

RAB CAPITAL

RAB Capital plc
("RAB" or "the Group")
Trading Update

21 January 2009

RAB today announces a trading update for the year ended 31 December 2008.

Trading Update

As of 31 December 2008 the estimated assets under management of RAB Capital were \$1.9 billion (2007: \$7.2 billion), in line with our expectations set out in the announcement of 14 November 2008. This includes approximately \$570 million on lock-ups longer than one year.

Aggregate management and performance fees are estimated at £51 million for 2008 (2007: £125 million). Following a significant reduction in administrative expenses to approximately £40 million (2007: £86 million) we anticipate that operating profit (before tax, interest, impairment charges and exceptional items) will be in line with market expectations.

As a consequence of the effect of market movements on our portfolio of available-for-sale financial assets, which are principally investments in RAB funds, we expect to take an impairment charge for the 2008 financial year. We also anticipate exceptional charges reflecting a revaluation of the goodwill and intangibles relating to certain strategic acquisitions whose assets under management have declined, and restructuring costs of not more than £4 million arising from the reduction in product range.

Having regard to all of the above RAB continued to generate positive cash flow in 2008 and concluded the year with a strong and liquid balance sheet. At 31 December 2008 the Group had in excess of £110 million in net current assets and investments of which cash represented approximately 50 per cent. This balance sheet strength was maintained after returning approximately £32 million to shareholders via dividends of £12 million and a £19.7 million outlay on buying back 45.0 million Ordinary shares. On the basis of 488.4 million shares in issue at 31 December 2008 (net of 15.3 million held in Treasury) net current assets and investments were equivalent to in excess of 22.5 pence per Ordinary share.

Preliminary results for 2008 are expected to be announced in late March 2009.

Appointments

RAB also announces two appointments. Firstly, Charles Kirwan-Taylor has been appointed as Chief Investment Officer. Charles, who brings a depth of management and capital markets experience to RAB, has been the Board member responsible for marketing, and took over CIO responsibilities from Philip Richards who focuses on the RAB Special Situations and RAB Global Mining strategies. This is the first time in the history of RAB that the role of CIO has been segregated from that of fund management. Secondly, RAB has hired John Mattimore as Chief Risk Officer. John is an experienced buy side risk officer, recently holding positions in Gartmore and Old Mutual Asset Management.

Commenting on today's announcement, Stephen Couttie, Chief Executive said:

“After a very challenging year RAB has been able to maintain its balance sheet strength through positive operating cash flow. We expect that continuing market dislocations will bring further challenges in the early months of 2009 and it is too early to comment on the outlook for the year as a whole.”

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