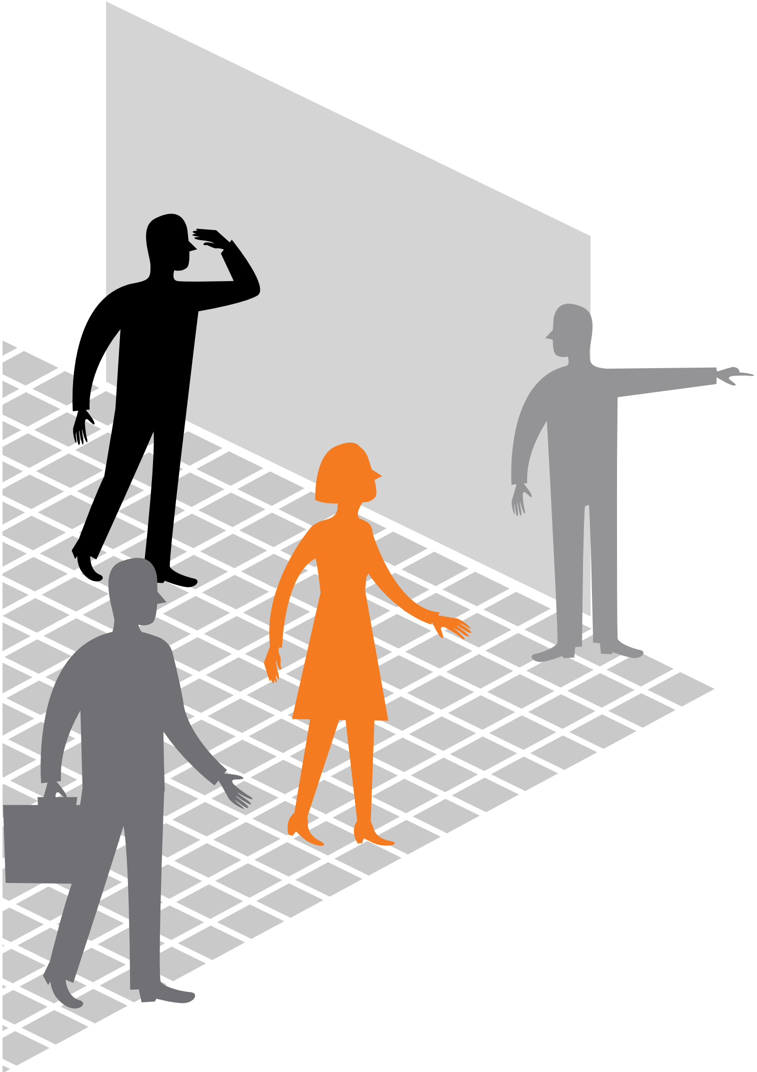
ITE Group plc Interim Report 2011

Creating marketplaces for business



Financial highlights

	Six months to 31 March 2011	Six months to 31 March 2010
Volume sales	**$282,600m^2$**	$203,600m^2$
Revenue	**£53.0m**	£39.2m
Pre-tax profit	**£3.5m**	£5.6m
Headline pre-tax profit*	**£9.1m**	£6.4m
Diluted earnings per share	**1.1p**	1.7p
Headline diluted earnings per share**	**3.0p**	2.0p
Interim dividend per share	**1.9p**	1.7p
Net cash	**£15.6m**	£29.7m

* Headline pre-tax profit is defined as profit before tax, excluding amortisation of acquired intangibles, impairment of goodwill, profits or losses on disposal of Group undertakings, revaluation of financial liabilities in relation to minority put options and direct costs on completed and pending acquisitions & disposals – see note 5 for details.

** Headline diluted earnings per share is calculated using profit before amortisation of acquired intangibles, impairment of goodwill, profits or losses on disposal of Group undertakings, revaluation of financial liabilities in relation to minority put options and direct costs on completed and pending acquisitions & disposals – see note 8 for details.

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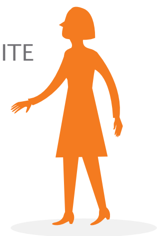
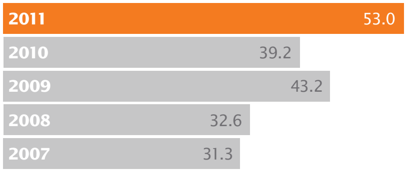
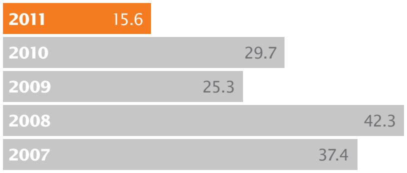


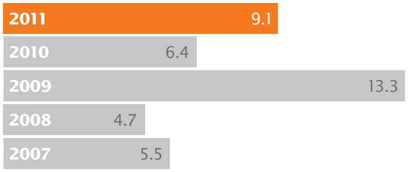
Revenue (£m)



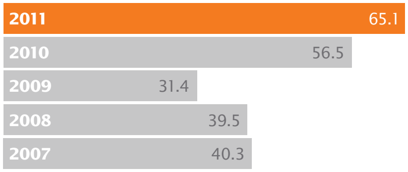
Net cash at 31 March (£m)

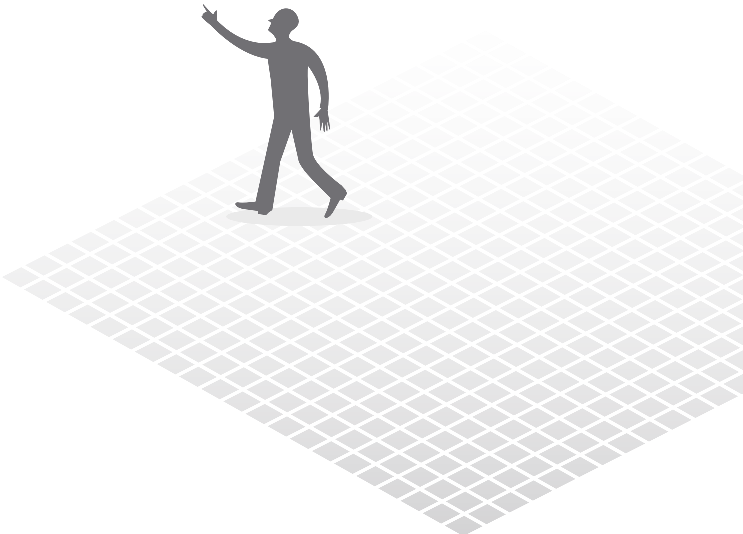


Headline pre-tax profit* (£m)



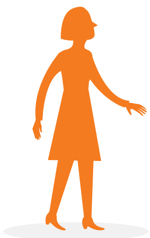
Net assets at 31 March (£m)





Interim management report

The Group has continued to implement its strategy of sector and geographic expansion in its core markets



Financial performance

The results for the first six months of the financial year reflect a return to growth in the Group's core markets together with a first-time contribution from newly acquired businesses. Revenues increased to £53.0m from £39.2m and gross profits improved to £20.6m from £17.1m. Headline profits before tax for the first six months of the year were £9.1m (2010: £6.4m) and benefitted from less foreign exchange volatility this year. Headline profits before exchange differences and tax for the first six months were £9.4m (2010: £8.5m).

