



ITE GROUP PLC

Preliminary Results

Year ended  
30<sup>th</sup> September 2009





## Highlights for the year to 30 September 2009

### Strong Financial Results

	2009		2008
▪ Headline profit before tax	£45.8m	up 24%	£37.0m
▪ Headline earnings per share	14.2p	up 41%	10.1p
▪ Dividend	5.5p	up 4%	5.3p
▪ Net Cash	£23.1m		£29.1m



## A difficult trading environment...

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- Economies into recession in Dec 08 & Jan 09
- 2009 'Like-for-like' volume sales down by 20% +
- ITE's biggest sector - construction was hardest hit
- Working capital drain on the business circa £10m

- Acquisition of leading Turkish travel event - EMITT
- Group wide cost saving programme implemented
- Strong financial result
- Strong balance sheet at 30 September 2009
- Russian and CIS economies all forecast to return to GDP growth in 2010
- Post year-end acquisition of Indian business

## Why ITE is well positioned for market recovery

- #1 exhibitions & events in markets
- International & local sales give competitive advantage
- Overhead & costs already 'rightsized'
- Financial strength to make opportunistic acquisitions
- Good forward visibility – 2010 advance bookings £ 56m

MosBuild 

worldfood   
MOSCOW

  
CASPIAN OIL & GAS

Mitt 

# 2009 FINANCIAL RESULTS

## Financial Highlights for the year to 30 September 2009

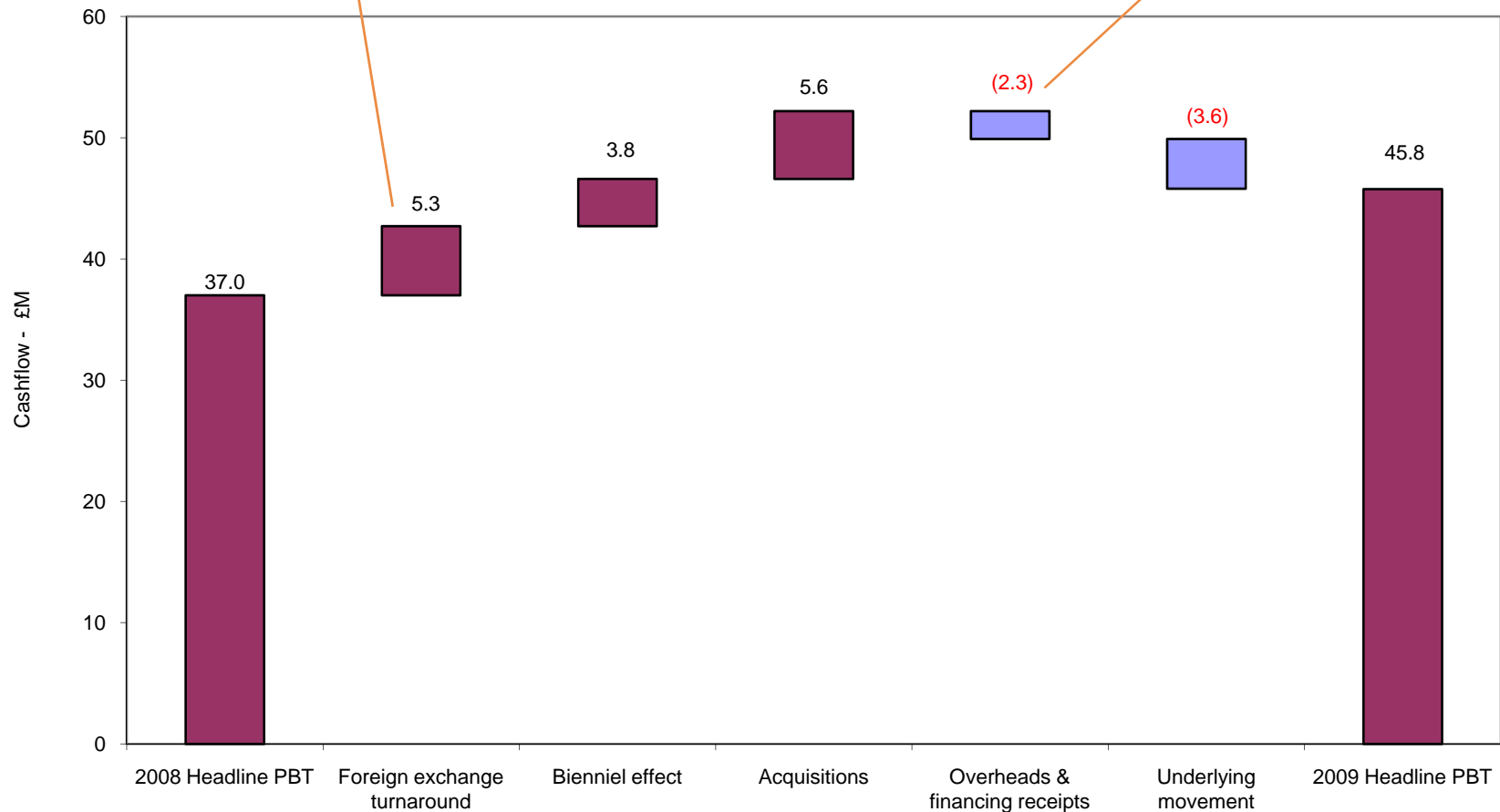
	<b>2009</b>	<b>2008</b>	
	<b>Audited</b>	<b>Audited</b>	
Turnover	£116.7m	£109.8m	6% up on 2008
Gross profit margin	52%	50%	Biennial effect
Headline profit before tax	£45.8m	£37.0m	
Tax rate	26%	32%	Lower underlying rates
Headline diluted EPS	14.2p	10.1p	
Dividend per share	5.5p	5.3p	Continued progressive policy

