

27 June 2007

RAB Capital PLC Acquisition and Business Development Update

RAB Capital PLC (“RAB”), the absolute return investment management company, today announces that it has agreed to acquire the business of Hong Kong-based Pi Investment Management Limited (“Pi”), for a maximum consideration of £13 million, payable in cash and shares.

Pi was established in 2002 by Alain Barbezat, Caesar Man Wa Luk, and Nissim Tse. The three Pi founders and all ten other Pi staff will continue to operate within Pi, pending regulatory approval from the Securities and Futures Commission (“SFC”) for a RAB subsidiary in the region. The new RAB subsidiary intends to provide investment management and advisory services in connection with existing RAB products as well as the two Pi funds.

The Pi business comprises two long/short, absolute return funds and three managed accounts linked to the larger of the two funds, the Pi Asia strategy. This strategy focuses on pan-Asian equity, including Japan, and represents the majority of the assets under management. Separately, the Pi team manages the Pi Japan strategy, which was launched in 2005. As at 1 June 2007, the combined strategies represented approximately \$220m in assets under management. Both strategies have developed a fundamentally driven investment approach, supported by strength in research, in-depth valuation models and good corporate access. This transaction, as well as bringing new assets, low-correlated products and investment skills to the RAB platform, secures the experience and practical support of the Pi team in establishing RAB’s Asian infrastructure.

Under the terms of the deal, which is conditional on the completion of transfer notices and SFC approval for the new vehicle, RAB will pay the partners of Pi £3.97 million in cash on completion and 4,193,265 ordinary shares that will vest over three years. Depending on the total assets under management on 1 July 2007 and performance over the first three years, further shares may become payable and will be delivered over a vesting period of up to five

years. The maximum possible consideration, including an adjustment for net assets, is £13 million.

Commenting on today's announcement, RAB Executive Chairman, Michael Alen-Buckley said:

"RAB's third strategic acquisition since listing further diversifies the business and brings us a greater depth of expertise in one of the world's most important regions. Caesar Man Wa Luk, Alain Barbezat and Nissim Tse have generated impressive performance and have developed scalable products that are supported by a strong team. We are delighted to bring them to our platform. This acquisition also offers RAB the ability to develop its distribution and to improve its trading capacity in the Asia region, where we have further ambitions."

Speaking on behalf of all the partners in Pi, Caesar Man Wa Luk said:

"This deal will allow the Pi team to broaden its investment perspectives by leveraging off RAB's expertise in other asset classes and benefiting from RAB's extensive reach within the investment community. We believe this will help the Pi strategies to reach their next phase of growth. The deal must be seen not only as a vote of confidence in the Pi team, but also in the bright future of alternative investment management in the region."

RAB Capital Business Development Update

Since issuing a Trading Update on 3 May 2007 at the time of the Annual General Meeting, RAB has taken several important steps to further its growth plans and strengthen the team.

- John Woods and Mohamed Siddeeq have joined from HSBC with a view to managing a RAB Asian Fixed Income Opportunities strategy. John was most recently Global Head of Credit Research and Strategy and head of Absolute Returns Proprietary Trading, and from 1998 to 2003 was Asia's highest ranked credit strategist in the Institutional Investor and Greenwich surveys. Mohamed Siddeeq has 14 years of proprietary trading experience with a focus on trading in all major Asian debt markets, and has been co-manager of the \$28 billion global high grade portfolio at HSBC. The new RAB Asian Fixed Income Opportunities strategy launches on 2 July 2007.

- Bijal Shah and Dhaval Jhoshi have joined RAB from Societe Generale, where they ran the highly successful global strategy team and were voted second for the global strategy sector in the 2006 Thompson Extel survey. Bijal is a Fellow of the Institute of Actuaries and holds a First class Honours BSc degree in Economics and Statistics from the London School of Economics. Dhaval holds an MA in Theoretical Physics from Cambridge University. At RAB, the pair plan to launch a RAB Market Cycles strategy on 1 August 2007.
- Mariela Pissioti has joined as co-manager for the RAB Cross Europe strategy from De Putron fund management. Previously she worked in corporate finance and mergers and acquisitions with Morgan Stanley and Credit Suisse, and graduated from the LSE.
- Following the success of the Lipper award-winning RAB European Dynamic Fund, in early July RAB intends to enter the UK retail market through the launch of three strategies within a UK umbrella company authorised as a UCITS scheme. A further announcement will be made upon FSA approval.
- John Kenny will be joining RAB as Chief Risk Officer, from Brevan Howard, where he was a Risk Officer and was instrumental in the development of the risk management framework from the inception of Brevan Howard in 2003.
- On the distribution side, Osman Shafi will join RAB as Head of Fixed Income Sales. Previously he was at Brevan Howard and Wellington Management, after starting his career at Goldman Sachs.

Commenting on the recent developments, RAB Executive Chairman, Michael Alen-Buckley said:

“Taken together, these measures accelerate diversification at RAB. Although they will have little impact on profits in the current year, for 2008 and beyond we expect them to improve RAB’s growth prospects.”

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Notes for Editors - RAB Capital PLC

RAB Capital PLC is a London-based absolute return investment management company. The Company was founded in 1999, and floated on AIM in March 2004. As at 1 May 2007 the RAB Capital Group had \$6.16 billion of assets under management. RAB Capital PLC has fourteen absolute return strategies with assets in excess of \$100 million (twelve single-strategy and two multi-strategy) and also manages the AIM-quoted RAB Special Situations Company.

RAB Capital PLC'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.

RAB Capital PLC is registered in England and Wales, number 3694213. RAB Capital PLC is authorised and regulated by the Financial Services Authority. The Company is a constituent of the FTSE AIM UK 50 Index. The website can be found at www.rabcap.com