The Group's portfolio of exhibitions delivered organic growth of 21% in revenues and 11% in gross profits over the first six months; the contribution from newly acquired businesses was £4.1m to revenue and £1.7m to gross profits. The Group has incurred higher administrative costs in the period, reflecting transactional and other infrastructure costs incurred in integrating the newly acquired businesses, as well as an increase in the charge for share based payments.

Reported profits before tax were £3.5m (2010: £5.6m) and fully diluted earnings per share for the first six months were 1.1p (2010: 1.7p); both were affected by an increase in the charge for amortisation of intangible assets from £2.1m to £4.8m. Cash generated from operations over the first six months was £37.3m (2010: £27.5m) of which £28.5m has been applied to acquisitions and £4.0m in further loans to venues. After making these payments, the Group had net cash balances of £15.6m (2010: £29.7m) at 31 March 2011.

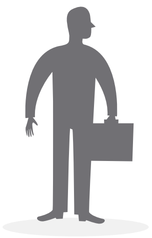
Business development

The Group has continued to implement its strategy of sector and geographic expansion in its core markets.

On 17 December 2010, the Group acquired 100% of MVK for a total cash consideration of €33m (£27.4m). MVK is a significant Moscow exhibitions business operating circa 20 exhibitions with annual volume sales of more than 55,000m^2. MVK's largest annual exhibitions serve the furniture, packaging, pumps and measurement industries. This high quality portfolio of events gives ITE access to new sectors, is complementary to the Group's existing exhibition interests and will both broaden and strengthen the Group's core activities. Two of the more significant events in the portfolio, EuroMebelExpo (furniture) and Rosupak (packaging), take place in late May and June respectively and both are currently performing well, with sales on both events in line with the Group's expectations.

On 3 March 2011, the Group acquired 100% of Krasnodar Expo LLC for a consideration of Rubles 410m (£8.8m). Half of the consideration was paid on 1 April 2011 with the balance deferred until audited financial results for the year to 31 December 2010 are finalised. Krasnodar is a significant exhibition business based in southern Russia with a portfolio of more than 20 exhibitions which generate annual sales volume of circa 50,000m^2. The largest events serve the construction and agricultural industries. This portfolio is complementary to ITE's existing Russian exhibitions and will provide the Group with an opportunity to participate in the growth of this key region.

The first half of the financial year has seen the Group benefit from continually improving trading conditions, most notably in Moscow, the Group's largest market



The Group continues to seek opportunities which are consistent with its overall strategy of building market leading positions in emerging markets.

Dividend

The Board has approved an interim dividend of 1.9p per share (2010: 1.7p per share). The Board retains a progressive dividend policy.

Trading highlights and review of operations

The first half of the financial year has seen the Group benefit from continually improving trading conditions, most notably in Moscow, the Group's largest market, which is now clearly operating in a 'business as usual' environment. Elsewhere, the Group's markets continue to recover, albeit more slowly, from the global recession of 2009/2010 and all are now showing signs of continual improvement.

Overall the Group's volume sales for the first six months increased to 282,600m^2 (2010: 203,600m^2) through a mix of organic and acquisition driven growth. On a like-for-like basis, volume sales were 13% higher than in the same period last year. During this period ITE organised 93 events of which eight were newly acquired events taking place in the first six months (2010: 80 events). A summary of the Group's exhibition business sales and margins is set out below.

	Square meters sold 000's	Revenue* £'m	Gross Profit* £'m
First half 2010	204	38.6	16.9
Acquisitions	21	4.1	1.7
Biennial effect	32	1.7	0.1
Net organic change	26	8.0	1.7
First half 2011	283	52.4	20.4

* Excluding publishing activity

Russia

Overall volume sales in Russia for the first six months of the year were 53% higher than last year, aided by the contribution from newly acquired businesses.

Moscow has performed strongly in the first half of the financial year as the economic recovery, which began in early 2010, has continued and overall like-for-like sales volumes for the first six months were 29% higher than this time last year. The autumn events were all well ahead of the prior year, which was fully impacted by the economic recession. The second quarter events, also showed good growth, but against less impacted comparatives. Aqua-therm Moscow delivered good growth, and the Moscow International Travel & Tourism event, which takes place in March, achieved sales of 21,000m^2 – an improvement of 8% over the prior year event. In March ITE Moscow took the decision to relocate a number of its leading events from their current venue to more centrally located venues beginning with their 2012 editions. Although these are higher cost venues, the move will provide a more stable future for these events.

St. Petersburg, which was badly hit by the economic recession, is experiencing a slower recovery than Moscow. Like-for-like sales

Interim management report *continued*

The Group's portfolio of exhibitions delivered organic growth of 21% in revenues and 11% in gross profits over the first six months

over the first six months were higher than the same period last year but the principal events in St Petersburg take place in the second half of the year.

The Group's Siberian office in Novosibirsk experienced a similar trading pattern to St. Petersburg, but with more of its major events weighted to the first half of the financial year it has seen a stronger first half recovery with volume sales 13% ahead of the same period last year. The Group has recently agreed terms to be the anchor tenant at the newly constructed International Exhibition Centre, which is due to open in late 2011. The new venue will increase operating costs but again will provide a better platform for growth in the region.

The recently acquired MVK portfolio of events has now been integrated into the Moscow office, but to date only three of the smaller events have taken place since the business was acquired. Krasnodar Expo, which was acquired in March just prior to the running of one of the largest events in the portfolio. UASF Krasnodar (building and furnishing), sold 10,200m^2 and performed in line with expectations.

Central Asia & the Caucasus

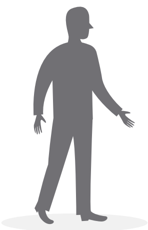
Overall volume sales for the first six months in Central Asia and the Caucasus were 12% higher on a like-for-like basis than last year. Consistent with trading patterns seen in regions outside Moscow, the Kazakhstan market continued to emerge slowly from the recession. Overall Kazakhstan reported a 6% increase in volume sales across its events taking place in the first half. The largest event in the region is the Kazakhstan International Oil & Gas Exhibition (KIOGE), which takes place in Almaty in October, where space sales of 7,800m^2 were similar to last year's event. However KIOGE conference revenues were circa 15% lower in 2010 reflecting the effect of an alternative industry forum in Astana at the same time as the Group's event. Since then ITE has been appointed as the operator of this forum which will create an opportunity to develop both events within the framework of a Kazakhstan Oil and Gas Week.

