

## FOR IMMEDIATE RELEASE

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## Global Sources reports first quarter 2013 results

- Reported first quarter revenue of \$31.3 million –
- Posted IFRS EPS of \$0.16 and Non-IFRS EPS of \$0.05 –
- Increases first half 2013 guidance –

NEW YORK, May 14, 2013 – [Global Sources Ltd.](#) (NASDAQ: GSOL) reported financial results for the first quarter ended March 31, 2013.

Global Sources' executive chairman, Merle A. Hinrich, said: "Our first quarter results reflect the soft and uncertain overseas demand for exports. In April, we entered into an agreement to acquire an interest in the *Shenzhen International Machinery Manufacturing Industry Exhibition* and its related shows (*SIMM*). *SIMM* expands our portfolio of domestic trade shows in mainland China and gives us a strong presence in a large and growing market sector. We look forward to developing the show and maximizing synergies with our other businesses."

### **Financial highlights – First quarter: 2013 compared to 2012**

- Revenue was \$31.3 million, as compared to \$38.9 million.
  - \* Online revenue was \$25.0 million, as compared to \$30.9 million.
  - \* Exhibitions revenue was \$1.5 million, as compared to \$2.2 million.
  - \* Print revenue was \$3.0 million, as compared to \$4.3 million.
- IFRS net income was \$5.6 million, or \$0.16 per diluted share, as compared to first quarter 2012 IFRS net income of \$3.1 million, or \$0.09 per diluted share.
- Non-IFRS net income was \$1.8 million, or \$0.05 per diluted share, as compared to \$3.7 million, or \$0.10 per diluted share, for the first quarter of 2012.

- Adjusted EBITDA was \$3.2 million, as compared to \$5.4 million for the first quarter of 2012.
- Total deferred income and customer prepayments were \$110.0 million as at March 31, 2013, as compared to \$129.4 million as at March 31, 2012.

Global Sources' CFO, Connie Lai, said: "In the first quarter, we took action to reduce operating expenses. Also, our bottom line benefitted from the sale of an office property in Hong Kong, which we announced in March 2013 with final payment of \$8 million received on April 2, 2013. We intend to continue our efforts to strike the right balance between investing for the future and prudently managing costs.

"With respect to our cash position, we completed the acquisition of the property in Hong Kong in the first quarter of 2013 that resulted in a reduction of cash by \$24.7 million. We are also scheduled to complete the sales of our property in Shenzhen in the second quarter of 2013 that is expected to increase our cash by \$16.3 million."

#### **Updated financial expectations for the first half of 2013 under IFRS**

The company is increasing its first half 2013 guidance due primarily to stronger than expected revenue performance and cost savings.

- For the first half of 2013 ending June 30, 2013:
  - \* Revenue is expected to be in the range of \$89.0 million to \$91.0 million, representing a decrease of 14% to 16%, as compared to \$105.7 million for the first half of 2012.
  - \* IFRS EPS is expected to be in the range of \$0.59 to \$0.63, as compared to \$0.36 per diluted share in the first half of 2012. 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 \$0.32 per diluted share for the first half of 2013.
  - \* Non-IFRS EPS is expected to be in the range of \$0.27 to \$0.31, as compared to \$0.41 per diluted share for the same period in 2012.
  - \* Adjusted EBITDA is expected to be between \$13.6 million and \$14.8 million, as compared to \$18.2 million in the first half of 2012.

"We now expect the revenue mix for the first half to range between 51% and 52% for online, 37% and 38% for exhibitions, 6% and 7% for print, and approximately 4% for miscellaneous. This compares to a first half 2012 revenue mix of approximately 58% for online, 31% for exhibitions, 8% for print and 3% for miscellaneous," Lai concluded.

### **Recent Corporate Highlights**

- Entered into an agreement to acquire an interest in the *Shenzhen International Machinery Manufacturing Industry Exhibition* and its related shows (*SIMM*), for a consideration ranging from approximately \$11 million to approximately \$16 million, depending upon certain performance-related conditions.
- Signed the sale and purchase agreements for the sale of the 46<sup>th</sup> floor of the Excellence Times Square building in Shenzhen, China in April 2013 for approximately \$19.3 million.
- Closed the sale of 10 units on the 26<sup>th</sup> floor and three car parking spaces on the first floor of the Southmark building in Hong Kong, China on March 28, 2013 for approximately \$9.0 million.
- Closed the acquisition of the 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> floors of the Vita Tower building in Hong Kong, China on March 28, 2013 for approximately \$23.6 million.
- Held its spring series of export trade shows 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.
- The 18<sup>th</sup> *International IC-China Conference & Exhibition* was held in Shenzhen. Exhibitors included leading international and local semiconductor suppliers and distributors such as BYD Microelectronics, Micrel, Micron, Mouser, Silicon Labs and TriQuint.
- *Private Sourcing Events* were held from Jan. 1, 2013 through April 21, 2013 for more than 88 sourcing teams from very large buying organizations including Amazon, Auchan, Dollar General, El Corte Ingles, Intelbras, Kmart, Metro, Monster Cable, Panasonic, Staples, Tesco, and Woolworths Australia. These events created more than 500 high quality, one-on-one selling opportunities for Global Sources suppliers.

