



**FOR IMMEDIATE RELEASE**

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**Global Sources reports third quarter 2011 results**

**- Grew revenue by 19% -**

**- Posted IFRS EPS of \$0.11 and Non-IFRS EPS of \$0.14 -**

**- Reaffirms Guidance for the Second Half of 2011 -**

**NEW YORK, November 17, 2011** – [Global Sources Ltd.](http://www.globalsources.com) (NASDAQ: GSOL) reported financial results for the third quarter ended September 30, 2011.

“We had a solid quarter, driven by 22% growth in our online business and 17% growth in exhibitions revenue,” said Global Sources’ executive chairman, Merle A. Hinrichs. “At the end of October, we wrapped up our fall series of shows in Hong Kong. We had more than 7,400 booths and buyer attendance exceeded 62,000, representing 158 countries and territories.

“While buyers in the developed markets are showing some caution, we continue to expand our initiatives to help exporters increase their sales to emerging markets. Over the past few years, we have led the market by taking exhibitors to key sourcing hubs in Africa, India, the Middle East and Latin America. In the third quarter, we launched a very successful show in Miami focused on the Latin American market. Most recently, we have announced plans to launch *China Sourcing Fairs* in Brazil during 2012. As a result of all of these initiatives, we have expanded the quality and quantity of our buyer communities in those regions to the benefit of all of our advertisers and exhibitors.”

### **Financial highlights – Third quarter: 2011 compared to 2010 – in accordance with IFRS**

- Revenue was \$47.0 million, as compared to \$39.5 million.
  - \* Online revenue was \$30.4 million, as compared to \$24.8 million.
  - \* Exhibitions revenue was \$9.0 million, as compared to \$7.7 million.
  - \* Print revenue was \$6.3 million, as compared to \$5.8 million.
  - \* Revenue from mainland China was \$37.5 million, as compared to \$30.7 million.
- IFRS net income, including a non-cash stock based compensation (SBC) expense of \$740,000, and amortization of intangibles as it relates to certain equity compensation plans of \$191,000, was \$4.0 million, or \$0.11 per diluted share, as compared to third quarter 2010 IFRS net income of \$2.1 million, or \$0.05 per diluted share, which included a non-cash SBC expense of \$695,000, and amortization of intangibles as it relates to certain equity compensation plans of \$154,000.
- Non-IFRS net income was \$4.9 million, or \$0.14 per diluted share, as compared to \$2.9 million, or \$0.07 per diluted share.
- Adjusted EBITDA was \$8.4 million, as compared to \$5.8 million.
- Total deferred income and customer prepayments were \$126.7 million, as compared to \$97.8 million.

### **Financial highlights – Nine Months Ended September 30: 2011 compared to 2010 – in accordance with IFRS**

- Revenue was \$151.1 million, as compared to \$133.6 million.
- IFRS net income was \$17.6 million, or \$0.50 per diluted share, as compared to \$13.9 million, or \$0.32 per diluted share.
- Non-IFRS net income was \$20.1 million, or \$0.57 per diluted share, as compared to \$16.2 million, or \$0.37 per diluted share.
- Adjusted EBITDA was \$26.8 million, as compared to \$22.3 million.

### **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, 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. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation and impairment of goodwill and intangible assets.

Global Sources' CFO, Connie Lai, said: "We are reiterating our guidance for the second half of 2011 representing topline growth of 12% to 14%. Our balance sheet remains strong as we closed the third quarter with a healthy cash balance of \$89.1 million following the August purchase of our new Shanghai office space."