In Azerbaijan and Uzbekistan, which were both largely unaffected by the economic recession, growth has been good. The Group's Azerbaijan business is the anchor tenant at the recently opened Baku Exhibition Centre and is starting to experience the effects of improved facilities, running new events and experiencing volume increases at existing events.

Eastern & Southern Europe

In Turkey the Group made good progress with volume sales increasing by 10% on a like-for-like basis. Overall volume sales of 110,000m^2 for the first six months of the year were an increase of 41,000m^2 on the prior year, largely attributable to the biennial TATEF (industrial metal working) event acquired as part of the Group's acquisition of its joint venture assets in January 2010. The Group's leading regional travel event EMITT, achieved record volumes and revenues, illustrating the continued strength of the sector.

Ukraine was the most severely effected of the Group's markets and volume sales continued to be weak throughout the first half with overall sales volumes remaining the same as the prior year.



April's trading was ahead of the Group's expectations, with especially strong sales performance from the Group's leading construction event Mosbuild

UK and the Rest of the World

MODA, the Group's leading UK mid-market fashion event, which includes the increasingly successful childrenswear exhibition, Bubble, continued to outperform the domestic market, posting like-for-like volume increases of 7%. The MODA event in February consolidated the launch of the lingerie sector in 2010 and sold all available space at the venue.

In India, the Group successfully ran the Mining and Minerals event MMMM for the first time under its ownership, and also joint ventured on the National Oil Gas event, Petrotech. The Group has been developing its existing brands in its core sectors, with the launches of Delhibuild and Worldfood India planned for later this year.

April 2011 trading

April's trading was ahead of the Group's expectations, with especially strong sales performance from the Group's leading construction event Mosbuild. The resilience of this event and its performance in not only producing strong sales uplift but a significant increase in visitor attendance illustrates the strength and durability of strong exhibition brands.

Results for the Group's principal events taking place in April are set out below:

	April 2011 m^2	April 2010 m^2
Mosbuild	77,700	62,700
Interstoyexpo	8,200	6,400
TransRussia	8,700	7,500
Mips	8,600	6,600

Outlook

The Moscow market is now trading well and ITE's regional markets are steadily reflecting an improvement in their trading conditions. As at 12 May 2011, the Group had booked revenues for the current financial year of £137.1m (2010: £98.1m), of which £12.5m relates to newly acquired businesses. On a like-for-like basis volume sales for the full financial year are more than 10% ahead of the comparable figure for last year.

The financial position of the Group remains strong, and the Group continues to generate high levels of cash. With good trading conditions in it's markets allied with their longer term prospects for further development the Board has confidence in ITE's future prospects.

Going Concern

As stated in note 17 to the condensed financial statements, the directors are satisfied that the Group has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Condensed consolidated income statement

For the six months ended 31 March 2011

	Notes	**Six months to 31 March 2011 Unaudited £000**	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Continuing operations				
Revenue		**53,042**	39,225	113,547
Cost of sales		**(32,440)**	(22,175)	(58,211)
Gross profit		**20,602**	17,050	55,336
Other operating income		**147**	144	288
Administrative expenses before amortisation		**(11,930)**	(9,044)	(19,858)
Amortisation of acquired intangibles		**(4,801)**	(2,080)	(5,820)
Foreign exchange loss on operating activities		**(310)**	(2,063)	(141)
Total administrative expenses		**(17,041)**	(13,187)	(25,819)
Share of results of associate		**–**	126	126
Operating profit		**3,708**	4,133	29,931
Gain on disposal of associate		**–**	834	834
Investment revenue	3	**193**	864	1,098
Finance costs	4	**(384)**	(245)	(585)
Profit on ordinary activities before taxation	5	**3,517**	5,586	31,278
Tax on profit on ordinary activities	6	**(717)**	(1,452)	(7,313)
Profit for the period		**2,800**	4,134	23,965
Attributable to:				
Owners of the Company		**2,680**	4,104	23,873
Non-controlling interests		**120**	30	92
		2,800	4,134	23,965
Earnings per share (p)				
Basic	8	**1.1**	1.7	10.0
Diluted	8	**1.1**	1.7	9.8

The results stated above relate to continuing activities of the Group.

Condensed consolidated statement of comprehensive income

For the six months ended 31 March 2011

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Profit for the period attributable to shareholders	**2,800**	4,134	23,965
Cash flow hedges:			
(Losses)/gains during the period	**(3,021)**	1,418	3,180
Exchange differences on translation of foreign operations	**2,110**	4,808	2,150
Put option at fair value	**(1,082)**	(2,065)	(2,065)
	807	8,295	27,230
Tax relating to components of comprehensive income	**1,128**	–	(414)
Total comprehensive income for the period	**1,935**	8,295	26,816
Attributable to:			
Owners of the Company	**1,815**	8,265	26,724
Non-controlling interests	**120**	30	92
	1,935	8,295	26,816

Condensed consolidated statement of changes in equity
31 March 2011

	Share Capital £000	Share Premium Account £000	Merger Reserve £000	Capital Redemption Reserve £000	ESOT Reserve £000	Retained Earnings £000
Balance as at 1 October 2010	2,483	2,698	2,746	457	(9,638)	68,318
Net profit for the period	–	–	–	–	–	2,680
Currency translation difference on net investment in subsidiary undertakings	–	–	–	–	–	–
Decrease in fair value of hedging derivatives	–	–	–	–	–	–
Put option on investment	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	2,680
Issue of share capital	3	–	–	–	–	–
Dividends paid	–	–	–	–	–	(9,537)
Exercise of options	–	–	–	–	1,664	(148)
Share-based payments	–	36	–	–	–	879
Tax charged to equity	–	–	–	–	–	1,128
Balance as at 31 March 2011	**2,486**	**2,734**	**2,746**	**457**	**(7,974)**	**63,320**

Put Option Reserve £000	Translation Reserve £000	Hedge Reserve £000	Total £000	Non Controlling interests £000	Total Equity £000
(1,351)	4,310	1,435	71,458	1,123	72,581
–	–	–	2,680	120	2,800
–	2,110	–	2,110	–	2,110
–	–	(3,021)	(3,021)	–	(3,021)
(1,082)	–	–	(1,082)	–	(1,082)
(1,082)	2,110	(3,021)	687	120	807
–	–	–	3	–	3
–	–	–	(9,537)	–	(9,537)
–	–	–	1,516	–	1,516
–	–	–	915	–	915
–	–	–	1,128	–	1,128
(2,433)	**6,420**	**(1,586)**	**66,170**	**1,243**	**67,413**