### **Conference call for Global Sources first 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 May 14, 2013 (8:00 p.m. on May 14, 2013 in Hong Kong) to review these results in more detail. Investors in the United States may participate in the call by dialing (877) 941-1427, and non-Hong Kong international participants may dial (1-480) 629-9664. Investors in Hong Kong may participate by dialing (852) 3009-5027. The conference ID is 4613639 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 May 22, 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 4613639. For those in the Hong Kong area, the replay dial-in number is (852) 3056-2777, and the pass code is 4613639.

### **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](http://GlobalSources.com)), print and digital magazines, sourcing research reports, private sourcing events, trade shows, and online sourcing fairs.

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)

	<b>As at March 31,</b>	<b>As at December 31,</b>
	<b>2013</b>	<b>2012</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents.....	\$ 86,321	\$ 104,631
Term deposits with banks.....	2,574	4,184
Financial assets, available-for-sale.....	7,535	7,472
Accounts receivables.....	3,743	4,242
Receivables from sales representatives.....	12,118	7,773
Inventories.....	360	410
Prepaid expenses and other current assets.....	33,119	18,396
	<b>145,770</b>	<b>147,108</b>
<b>Non-current assets</b>		
Property and equipment.....	49,723	30,442
Investment properties.....	96,994	97,377
Intangible assets.....	32,441	33,136
Long term investment.....	100	100
Deferred income tax assets.....	248	244
Other non-current assets.....	3,364	2,762
	<b>182,870</b>	<b>164,061</b>
<b>Total assets.....</b>	<b>\$ 328,640</b>	<b>\$ 311,169</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable.....	\$ 8,426	\$ 12,531
Deferred income and customer prepayments.....	99,413	84,540
Accrued liabilities.....	20,084	20,409
Income tax liabilities.....	865	1,225
	<b>128,788</b>	<b>118,705</b>
<b>Non-current liabilities</b>		
Deferred income and customer prepayments.....	10,570	9,062
Deferred income tax liabilities.....	5,970	6,090
	<b>16,540</b>	<b>15,152</b>
<b>Total liabilities.....</b>	<b>145,328</b>	<b>133,857</b>
<b>Equity attributable to Company's shareholders</b>		
Common shares.....	524	521
Treasury shares.....	(150,089)	(150,089)
Other reserves.....	157,328	156,629
Retained earnings.....	164,480	158,859
<b>Total Company shareholders' equity.....</b>	<b>172,243</b>	<b>165,920</b>
Non-controlling interests.....	11,069	11,392
<b>Total equity.....</b>	<b>\$ 183,312</b>	<b>\$ 177,312</b>
<b>Total liabilities and equity.....</b>	<b>\$ 328,640</b>	<b>\$ 311,169</b>

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

	<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>		
Online and other media services (Note 1).....	\$ 27,959	\$ 35,223
Exhibitions.....	1,501	2,217
Miscellaneous.....	1,792	1,477
	<b>31,252</b>	<b>38,917</b>
<b>Operating Expenses:</b>		
Sales (Note 2).....	10,993	15,034
Event production.....	396	326
Community and content (Note 2).....	6,185	6,928
General and administrative (Note 2).....	9,792	10,174
Information and technology (Note 2).....	3,314	3,391
<b>Total Operating Expenses.....</b>	<b>30,680</b>	<b>35,853</b>
Profit on sale of property.....	4,457	-
<b>Profit from Operations.....</b>	<b>5,029</b>	<b>3,064</b>
Interest income.....	274	186
Share of loss of associate.....	-	(14)
<b>Profit before income taxes.....</b>	<b>5,303</b>	<b>3,236</b>
Income tax expense.....	(26)	(163)
<b>Net profit.....</b>	<b>\$ 5,277</b>	<b>\$ 3,073</b>
Net loss attributable to non-controlling interests.....	344	32
<b>Net profit attributable to the Company's shareholders.....</b>	<b>\$ 5,621</b>	<b>\$ 3,105</b>
<b>Diluted net profit per share attributable to the Company's shareholders.....</b>	<b>\$ 0.16</b>	<b>\$ 0.09</b>
<b>Shares used in diluted net profit per share calculations.....</b>	<b>35,914,192</b>	<b>35,573,189</b>

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

	<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Online services.....	\$ 24,975	\$ 30,877
Print services.....	2,984	4,346
	<b>\$ 27,959</b>	<b>\$ 35,223</b>

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:

	<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales.....	\$ 68	\$ 62
Community and content.....	(41)	(35)
General and administrative.....	229	265
Information and technology.....	85	72
	<b>\$ 341</b>	<b>\$ 364</b>

