



RAB Capital plc

Trading Update

30 April 2010

RAB Capital plc ("RAB" or "the Company") is pleased to provide a trading update for 2010 year to date, as at 30 April.

Investment performance

Year to date the investment performance across the range of RAB funds has been encouraging - in particular the two Energy strategies (estimated returns of +14.0% and +18.5% to April 22) and the Credit strategy (estimated return of +9.5% to April 22).

Progress on restructured funds

The Company made further progress on generating liquidity for the redemption classes of the RAB Energy and RAB Octane funds. A total of \$53 million has been repaid in 2010, leaving only \$30 million to be repaid from these classes (1 January 2009, \$160 million). Notably, the RAB Energy redemption class is now fully repaid, and marketing of this fund has recommenced.

RAB undertook an auction process for its Special Situations fund during March so as to provide investors with an early opportunity for liquidity. Investors representing less than 15% of the strategy's value tendered stock into the auction, and interests representing about 5% were sold. The volume of bids exceeded the volume of interests tendered, both in absolute terms and at the clearing price. From the Company's perspective the relatively low amount of interests offered for sale speaks to the appeal of the strategy at this time, and to the portfolio's prospective investment return and improving liquidity profile.

New initiatives

In the year end accounts for 2009 the Company reported that it had hired a team to focus on deep value Asian assets and that they had won an advisory mandate in connection with this strategy, the initial value of which was \$100 million. The Company believes that most of this will be within RAB's reported AuM by the end of the first half of 2010 and that the scale of this strategy will exceed \$200 million by the end of 2010.

As noted in the 2009 accounts, the business continues to explore new distribution channels for its existing funds, and to review options to add selectively new strategies where these fit within its risk infrastructure.

Assets under management (“AuM”)

Having regard to the redemption class payments of \$53 million described above, AuM at the end of the first quarter was approximately \$1.30 billion, while flows and investment performance in the current month indicate a level of approximately \$1.35 billion at 1 May 2010. Of the \$50 million increase in continuing share classes in the first four months of 2010, approximately 50% came from net flows.

Some evidence of a better appetite for equity products and the new initiatives noted above are expected to contribute to an improving trend as the year progresses.

Balance sheet

At 31 March 2010, the Company had estimated net current assets and investments of £98.5 million (31 December 2009, £98.7 million). This equates to approximately 21 pence per share (31 December 2009, 21 pence) having paid a final dividend of £2.4 million or 0.5 pence per share, in the first quarter.

Commenting, Stephen Couttie, RAB Capital’s Chief Executive, said:

“The significant progress the Company has made towards resolving the legacy issues from 2008, combined with the improvements we have made to the business in 2009 enable the firm to look forward with greater confidence and to focus on growth opportunities.”

Further Enquiries:

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