Condensed consolidated statement of changes in equity (continued)

31 March 2011

	Share Capital £000	Share Premium Account £000	Merger Reserve £000	Capital Redemption Reserve £000	ESOT Reserve £000	Retained Earnings £000
Balance as at 1 October 2009	2,481	2,678	2,746	457	(10,241)	60,519
Net profit for the period	–	–	–	–	–	4,104
Currency translation difference on net investment in subsidiary undertakings	–	–	–	–	–	–
Increase in fair value of hedging derivatives	–	–	–	–	–	–
Put option on acquisition of subsidiary	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	4,104
Issue of share capital	2	–	–	–	–	–
Dividends paid	–	–	–	–	–	(9,283)
Exercise of options	–	–	–	–	502	(183)
Share-based payments	–	20	–	–	–	654
Non controlling interest on acquisition of subsidiary	–	–	–	–	–	–
Balance as at 31 March 2010	**2,483**	**2,698**	**2,746**	**457**	**(9,739)**	**55,811**

Put Option Reserve £000	Translation Reserve £000	Hedge Reserve £000	Total £000	Non Controlling interests £000	Total Equity £000
(4,620)	2,160	(1,745)	54,435	2,272	56,707
–	–	–	4,104	30	4,134
–	4,808	–	4,808	–	4,808
–	–	1,418	1,418	–	1,418
(2,065)	–	–	(2,065)	–	(2,065)
(2,065)	4,808	1,418	8,265	30	8,295
–	–	–	2	–	2
–	–	–	(9,283)	(244)	(9,527)
–	–	–	319	–	319
–	–	–	674	–	674
–	–	–	–	49	49
(6,685)	**6,968**	**(327)**	**54,412**	**2,107**	**56,519**

Condensed consolidated statement of changes in equity (continued)

31 March 2011

	Share Capital £000	Share Premium Account £000	Merger Reserve £000	Capital Redemption Reserve £000	ESOT Reserve £000	Retained Earnings Restated £000
Balance as at 1 October 2009	2,481	2,678	2,746	457	(10,241)	60,519
Net profit for the period	–	–	–	–	–	23,873
Currency translation difference on net investment in subsidiary undertakings	–	–	–	–	–	–
Increase in fair value of hedging derivatives	–	–	–	–	–	–
Tax relating to elements of comprehensive income	–	–	–	–	–	(414)
Put option on acquisition of subsidiary	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	23,459
Issue of share capital	2	–	–	–	–	–
Dividends paid	–	–	–	–	–	(13,335)
Exercise of options	–	–	–	–	603	(273)
Share-based payments	–	20	–	–	–	1,369
Tax charged to equity	–	–	–	–	–	341
Exercise of put option on acquisition of subsidiary	–	–	–	–	–	(3,762)
Balance as at 31 September 2010	**2,483**	**2,698**	**2,746**	**457**	**(9,638)**	**68,318**

Put Option Reserve £000	Translation Reserve £000	Hedge Reserve £000	Total £000	Non Controlling interests £000	Total Equity £000
(4,620)	2,160	(1,745)	54,435	2,272	56,707
–	–	–	23,873	92	23,965
–	2,150	–	2,150	–	2,150
–	–	3,180	3,180	–	3,180
–	–	–	(414)	–	(414)
(2,065)	–	–	(2,065)	–	(2,065)
(2,065)	2,150	3,180	26,724	92	26,816
–	–	–	2	–	2
–	–	–	(13,335)	–	(13,335)
–	–	–	330	–	330
–	–	–	1,389	–	1,389
–	–	–	341	–	341
5,334	–	–	1,572	(1,241)	331
(1,351)	**4,310**	**1,435**	**71,458**	**1,123**	**72,581**

Condensed consolidated balance sheet

31 March 2011

	Notes	**31 March 2011 Unaudited £000**	31 March 2010 Unaudited £000	30 September 2010 Audited £000
Non-current assets				
Goodwill	10	**72,174**	49,160	50,584
Other intangible assets	11	**50,835**	18,666	28,829
Property, plant & equipment		**2,039**	1,480	1,741
Venue advances and other loans		**5,104**	6,362	6,178
Deferred tax asset		**2,560**	1,115	1,652
Derivative financial instruments	13	**–**	229	178
		132,712	77,012	89,162
Current assets				
Trade and other receivables		**45,031**	34,778	38,488
Tax prepayment		**46**	1,418	608
Cash and cash equivalents		**42,972**	38,247	33,163
Derivative financial instruments	13	**345**	663	951
		88,394	75,106	73,210
Total assets		**221,106**	152,118	162,372
Current liabilities				
Bank overdraft	12	**(17,752)**	(8,530)	(10,183)
Trade and other payables		**(23,847)**	(12,495)	(15,163)
Derivative financial instruments	13	**(1,297)**	(3,097)	(161)
Deferred income		**(85,429)**	(62,291)	(55,211)
Provisions		**(517)**	(258)	(452)
		(128,842)	(86,671)	(81,170)
Non-current liabilities				
Provisions		**(846)**	(640)	(807)
Deferred tax liabilities		**(10,896)**	(4,294)	(6,089)
Derivative financial instruments	13	**(3,476)**	(3,994)	(1,725)
Loans		**(9,633)**	–	–
		(24,851)	(8,928)	(8,621)
Total liabilities		**(153,693)**	(95,599)	(89,791)
Net assets		**67,413**	56,519	72,581

	Notes	**31 March 2011 Unaudited £000**	31 March 2010 Unaudited £000	30 September 2010 Audited £000
Equity				
Share capital	14	**2,486**	2,483	2,483
Share premium account		**2,734**	2,698	2,698
Merger reserve		**2,746**	2,746	2,746
Capital redemption reserve		**457**	457	457
ESOT reserve		**(7,974)**	(9,739)	(9,638)
Retained earnings		**63,320**	55,811	68,318
Translation reserve		**6,420**	6,968	4,310
Hedge reserve		**(1,586)**	(327)	1,435
Put option reserve		**(2,433)**	(6,685)	(1,351)
Equity attributable to equity holders of the parent		**66,170**	54,412	71,458
Non-controlling interest		**1,243**	2,107	1,123
Total equity		**67,413**	56,519	72,581

