

The Redab Times

Annual Report

1st June 2010 – 31st May 2011



The 2012 Olympic Countdown Clock at Trafalgar Square

Managing Director's Statement

Over the last business year the property market has been on the low side, although, at the beginning of Summer things look like they are starting to pick up again.

The last business year started downwards with a low point in January and February 2011, which we presented in our newsletter and Interim Reports. February and March 2011 we took as a "re-start" with reorganization both in the office and the business so we could repay almost £2M to the banks that was due.

Thereafter, we have had a positive turn-up by negotiating sales throughout April and May, to prices well supporting the used book values.

Reduction in size after consolidation

As presented in the Interim Report March 2011 the joint venture between Sätla and Redab ended 25th February 2011. Sätla took 109-111 Farringdon Road and 6 Orsman Road including just over £6M in loan from their bank, and Redab took the Commercial Road project, at that time funded by Bristol & West.

After our application a Court Order was issued on the 25th May 2011 to reduce the nominal share value from £1 to 30 pence per share.



The new business year

CG Pettersson

During June and July 2011 a lot of progress has been made in sales.

- * Sale of Flat 505 and GF5 at Kilburn
- * Sale of Flat GF3 and GF4 in Kilburn
- * Sale of Flat GF6 and GF7 at Kilburn
- * Sale of 8 Kildare Walk, East London

All of the sales support our book values

- * A further 3 apartments were brought to the market in East London because as at 4th July only 4 similar apartments were on the market of approximately 12,000 in the area. These four apartments weren't attractive compared to ours but with the high asking price level of £250,000. The stamp duty changes at that level.

The proceeds of sales will be used to repay outstanding Bristol & West loan (if any) as well as in the development of the Commercial Road project. The target is to start this project on site 1st October 2011.

A handwritten signature in blue ink, appearing to read 'CG Pettersson', with a stylized flourish at the end.

CG Pettersson

Our long-term goal continues, this is to create

LONG TERM SHARE VALUE

We have received positive support from our Shareholders



The old shares have now been reduced in nominal share value; down from £1 to 30 pence per share.



The new 30 pence per share certificate presenting a view from Piccadilly Circus.

On 25th May 2011 we started to follow up all the answers from Shareholders to the offer from the last Interim Report. This offer has been well received.

The existing subordinated loan of £978,982 gave the result that £154,556 would like repayment while the debenture holder's £923,381 loan gave the result of £127,687 being repaid at due date (end of December 2011).

The New Issue was paid up for 51 units creating a fresh injection of £73,950.

This strengthens the company with the number of shares rising by 550,113 (from 7,628,025 to 8,178,138).

Increase in Net Asset Value since March 2011

At the end of March 2011, the value was 41.3 pence per share.

The New Issue of shares issued to 30 pence per share together with the healthy progress of business throughout April and May 2011 created a Net Asset Value of 42.6 per share for 8,178,138 shares.

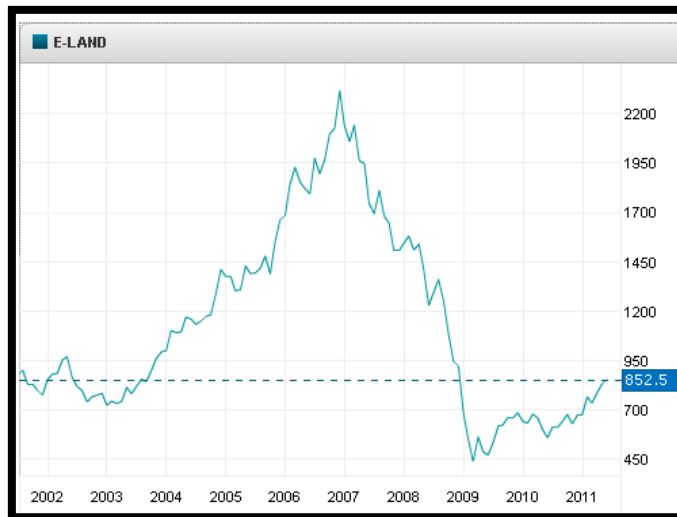
This leads to old Shareholders' Net Asset Value increasing from 41.3 pence to 42.6 pence +3.14% since March 2011.

New Issue shares for 30 pence also increased to 42.6 per share or +41%.

Future Capital Gain

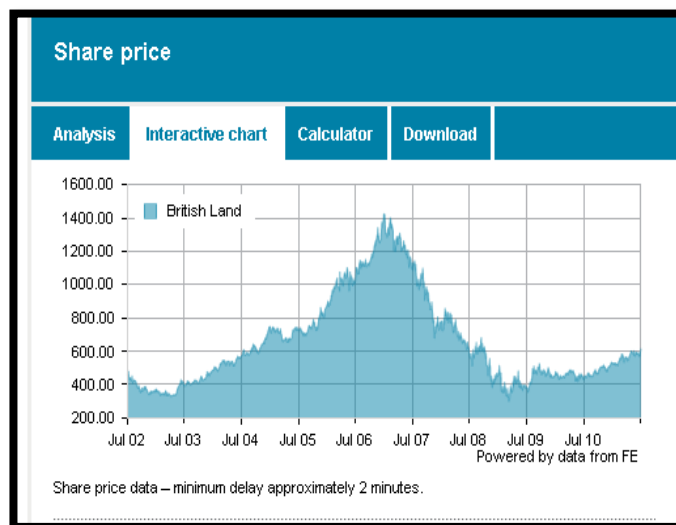
We have, by 31st May 2011, approximately £4.25M in losses which can be offset against future Capital Gain before we need to pay tax again. This could result in a potential tax saving of £1,190,000.