Acquisitions + £ 9m  
 Pricing + fx + £ 14m  
 Net trading - £ 20m

# 2008 to 2009 Headline PBT Bridge

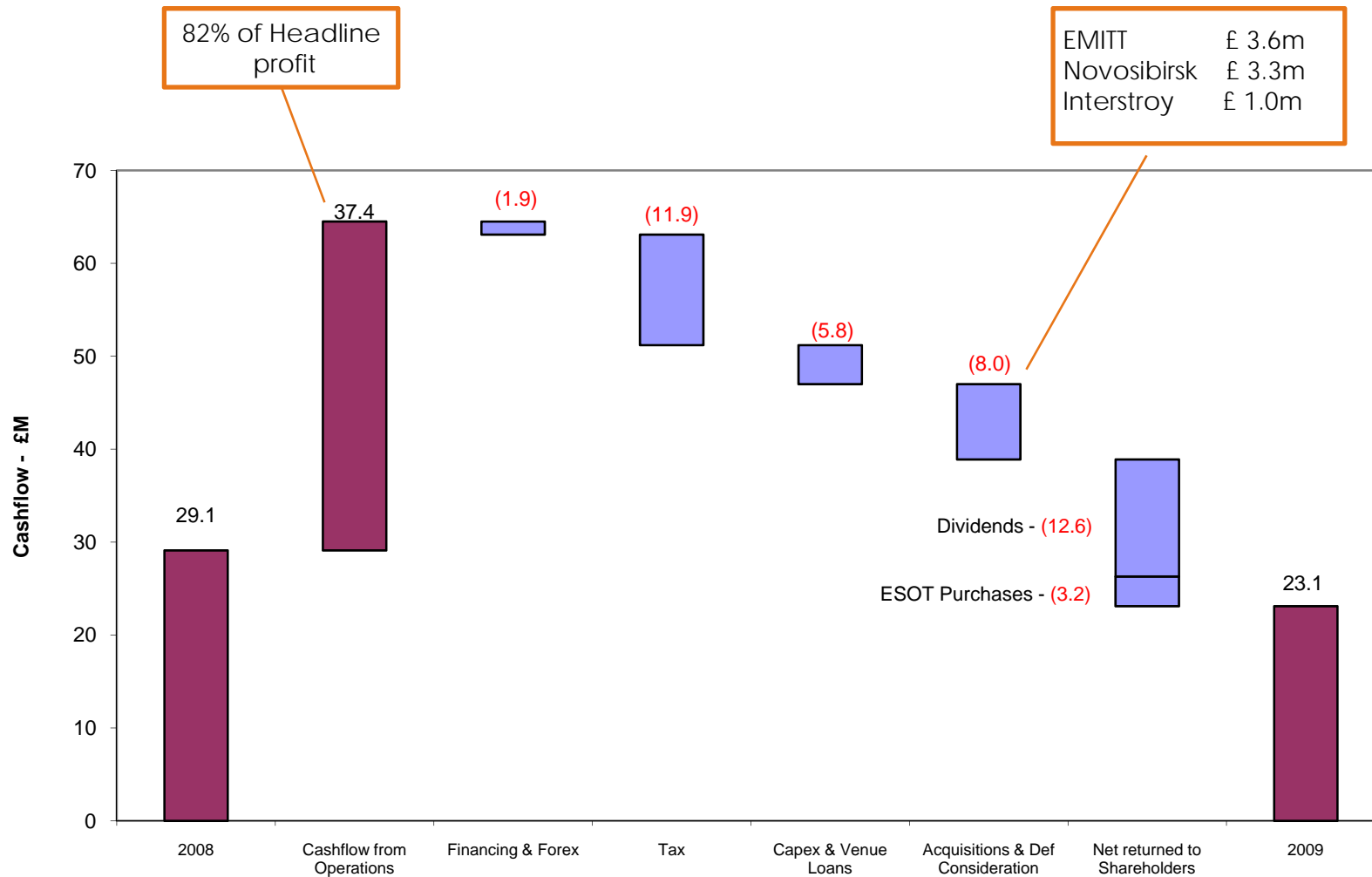
	2009	2008
Forward contracts	(£1.7m)	(£3.3m)
Asset Translation	<u>3.9m</u>	<u>£0.2m</u>
Total fx effect	<u>£2.2m</u>	<u>(£3.1m)</u>

