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CAPITAL LIMITED

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ASX Release

17 July 2006

TENDER AND CONSENT OFFER FOR EIRCOM DEBT

Babcock & Brown Capital Limited (ASX: BCM) today announced that BCM Ireland Holdings Limited (BCMIH), the BCM-controlled entity making the recommended offer (“Offer”) for eircom Group plc (“eircom”), has announced an offer to purchase and consent solicitation (the “Debt Tender”) for certain existing public debt of eircom’s subsidiaries. The Debt Tender is subject, among other things, to the successful completion of the Offer for eircom. The announcement released to the Irish and Luxembourg Stock Exchanges is attached to this announcement.

ENDS

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

BCM Ireland Holdings Limited

NOTICE OF OFFER TO PURCHASE AND CONSENT SOLICITATION

Offer to Purchase for Cash Any and All Outstanding €50,000,000 7.25% Senior Notes due 2013 issued by Valentia Telecommunications and Solicitation of Consents to Amendments to the Related Indenture

Offer to Purchase for Cash Any and All Outstanding €285,000,000 8.25% Senior Subordinated Notes due 2013 and \$250,000,000 8.25% Senior Subordinated Notes due 2013 issued by *eircom* Funding and Solicitation of Consents to Amendments to the Related Indenture

(Listed on the Luxembourg Stock Exchange and the Irish Stock Exchange)

BCM Ireland Holdings Limited (“**BCMIH**”) hereby announces the commencement on July 17, 2006, of its offer to purchase for cash any and all of the (i) €50,000,000 outstanding 7.25% Senior Notes due 2013 issued by Valentia Telecommunications, (ii) €285,000,000 outstanding 8.25% Senior Subordinated Notes due 2013 issued by *eircom* Funding (together with Valentia Telecommunications, the “**Issuers**”) and (iii) \$250,000,000 outstanding 8.25% Senior Subordinated Notes due 2013 issued by *eircom* Funding (collectively, the “**Notes**”), upon the terms and subject to the conditions set forth in the Offer to Purchase and Consent Solicitation Statement dated July 17, 2006 (the “**Offer to Purchase**”). BCMIH is conducting an offer for the purchase of the Notes (the “**Offer**”) from the holders of the Notes (“**Holders**”), subject to the offer restrictions set forth below. In conjunction with the Offer, BCMIH is also soliciting from the Holders consents to the adoption of certain proposed amendments to the indentures (the “**Proposed Amendments**”) under which the Notes were issued (the “**Consent Solicitation**”) that will eliminate or modify substantially all of the restrictive covenants, certain reporting obligations, certain events of default and related provisions.

The “**Total Consideration**” for the Notes will be an amount equal to the present value on the Settlement Date (as defined below) of all future cash flows on the euro denominated Notes and the dollar denominated Notes, respectively, to August 15, 2008, being the first date on which the Notes may be redeemed at the option of the Issuers, calculated in accordance with standard market practice, plus accrued and unpaid interest thereon, as more fully described in the Offer to Purchase. The calculation of future cash flows is based, in part, on the yield on the Reference Security plus the Fixed Spread, each as set forth in the table below. Included in the Total Consideration is a consent payment equal to (i) €30 per €1,000 principal amount of the euro denominated Notes or (ii) \$30 per \$1,000 principal amount of the dollar denominated Notes (the “**Consent Payment**”) which is payable to any Holder that validly tenders their Notes pursuant to the Offer at or prior to the Consent Deadline (as defined below). The “**Tender Consideration**” is equal to the Total Consideration minus the Consent Payment. The Total Consideration and the Tender Consideration will be determined at or around 3:00 p.m. on August 15, 2006, unless extended by BCMIH (the “**Price Determination Date**”).

All Holders that tender their Notes at or prior to the Consent Deadline pursuant to the Offer will be deemed to have delivered their consent to the Proposed Amendments to the indentures. Holders may not tender their Notes at or prior to the Consent Deadline without consenting to the adoption of the Proposed Amendments.

The following table provides information with respect to the Notes and summarizes terms material to the determination of the Total Consideration and the Tender Consideration:

<i>Security Description</i>	<i>Common Codes/ ISINs</i>	<i>Outstanding Principal Amount</i>	<i>Reference Security</i>	<i>Fixed Spread (in basis points)</i>	<i>Consent Payment</i>
7.25% Senior Notes due 2013 issued by Valentia Telecommunications	017382551, 017382659, 017892738, XS0173825513, XS0173826594 and XS0178927389	€50,000,000	German Bundesobligationen 4.75% due July 4, 2008	50	€30.00 per €1,000 principal amount
8.25% Senior Subordinated Notes due 2013 issued by <i>eircom</i> Funding	017382764, 017892762, 017382713, XS0173827642, XS0178927629 and XS0173827139	€285,000,000	German Bundesobligationen 4.75% due July 4, 2008	50	€30.00 per €1,000 principal amount
8.25% Senior Subordinated Notes due 2013 issued by <i>eircom</i> Funding	017409344, 017409379, 017952935, US28257PAB13, USG2951QAB61 and US28257PAC95	\$250,000,000	4.125% United States Treasury Note due August 15, 2008	50	\$30.00 per \$1,000 principal amount

The Offer will expire at 4:00 p.m., London time, on August 17, 2006, unless extended or earlier terminated (the “Expiration Date”). Holders who wish to receive the Total Consideration must validly tender their Notes at or prior to 3:00 p.m., London time, on July 28, 2006, which date and time, as it may be extended, is referred to as the “Consent Deadline”. Holders who tender their Notes after the Consent Deadline and at or prior to the Expiration Date will receive only the Tender Consideration. All Holders who tender their Notes before the Consent Deadline will be deemed to have delivered their consent. Holders may not tender their Notes at or prior to the Consent Deadline without consenting to the adoption of the Proposed Amendments. Tendered Notes may be withdrawn and consents may be revoked at any time prior to the Consent Deadline, but not thereafter.