### **Financial expectations for the second half of 2011 under IFRS**

- For the second half of 2011 ending December 31, 2011:
  - \* Revenue is expected to be in the range of \$115 million to \$117 million, representing an increase of 12% to 14%, as compared to \$102.5 million for the second half of 2010.
  - \* IFRS EPS is expected to be in the range of \$0.36 to \$0.39, as compared to \$0.36 per diluted share in the second half of 2010. SBC and the amortization of intangibles as it relates to certain equity compensation plans are estimated to be an expense of \$0.05 per diluted share for the second half of 2011.
  - \* Non-IFRS EPS is expected to be in the range of \$0.41 to \$0.44, as compared to \$0.39 per diluted share for the same period in 2010.
  - \* Adjusted EBITDA is expected to be \$20.8 million, as compared to \$17.9 million in the second half of 2010.

### **Recent Corporate Highlights**

- Organized its series of fall shows with more than 7,400 booths, representing an increase of 7% from the previous year. Total buyer attendance was up by 3% year-on-year, with 62,800 buyers participating in the 14 trade shows held in October at Hong Kong's AsiaWorld-Expo. This was also the company's first, full-scale roll out of *Online Sourcing Fairs*, with all the face-to-face shows now online.
- Received two investor relations awards from IR Global Rankings for its investor relations website. This is the sixth consecutive year Global Sources has been recognized by IR Global Rankings.
- Held *Private Sourcing Events* for more than 117 sourcing teams from very large buying organizations including C&A, Cencosud, Coppel, Elektra, Falabella, Groupe Zannier, Liverpool, Metro, Mothercare Group, Next, Redcats, Sears, Target Australia and TJX. These events created 775 high quality one-on-one selling opportunities for Global Sources suppliers.

### **Third Quarter 2011 Highlights**

- The *China International Optoelectronic Expo (CIOE)* was held from September 6-9 at the Shenzhen Convention and Exhibition Center, featuring more than 3,000 exhibitors. The total exhibition space was expanded to 90,000 square meters, a 20% increase from 2010.

- Announced CEO Merle A. Hinrichs transitioned into his new role as Executive Chairman of the Board, and Deputy CEO Spenser Au assumed the role of CEO.
- Purchased office space in Shanghai for approximately \$52.7 million to provide for continuing expansion of operations in mainland China.
- Held the first *China Sourcing Fairs* in Miami in July for buyers in the U.S.A. and Latin America. More than 7,600 buyers attended and viewed over 550 exhibitor booths.

### **Conference call for Global Sources third quarter 2011 earnings**

Executive Chairman Merle A. Hinrichs and CFO Connie Lai are scheduled to conduct a conference call at 8:00 a.m. ET on November 17, 2011 (9:00 p.m. on November 17, 2011 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 4476730 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 November 24, 2011. To listen to the telephone replay dial (800) 406-7325 or dial (1-303) 590-3030 outside the United States, and enter pass code 4476730. For those in the Hong Kong area, the replay dial-in number is (852) 3056-2777, and the pass code is 4476730.

### **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 (<http://www.globalsources.com>), print and digital magazines, sourcing research reports, private sourcing events, trade shows, and online sourcing fairs.

Over 1 million international buyers, including 85 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 provides 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 40 office locations and a community of over 3 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.

