



MECN
Media & Entertainment Consulting Network

The Italian Gambling Market

A Forerunner in the Liberalisation of European Gambling Markets

London/Munich, March 2007

Go to <http://www.italy-gambling.mecn.net> to obtain full report

For legal review respectively conducting the survey MECN cooperated with:



Summary

After the decision of the European Court of Justice in the Placanica case and the recent tender that allowed a large number of online and land-based gambling operators to enter the Italian market, all eyes are now turning to Italy and its role in the liberalisation of European gambling markets. MECN's new study includes the results of a survey MECN conducted among more than 70 international experts who offered their unique insights and assessments.

The Italian market has a top priority for international gambling operators

After the recent legal conflicts in traditional gambling markets, an obvious key strategic option for many operators is expansion into less restrictive jurisdictions or into regions where increased liberalisation will likely take place in the near future. Accordingly, more than 80% of the international gambling operators (also including several state operators) surveyed believe that the Italian market will be of major relevance for their future business.

The growth drivers are, above all, the retail betting sector and Internet gambling

In expectation of the decision in the Placanica case and in view of its empty state coffers, Italy decided to drastically increase the number of online and retail betting licenses. Accordingly, at the beginning of 2007 nearly 14.000 new betting licenses (for sports and horse race betting shops/terminals) were awarded. Among the new operators are the giants of global gambling: Ladbrokes, Intralot, William Hill, Betfair, Gala/Eurobet, ... In addition, more than 30 new online/interactive gambling operators obtained a license and will push the market forward to new heights. The study identifies several reasons why Italy is perceived as so attractive:

- **Another phase of liberalisation is expected in the near future** - Two-thirds of the experts surveyed expect another phase of liberalisation in the near future that will go even further than the steps planned for 2007.
- **Growing relevance of foreign operators** - A large majority of the experts believe that by 2010 international operators, such as Ladbrokes and Intralot, will capture a relevant share of the gambling market.
- **Growth potential, especially for retail betting and interactive gambling** - Overall, Italy's gambling market is expected to grow to Euro 61 billion (turnover) by 2010 (+64%).

By 2010, the **retail betting market** is expected to grow to ca. Euro 14 billion, which is about 200% of its current size (CAGR of 32%).

Another growth driver will be **interactive gambling**, which is expected to reach ca. Euro 3.7 billion by 2010, a growth of ca. 240% over the current level (CAGR of 40%).

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Companies mentioned in this report

888.com	Eurobet	Playservice
AAMS	Gamenet	Sarabet
Apax	Gioco Digitale	Scientific Games
Bestbet Sportwetten	Global Bingo Corporation	Sisal
Betbull	Globet	Sistema 2000
Betfair	GTECH	SKY Italia
Betting 2000	Hillside	Snai
BWin/BetandWin	Index Gaming	Solfin
Casino de la Vallee	Intralot	Sportingbet
Casino Municipale di Campione	Ladbrokes	Totosport
Casino Municipale di San Remo	Lottomatica	Unibet
Casino Municipale di Venezia	Match-Point	UNIRE
Codere	Merkur Interactive	William Hill
Cogetech	Microgame	
CONI	NDS	
Consorzio Lotterie Nazionali	PartyGaming	
Consorzio Toto & Partners	Permira	
Coral	Pianetta Scommesse	

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