Interest income	- £ 1.3m
Overheads	- £ 1.0m





# Cash Flow - 2008 to 2009 Cash Bridge



## Sales and Yields Analysis

		Metres 000s	Revenue £m	Gross Profit £m	Yield £
2008	Results from Events	500	108	55	
	Non annual 2008	(51)	(3)	(1)	
2008	Recurring Events	449	105	54	234
	Acquisitions	67	9	6	
	Net other	(110)	(5)	(5)	
2009	Recurring Events	406	109	55	268
	Non annual 2009	17	7	5	
2009	Results from Events	<b>423</b>	<b>116</b>	<b>60</b>	

-10% (circled) points to the change in Metres from 449 to 406.  
 12% currency, 3% pricing mix + 15% (circled) points to the change in Yield from 234 to 268.

2009 currency & sales			
	2009 Sales £'m	% of Revenue	International Sales £'m
Sales			
Euro based	90	77	52
US Dollar Based	2	1	2
GBP	10	9	9
Other	15	13	2
	<b>117</b>	<b>100</b>	<b>60</b>

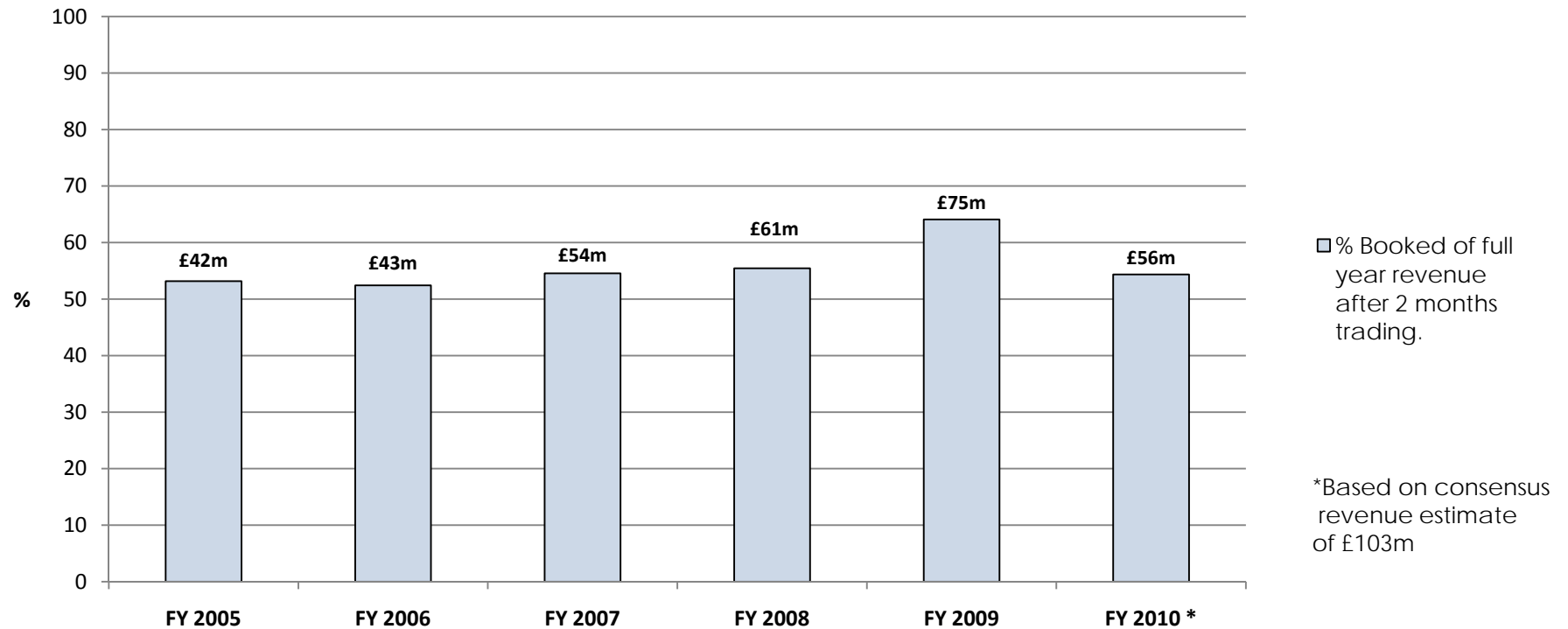
Forward Cover  
2010-2012  
  
€64.5m @ €1.10 : £1

51% Collected  
in hard  
currency

<u>Average Sales Rates : £1</u>		
2008	2009	2010 (to date)
€1.38	€ 1.21	€ 1.18
\$2.0	\$1.57	\$1.60