The London Market



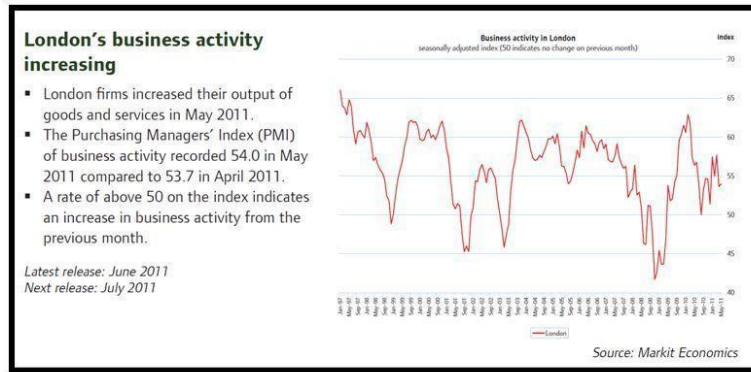
As an illustration of the market performance between 2002 and 2011 the two graphs opposite show the two largest property companies share development.

Land Securities
Sourced from company website

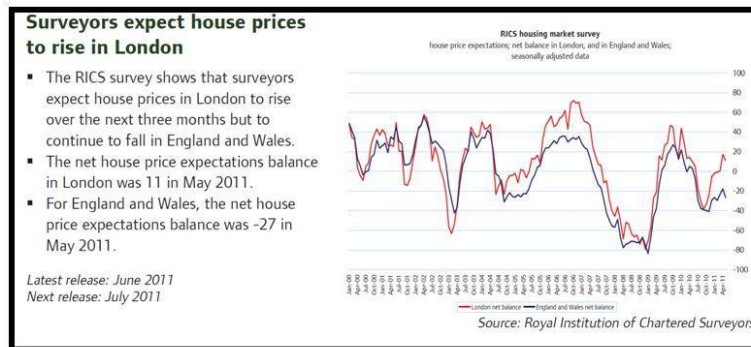


After 31st May 2011 the property market forecast looks more positive although the British economy in general looks flat compared to previous years as the British public have less cash in their pockets.

British Land
Sourced from company website



Information from The Greater London Authority, Economics Today published June 2011.



The population continues to increase by at least 50,000 people per year in the Greater London area and is forecasted to continue to do so for the next 10 years.

At the top end of the market, statistics show the number of millionaires (in Sterling) increased by 120 people per day over the last two years.

London continues to be the most attractive city for international companies in which to do their floatation.

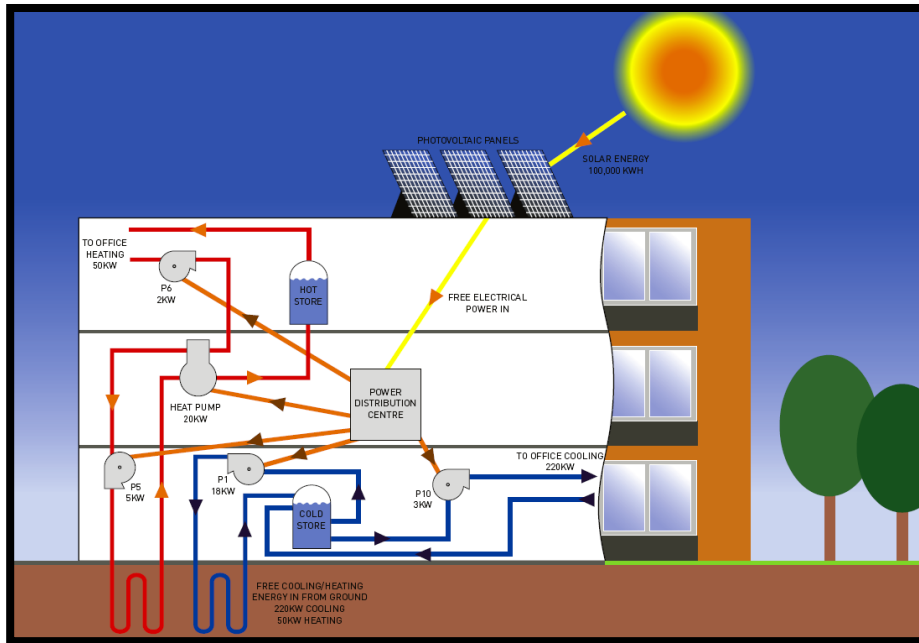
Space in Mayfair and The West End continues to be converted to residential, which means offices have to move.