Condensed consolidated cash flow statement

For the six months ended 31 March 2011

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Cash flows from operating activities			
Operating profit from continuing operations	**3,708**	4,133	29,931
Adjustments for:			
Depreciation and amortisation	**5,261**	2,415	6,682
Share-based payments	**879**	654	1,369
Other non-cash expenses	**–**	(34)	–
Share of associate profit	**–**	(126)	(126)
(Decrease)/increase in provisions	**(329)**	3,223	446
Operating cash flows before movements in working capital	**9,519**	10,265	38,302
Decrease/(increase) in receivables	**4,587**	(701)	(2,171)
Increase in deferred income	**30,218**	17,724	10,644
(Decrease)/increase in payables	**(7,068)**	190	2,905
Cash generated from operations	**37,256**	27,478	49,680
Tax paid	**(2,783)**	(2,305)	(7,427)
Venue advances and loans	**(4,000)**	(5,291)	(9,248)
Net cash from operating activities	**30,473**	19,882	33,005
Investing activities			
Interest received	**179**	131	342
Derivative financial instruments	**(18)**	94	214
Dividends received from associates	**–**	637	637
Acquisition of business – cash paid	**(28,674)**	(2,867)	(20,498)
Acquisition of business – cash acquired	**158**	–	1,915
Purchase of property, plant & equipment, computer software and other intangibles	**(811)**	(541)	(1,106)
Net cash used in investing activities	**(29,166)**	(2,546)	(18,496)
Financing activities			
Dividends paid	**(9,537)**	(9,283)	(13,335)
Interest paid	**(352)**	(239)	(576)
Proceeds from issue of share capital	**3**	22	22
Net cash flow in relation to ESOT shares	**1,552**	–	–
Net cash outflows from financing activities	**(8,334)**	(9,500)	(13,889)
Net (decrease)/increase in cash and cash equivalents	**(7,027)**	7,836	620
Net cash and cash equivalents at beginning of period	**22,980**	23,107	23,107
Effect of foreign exchange rates	**(366)**	(1,226)	(747)
Net cash and cash equivalents at end of period	**15,587**	29,717	22,980

	31 March 2011 Unaudited £000	31 March 2010 Unaudited £000	30 September 2010 Audited £000
Comprised of:			
Cash and cash equivalents	**42,972**	38,247	33,163
Bank overdrafts	**(17,752)**	(8,530)	(10,183)
Loans	**(9,633)**	–	–
	15,587	29,717	22,980

Notes to the interim financial statements

1. General Information and basis of preparation

The information for the year ended 30 September 2010 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements of ITE Group plc are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

Accounting policies

The interim financial statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ending 30 September 2010. These accounting policies are consistent with those applied in the preparation of the accounts for the year ended 30 September 2010 except as described below.

The following new standards, amendments to standards and interpretations are mandatory for the period ending 31 March 2011, and have been adopted but have had no impact on the 2011 Group interim statements:

IAS 32 (Revised) Classification of Rights Issues;
IAS 39 (Revised) Financial Instruments: Recognition and Measurement;
IFRIC 9 (Revised) Embedded Derivatives;
IFRIC 17 Distributions of Non-cash Assets to Owners;
IFRIC 18 Transfer of Assets from Customers; and
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

2. Segmental information

The revenue and profit before taxation are attributable to the Group's one principal activity, the organisation of trade exhibitions, conferences and related activities and can be analysed by geographic segment as follows.

IFRS 8 introduces the term Chief Operating Decision Maker (CODM). The Executive Board comprising the Executive Directors (Andy Braid, Neil Jones (Financial Director), Stephen Keen, Suzanne King, Alexander Shtalenkov, Edward Strachan (Executive Director), Russell Taylor (Chief Executive Officer) and Colette Tebbutt) is considered to be the CODM.

ITE's reportable segments are strategic business units that are based in different geographic locations, predominantly in the developing and emerging markets. Each business unit is managed separately and has a different marketing strategy as determined by the local management. The products and services offered by each business unit are identical across the Group.

ITE Group evaluates performance on the basis of profit or loss from operations before tax expense excluding non-recurring gains and losses and foreign exchange gains and losses.

2. Segmental information (continued)

Six months ended 31 March 2011 Unaudited	Russia £000	Central Asia & Caucasus £000	Eastern & Southern Europe £000	UK & Western Europe £000	Rest of World £000	Total Group £000
By geographical location of events/activities						
Revenue	**26,672**	**10,304**	**10,617**	**4,518**	**931**	**53,042**
Result	**8,446**	**3,443**	**2,445**	**(10,069)**	**(557)**	**3,708**
By origin of sale						
Revenue	**18,180**	**4,824**	**8,824**	**20,711**	**503**	**53,042**
Result	**1,459**	**1,388**	**(1,069)**	**2,541**	**(611)**	**3,708**
Operating profit						**3,708**
Investment revenue						**193**
Finance costs						**(384)**
Profit before tax						**3,517**
Tax						**(717)**
Profit after tax						**2,800**
Capital expenditure	**479**	**21**	**–**	**307**	**4**	**811**
Depreciation and amortisation	**3,026**	**50**	**1,890**	**150**	**145**	**5,261**
Balance Sheet						
Assets*	**108,851**	**10,886**	**31,497**	**63,293**	**3,973**	**218,500**
Liabilities*	**(71,187)**	**(4,122)**	**(6,530)**	**(57,687)**	**(1,025)**	**(140,551)**

* Segment assets and segment liabilities exclude current and deferred tax assets and liabilities

The revenue in the period of £53.0m includes £0.2m of barter sales.

Notes to the interim financial statements
(continued)

2. Segmental information (continued)

Six months ended 31 March 2010 Unaudited	Russia £000	Central Asia & Caucasus £000	Eastern & Southern Europe £000	UK & Western Europe £000	Rest of World £000	Total Group £000
By geographical location of events/activities						
Revenue	16,731	9,588	7,763	4,047	1,096	39,225
Result	3,405	4,292	2,200	(5,814)	(76)	4,007
By origin of sale						
Revenue	9,940	3,853	6,496	17,766	1,170	39,225
Result	(1,837)	1,190	447	3,830	377	4,007
Share of results of associates						126
Operating profit						834
Investment revenue						864
Finance costs						(245)
Profit before tax						5,586
Tax						(1,452)
Profit after tax						4,134
Capital expenditure	168	52	84	200	2	506
Depreciation and amortisation	1,490	53	328	632	3	2,506
Balance Sheet						
Assets*	59,316	8,462	7,624	70,650	3,532	149,584
Investment in associates						–
Consolidated total assets						149,584
Liabilities*	32,850	4,340	3,797	44,804	2,853	88,644

* Segment assets and segment liabilities exclude current and deferred tax assets and liabilities

The revenue in the period of £39.2m includes £0.2m of barter sales.