+ 12%

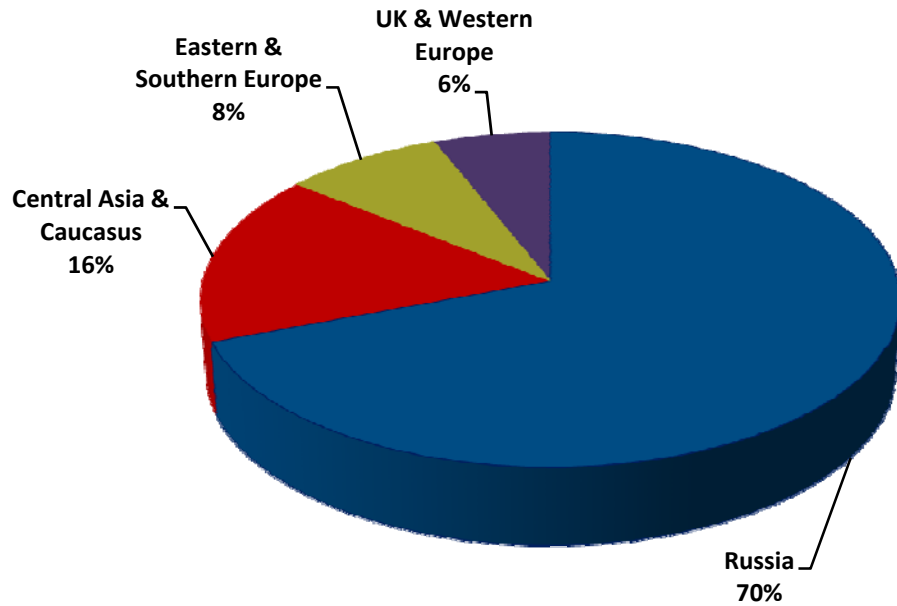
## £m Sales booking



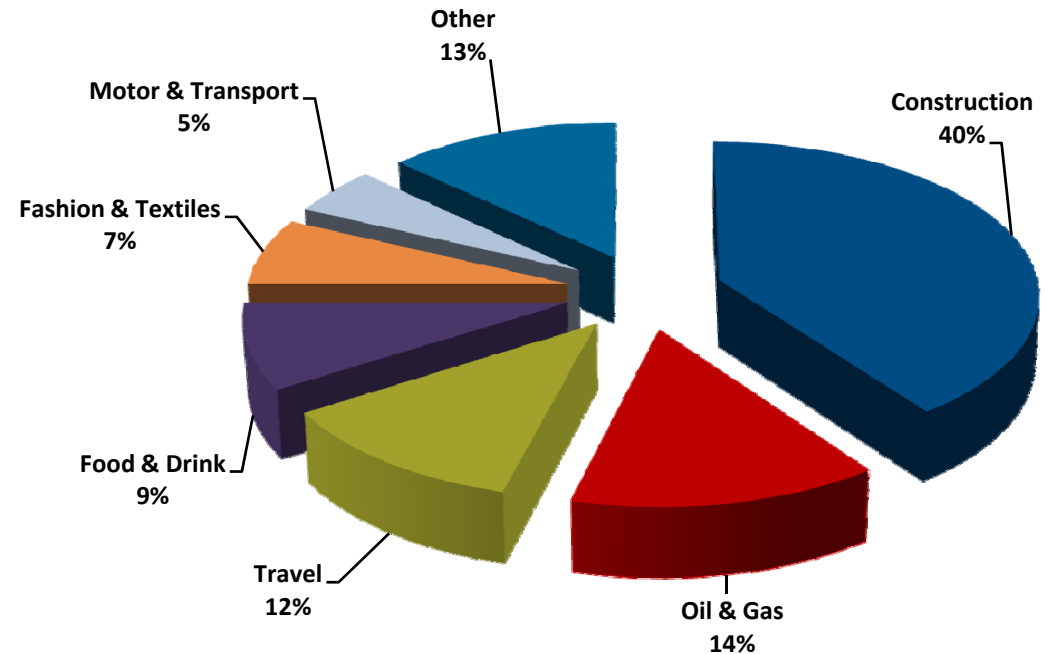
- £ 56 m of sales booked for 2009 (54% of market consensus) ( 2009 - £75m (64% of actual revenues) )

# Divisional Analysis

## ITE Group Revenue by Region



## ITE Group Revenue by Sector - 08-09



## 2009

- MosBuild down in volume – revenue up
- Effective cost reduction programme
- Successful launches – Aquatherm, Barexpo
- Integration of Novosibirsk, Sfitex and Interstroyexpo

## Outlook

- New regional launches – Southern Russia
- Development of conference business
- Novosibirsk potential

## RUSSIA

	2009	2008
<b>m<sup>2</sup> '000</b>	256	247
<b>Revenue</b>	£81m	£66m

	2009	2008
	%	%
<b>Construction</b>	46	46
<b>Oil &amp; Gas</b>	10	4
<b>Travel</b>	12	13
<b>Food</b>	9	13

\* Sector as percentage of annual revenues

## 2009

- Kazakhstan - recession over
- Uzbekistan } - Little exposure to crisis
- Azerbaijan }
  
- Successful Turkmenistan conference

## Outlook

- Kazakhstan to emerge slowly from crisis
- Azerbaijan – construction of 28,000m<sup>2</sup> hall nearly complete
- Potential JV's in Kazakhstan and Azerbaijan