Quality office space is still in short supply for modern office operations.

The other side of the coin is that the increase in population needs space to work! Conversion of office space to residential will reduce office stock while the requirement for space goes up.

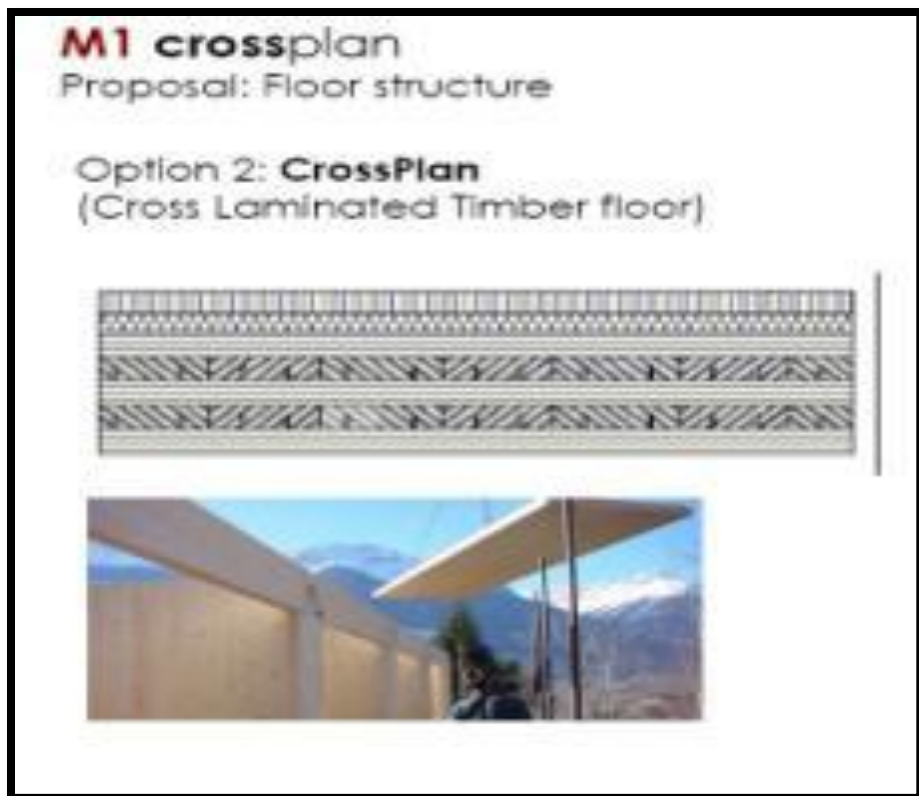
All this means there is very good potential for companies like Redab Properties Plc.

Use of New Technology



This illustration shows how the free energy collection from the sun will work together with ground water for heating and cooling.

At Kilburn, we have installed solar panels to generate electricity as well as heating the water in the swimming pool.



Also at Kilburn we have used a timber structure with low U-Values together with triple glazing in doors and windows.

We tested the U-Values on site after completion as well as the building's air tightness. The results were superb.

Again, while planning for Commercial Road, we will use low U-Values in the structure, windows and doors.

Presentation of Current Investments

Jubilee Heights & Cedar Lodge

Status as of 31st May 2011

| Flat No | Details | Sq. ft. | Market value | |
|--------------------------------------|---------------|---------|-------------------|------------|
| 3 | 2 bed, 2 bath | 1056 | £435,000 | £470,000 |
| 4 | 2 bed, 2 bath | 1051 | £435,000 | £470,000 |
| 5 | 2 bed, 2 bath | 1039 | £435,000 | £440,000 |
| 6 | 1 bed, 1 bath | 650 | £295,000 | } £600,000 |
| 7 | 1 bed, 1 bath | 650 | £285,000 | |
| 8 | 1 bed, 1 bath | 650 | £285,000 | |
| 505 | 2 bed, 2 bath | 920 | £350,000 | £350,000 |
| 711 | 1 bed, 1 bath | 570 | £280,000 | |
| Sub Total | | | £2,800,000 | |
| Value of Ground Rent est. 5.0% yield | | | £692,000 | |
| Total | | | £3,492,000 | |

■ Contract issued, non-refundable deposit of £5,000 paid for each apartment.

Flats 6&7 presented as a 3 bedroom apartment.

■ Verbally agreed, Heads of Terms agreed.

A) *Planning application for further 5 apartments*

We have now issued a new application including solving the technical matters so that it can go to appeal if necessary.

B) *Agreement with Bristol & West*

We have reached an agreement with Bristol & West so that they will accept an early repayment of the five year loan which expires February 2014. £1,250,000 was outstanding at 31st May 2011 and will be repaid with the proceeds of above potential sales.



*Entrance Jubilee Heights,
Kilburn*

Introducing.....

