

J SMART & CO (CONTRACTORS) PLC

4 June 2009

INTERIM MANAGEMENT STATEMENT (for the period 1st February 2009 to date)

Site operations in contracting, private housing and property development continue to proceed satisfactorily.

Private house sales remain in the doldrums, although we are ameliorating this situation by letting unsold flats.

It has become apparent during the past two months that our operations in contracting and property development are now being affected by the recession.

Contracting work that was in the pipeline is being delayed or shelved due to funding constraints. We are starting to lose some tenants from our small industrial units and a significant prospective tenant for a current industrial development has had to withdraw due to a downturn in workload.

These factors will not have a material impact on the current year's figures. Any effect on next year's figures will depend on the future extent and severity of these trends.

As intimated in the Interim Report, it seems unlikely that the recent significant deterioration in industrial and commercial property values will be reversed before the end of the year. Accordingly it is likely that the requirement of the International Financial Reporting Standards that unrealised gains/deficits in revalued property be included in the Income Statement will erase this year's profits resulting in a headline loss for the year. It will not be possible to gauge the extent of this loss until the year end property portfolio valuation is carried out.

I have no reason to alter my forecast in the Interim Report that, disregarding the impact of revalued property and subject to unforeseen circumstances, the underlying profit for the year will be not less than £4,000,000.

J.M. SMART
Chairman