2. Segmental information (continued)

Year ended 30 September 2010 Audited	Russia £000	Central Asia & Caucasus £000	Eastern & Southern Europe £000	UK & Western Europe £000	Rest of World £000	Total Group £000
By geographical location of events/activities						
Revenue	66,130	19,622	15,271	8,188	4,336	113,547
Result	30,046	8,074	3,978	(13,185)	892	29,805
By origin of sale						
Revenue	40,108	9,179	13,208	48,796	2,256	113,547
Result	13,768	2,599	1,320	12,319	(201)	29,805
Share of results of associates						126
Operating profit						29,931
Gain on disposal of associate						834
Investment revenue						1,098
Finance costs						(585)
Profit before tax						31,278
Tax						(7,313)
Profit after tax						23,965
Capital expenditure	188	308	92	438	80	1,106
Depreciation and amortisation	3,172	187	1,797	1,251	275	6,682
Balance Sheet						
Assets**	57,043	10,700	33,314	55,611	3,444	160,112
Liabilities**	(25,731)	(4,483)	(6,967)	(41,635)	(901)	(79,717)

** Segment assets and segment liabilities exclude current and deferred tax assets and liabilities.

The revenue in the year of £113.5m includes £0.3m of barter sales.

Notes to the interim financial statements
(continued)

3. Investment revenue

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Interest receivable from bank deposits	**179**	131	271
Interest receivable from Inland Revenue repayments	**–**	–	71
Gain on derivative financial instruments	**14**	100	223
Gain on revaluation of Primexpo North West LLC put option	**–**	633	533
	193	864	1,098

4. Finance costs

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Interest on bank loans and overdrafts	**177**	108	208
Bank charges	**175**	131	336
Interest payable to Inland Revenue	**–**	–	32
Loss on derivative financial instruments	**32**	6	9
	384	245	585

5. Reconciliation of headline pre-tax profit to profit on ordinary activities before taxation

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Profit on ordinary activities before taxation	**3,517**	5,586	31,278
Amortisation of acquired intangibles	**4,801**	2,080	5,820
Gain on revaluation of Primexpo North West LLC put option	**–**	(633)	(533)
Gain on disposal of associate	**–**	(834)	(834)
Transaction costs	**810**	243	860
Headline pre-tax profit	**9,128**	6,442	36,591

6. Taxation

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Current tax			
UK corporation tax	**782**	2,019	3,561
Foreign tax	**1,165**	108	5,906
	1,947	2,127	9,467
Deferred tax	**(1,230)**	(675)	(2,154)
Tax on profit on ordinary activities	**717**	1,452	7,313

Tax rate at the interim is charged at 23% (2010: 26%) representing the best estimate of the weighted average annual corporation tax expected for the financial year.

7. Dividends

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Final dividend for the year ended 30 September 2010 of 4p (2009: 3.9p) per ordinary share	**9,537**	9,238	9,283
Interim dividend for the year ended 30 September 2010 of 1.7p per ordinary share	**–**	–	4,052
Proposed interim dividend for the year ending 30 September 2011 of 1.9p (2010: 1.7p) per ordinary share	**4,566**	4,051	–

The proposed interim dividend was approved by the Board on 12 May 2011 and has not been included as a liability as at 31 March 2011.

Notes to the interim financial statements
(continued)

8. Earnings per share
The calculations of earnings per share from continuing operations are based on the following results and numbers of shares.

	Headline diluted			Basic and diluted		
	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000	**Six months to 31 March 2011 Unaudited £000**	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Profit for the financial period attributable to equity holders of the parent	**2,680**	4,104	23,873	**2,680**	4,104	23,873
Amortisation of acquired intangibles	**4,801**	2,080	5,820	**–**	–	–
Tax effect of amortisation	**(1,052)**	(501)	(1,144)	**–**	–	–
Transactional costs	**810**	243	860	**–**	–	–
Gain on revaluation of Primexpo North West LLC put option	**–**	(633)	(533)	**–**	–	–
Gain on disposal of associate	**–**	(834)	(834)	**–**	–	–
Tax effect of other adjustments	**–**	318	–	**–**	–	–
	7,239	4,777	28,042	**2,680**	4,104	23,873

	Six months to 31 March 2011 Number of shares ('000)	Six months to 31 March 2010 Number of shares ('000)	Year ended 30 September 2010 Number of shares ('000)
Weighted average number of shares:			
For basic earnings per share	**238,852**	237,825	238,679
Dilutive effect of exercise of share options	**4,125**	1,988	4,213
For diluted earnings per share	**242,977**	239,813	242,892

Headline diluted earnings per share is intended to provide a consistent measure of Group earnings on a year-on-year basis.

Headline diluted earnings per share is calculated using profit attributable to equity holders of the parent for the financial year before amortisation of acquired intangibles, impairment of goodwill, profits or losses on disposal of Group undertakings, revaluation of financial liabilities in relation to minority put options and direct costs relating to completed acquisitions and disposals.

9. Acquisition of business
International Exhibition Company CJSC

On 17 December 2010 the Group purchased 100% of the share capital of International Exhibition Company CJSC ('MVK').

A cash consideration of 1.3 billion RUB (£27.4m) was paid on the 17 December 2010.

The acquisition of this company is consistent with ITE's strategy of expanding its business model into new sectors in existing markets.

The Group incurred transaction costs of £0.6m in relation to this acquisition.

9. Acquisition of business (continued)

Details of the aggregate net assets acquired as adjusted from book to fair value, and the attributable goodwill are presented as follows:

Net assets acquired	MVK £000
Intangible fixed assets	20,119
Cash	158
Trade and other receivables	3,467
Trade and other payables	(4,484)
Provisions	(432)
Deferred tax liability	(4,019)
Net assets acquired	14,809
Goodwill arising on acquisition	12,632
Total cost of acquisition	**27,441**
Satisfied by:	
Net cash paid	27,441
	27,441
Net cash outflow arising on acquisition:	
Net cash paid	27,441
Cash and cash equivalents acquired	(158)
	27,283

The values used in accounting for the identifiable assets and liabilities of these acquisitions are provisional in nature at balance sheet date. If necessary, adjustments will be made to these carrying values and the related goodwill, within 12 months of the acquisition date. Goodwill arising on acquisition (£12.6m) represents the perceived value placed by the Group of having an established operating position in a new emerging market. None of the goodwill is expected to be deductible for income tax purposes.