## CENTRAL ASIA

	2009	2008
<b>m<sup>2</sup> '000</b>	62	92
<b>Revenue</b>	£19m	£23m

	2009	2008
	%	%
<b>Construction</b>	19	24
<b>Oil &amp; Gas</b>	46	40
<b>Travel</b>	5	4
<b>Food</b>	8	7

\* Sector as percentage of annual revenues



2009

- Major contraction of Ukrainian economy
- Acquisition of leading travel event, EMITT
  
- **Outlook**
  
- Re-structuring of associate business in Turkey
  
- 'Bottom fishing' opportunities in Ukraine

## E & S EUROPE

	2009	2008
<b>m<sup>2</sup> '000</b>	74	125
<b>Revenue</b>	£10m	£9m

	2009	2008
	%	%
<b>Construction</b>	13	29
<b>Oil &amp; Gas</b>	3	3
<b>Travel</b>	38	18
<b>Food</b>	15	19

\* Sector as percentage of annual revenues

## 2009

- Acquisition of Indian operation
- Successful integration of childrenswear event 'Bubble' by MODA
- Successful launch of lingerie event for MODA

	2009	2008
<b>m<sup>2</sup> '000</b>	32	33
<b>Revenue</b>	£7m	£12m

## Outlook

- LNG 16 in Algeria
- Other international Oil & Gas events pursued

	2009	2008
<b>Fashion</b>	£7m	£7m
<b>WPC</b>	-	£5m

## SUMMARY

	2009 £m	2008 £m	Actual change
Russia	80.9	65.6	23%
Central Asia & Caucasus	19.0	22.6	(16%)
Eastern & Southern Europe	9.6	8.7	10%
UK & Western Europe	7.0	12.3	(43%)
Rest of World	0.2	0.6	
<b>Total</b>	<b>116.7</b>	<b>109.8</b>	<b>6%</b>

# STRATEGY



Events - New sectors 'in market' with international dimension

- New regional markets for existing product

Industry - Aligned to exhibitions - conferences ?

- data ?

- Increase proportion of business from non CIS economies
- Expand into 'growth markets' only

India	}	Underdeveloped exhibition industry
C & E Europe		Projected economic growth
China	}	Developed exhibition industry
Middle East?		Projected economic growth

## International strength in key sectors

	Construction	Oil & Gas	Travel	Food
Russia	●	●	●	●
Central Asia	●	●	●	●
Ukraine	◐		●	◐
Turkey		●	●	◐
Asia		●		
Middle East				
CE Europe				