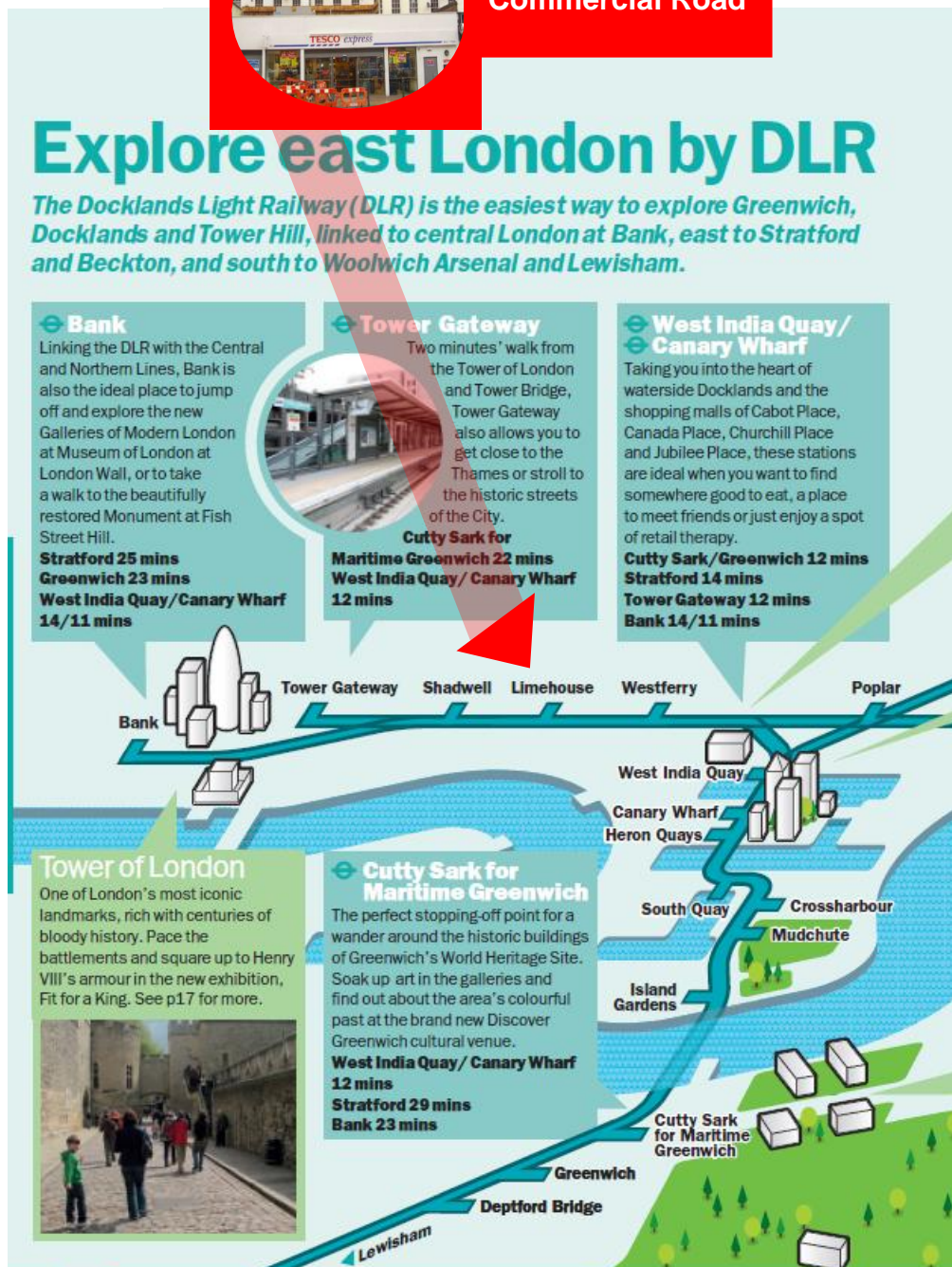
Redab Commercial Ltd

Redab Commercial Ltd is the new 100% owned subsidiary which took over 657, 659, 661 and 663 Commercial Road freehold after the breakup of joint ventures. Tesco are the tenant at ground floor with a lease to 2023 without break. The current rent is £65,000 with uplift with index (inflation compensation) November 2013 and 2018.

Our target is to start on site
1st October 2011.



Commercial Road





Museum of London Docklands

There's lots to discover about the Thames and how its fortunes have shaped Britain, London and the East End for centuries. Galleries, activities and events offer a fascinating visit for all ages. Go to page 14 for more.



