

**RAB Capital PLC
("RAB" or "the Company")
Trading Update**

18 January 2007

RAB Capital PLC, the absolute return investment manager, today announces an unaudited estimate of Group results for 2006.

Turnover for the year was at least £116 million (up 104% on the £56.9 million for 2005) and pre-tax profits are expected to exceed £50 million (up 95% on the £25.6 million for 2005). Pre-tax profits include realised investment gains of just over £12 million, compared to £7.19 million in 2005 and interest income of £2.4 million (2005: £0.8 million). The tax charge is likely to be substantially below the statutory rate mainly due to the effect of allowances against the exercise of employee share options. This factor is likely to recur in future years.

The basic weighted average number of shares in issue for 2006 was 448.7 million and the diluted number of shares for 2006 was 537.2 million. As at 31 December 2006 there were 519.8 million shares in issue.

Assets under management as at 31 December 2006 were \$5.18 billion. This represents an increase of 98% compared to the \$2.62 billion reported for 31 December 2005.

After an excellent opening four months, trading in 2006 became more challenging during the summer period, but conditions improved significantly in the fourth quarter. Overall performance for the year was generally strong among RAB's leading investment strategies. RAB now has a diverse range of absolute return strategies, including two multi-strategy, and ten single single-strategy vehicles with assets of over \$100 million.

Net asset inflows, strong in the first half, were somewhat slower thereafter but revived in the final quarter and included a long term allocation of \$200 million by Mittal family trusts to RAB Special Situations. Northwest Investment Management, acquired in September, made a small positive contribution to Group earnings.

Commenting on today's announcement, Philip Richards, Chief Executive of RAB, said:

"The near-doubling of assets under management over the course of 2006, further successful investment performance and an even stronger balance sheet, give us an excellent base from which to advance in the year ahead."

Michael Alen-Buckley, Executive Chairman of RAB, said:

"2007 offers RAB Capital new opportunities, and management will focus both on organic growth and on those opportunities that add to our strong existing line-up."

Preliminary results for 2006 will be published by the end of March 2007.

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Notes for Editors - RAB Capital PLC

RAB Capital is a London-based absolute return investment management company. The Company was founded in 1999, and floated on AIM in March 2004. As at 31 December 2006 the RAB Capital Group had \$5.18 billion of assets under management. RAB Capital has twelve absolute return strategies with assets in excess of \$100 million (ten single-strategy and two multi-strategy) and also manages the AIM-listed RAB Special Situations Company.

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.

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