**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 September 30,</u> <u>2011</u> <u>(Unaudited)</u>	<u>As at December 31,</u> <u>2010</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents.....	\$ 77,110	\$ 101,298
Term deposits with banks.....	1,786	1,411
Financial assets, available-for-sale.....	10,250	-
Accounts receivables.....	4,382	3,919
Receivables from sales representatives.....	7,253	8,248
Inventories.....	301	435
Prepaid expenses and other current assets.....	25,967	20,269
	<b>127,049</b>	<b>135,580</b>
<b>Non-current assets</b>		
Property and equipment.....	130,498	76,514
Intangible assets.....	12,953	10,449
Long term investment.....	100	100
Deferred income tax assets.....	314	504
Other non-current assets.....	3,941	2,556
	<b>147,806</b>	<b>90,123</b>
<b>Total assets.....</b>	<b>\$ 274,855</b>	<b>\$ 225,703</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable.....	\$ 6,776	\$ 9,600
Deferred income and customer prepayments.....	112,221	90,617
Accrued liabilities.....	13,629	14,269
Income tax liabilities.....	1,458	650
	<b>134,084</b>	<b>115,136</b>
<b>Non-current liabilities</b>		
Deferred income and customer prepayments.....	14,438	6,710
Deferred income tax liabilities.....	1,877	1,397
	<b>16,315</b>	<b>8,107</b>
<b>Total liabilities.....</b>	<b>150,399</b>	<b>123,243</b>
<b>Equity attributable to Company's shareholders</b>		
Common shares.....	518	516
Treasury shares.....	(150,089)	(150,089)
Other reserves.....	150,426	146,691
Retained earnings.....	114,764	97,177
<b>Total Company shareholders' equity.....</b>	<b>115,619</b>	<b>94,295</b>
Non-controlling interests.....	8,837	8,165
<b>Total equity.....</b>	<b>\$ 124,456</b>	<b>\$ 102,460</b>
<b>Total liabilities and equity.....</b>	<b>\$ 274,855</b>	<b>\$ 225,703</b>

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

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue:</b>				
Online and other media services (Note 1).....	\$ 36,669	\$ 30,584	\$ 104,612	\$ 90,489
Exhibitions .....	9,006	7,674	42,498	39,554
Miscellaneous .....	1,305	1,203	3,948	3,597
	<b>\$ 46,980</b>	<b>\$ 39,461</b>	<b>\$ 151,058</b>	<b>\$ 133,640</b>
<b>Operating Expenses:</b>				
Sales (Note 2) .....	17,249	15,522	55,058	48,516
Event production.....	2,616	2,635	13,364	13,576
Community and content (Note 2).....	7,859	6,769	24,648	23,194
General and administrative (Note 2).....	10,315	8,182	28,939	24,174
Information and technology (Note 2).....	3,294	3,087	9,537	8,897
<b>Total Operating Expenses.....</b>	<b>\$ 41,333</b>	<b>\$ 36,195</b>	<b>\$ 131,546</b>	<b>\$ 118,357</b>
<b>Profit from Operations.....</b>	<b>\$ 5,647</b>	<b>\$ 3,266</b>	<b>\$ 19,512</b>	<b>\$ 15,283</b>
Interest income.....	83	67	199	425
<b>Profit before Income Taxes .....</b>	<b>\$ 5,730</b>	<b>\$ 3,333</b>	<b>\$ 19,711</b>	<b>\$ 15,708</b>
Income Tax Expense .....	(633)	(407)	(1,157)	(636)
<b>Net Profit .....</b>	<b>\$ 5,097</b>	<b>\$ 2,926</b>	<b>\$ 18,554</b>	<b>\$ 15,072</b>
Net profit attributable to non-controlling interests.....	(1,134)	(841)	(967)	(1,127)
<b>Net profit attributable to the Company's shareholders .....</b>	<b>\$ 3,963</b>	<b>\$ 2,085</b>	<b>\$ 17,587</b>	<b>\$ 13,945</b>
<b>Diluted net profit per share attributable to the Company's shareholders.....</b>	<b>\$ 0.11</b>	<b>\$ 0.05</b>	<b>\$ 0.50</b>	<b>\$ 0.32</b>
<b>Shares used in diluted net profit per share calculations.....</b>	<b>35,482,592</b>	<b>39,873,952</b>	<b>35,387,418</b>	<b>43,919,109</b>

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

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Online services .....	\$ 30,378	\$ 24,817	\$ 87,480	\$ 70,659
Print services .....	6,291	5,767	17,132	19,830
	<b>\$ 36,669</b>	<b>\$ 30,584</b>	<b>\$ 104,612</b>	<b>\$ 90,489</b>