Canary Wharf

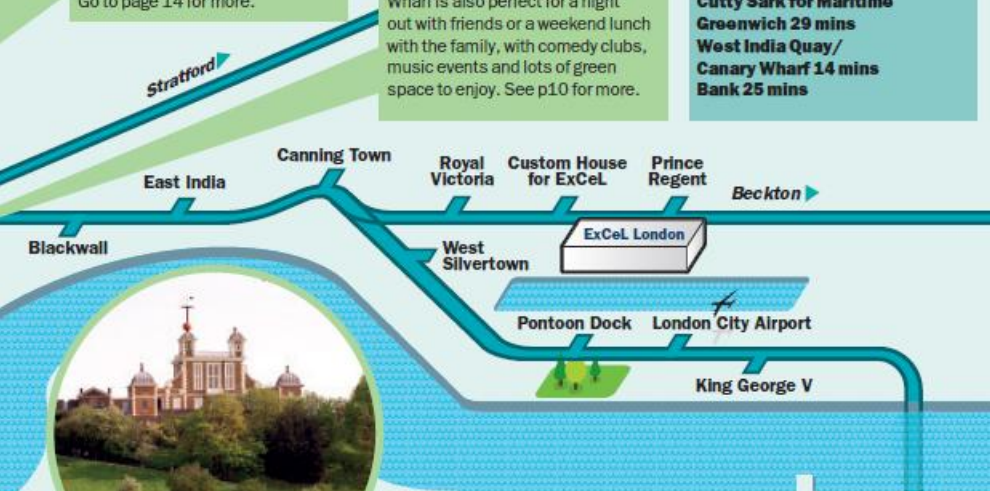
One of London's most refreshing shopping destinations, Canary Wharf is also perfect for a night out with friends or a weekend lunch with the family, with comedy clubs, music events and lots of green space to enjoy. See p10 for more.



Stratford

One of east London's most vibrant culture spots, this is where to head for Theatre Royal Stratford East (pictured above) and the nearby children's activity centre Discover. Later in 2010 the new Stratford International Extension to the DLR will also be opening, preparing for the run up to the 2012 Olympic and Paralympic Games.

Cutty Sark for Maritime Greenwich 29 mins
West India Quay/Canary Wharf 14 mins
Bank 25 mins



Greenwich

One of London's best-loved 'villages', Greenwich has the buzz of markets, great pubs and a host of theatres and restaurants, but is also a wonderful open space. Take the kids, meet friends, or simply relax in the park with the Isle of Dogs stretching out across the water. Go to p6 and p18 for more.

Woolwich Arsenal

Dipping down into south-east London, this newly built link across the Thames from Docklands offers the perfect way to explore historic Royal Arsenal.

Cutty Sark for Maritime Greenwich 35 mins
West India Quay/Canary Wharf 23 mins
Bank 29 mins
Stratford 29 mins



Redab Residential Ltd

In the last Interim Report we presented forecasts on uplift both in rent and values with 20% to the end of 2014.

We know a good sum of money has to be repaid to our Debenture Holders whose loan expires 31st December 2011.

Redab Properties Plc funds can give a higher return in property development. Therefore, we have decided to bring the apartments to the market. We have already agreed 2 sales.

The lack of available mortgages seems to still result in a slow moving market.

We will continue to work on the sales to achieve the book value, or better!

The forecast for East London is good, even if getting mortgages is still difficult.

The book value for the 12 apartments at 31st May 2011 was £2,542,600.

Regeneration

Redab Residential Ltd has two flats in this area about to undergo regeneration by the Local Housing Authority (the Freeholder).



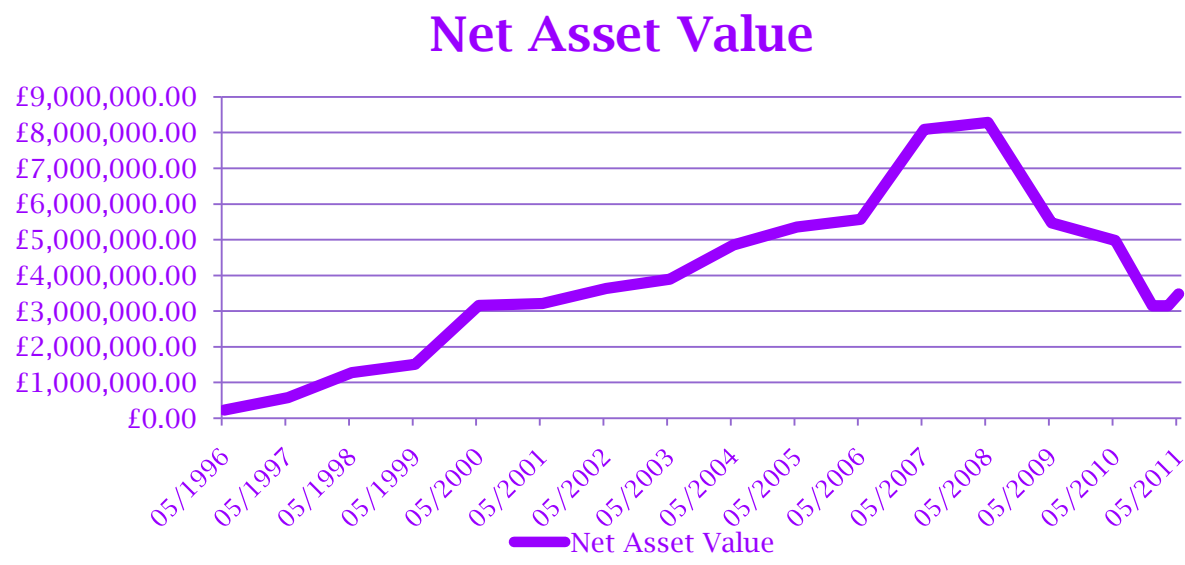
21, Portree Street

13, Theseus House

To make regeneration in the area possible the freeholder will repurchase our flat at a premium. The apartment across the street to the regeneration area will also receive extra uplift in value. We believe it will be in our interest to keep these two apartments for now.

