

13 January 2005

**RAB CAPITAL PLC – CONFIDENTIAL UNTIL RELEASED**

**TRADING UPDATE**

RAB Capital is pleased to announce an unaudited, preliminary estimate of results for 2004. The fourth quarter of 2004 exceeded management's expectations, with good performance across a number of RAB strategies. Turnover for the year was in excess of £35 million (up 51% on the £23.2 million for the 13 months to 31 December 2003) and pre-tax profits are expected to exceed £17 million (up 60% on the £10.6 million for the 13 months to 31 December 2003). Pre-tax profits include realised investment gains of £4.1 million, compared to £1.3 million for the 13 months to 31 December 2003.

RAB Capital's assets under management as at 31 December 2004 were \$1.75 billion, including \$72 million in RAB Fairseat, a Fund of Funds which invests only in other RAB funds. This represents a 72% increase compared to \$1.02 billion at 31 December 2003.

Following the Company's flotation in March 2004, and the acquisition of I2S in April, the weighted average number of shares outstanding during the year amounted to 353m.

The Board of RAB Capital is focused on continued growth of revenues, profits and assets under management in 2005.

In the first half of 2005, RAB Capital plans to launch at least three new hedge fund strategies; RAB Emerging Market Debt Fund, RAB Commodities Trading Fund and RAB European Loan Fund.

The Directors expect final audited results for 2004 to be published before the end of March 2005.

**Notes for Editors - RAB Capital plc**

RAB Capital is a London based investment management company, founded in 1999. The Company floated on AIM in March 2004.

RAB Capital specialises in managing absolute return funds and as at 31 December 2004 had \$1.75 billion of assets under management. The Company currently manages ten hedge fund strategies; Europe, Special Situations, High Yield, UK, Global Macro, Fund of Funds, North American, Japan, Energy and Emerging Europe. RAB Capital also provides advisory and distribution services within the hedge fund industry.

RAB Capital's philosophy is to find highly talented investment managers and provide them with an environment where they can successfully dedicate themselves to running focused investment strategies. Core strategies focus on capital preservation and absolute returns. RAB Capital has 57 employees, 29 of whom are investment professionals.

RAB Capital plc is authorised and regulated in the conduct of investment business by the Financial Services Authority.

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