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

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales .....	\$ 186	\$ 192	\$ 530	\$ 351
Community and content .....	56	79	173	211
General and administrative.....	434	367	1,053	1,096
Information and technology .....	64	57	207	196
	<b>\$ 740</b>	<b>\$ 695</b>	<b>\$ 1,963</b>	<b>\$ 1,854</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 September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<b>IFRS EPS</b>	<b>\$ 0.11</b>	<b>\$ 0.05</b>	<b>\$ 0.50</b>	<b>\$ 0.32</b>
IFRS Net Profit	\$ 3,963	\$ 2,085	\$ 17,587	\$ 13,945
Non-cash stock based compensation expense (Note 1)	740	695	1,963	1,854
Amortization of intangibles (Note 2)	191	154	572	371
<b>Non-IFRS Net Profit</b>	<b>\$ 4,894</b>	<b>\$ 2,934</b>	<b>\$ 20,122</b>	<b>\$ 16,170</b>
<b>Non-IFRS diluted net profit per share</b>	<b>\$ 0.14</b>	<b>\$ 0.07</b>	<b>\$ 0.57</b>	<b>\$ 0.37</b>
Total shares used in non-IFRS diluted net profit per share calculations	35,482,592	39,873,952	35,387,418	43,919,109

**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 September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
IFRS profit from operations	\$ 5,647	\$ 3,266	\$ 19,512	\$ 15,283
Depreciation and amortization	1,984	1,840	5,321	5,197
<b>EBITDA</b>	<b>7,631</b>	<b>5,106</b>	<b>24,833</b>	<b>20,480</b>
Non-cash stock based compensation expense	740	695	1,963	1,854
<b>Adjusted EBITDA</b>	<b>\$ 8,371</b>	<b>\$ 5,801</b>	<b>\$ 26,796</b>	<b>\$ 22,334</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)

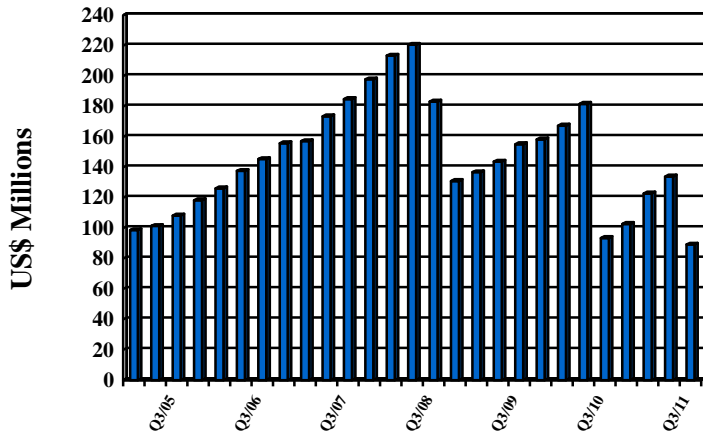
	<b>GUIDANCE</b>		<b>ACTUAL</b>
	Six months ended December 31, 2011		Six months ended December 31, 2010
Revenue	\$115.0	to	\$117.0
			\$102.5
IFRS EPS	\$0.36	to	\$0.39
			\$0.36
Non-cash stock based compensation expense (Note 1)	\$0.04		\$0.04
			\$0.03
Amortization of intangibles (Note 2)	\$0.01		\$0.01
			\$0.00
<b>Non-IFRS diluted net income per share</b>	<b>\$0.41</b>	to	<b>\$0.44</b>
			<b>\$0.39</b>
Total shares used in non-IFRS diluted net income per share calculations	35,500,000		35,500,000
			37,490,314

