

BABCOCK & BROWN
CAPITAL LIMITED

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ASX Release

12 July 2006

RECEIPT OF APPROVAL FROM IRISH COMPETITION AUTHORITY

Babcock & Brown Capital (ASX: BCM) announced today that the Irish Competition Authority (the "Authority") has granted its approval of the recommended offer ("Offer") for eircom Group plc ("eircom") by BCM Ireland Holdings Limited. The announcement released to the Irish and London Stock Exchanges is attached to this announcement.

Mr Rob Topfer Executive Director of BCM said "We welcome the decision by the Authority, this is a further step towards completing the recommended Offer, made in conjunction with the *eircom* Employee Share Ownership Trust, announced by BCM on 23 May 2006."

The Court Meeting and the Extraordinary General Meeting of eircom shareholders to consider and vote on the Scheme of Arrangement ("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.

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

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 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

RECOMMENDED CASH OFFER

for

eircom Group plc (“*eircom*”)

by

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

Update on Offer - Irish Competition Authority approval received

1. Introduction

On 23 May 2006 the Independent Directors* of *eircom* and the board of directors of BCMIH announced that they had reached agreement on the terms of a recommended Cash Offer under which BCMIH will acquire the entire issued and to be issued ordinary share capital of *eircom* not already owned by BCMIH. The Offer is to be effected by means of a scheme of arrangement under section 425 of the Companies Act. BCMIH is a company that has been formed for the purposes of Babcock & Brown Capital Limited (“BCM”) and the *eircom* Employee Share Ownership Trust (“ESOT”) jointly making the Offer. The Scheme was subject, inter alia, to receiving the approval of the Irish Competition Authority.

2. Irish Competition Authority

BCMIH is pleased to announce that the Irish Competition Authority (the “Authority”) has granted its approval of the Offer under Section 21(2)(a) of the Irish Competition Act and, accordingly, the Authority has determined that the Scheme may be put into effect.

3. Court Meeting and EGM

The Scheme remains subject to the conditions as set out in Part 3 of the Scheme Document including approval of *eircom* Ordinary Shareholders at the Court Meeting and EGM which are scheduled for 10:45 a.m. and 11:00 a.m. respectively on Wednesday, 26 July 2006 at Portmarnock Hotel & Golf Links, Portmarnock, Co. Dublin, Ireland, apart from the approval of the ESOT Proposal by the ESOT Beneficiaries in a ballot of the ESOT Beneficiaries and Irish Competition Authority, which has already been obtained.

4. General

Definitions used in this announcement have the same meaning as set out in the announcement dated 23 May 2006

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 document by which the Offer is made.

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of *eircom*, all “dealings” in any “relevant securities” of *eircom* (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of *eircom*, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of *eircom* by BCMIH or *eircom*, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk .

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

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

Davy, which is regulated by the Financial Regulator under the Investment Intermediaries Act 1995, is acting as broker to BCMIH and is also giving financial advice to BCMIH and no one else in connection with the Offer and will not be responsible to anyone other than BCMIH 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.

Enquiries

BCMIH

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*The representatives of the ESOT on the *eircom* Board have absented themselves from *eircom* Board discussions in relation to the Offer. Peter Lynch has absented himself from the deliberations of the Board of the ESOT Trustee in relation to the Offer.
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