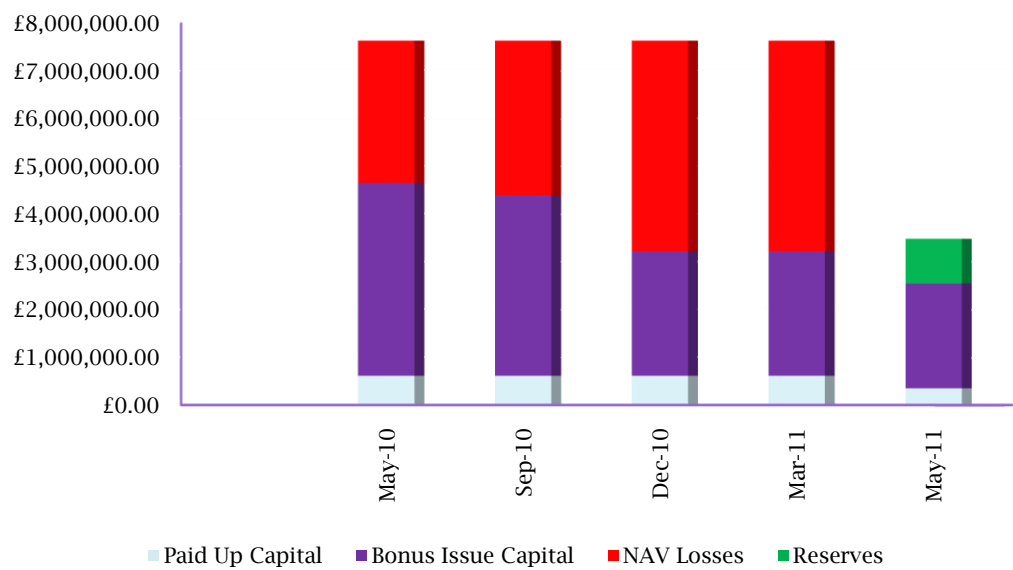
Redab Residential Ltd called up share capital is £480,000. By 31st May 2011 Shareholder's funds were £565,707. The business year up to 31st May 2011 shows a loss of £13,200. A reserve of £30,000 is made to Lender with interest plus profit share.

Historical development of Net Asset Value



Redab Properties Plc's Net Asset Value has increased year by year until the business year 2008-9 when the credit crunch hit all over the world. The breakup of the joint venture during January-February 2011 created further one off costs. We have begun rebuilding the Net Asset Value.

Build up of Share Capital and Reserves



Notice, the reserves shall be added to the share capital to create the Net Asset Value of £3,480,485

Funding

| | |
|---|----------------------|
| Cash in the bank 31st May 2011 | £323,481 |
| External Loans 31st May 2011 | |
| Private funding | £230,000 |
| Kilburn <i>Bristol & West Property Finance</i> (£150,000 of loan held as security deposit) | £1,400,000 |
| Balance | £1,630,000 |
| Domestic Loans 31st May 2011 | |
| Debenture Holders – Redab Residential Ltd | £625,646 |
| External Shareholders – Subordinated loan | £1,215,611 |
| T. Ljungberg B.V. – Subordinated loan - Short loan | £369,037 £100,000 |
| T. Ljungberg B.V. – Profit sharing loan Redab Residential Ltd | £438,903 |
| Balance – Domestic loans | £2,749,197 |
| Total balance of all loans | £4,379,197 |
| Book / market value | |
| Kilburn (Subject to potential sales taking place it will be more) | £3,500,000 |
| Redab Residential Ltd – East London | £2,500,000 |
| Commercial Road | £2,000,000 |
| Total book / market values | £8,000,000 |

We will keep trying to find a funder for the development at Commercial Road, and, if possible, even some new purchases for development.

| | Net Asset Value (NAV) | |
|-----------------------------|-----------------------------|---------------------------|
| Value per Share | 31 st March 2011 | 31 st May 2011 |
| Net Asset Value | £3,151,621 | £3,480,485 |
| Per Share: 7,628,025 shares | 41.3 pence | |
| Per Share 8,178,138 shares | 38.54 pence | 42.56 pence |

Meeting in Stockholm

***Redab Properties Plc invites its Shareholders to a meeting in
Stockholm***

13th September 2011 at 18.30 hrs

Venue

*Hornsgatan 98 (Söder)
Frälsningsarméns samlingsal*

Agenda

*Lars Torekull will host the evening and CG Pettersson will be present
to answer any questions from the Shareholders and also advise on
the latest news from Redab.*

*Please reply back to the company no later than 1st September 2011
by telephone, fax, email or post*

