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9 May 2008

Alesco Corporation Limited
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www.alesco.com.au

Ms Sarah Donnelly
Adviser, Issuers (Sydney)
ASX Limited
Exchange Centre
Level 1
20 Bridge Street
Sydney NSW 2000

Email: sarah.donnelly@asx.com.au

Dear Ms Donnelly

ALESCO CORPORATION LIMITED (ASX:ALS)

I refer to your letter of 8 May 2008 and respond to the questions raised in your letter as follows:

- 1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?**

No.

2. Not applicable.

- 3. Is there any reason to think that there may be a change in the forecasted EPS growth for the full-year ending 31 May 2008? If so, please provide details as the extent of the likely variation.**

No however the Company provides a trading update in the attached announcement.

- 4. Is there any other explanation that the Company may have for the price change in the securities of the Company?**

Alesco is not aware of any other explanation.

- 5. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1**

Alesco confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely

LUCI RAFFERTY
Company Secretary

ASX Release - Alesco Corporation Limited (ALS)

TRADING UPDATE

Date: 9 May 2008

Release: 9 May 2008

In light of recent adverse share price movements and in response to the price query letter from the Australian Stock Exchange yesterday, Alesco Corporation Limited provides the following trading update leading up to its 31 May financial year end.

EPS guidance

At the release of Alesco's interim results on 31 January 2008, Alesco confirmed its previous guidance of a growth in earnings per share before amortisation and significant items (**EPS**) guidance for the year to 31 May 2008 at a rate slightly higher than 12.2%. Since then the outlook for new housing in both Australia and New Zealand has continued to deteriorate and consumer demand has slowed in Australia following a further two interest rate rises. The general economic environment in New Zealand also continues to weaken, although Alesco currently generates less than 10% of its revenues in New Zealand. These economic and market factors have, in some part, been further exacerbated by the effects of the Queensland floods earlier in the year.

Despite these deteriorating market conditions, Alesco has continued to improve the operating performance of its businesses through restructuring initiatives, the introduction of new products and improvement in IT systems and business processes. Subject to finalising Alesco's trading results in April, including year-end stocktakes and trading performance in May, which is historically a strong trading month, Alesco remains on track to deliver its EPS guidance.

Ongoing restructuring and operational initiatives

As announced at the half-year, further restructuring and operational improvement has been undertaken within the Garage Doors & Openers division throughout the year. The restructuring followed a review of the Australian business and has resulted in a substantial reduction in the Division's workforce. In addition, the price increases flagged for March in the Australian door business were successfully implemented. As previously indicated, this restructuring will result in a significant item of approximately \$2.5 million before tax in FY08. As previously noted, the majority of this expense was incurred during January 2008 and is expected to provide an annualised benefit to the business of approximately \$2.5 million.

More recently, further restructuring work is taking place to optimise the Division's New Zealand operations which will result in the rationalisation of its manufacturing and warehousing/distribution sites. On completion of this work, the business will have reduced the number of its New Zealand sites from five to two and will have exited its loss-making specialty doors business. The garage door openers assembling operation in New Zealand has now been closed and, as a result, all Australasian garage door opener requirements will be met by the Division's Hong Kong operations. These restructuring activities should be completed by 31 May 2008 and will result in an additional significant item being reported for FY08. It is estimated the amount of the significant item will be approximately \$5.5 million before tax.

At the half-year, Alesco also indicated that it had streamlined the management structure of its Building Products Division, with the integration of Robinhood's Australian operations into the Lincoln Sentry business and the Parbury decorative surfaces business reporting through to Lincoln Sentry effective from 1 February

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2008. Management is confident that these changes will lead to sales growth as the decorative surfaces products will now be offered through the extended Divisional network. It should also create operational improvements and cost savings through the amalgamation of some regional sites. As a consequence, the Parbury head office management team has been made redundant and the Parramatta head office has closed with consequent annualised savings in excess of \$1.0 million. These restructuring initiatives are expected to result in a significant item being reported in FY08 of approximately \$2.0 million before tax.

Other matters

Alesco also stated that the recent heavy rains in Queensland would affect the east coast business of Total Eden McCracken's going forward and that the short-term negative impact was likely to improve over the medium to longer term, particularly with improved water supplies for irrigators in the flood affected regions. The performance of the business has been adversely affected by these conditions which have persisted for longer than anticipated. However, these climatic conditions are now improving, and the Division's east coast business is beginning to return to a more normal level of trading. Operations on the west coast have continued to out-perform during the period.

Our Scientific & Medical and Construction & Mining divisions have continued to perform to expectations.

Alesco's financial year-end is 31 May. Alesco is scheduled to announce its full-year financial results on 29 July 2008. Further details on all of these matters will be provided at this time.

FOR FURTHER INFORMATION:

Mr. Justin Ryan
Chief Executive Officer
Tel: 61 2 9248 2022

Mr. Neil Thompson
Finance Director
Tel: 61 2 9248 2022

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Alesco manages a portfolio of leading industrial brands

Alesco has five divisions: Building Products, Construction & Mining, Garage Doors & Openers, Scientific & Medical and Water Products & Services.

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8 May 2008

Luci Rafferty
Company Secretary
Alesco Corporation Limited
Level 24
45 Clarence Street
Sydney NSW 2000

By Email

Dear Luci

Alesco Corporation Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from the close of \$8.42 on 2 May 2008, to a low of \$7.55 at the time of writing today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the forecasted EPS growth for the full year ending 31 May 2008? If so, please provide details as to the extent of the likely variation.
4. Is there any other explanation that the Company may have for the price change in the securities of the Company?
5. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at sarah.donnely@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

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Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Friday, 9 May 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Sarah Donnelly
Adviser, Issuers
Direct Line: (02) 9227 0361