

BABCOCK & BROWN CAPITAL LIMITED

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ASX Release

11 July 2006

APPROVAL BY ESOT BENEFICIARIES RECEIVED

Babcock & Brown Capital Limited (ASX: BCM) today announced that following a ballot of the eircom Employee Share Ownership Trust (“ESOT”), the ESOT Beneficiaries have approved the ESOT Proposal.

The approval fulfils one of the conditions of the BCM Ireland Holdings Limited (“BCMIH”) recommended Offer for the acquisition of the issued capital in eircom Group plc (“eircom”), which is to be effected by means of a scheme of arrangement (“Scheme”) under section 425 of the United Kingdom Companies Act. The Court Meeting and the Extraordinary General Meeting of eircom shareholders to consider and vote on the Scheme is scheduled to occur on 26 July 2006 in Dublin, Ireland.

The final Court Hearing to approve eircom ordinary shares being suspended from the Official Lists of the UK Listing Authority and the Irish Stock Exchange is expected to occur on 17 August 2006, with the effective date of the Scheme expected to be 18 August 2006. These dates are indicative only and will depend, inter alia, on the date upon which the Court sanctions the Scheme and the Reduction of Capital. If the expected dates change, eircom will give notice of such a change in an announcement through a Regulatory Information Service.

Subject to obtaining these clearances, BCM remains confident that the transaction will be concluded during the third quarter of 2006.

Please see attached a recent announcement made by ESOT to the Irish and United Kingdom Stock Exchanges regarding the outcome of the ESOT Proposal.

For further enquiries please contact:

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About Babcock & Brown Capital

Babcock & Brown Capital is an Australian-based investment company that focuses on a concentrated portfolio with a flexible investment horizon. The

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Company's mandate allows it to build positions in domestic and overseas companies and both listed and private entities. Babcock & Brown Capital concentrates on growing the value of its investments over time. Investments are held while they continue to meet the Company's investment objectives. Babcock & Brown Capital listed on the Australian Stock Exchange in February 2005.

For further information please see our website: www.babcockbrowncapital.com

FOR IMMEDIATE RELEASE

7 July 2006

RECOMMENDED CASH OFFER

for

***eircom* Group plc (“*eircom*”)**

by

**BCM Ireland Holdings Limited
 (“**BCMIH**”)**

Offer update – approval of ESOT Beneficiaries

The *eircom* ESOP Trustee Limited is pleased to announce that, following a ballot of the ESOT Beneficiaries that closed at 1pm on 7 July 2006, the ESOT Beneficiaries have approved the ESOT Proposal.

This approval fulfils one of the conditions to the Offer (which, in this case, needed to be satisfied prior to the Court Hearing taking place, which is expected to be on 17 August 2006).

The Scheme remains conditional as set out in Part 3 of the Scheme Document.

Terms defined in the scheme document dated 13 June 2006 (the “Scheme Document”) shall have the same meanings in this announcement.

Enquiries

ESOT

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N M Rothschild, which is regulated in the United Kingdom by the Financial Services Authority, is acting for the ESOT and no one else in connection with the Offer and will not be responsible to anyone other than the ESOT for providing the protections afforded to the customers of N M Rothschild or for providing advice in relation to the Offer.

Merrion, which is regulated by the Financial Regulator under the Investment Intermediaries Act 1995, is acting as broker to the ESOT and is also giving financial advice to the ESOT and no one else in connection with the Offer and will not be responsible to anyone other than ESOT for providing the protections afforded to its customers or for providing advice in relation to the Offer or any matter or arrangement referred to herein.

The distribution of this announcement in jurisdictions other than the United Kingdom and Ireland may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any applicable legal and regulatory requirements. Any failure to comply with the applicable requirements may constitute a violation of securities law of any such jurisdiction. Further details in relation to Overseas Shareholders are contained in Part 2 of the Scheme Document.

This announcement does not constitute an offer to sell or an invitation to purchase or subscribe for any securities. Any decision in relation to the Offer should be made only on the basis of the information contained in the Scheme Document or any other document by which the Offer is made.

The EU Takeover Directive was implemented in the UK on 20 May 2006 and, as a result, the City Code applies to *eircom*.

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