The Development of Share Capital

31st May 2011 in £ (Pounds Sterling)



Graham K. Jacob
Senior Partner

Brindley Jacob
Company Auditor

| Year | Changes | Share issues | Increase in Share Capital | Total No's of Shares | Total Issued Share Capital |
|------|---|--------------|---------------------------|----------------------|----------------------------|
| 1994 | The Company is formed | | | 100 | 100 |
| 1995 | Bonus Issue | 49,900 | 49,900 | 50,000 | 50,000 |
| 1996 | Bonus Issue 1:1 | 50,000 | 50,000 | 100,000 | 100,000 |
| 1997 | Bonus Issue 1:2 | 50,000 | 50,000 | 150,000 | 150,000 |
| 1998 | Bonus Issue 3:2 | 225,000 | 225,000 | 375,000 | 375,000 |
| 1998 | Bonus Issue 1:3 | 125,000 | 125,000 | 500,000 | 500,000 |
| 1998 | Bonus Issue 1:2 | 250,000 | 250,000 | 750,000 | 750,000 |
| 1999 | Bonus Issue - lieu of interest | 6,674 | 6,674 | 756,674 | 756,674 |
| 1999 | Bonus Issue 2:5 | 302,669 | 302,669 | 1,059,343 | 1,059,343 |
| 1999 | Bonus Issue 1:3 | 353,114 | 353,114 | 1,412,457 | 1,412,457 |
| 1999 | Bonus Issue - lieu of interest | 15,251 | 15,251 | 1,427,708 | 1,427,708 |
| 1999 | New Issue - loan conversion | 72,205 | 72,205 | 1,499,913 | 1,499,913 |
| 2000 | New Issue | 122,651 | 122,651 | 1,622,564 | 1,622,564 |
| 2000 | New Issue | 388,871 | 388,871 | 2,011,435 | 2,011,435 |
| 2000 | Bonus Issue 4:9 | 893,971 | 893,971 | 2,905,406 | 2,905,406 |
| 2000 | Bonus Issue - lieu of interest | 41,776 | 41,776 | 2,947,182 | 2,947,182 |
| 2001 | Bonus Issue 1:3 | 982,394 | 982,394 | 3,929,576 | 3,929,576 |
| 2001 | Bonus Issue - lieu of interest | 63,296 | 63,296 | 3,992,872 | 3,992,872 |
| 2002 | Repurchase shares | - 75,850 | - 75,850 | 3,917,022 | 3,917,022 |
| 2002 | Bonus Issue - lieu of interest | 34,874 | 34,874 | 3,951,896 | 3,951,896 |
| 2002 | New Issue | 6,639 | 6,639 | 3,958,535 | 3,958,535 |
| 2004 | Bonus Issue - lieu of interest | 51,540 | 51,540 | 4,010,075 | 4,010,075 |
| 2004 | Repurchase shares | - 322 | - 322 | 4,009,753 | 4,009,753 |
| 2004 | Bonus Issue 1:6 | 668,345 | 668,345 | 4,678,098 | 4,678,098 |
| 2005 | Bonus Issue - lieu of interest | 54,567 | 54,567 | 4,732,665 | 4,732,665 |
| 2005 | New Issue - loan conversion | 96,894 | 96,894 | 4,829,559 | 4,829,559 |
| 2006 | Bonus Issue - lieu of interest | 59,063 | 59,063 | 4,888,622 | 4,888,622 |
| 2007 | Bonus Issue - lieu of interest | 49,497 | 49,479 | 4,938,119 | 4,938,119 |
| 2007 | Bonus Issue 1:4 | 1,234,449 | 1,234,449 | 6,172,568 | 6,172,568 |
| 2007 | Bonus Issue 1:4 | 1,543,142 | 1,543,142 | 7,715,710 | 7,715,710 |
| 2007 | Repurchase shares | - 10,140 | - 10,140 | 7,705,570 | 7,705,570 |
| 2008 | Bonus Issue - lieu of interest | 60,523 | 60,523 | 7,766,093 | 7,766,093 |
| 2008 | Net repurchase shares | - 138,068 | - 138,068 | 7,628,025 | 7,628,025 |
| 2011 | Mark down in nominal value from £1 to 30p per share | | | | 2,288,407 |
| 2011 | New Issue | 550,113 | 165,034 | 8,178,138 | 2,453,441 |

Profit & Loss Accounts and Balance Sheets

31st May 2011 (Pounds Sterling)