Notes to the interim financial statements
(continued)

9. Acquisition of business (continued)

Details of net assets acquired on 17 December 2010 and the related fair value adjustments are presented as follows:

Assets acquired	Book value £000	Adjustments £000	Fair value £000
Intangible fixed assets	24	20,095	20,119
Cash	158	–	158
Trade and other receivables	3,467	–	3,467
Trade and other payables	(4,484)	–	(4,484)
Provisions	(432)	–	(432)
Deferred tax liability	–	(4,019)	(4,019)
Net assets acquired	**(1,267)**	**16,076**	**14,809**

'Provisions' acquired include Russian statutory employee compensation costs related to the acquisition and Russian taxes due.

The acquired business has contributed £0.5m to Group revenue and a loss of £0.5m to profit before tax. If the acquisition had occurred on 1 October 2010 there would have been no material difference to these results.

Krasnodar Expo

On 3 March 2011 the Group purchased Krasnodar Expo ('Krasnodar').

A cash consideration of 216m RUB (£4.6m) was paid on the 1 April 2011.

The total price paid/payable is as follows:

Consideration	RUB 000s	GBP 000s
Asset retained by vendor on completion	94,000	2,010
Cash paid on 1 April 2011	216,000	4,619
Cash payable post audit of financial statements of 'Krasnodar'	100,000	2,138
Total	**410,000**	**8,767**

The acquisition of this company is consistent with ITE's strategy of expanding its business model into new sectors in existing markets.

9. Acquisition of business (continued)

Details of the aggregate net assets acquired as adjusted from book to fair value, and the attributable goodwill are presented as follows:

Net assets acquired	Krasnodar £000
Intangible fixed assets	6,204
Trade and other receivables	2,020
Trade and other payables	(2,112)
Deferred tax liability	(1,240)
Net assets acquired	4,872
Goodwill arising on acquisition	3,895
Total cost of acquisition	**8,767**
Satisfied by:	
Net cash paid	–
Deferred consideration	6,757
Asset retained by vendor on completion	2,010
	8,767
Net cash outflow arising on acquisition:	
Net cash paid	–
Deferred consideration	6,757
Asset retained by vendor on completion	2,010
	8,767

The values used in accounting for the identifiable assets and liabilities of these acquisitions are provisional in nature at balance sheet date. If necessary, adjustments will be made to these carrying values and the related goodwill, within twelve months of the acquisition date. Goodwill arising on acquisition (£3.9m) represents the perceived value placed by the Group of having an established operating position in a new emerging market. None of the goodwill is expected to be deductible for income tax purposes.

Notes to the interim financial statements
(continued)

9. Acquisition of business (continued)

Details of net assets acquired on 3 March 2011 and the related fair value adjustments are presented as follows:

Assets acquired	Book value £000	Adjustments £000	Fair value £000
Intangible fixed assets	6	6,198	6,204
Trade and other receivables	2,020	–	2,020
Trade and other payables	(2,112)	–	(2,112)
Deferred tax liability	–	(1,240)	(1,240)
Net assets acquired	**(86)**	**4,958**	**4,872**

The acquired business has contributed £2.0m to Group revenue and £1.0m to profit before tax. If the acquisition had occurred on 1 October 2010 Group revenue would have been £4.2m and profit before tax would have been £1.5m.

10. Goodwill

	2011 £000
At 1 October	**50,584**
Addition of International Exhibition Company CJSC 'MVK'	**12,632**
Addition of Krasnodar Expo	**3,895**
Other additions and adjustments	**897**
Exchange differences	**4,166**
At 31 March	**72,174**

During the period an adjustment of £840,000 was made to the goodwill relating to the acquisition of Finmark S.r.l.u.

The goodwill for Finmark S.r.l.u at 30 September 2010 was provisionally estimated at £4.0m and the adjustment reflects updated information following the acquisition.

11. Other intangible assets

	2011 £000
At 1 October	**28,829**
Addition of International Exhibition Company CJSC 'MVK'	**20,119**
Addition of Krasnodar Expo	**6,204**
Other additions and adjustments	**517**
Addition of Computer Software	**216**
Amortisation and depreciation of intangibles in the period	**(4,964)**
Exchange differences	**(86)**
At 31 March	**50,835**

12. Bank overdraft and loans

The bank overdraft is repayable on demand. The borrowings are denominated in both Euros and US Dollars. The borrowings are arranged at floating interest rates, thus exposing the Group to cash flow interest risk. The overdraft is taken out to act as a partial hedge against the UK trade receivables in Euros and US Dollars.

During the period, the Group entered into a facility agreement with Barclays PLC to borrow £15m to partly fund the acquisition of MVK. The balance of this loan was £9.6m as at 31 March 2011. The loan is fully repayable in December 2012.

13. Derivative financial instruments

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Current assets			
Foreign currency forward contracts	**345**	663	951
	345	663	951
Non-current assets			
Foreign currency forward contracts	**–**	229	178
	–	229	178

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Current liabilities			
Foreign currency forward contracts	**694**	61	161
Put options	**603**	3,036	–
	1,297	3,097	161
Non-current liabilities			
Foreign currency forward contracts	**1,791**	681	502
Put options	**1,685**	3,313	1,223
	3,476	3,994	1,725

Foreign currency derivatives

The Group utilises foreign currency forward contracts to hedge future Euro denominated sales made from the UK. The Group is party to foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are denominated in Euros which represents the Group's primary billing currency. Under the forward contracts, the Group has an obligation to sell Euros for Sterling at specified rates at specified dates.

Notes to the interim financial statements
(continued)

13. Derivative financial instruments (continued)
As at 31 March 2011 the notional amounts of outstanding foreign currency forward contracts that the Group has committed to are as follows:

Derivative assets

	Six months to 31 March 2011 Unaudited €000	Six months to 31 March 2010 Unaudited €000	Year ended 30 September 2010 Audited €000
Foreign currency forward contracts	**9,000**	33,300	52,900
	9,000	33,300	52,900

Derivative liabilities

	Six months to 31 March 2011 Unaudited €000	Six months to 31 March 2010 Unaudited €000	Year ended 30 September 2010 Audited €000
Foreign currency forward contracts	**103,150**	29,900	46,800
	103,150	29,900	46,800

The arrangements as at 31 March 2011 cover exchange exposures over the next 36 months, with €89.6 million covering exposures after September 2011. These instruments have been designated in hedging relationships, with any changes in their fair value being recorded in equity.

At 31 March 2011, the fair value of these derivatives is estimated to be a liability of approximately £2.1m (31 March 2010: asset of £0.2m on forward contracts; 30 September 2010: asset of £0.5m on forward contracts). This is based on market valuations. This amount has been deferred in equity at 31 March 2011.

13. Derivative financial instruments (continued)

Put options

The Group has been party to a number of put options to acquire the non-controlling interests arising from business combinations. These instruments are initially recognised at fair value on the balance sheet with all subsequent changes in fair value taken to the income statement.

