 35,730</u>	<u>\$ 42,381</u>

Note: 3. 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:

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Sales.....	\$ 141	\$ 139	\$ 178	\$ 146
Community and content.....	31	27	41	(32)
General and administrative	404	347	768	530
Information and technology	56	50	133	120
	<u>\$ 632</u>	<u>\$ 563</u>	<u>\$ 1,120</u>	<u>\$ 764</u>

Note: 4. General and administrative expenses consist of:

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
General and administrative expenses before amortization of intangible assets, impairment charge on intangible assets and foreign exchange losses (gains)	\$ 9,627	\$ 9,395	\$ 18,305	\$ 17,692
Amortization of intangible assets	989	1,354	2,107	4,659
Impairment charge on intangible assets	-	2,238	-	2,238
Foreign exchange losses (gains)	19	(168)	340	1,415
	<u>\$ 10,635</u>	<u>\$ 12,819</u>	<u>\$ 20,752</u>	<u>\$ 26,004</u>

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,	
	2015	2014	2015	2014
IFRS diluted net profit per share	\$ 0.52	\$ 0.20	\$ 0.46	\$ 0.20
IFRS Net Profit	\$ 16,622	\$ 6,987	\$ 14,495	\$ 7,132
Non-cash stock based compensation expense (Note 1)	632	563	1,120	764
Amortization of intangibles (Note 2)	82	151	293	404
Impairment of goodwill and intangibles (Note 3)	-	1,678	-	1,678
Profit on sale of subsidiary	(6,159)	-	(6,159)	-
Non-IFRS Net Profit	\$ 11,177	\$ 9,379	\$ 9,749	\$ 9,978
Non-IFRS diluted net profit per share	\$ 0.35	\$ 0.27	\$ 0.31	\$ 0.28
Total shares used in non-IFRS diluted net profit per share calculations	31,743,270	35,183,171	31,534,448	35,672,551

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.

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
IFRS profit from operations	\$ 20,295	\$ 6,203	\$ 17,083	\$ 7,061
Depreciation and amortization	2,620	2,819	5,365	7,665
EBITDA	22,915	9,022	22,448	14,726
Non-cash stock based compensation expense	632	563	1,120	764
Impairment of goodwill and intangibles	-	2,238	-	2,238
Profit on sale of subsidiary	(6,159)	-	(6,159)	-
Adjusted EBITDA	\$ 17,388	\$ 11,823	\$ 17,409	\$ 17,728

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

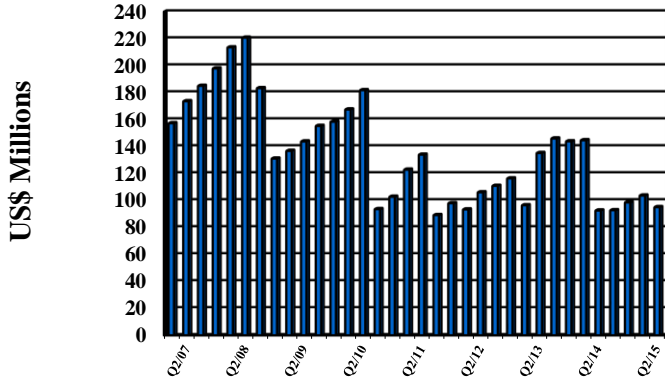
	GUIDANCE		ACTUAL
	Six months ended December 31, 2015		Six months ended December 31, 2014
Revenue	\$86.0	to	\$88.0
IFRS EPS	\$0.50	to	\$0.55
Non-cash stock based compensation expense (Note 1)	\$0.04		\$0.04
Amortization of intangibles (Note 2)	\$0.01		\$0.01
Gain on sale of investment property, net of transaction costs & related tax expenses	(0.29)		(0.29)
Non-IFRS diluted net income per share	\$0.26	to	\$0.31
Total shares used in non-IFRS diluted net income per share calculations	26,331,586		26,331,586
			31,490,737

Notes:

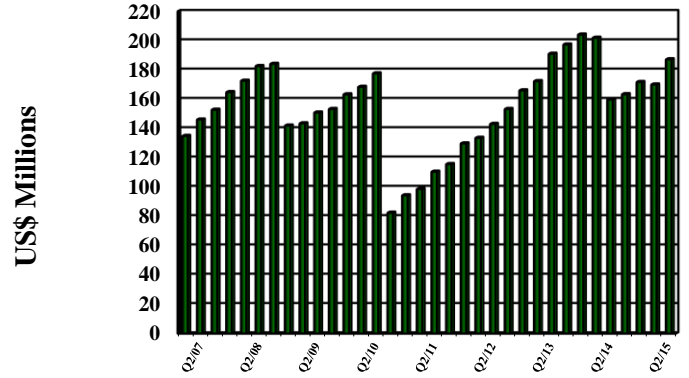
- (1) Actual SBC is calculated based on actual share price on date of the awards.
- (2) Amortization of intangible assets relating to certain non-compete agreements.

GLOBAL SOURCES LTD. AND SUBSIDIARIES

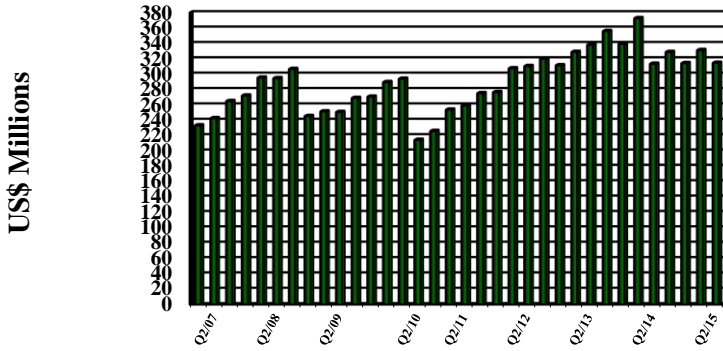
Total Cash and Securities



Total Shareholders' Equity



Total Assets



**Total Deferred Income
Customer Prepayments**