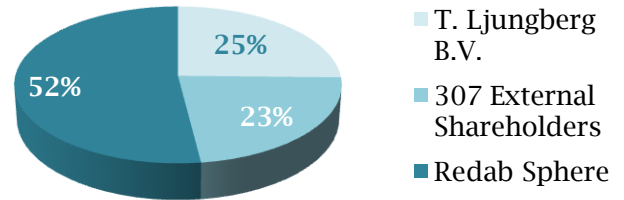
| CONSOLIDATED PROFIT AND LOSS | 31/05 2007 | 31/05 2008 | 31/05 2009 | 31/05 2010 | 31/05 2011 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Costs | - 1,002,376 | - 1,726,591 | - 932,592 | - 710,907 | -3,416,668 |
| Income | 2,347,246 | 1,085,878 | 890,225 | 923,701 | 2,702,842 |
| <i>P/(L) before finance</i> | <i>1,344,870</i> | <i>- 640,713</i> | <i>- 42,367</i> | <i>212,794</i> | <i>-713,826</i> |
| Finance | 183,810 | 4,654,773 | - 598,635 | - 549,433 | -424,780 |
| <i>P/(L) before taxation</i> | <i>1,528,680</i> | <i>4,014,060</i> | <i>- 641,002</i> | <i>- 336,639</i> | <i>-1,138,606</i> |
| Tax | - 3,064 | - 863,349 | 1,372 | 246,183 | -28,176 |
| <i>P/(L) after taxation</i> | <i>1,525,616</i> | <i>3,150,711</i> | <i>- 639,630</i> | <i>- 90,456</i> | <i>-1,166,782</i> |
| | | | | | |
| CONSOLIDATED BALANCE SHEET | 31/05 2007 | 31/05 2008 | 31/05 2009 | 31/05 2010 | 31/05 2011 |
| Properties with Plant and Machinery | 18,852,743 | 19,725,619 | 18,667,793 | 20,307,872 | 8,081,317 |
| Debtors | 2,823,420 | 219,091 | 1,220,168 | 829,310 | 147,146 |
| Bank | 1,794,265 | 4,409,427 | 2,518,255 | 911,065 | 323,481 |
| <i>Total Assets</i> | <i>23,470,428</i> | <i>24,354,137</i> | <i>22,406,216</i> | <i>22,048,247</i> | <i>8,551,944</i> |
| | | | | | |
| Creditors | 2,808,525 | 738,175 | 1,245,779 | 1,108,094 | 621,550 |
| Taxation | 127,359 | ** 925,750 | 0 | 0 | 0 |
| Loan from Shareholders | 1,749,239 | 1,565,340 | 1,134,767 | 1,330,445 | 1,684,648 |
| Loan from partners | 0 | 2,845,615 | 3,562,483 | 4,347,383 | 438,903 |
| Debentures | 835,820 | 923,381 | 923,381 | 923,381 | 625,646 |
| Loan from banks | 7,572,759 | 8,670,000 | 10,130,000 | 9,690,000 | 1,630,000 |
| Share capital | 6,172,568 | 7,628,025 | 7,628,025 | 7,628,025 | 2,453,441 |
| Reserves | 1,919,170 | 662,677 | - 2,156,985 | - 2,653,835 | 1,027,044 |
| Potential tax on hidden Capital Gain | 2,220,000 | 0 | 0 | 0 | 0 |
| Minority Shareholders' interests in subsidiaries | 64,988 | 395,174 | - 61,234 | - 325,246 | 70,712 |
| <i>Total Liabilities, Capital and Reserves</i> | <i>23,470,428</i> | <i>24,354,137</i> | <i>22,406,216</i> | <i>22,048,247</i> | <i>8,551,944</i> |

This is Redab Properties Plc

Track Record

- Redab Properties Plc was incorporated on the 27th October 1993, and began trading on the 14th February 1994. The company is a subsidiary of Redab Plc. The first company in the Redab Plc Group commenced trading in Sweden on the 3rd December 1984.
- Redab Properties Plc have traded 14 properties over the years with a sales profit of +25%. In addition, 5 developments have been purchased, developed, let and sold to an average profit of +67%.
- Redab Properties Plc issues Interim Reports for the period ending September, December and March with news updates in-between. The Annual Report is issued for the period ending May with the AGM taking place in August each year.
- Redab Properties Plc currently has 310 shareholders (13th July 2011).
- Redab Properties Plc has sold and is selling units of 1,000 shares @ 30 pence per share and grants a subordinated loan to 31st December 2014 of £1,150 with 7% yearly interest, payable in arrears.
- Redab Properties Plc company documentation, Memorandum and Articles of Association; signed accounts of the Directors, Company Secretary and Auditors, are available for shareholders to view by appointment at the company's Registered Office. All documents are in English and subject to legislation in England and Wales.
- Redab Properties Plc was affected, as were all other UK property companies during the financial crisis 2008-2010, and lost approximately 70% of its Net Asset Value (From £8.2M to £3.15M). After the re-start March 2011 some of the capital is rebuilt. The Net Asset Value 31st May 2011 is £3,480,485.

Ownership 13th July 2011



REDAB
Properties Plc

Redab Properties Plc, 83 Lower Sloane Street, London SW1W 8DA, England

Telephone: +44 (0)20-7730 0213 Fax: +44 (0)20-7730 0227

Email: info@redab.com www.redabproperties.com

Registered in England No. 2866340 REDAB Properties Plc Group VAT Registration No. 672 1658 25

Registered Office: 167 Turners Hill, Cheshunt, Hertfordshire EN8 9BH, England