

Retail Cube bucks trend on float

Simon Evans

Retail Cube managing director Robert Estcourt said yesterday the \$20.5 million float of the owner of Athlete's Foot, King of Knives and Amazing Paints had closed about 20 per cent oversubscribed.

He said the scale-back and allocation policy would be decided next week, with the company having been able to bypass present negative sentiment towards public floats following a succession of underperforming new issues.

Mr Estcourt said final details were still being collated but his estimate was the raising had been oversubscribed by about 20 per cent.

Of the three trading businesses that make up the Retail Cube portfolio, King of Knives was performing the best.

"I think the King of Knives is having a good year," he said.

It had been opening about six stores a year and was now reaping the benefits of those new stores being settled in their new locations.

"You have a bit of new business strain when you roll out," he said.

Amazing Paints Discounts, which operates 36 stores in Sydney, Wollongong, Newcastle and Canberra, was in a competitive sector but making solid progress.

"Amazing Paints seems to be holding its own in a difficult trading environment," Mr Estcourt said.

The local paint-store market is highly fragmented despite the presence of major players such as Wesfarmers' Bunnings stores. There are about 5000 independent operators of paint and hardware stores.

Mr Estcourt said the aim was to ensure the three retail chains were bedded down into the Retail Cube structure, and then make further acquisitions. "We would hope to make another acquisition within 12 to 18 months," he said.

Retail Cube will have a market capitalisation of \$42 million upon listing, with the management of the three retail businesses to hold 45 per cent of the company.

The Athlete's Foot holds about 12 per cent of Australia's sporting footwear market, which is worth close to \$700 million annually.