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Put option for Primexpo North West LLC	**–**	3,036	–
Put option for Newex Marketing Limited	**1,206**	1,283	1,223
Put option for Airgate Holdings Limited	**–**	2,030	–
Put option for Summit Trade Events Limited	**1,082**	–	–
	2,288	6,349	1,223

14. Share capital

	Six months to 31 March 2011 Unaudited £000	Six months to 31 March 2010 Unaudited £000	Year ended 30 September 2010 Audited £000
Authorised			
375,000,000 ordinary shares of 1 penny each (31 March 2010: 375,000,000)	**3,750**	3,750	3,750
Allotted and fully-paid			
248,568,749 ordinary shares of 1 penny each (31 March 2010: 248,289,702)	**2,486**	2,483	2,483

During the period, the Company allotted 256,547 (2010: 182,000) ordinary shares of 1 penny each pursuant to the exercise of share options. The total consideration for the shares issued was £38,478 (2010: £154,873).

The Company has one class of ordinary shares which carry no right to fixed income.

15. Events after the balance sheet date

There have been no significant reportable events after the balance sheet date.

16. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions with key management personnel will be disclosed in the Group's Annual Report for the year ended 30 September 2011. There have been no material changes in related party transactions.

Notes to the interim financial statements
(continued)

16. Related party transactions (continued)
Transactions between the Group and its associates, where relevant, are disclosed below.

Trading transactions
In Kazakhstan, ITECA, a Group subsidiary, has transacted with Datacom and Saban Holdings for the provision of web systems and office rental respectively. Edward Strachan, a Group Director, is a significant shareholder of Datacom and Saban Holdings. In total, the services charged to ITECA were £24,000 (31 March 2010: £9,000; 30 September 2010: £44,000).

In St Petersburg, Primexpo, a Group subsidiary, has transacted with Cavalry House for the provision of office rental. Edward Strachan, a Group Director, is a significant shareholder of Cavalry House. In total, the services charged to Primexpo were £94,000 (31 March 2010: £104,000; 30 September 2009: £191,000).

During the period ended 31 March 2011 consultancy fees of £120,000 (31 March 2010: £120,000; 30 September 2010: £336,000) were paid to Kyzyl Tan Consultants Limited (Kyzyl Tan), of which Edward Strachan is a significant shareholder.

17. Principal risks and uncertainties
The Group identifies and monitors the key risks and uncertainties affecting the Group and runs the business in a way that minimises the impact of such risks where possible. There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The principal risks and uncertainties are detailed below and in our most recent annual report.

Economic instability reduces demand for exhibition space
Reduced demand for exhibition space would reduce the profits of exhibitions. ITE operates across a wide range of sectors and countries to minimise the exposure to any single market and ITE is constantly looking at opportunities to diversify further.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Interim Management Report. The financial position of the Group, its cash flows and liquidity position are described in the financial statements and notes. The Group has considerable financial resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group continues to adopt the going concern basis in preparing the interim report and financial statements.

Political uncertainty and regulatory risk
The Group's business is principally carried out in Russia and the CIS. Changes in law or the regulatory environment could have an effect on some or all of the exhibitions of the Group. ITE has reduced the risk by establishing its business as independent Russian and CIS companies fully contributing to the local economy, and the diversity of businesses across sectors and geography provides protection for the longer-term prospects of the Group.

17. Principal risks and uncertainties (continued)

Commercial relationships

The Group has key commercial relationships with venues which secure the Group's rights to run its exhibitions in the future. These key relationships are regularly reviewed and the Group seeks to maintain its exhibition rights for at least three years forward for significant exhibitions. A significant change in relationship could impact the Group's ability to operate it's events.

Venue availability

Damage or unavailability of a particular venue could impact the Group's short-term trading position. Accordingly, the Group carries business interruption insurance which protects profits against such an event in the short term.

Competitor risk

Competition has existed in ITE's markets for some years. ITE faces competitive pressures on a market-by-market basis. In all of its overseas markets, ITE has a strong position as an international organiser, achieved through effective use of its international sales network and its established brands for major events. A single exhibition or sector in a market could have its prospects curtailed by a strong competitor launch; however, the breadth of ITE's portfolio of events, with its geographic and sector diversity, reduce the risk of a competitive threat to the Group's overall business.

People

ITE's employees have long-standing relationships with customers and venues, and a unique knowledge of the exhibitions business. Loss of key staff to a competitive event could impact the short-term prospects of a specific event or sector. ITE has sought to build loyalty in its staff by ensuring remuneration is competitive and through a wide distribution of the Group's long-term incentive plans. ITE has a good record of retaining its key staff.

Financial risk

The key financial risk to the Group is the movement in foreign currency exchange rates. The Group is exposed to movements in foreign currency exchange rates against Sterling for both trading transactions and for the translation of overseas operations. The principal exposures are to the Sterling/Euro exchange rate, which forms the basis of invoicing for most sales transactions within the Group. It is also exposed to the Ruble/Euro and Ruble/Sterling exchange rates in relation to the retranslation of foreign denominated assets (principally debtors and cash) within Ruble denominated companies. The Group seeks to minimise exposure by limiting balances in soft currency deposits and securing forward contracts against its future sales.

Responsibility statement

We confirm that to the best of our knowledge:

(a) the condensed set of interim financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (Indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By the order of the board

Russell Taylor
Chief Executive Officer
16 May 2011

Independent review report to ITE Group plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2011 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated balance sheet, the condensed consolidated cash flow statement and related notes 1 to 17. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
13 May 2011

Directors and professional advisers

Directors	Iain Paterson, non-executive Chairman Russell Taylor, Chief Executive Officer Neil England, non-executive Director Michael Hartley, non-executive Director Neil Jones, Group Finance Director Edward Strachan, executive Director Malcolm Wall, non-executive Director
Company Secretary	John Price
Registered office	ITE Group Plc 105 Salusbury Road London, NW6 6RG
Registration number	1927339
Auditors	Deloitte LLP London
Solicitors	Olswang 90 High Holborn London, WC1V 6XX
Principal Bankers	Barclays Bank plc 27 Soho Square London, W1D 3QR
Company Brokers	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London, EC4M 7LT
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Public Relations	Financial Dynamics Holborn Gate 26 Southampton Buildings London, WC2A 1PB
Website	www.ite-exhibitions.com

Financial calendar

Interim dividend	
Record date	8 July 2011
Payment date	11 August 2011
Final dividend	
Record date	January 2012
Payment date	February 2012

Notes

Notes

Mixed Sources
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ITE would like to thank all those who participated in producing this report, particularly the members of staff for their contributions.

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