- Clear Market Leadership
- ◐ Sector events
- New this year



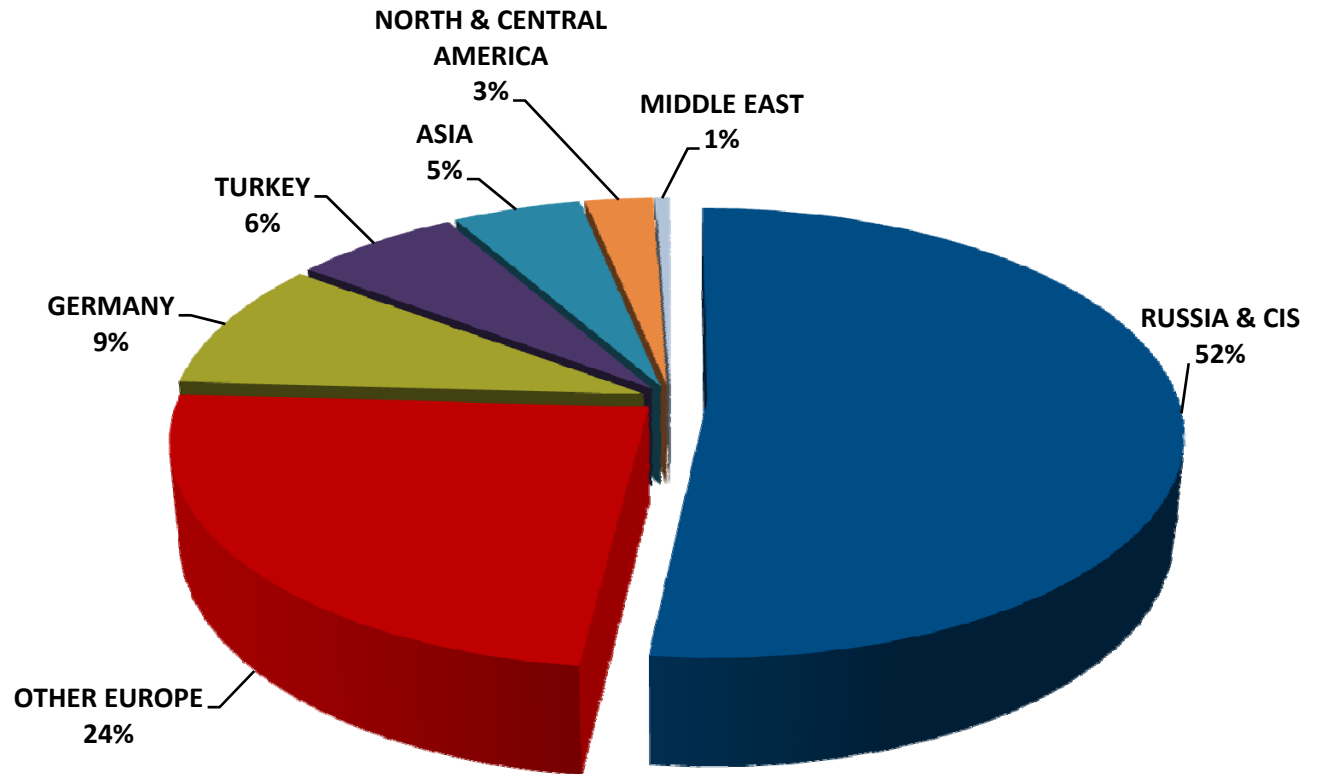





# Revenue by Origin of Customer 2009

Potential Sales growth

- Asia
- Americas
- Middle East



## Real GDP Growth in ITE's Markets

	2009*	2010*
• Russia	(8%)	2%
• Kazakhstan	(2%)	2%
• Azerbaijan	7%	7%
• Uzbekistan	7%	7%
• Ukraine	(14%)	3%
• Turkey	(6%)	4%
• UK	(4%)	1%

\*Source: IMF World Economic outlook database, October 2009

- Stable trading environment - growth to resume in H2 2010
- Strong balance sheet / Strong cash flow
- Seek opportunities to invest in new 'growth' areas
- Seek presence in new geographies

# Appendices

- I Shareholder Structure at 27 October 2009
- II Key Management Team
- III Top 10 Events
- IV Group Balance Sheet
- V Venue Prepayments and Loans
- VI Infrastructure

	%	No. of Shares (millions)
Schroders	19.4%	48.1
Blackrock	13.2%	32.7
Legal and General	5.5%	13.5
Standard Life	4.8%	12.0
Scottish Widows	4.2%	10.5
Threadneedle Investments	3.9%	9.7
Ceyda Erem	3.8%	9.3
Barclays Global Investor	3.3%	8.1
Fidelity	3.1%	7.6
Edward Strachan	2.3%	5.7
ESOT	4.3%	10.6
Other Management	0.5%	1.2
Other Institutions and individuals	31.7%	79.1
<b>Total Shares in issue</b>	<b>100%</b>	<b>248.1</b>
Options in the money:	0.4%	1.1m
Management including options in the money	3.2%	
Free float	96.8%	
Average daily trading volume (12 months)		0.75m