**Notes:**

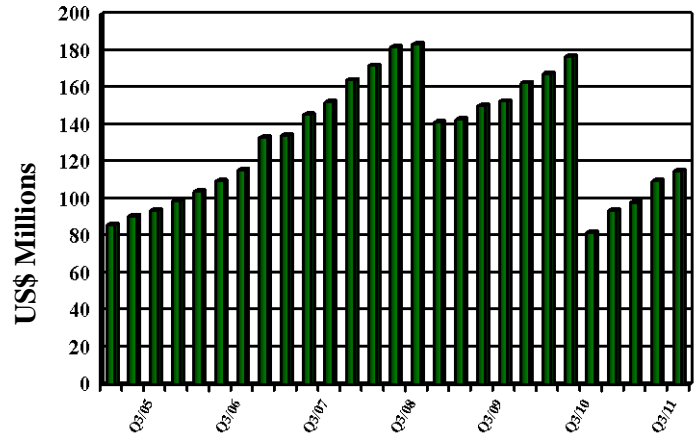
- (1) Actual SBC is calculated based on actual share price on date of the awards.
- (2) Amortization of intangible assets relating to certain non-compete agreements.

## GLOBAL SOURCES LTD. AND SUBSIDIARIES

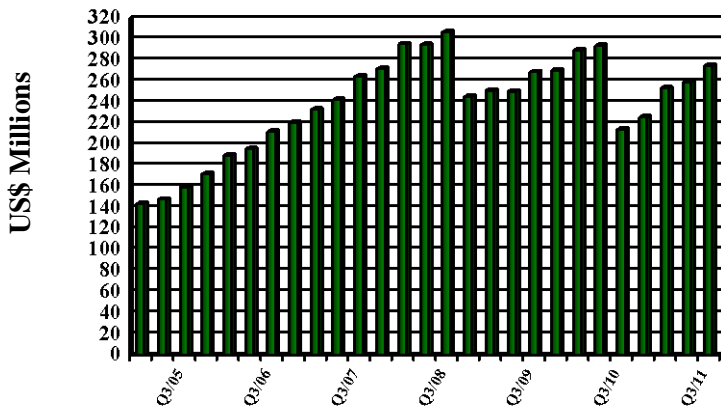
### Total Cash and Securities



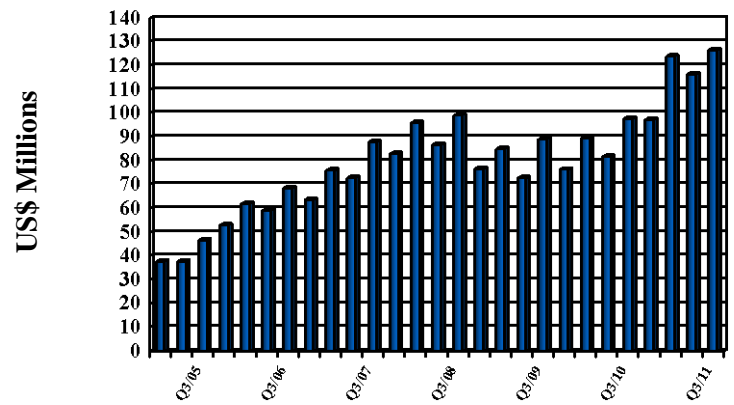
### Total Shareholders' Equity



### Total Assets



### Total Deferred Income Customer Prepayments



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

	Three months ended September 30, <u>2010</u>	Nine months ended September 30, <u>2010</u>
<b>GAAP diluted EPS</b>	<u>\$ 0.06</u>	<u>\$ 0.28</u>
Shares used in GAAP diluted net income per share calculations	<u>39,873,952</u>	<u>44,010,618</u>
GAAP Net Income	\$ 2,282	\$ 12,121
IFRS conversion adjustments:		
Revenue	43	1,847
Exhibition promotion costs	(267)	(641)
Non-cash stock based compensation expense	27	618
<b>IFRS Net Profit</b>	<u>\$ 2,085</u>	<u>\$ 13,945</u>
<b>IFRS diluted EPS</b>	<u>\$ 0.05</u>	<u>\$ 0.32</u>
Shares used in IFRS diluted net income per share calculations	<u>39,873,952</u>	<u>43,919,109</u>