

The Financial Times
Tuesday 6th September 2005

By Lina Saigol

Cube Financial looks at potential bidders

Cube Financial, the London based broker, has appointed financial advisers to explore its strategic options, which could include a sale of the company, currently valued at between £40m and £50m.

John Ruskin, founder and chief executive of Cube, has asked **Fenchurch Advisory Partners**, the advisory boutique, to sound out potential bidders for the company after receiving a number of expressions of interest in the business.

The move is part of a wider trend of consolidation among smaller, specialist brokers in the UK. In March, Bridgepoint, the UK private equity firm, bought Tilney, the asset management business owned by Refco, the world's biggest private futures broker.

Last year, Durlacher, the broker that fell from grace when the dotcom boom collapsed, proposed a merger with Panmure Gordon, the broker that Lazard bought a year ago; while Landesbanki agreed a takeover of Teather & Greenwood.

Interested bidders for Cube could include Man Group, the world's biggest listed hedge fund group, and Refco.

Cube, one of the only remaining non-listed brokers in the UK, provides brokerage services related to derivative, fixed income and equity products to a range of clients, including banks, hedge funds and market makers.

Cube, based in London and Chicago, has 120 employees and had turnover of £26.5m for the year ended March 31 2005. The group also provides liquidity in exotic markets and tight pricing for high volume products. The growth in hedge funds, which are estimated to hold more than one trillion dollars in assets under management, has helped companies such as Cube as they create demand for value-added trading ideas and cost effective execution.