

30 October 2008

DISTRIBUTION UPDATE

The Directors of BrisConnections advise investors that:

- The Board has resolved to defer the payment of the distribution for the period ended 31 December 2008 (**First Distribution**) to a date after the payment of the Second Instalment on 29 April 2009. Investors will need to pay the call of \$1.00 on their partly paid units prior to being eligible to receive the First Distribution. A revised indicative timetable will be made available on BrisConnections' website shortly.
- The Board intends the distribution for the period ending 31 December 2008 (**First Distribution**) will now be 0.05 cents per stapled unit (\$0.0005 per stapled unit).
- BrisConnections intends to exercise its discretion to cap participation in the Distribution Reinvestment Plan (**DRP**) in respect of the First Distribution so that the maximum number of stapled units that can be issued under the DRP is approximately 24.4 million stapled units. The cap will be designed to contain the dilutive effect of the DRP if the market price of BrisConnections stapled units remains very low and in particular while the stapled units are partly paid, to ensure participants in the DRP do not incur liabilities in respect of the stapled units issued under the DRP which are disproportionate to their holdings.

On 3 September 2008, BrisConnections announced its intention to pay a distribution of 5.95 cents per stapled unit for the period ending 31 December 2008. However, since that time, there has been a significant deterioration in world equity and financial markets. For example, since 3 September 2008, the BrisConnections' security price has suffered a dramatic decline and the ASX All Ordinaries has decreased by approximately 27%.

The advice of Directors has been given in the context of the global financial crisis, the resultant extreme volatility of world capital and financial markets and their impact on the position of BrisConnections. Directors believe that in these circumstances, unprecedented in recent times, it is in the interests of all unitholders for BrisConnections to preserve its capital and therefore advise that the First Distribution is to be reduced accordingly.

The reduction in the level of distribution reflects the importance of preserving BrisConnections' cash reserves given the prevailing market conditions. As contemplated in the BrisConnections' product disclosure statement (**PDS**), proceeds from the initial offer remain available to BrisConnections to pay this distribution but the reduction in the distribution will largely preserve BrisConnections' cash reserves.

The Directors consider the deferral of the First Distribution to be in the best interests of BrisConnections and its unitholders. In particular, there has recently been a significant volume of trading in the units resulting in a significant number of unitholders with smaller holdings entering BrisConnections' register. BrisConnections is concerned that some of these acquisitions may be motivated by the disparity between the current unit price and the anticipated First Distribution. These holders may intend to dispose of the units prior to the payment of the second instalment and, if this is not possible, may have no means to meet calls on subsequent instalments. The Directors consider a deferral of the First Distribution to after the Second Instalment payment date may reduce the number of these trades and avoid the risk of erosion in value for all unit holders.

One consequence of the decision of the BrisConnections' Board to defer the payment of the First Distribution until after the payment of the Second Instalment is that units issued under the DRP will only be subject to the third and Final Instalment. In making this change the Board is conscious that the integrity of the project funding remains in place. In that regard, the change to the intended First Distribution announced today has no impact on the underwriting of the stapled security instalments or BrisConnections' debt facilities.

The purpose of the proposed DRP cap is to ensure that there is not a significant dilution due to the operation of the DRP nor the raising of substantially more capital than was the stated intention in the PDS.

The cap will operate so that the total number of stapled securities to be issued under the DRP are restricted to a specific number of securities. The total exact limit is 24,436,754 stapled units; this number represents the number of units that would have been issued under the DRP assuming the original distribution amount, a 100% participation rate in the DRP and at a notional issue price of \$0.95 after the DRP discount of 5%. Additionally security holders who do not elect out of participating in the DRP will also be capped in the number of stapled securities they receive under the DRP pro rata to their holdings in BrisConnections so that security holders do not incur liabilities disproportionate to their holding. Further details of the DRP cap arrangement will be provided at the time of the distribution announcement.

BrisConnections Chairman Trevor Rowe AM said "The market and the BrisConnections' register has changed to an unprecedented degree during the extraordinarily adverse market conditions in September and October. We must consider all of these factors in determining what is in the best interests of all BrisConnections security holders. In current market conditions the Board has an overriding duty to preserve the capital of BrisConnections to allow for any contingency that may arise.

"While it is extremely disappointing, the Board recognizes that circumstances have changed which required us to make a reassessment of all aspects of the distribution in respect of the first period," Mr Rowe said.

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About BrisConnections

An investment in BrisConnections Unit Trusts comprises a stapled security made up of one unit in BrisConnections Investment Trust and one unit in BrisConnections Holding Trust. Stapled securities in BrisConnections are partly paid securities and are listed on the Australian Stock Exchange under the code "BCSCA". There are 2 further instalments of \$1.00 each per stapled security payable on 29 April 2009 and 29 January 2010 respectively.

BrisConnections has been awarded a 45 year concession to design, construct, operate, maintain and finance the Airport Link tollroad in Brisbane. Airport Link will be a 6.7 kilometre multi-lane electronic free-flow tollroad with dual 5.7 kilometre tunnels. Upon completion, Airport Link will connect Brisbane's northern suburbs with Brisbane's CBD and Brisbane Airport, the North-South Bypass Tunnel and the Inner City Bypass. It will also serve as a key distribution road, connecting some of Brisbane's major destinations such as Brisbane Airport, the CBD, Royal Brisbane Hospital, Australia TradeCoast and Chermside Shopping Centre.



BRISCONNECTIONS

smarter ways to move

Airport Link will be constructed using a world class, innovative design solution, with connections avoiding intersection delays and streamlining traffic flows. Lane configuration will provide for separate traffic movements, with early decision points, to minimise traffic weaving and merging.

BrisConnections will be built around an electronic free-flow tolling design. Electronic free-flow tolling is expected to be mandatory across all Queensland tollroads by July 2009 and Airport Link tags will be fully interoperable with other Queensland and Australian tollroads.

The Airport Link catchment contains 60% of Brisbane's population and Airport Link will address serious traffic issues in the Brisbane metropolitan area, where the growth in peak hour traffic and travel time is currently the highest of any Australian capital city. Brisbane's economic and population growth are projected to continue to exceed the national average. Brisbane Airport is one of Australia's fastest growing Airports, with passenger growth of 10% per annum for the last 5 years.

BrisConnections will also design and construct a portion of the Northern Busway between Windsor and Kedron and an upgrade of the East-West Arterial / Airport Drive / Gateway Motorway interchange at Brisbane Airport, both of which will be funded by the Queensland Government. BrisConnections will not receive any revenue from these projects and they will both be handed over to the Queensland Government upon commissioning.

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delivering **airportlink**
northernbusway
WINDSOR TO KEDRON
airportroundaboutupgrade

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