

RAB CAPITAL

RAB Capital PLC
(“RAB” or “the Company”)
Trading Update

18 January 2008

RAB Capital PLC, the absolute return investment manager, today announces an unaudited estimate of Group results for the year ended 31 December 2007.

Net income for the year was approximately £135 million (2006: £132.5 million, restated for the adoption of IFRS) and pre-tax profits are expected to exceed £50 million (2006: £50.6 million). Net income includes management and performance fees of £123 million (2006: £119 million), investment gains of £10.9 million (2006: £12 million) and interest income of £4.2 million (2006: £2.4 million). Management fees represent in excess of 40% of total fees (2006: 28%).

The basic weighted average number of shares in issue for 2007 was 537.6 million and the diluted number of shares for 2007 was 573.8 million. As at 31 December 2007 there were 524.1 million shares in issue, reflecting buybacks of 23.2 million shares in the last two months of the year.

Assets under management as at 31 December 2007 were \$7.2 billion, a 38% increase over December 2006.

A strong first half was followed by more difficult trading in the third and fourth quarters when credit and liquidity issues impacted negatively on equity markets. In the context of these challenging conditions, the Group’s investment strategies delivered commendable performance as indicated by the

estimated net return of 10.2% for the year achieved by the RAB Multi Strategy Fund, the Group's internal fund of funds. During the year the Group continued to develop its offering via new fund launches and the strengthening of its Asian product through the acquisition of the business of Pi Investment Management ("Pi"). In October, the Group opened its first overseas office in Hong Kong, both in support of the Pi acquisition, and to improve the Group's access to Asian markets and marketing capabilities in the region. Distribution was further enhanced through the acquisition of a 20% shareholding in a Japanese distributor, Prestige Asset Management Company Limited, and a number of senior hires. At year-end, the Group had a total of 17 strategies with assets under management of over \$100 million compared to only 12 a year ago, demonstrating the increasing diversity of the business.

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

"This performance represents a solid result in the face of difficult markets and is a reflection of the diverse range of investment strategies that we manage."

Michael Alen-Buckley, Executive Chairman of RAB said:

"This result demonstrates resilience in the business, while further product launches, improvements in our marketing capability, and infrastructural developments improve the scope of RAB's opportunities for 2008 and beyond."

Enquiries:

RAB Capital PLC
Marc Popiolek

020 7389 7116

Tulchan Communications
David Trenchard/Peter Hewer

020 7353 4200

Nominated Advisor: KBC Peel Hunt
Jonathan Marren

020 7418 8900

Notes for editors

Founded in 1999, RAB Capital PLC has grown into a global absolute return asset management firm with \$7.2 billion of assets under management as at 31 December 2007. RAB Capital PLC currently manages 17 absolute return strategies with assets in excess of \$100 million (15 single strategy and 2 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 a strong institutional platform where they can successfully dedicate themselves to running focused investment strategies.

RAB Capital PLC is a constituent of the FTSE AIM UK 50 Index and is authorised and regulated by the Financial Services Authority. The website can be found at www.rabcap.com.