

32RED

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32Red poised for 'transformational' Italian launch, brokers say

Virtual casino operator 32RED (LON:TTR) is expected to be among the front-runners in a new European gambling market come Monday.

Italy opens up a licensed and regulated online gambling market on Monday. Ahead of the launch, 32RED this morning confirmed it has now begun trading under its Italian Remote Gaming Licence.

According to City scribblers, the AIM quoted firm, which is valued at just £30mIn, is well placed to cash-in on this significant opportunity.

"If all goes to plan (32RED) will be among the first to offer government-approved online slots games in Italy," Numis analyst Ivor Jones said in a note.

"As 32RED only recently started taking deposits from Italy our forecasts are highly uncertain but success in Italy is potentially transformational."

"Not all of its competitors have cleared all the regulatory hurdles required to start offering slots from Monday morning. But 32RED has ticked all the boxes, hired Italian staff and prepared its online marketing strategy so that it can hit the ground running."

Jones says that 32RED's performance in the UK shows it has the skills to thrive in a market dominated by larger competitors, and even a small market share in Italy could be transformational for the company - which had 40,000 active players in 2011

Elsewhere in the City, Michael Campbell, of Daniel Stewart, said that while it was undoubtedly good news, 32RED would now have to invest in marketing to build the brand in Italy.

Daniel Stewart rates the casino firm as a 'buy' with a 55p target.

In a statement to the stock market this morning 32RED chief executive Ed Ware said: "We are very pleased to be one of a relatively small number of online casino operators fully approved to trade in Italy.

"We believe the market there provides a great opportunity for us to establish a new and regulated income stream for 32RED, especially with the imminent introduction of Slots. Our Italian team has been hand-picked and it is ready to extend our reach and excellent reputation into Italy."

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Code: TTR

Listing: AIM

Sector: Leisure, gaming and gambling

Website: www.32redplc.com

Company Synopsis:

32Red Plc operates the online casino site at www.32red.com as well as the online poker site www.32redpoker.com and also www.dashcasino.com.

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