## Key Management Team

## APPENDIX II

Iain Paterson	Chairman	62, Non Executive Chairman since May 2002, former Board member at Enterprise Oil; Chairman of AnTech Ltd and Plebble Loyalty Ltd and Non-Executive Director at MOL NyRt., and Hunting PLC.
Russell Taylor	CEO	51, ACA, joined ITE in 2003 as Finance Director, appointed CEO in 2008. Formerly Finance Director at Earls Court Olympia Group and Air Miles International Group.
Neil Jones	Finance Director	43, ACA, joined ITE in November 2008, formerly Finance Director at Tarsus Group Plc and Advanstar Communications.
Edward Strachan	CIS Regional Director	45, Operational Manager for ITE in Russia, the CIS and the Caspian region since 1992. ITE Board Director since 2003.
Alexander Shtalenkov	Moscow Director	44, Joined ITE in 2005, General Director for Moscow and responsible for Novosibirsk office.
Stephen Keen	Regional Director	44, Joined ITE in 2000. Based in Moscow with responsibility for Ukraine office and India.

<u>Rank</u>	<u>Event</u>	<u>Location</u>	<u>2009</u> <u>m<sup>2</sup> sold</u>	<u>2008</u> <u>m<sup>2</sup> sold</u>
1	MosBuild & MosBuild+	Moscow	74,900	87,100
2	MIOGE	Moscow	17,300	24,000*
3	Moscow International Travel & Tourism (MITT)	Moscow	20,200	20,800
4	Kazakhstan Oil & Gas / conference	Kazakhstan	10,300	11,200
5	World Food Moscow	Moscow	16,300	24,100
6	MODA UK (Spring & Autumn)	U.K.	29,200	33,300
7	Interstroyexpo	St. Petersburg	10,100	N/A
8	Transrussia	Moscow	7,300	8,200
9	Expoelectronica	Moscow	5,500	9,200
10	Ukraine International Travel & Tourism	Kyiv	5,100	7,100
<b>% of ITE's 09 Gross Profit earned by Top 10 events</b>			<b>70%</b>	

\* 2007 Event



	30-Sep-09 Audited £'m	30-Sep-08 Audited £'m
<b>Non Current Assets</b>		
• Goodwill & Intangibles	60.6	57.1
• Other non-current assets	<u>6.6</u>	<u>5.7</u>
	<b>67.1</b>	<b>62.8</b>
<b>Current Assets</b>		
• Debtors due within 1 year	35.1	43.0
• Cash (net of O/D)	<u>23.1</u>	<u>29.1</u>
	<b>58.2</b>	<b>72.4</b>
	£27.5m	£38.4m
<b>Creditors</b>		
• Deferred Revenue & Creditors	62.6	81.7
• Deferred Consideration	1.1	5.0
• Deferred Tax	4.1	3.6
• Provisions	<u>0.8</u>	<u>0.9</u>
	<b>68.6</b>	<b>91.2</b>
<b>Net Assets</b>	<b>56.7</b>	<b>44.0</b>

<u>Venue</u>	<u>Location</u>	<u>Prepayments 30 September 2009</u>	<u>Theme Protection</u>	<u>Rates Agreed</u>
Expocentr	Moscow	-	2011	2011
Crocus	Moscow	£1.3m	2015	2010
Lenexpo	St Petersburg	£0.3m	2012	2012
Atakent	Almaty	£1.4m	2017	2017
IEC	Kiev	£1.0m	2014	2011
Uzexpocentr	Tashkent	£0.4m	2011	2011
CNR	Turkey	£0.5m	2014	2014
	<b>TOTAL</b>	<b>£4.9M</b>		

Office	Country	Staff	Events	2009
				Revenue £m
Moscow	Russia	151	24	67.0
St. Petersburg	Russia	72	19	9.0
Novosibirsk	Russia	158	43	4.9
London	UK	94	-	-
North England	UK	38	6	7.0
Almaty, Astana, Atyrau	Kazakhstan	87	35	12.5
Kiev	Ukraine	56	16	5.9
Istanbul	Turkey	25	6	1.5
Hamburg	Germany	29	-	-
Tashkent, Bishkek	Uzbekistan/Tajikistan/Kyrgyzstan	26	14	2.5
Baku	Azerbaijan	34	15	4.0
Ekin	Turkey	14	1	2.2
Agents	Various	10	-	-
Other	Africa, China & Other	17	-	0.2
		<b>811</b>	<b>179</b>	<b>116.7</b>