

ITE Group says Russia Volumes Sales Trending Down 20%

By [The Moscow Times](#)

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ITE Group Plc, a trade exhibition and conference organizer, said volumes sales in Russia, its biggest market, were running 20 percent less than this time last year, hurt by the fall in oil prices and a weak ruble.

ITE, which saw about 59 percent of its revenue coming from Russia in 2014, said it had contracted £85 million (\$128 million) of revenue for the year ending September 2015, using an exchange rate of 95 rubles to a pound.

The ruble fell 29 percent against the pound during ITE's first quarter ended Dec. 31, while Brent crude oil lost 40 percent during that period.

ITE shares fell as much as 7.3 percent on the London Stock Exchange on Thursday.

"There remains very substantial currency and political risk in forecasts, and so the shares will

be unattractive to many on fundamental grounds. But the exhibition industry is awash with major deals and ITE, should politics allow, is a prized asset," said Peel Hunt analyst Malcolm Morgan in a note.

ITE said trading conditions in Russia had deteriorated over the past two months, hurting its international and domestic exhibitors.

ITE's total like-for-like trading volumes were 17 percent lower than this time last year, and like-for-like revenue on a constant currency basis was trailing by 15 percent, it said.

Kepler Cheuvreux analysts said none of the other large exhibition organizers had exposure to Russia, and they did not see any impact on UBM, Informa or Reed Elsevier .

UBM bought trade show organizer Advanstar Communications last year for \$972 million, becoming the top events organizer by revenue in the United States.

Rival Informa said in November that it would buy U.S. trade show operator Hanley Wood Exhibitions.

ITE said it would continue its strategy of diversifying geographical exposure outside of Russia.

Chief Executive Russell Taylor said in October that there would be less incentive to develop the business further within Russia.

"South America is the only area where I'm surprised they (ITE) have not looked, but the far east, India, a little bit of North America, Turkey... these are all interesting territories for them," analyst Morgan told Reuters.

Shares in the company were down 5.04 percent at 137.1875 pence at 10:27 GMT.

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