

J SMART & CO (CONTRACTORS) PLC

14th June 2013

INTERIM MANAGEMENT STATEMENT (for the period 1st February 2013 to date)

Site operations in contracting, private housing and property development are proceeding satisfactorily, albeit at a reducing level of activity as outlined in the Interim Report.

There has been a moderate revival in private house sale enquiries since March.

Demand for small industrial units in our existing Edinburgh estates remains strong. However, letting of new commercial and industrial space continues to be difficult. Moreover, we are now experiencing tenant erosion in our more established office developments.

In contracting declining turnover, deteriorating margins and the cost of redundancies are combining to adversely affect the prospective annual results.

Even at this stage there are too many competing factors and uncertainties to estimate the year end figure with any degree of accuracy. However, it is clear that tenant erosion, together with writedowns in recent unlet developments, will reduce the value of the property portfolio at the year end valuation. In accordance with the dictates of the International Financial Reporting Standards, this will have a negative effect on the headline profit figure for the year. A headline loss is possible.

I anticipate that annual underlying profit, which more truly reflects Group performance, will be considerably less than last year.

J.M. SMART
Chairman