**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 March 31,	
	2013	2012
<b>IFRS EPS</b>	<b>\$ 0.16</b>	<b>\$ 0.09</b>
IFRS Net Profit	\$ 5,621	\$ 3,105
Non-cash stock based compensation expense (Note 1)	341	364
Amortization of intangibles (Note 2)	254	191
Profit on sale of property	(4,457)	-
<b>Non-IFRS Net Profit</b>	<b>\$ 1,759</b>	<b>\$ 3,660</b>
<b>Non-IFRS diluted net profit per share</b>	<b>\$ 0.05</b>	<b>\$ 0.10</b>
Total shares used in non-IFRS diluted net profit per share calculations	35,914,192	35,573,189

**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 March 31,	
	2013	2012
IFRS profit from operations	\$ 5,029	\$ 3,064
Depreciation and amortization	2,270	1,964
<b>EBITDA</b>	<b>7,299</b>	<b>5,028</b>
Non-cash stock based compensation expense	341	364
Profit on sale of property	(4,457)	-
<b>Adjusted EBITDA</b>	<b>\$ 3,183</b>	<b>\$ 5,392</b>



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

	<b>GUIDANCE</b>		<b>ACTUAL</b>
	Six months ended June 30, 2013		Six months ended June 30, 2012
Revenue	\$89.0	to	\$91.0
			\$105.7
IFRS EPS	\$0.59	to	\$0.63
			\$0.36
Non-cash stock based compensation expense (Note 1)	\$0.03		\$0.03
Amortization of intangibles (Note 2)	\$0.01		\$0.01
Impairment loss on investment in associate	-		\$0.01
Gain on sale of investment property, net of transaction costs & related tax expenses	(\$0.36)		-
<b>Non-IFRS diluted net income per share</b>	<b>\$0.27</b>	to	<b>\$0.31</b>
			<b>\$0.41</b>
Total shares used in non-IFRS diluted net income per share calculations	36,130,000		35,716,189

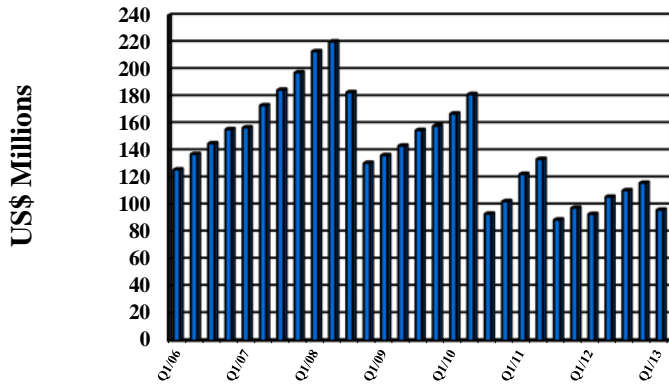
**Notes:**

(1) Actual SBC is calculated based on actual share price on date of the awards.

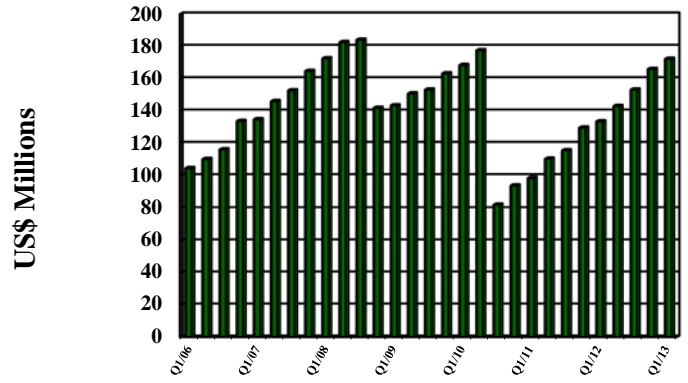
(2) Amortization of intangible assets relating to certain non-compete agreements.

**GLOBAL SOURCES LTD. AND SUBSIDIARIES**

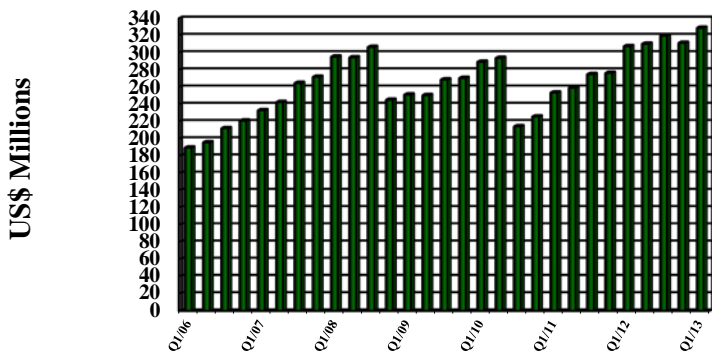
**Total Cash and Securities**



**Total Shareholders' Equity**



**Total Assets**



**Total Deferred Income  
Customer Prepayments**