If the Notes are accepted for payment pursuant to the Offer, Holders who validly tender (and do not validly withdraw) their Notes pursuant to the Offer at or prior to the Consent Deadline will receive on the Settlement Date the Total Consideration, which includes both the Tender Consideration and the Consent Payment. Holders that validly tender their Notes after the Consent Deadline, but at or prior to the Expiration Date, will receive on the Settlement Date only the Tender Consideration. In both cases, Holders will receive on the Settlement Date accrued interest up to, but not including, the Settlement Date. No tenders will be valid if submitted after the Expiration Date.

The “**Settlement Date**” is expected to be August 21, 2006, unless extended, in which case the Settlement Date shall occur promptly after the Expiration Date.

BCMIH’s obligation to pay for Notes validly tendered pursuant to the Offer is subject to the satisfaction of certain conditions, including, but not limited to, the satisfaction of the Requisite Consents Condition, the Financing Condition, the Acquisition Condition and the General Conditions, as more fully described in the Offer to Purchase. BCMIH reserves the right, in its sole discretion, to waive any and all conditions to the Offer.

Holders should read the Offer to Purchase carefully before making any decision whether or not to participate in the Offer and Consent Solicitation. Before accepting the Offer, Holders are recommended to seek their own financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Any Holder whose Notes are held on its behalf by a broker, dealer, commercial bank, trust company or other nominee must contact such entity if they wish to accept the Offer.

None of BCMIH, the Issuers, the Guarantors, the Trustees, the Paying Agents, the Sole Dealer Manager, the Tender Agents, the Depository Agent or the Information Agent makes any recommendation about whether Holders should tender their Notes.

The Offer to Purchase sets out the full terms of the Offer and Consent Solicitation. Copies of the Offer to Purchase are available from the Principal Tender Agent or the Information Agent, at the addresses set out below.

The Offer to Purchase does not constitute an offer to buy or the solicitation of an offer to sell Notes, and offers to sell will not be accepted from Holders in any jurisdiction in which such offer or solicitation is unlawful. In those jurisdictions where the securities or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of BCMIH by the Sole Dealer Manager, which is Deutsche Bank AG, London Branch, or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Requests for information in relation to the Offer should be directed to:

The Sole Dealer Manager

Deutsche Bank AG, London Branch

Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom

Attn: Liability Management Group
Tel: + 44 (0)20 7545 8011
Email: liability.management@db.com

or

The Principal Tender Agent

Deutsche Bank AG, London Branch

Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom

Attn: Trust & Securities Services
Tel: + 44 (0)20 7547 5000
Email: xchange.offer@db.com

or

The Information Agent

D.F. King & Co., Inc.

48 Wall Street, New York, New York 10005

Tel. (collect) for banks and brokers: + 1 (212) 269 5550

Tel. (toll free) for all others: + 1 (800) 859 8511

Offer Restrictions

United Kingdom. The Offer to Purchase has been issued by and is the sole responsibility of BCMIH and is only for circulation to Holders and other persons in the United Kingdom to whom it may lawfully be communicated in accordance with the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, any person satisfying this criteria being referred to as a “relevant person.” The communication may not be acted upon in the United Kingdom by anyone who is not a relevant person.

Italy. Neither the Offer made by the Offer to Purchase nor any of the information contained in the Offer to Purchase constitutes an offer or an invitation to offer to sell or a promotional message of any form to any person (natural or legal) resident in the Republic of Italy to purchase, exchange or acquire the Notes, within the meaning of articles 1, lett. (v), and 102. ff, of Legislative Decree February 24, 1998, n. 58. The Offer is not being made and will not be made, directly or indirectly, in or into, whether by mail or by any means or other instrument (including, without limitation, telephonically or electronically) or any facility of a national securities exchange publicly or privately available in the Republic of Italy. An Offer to sell should not be made pursuant to the Offer by any such use, means, instrument or facility or from within the Republic of Italy. Doing so may render invalid any purported offer to sell. Accordingly, copies of the Offer to Purchase and any related documents should not be mailed or otherwise forwarded, distributed or sent in, into or from the Republic of Italy and persons receiving such documents must not forward, distribute or send them in, into or from the Republic of Italy. Therefore, Holders are hereby notified that, to the extent such Holders are Italian residents or are located in the Republic of Italy, the Offer is not available to them and, as such, any acceptance instruction on whatever form received from such person shall be void. Any person who may have a legal or contractual obligation to forward the Offer to Purchase and any related offer documents in the Republic of Italy should read the Offer to Purchase before doing so. No prospectus will be lodged with, or registered by, the *Commissione Nazionale per le Società e la Borsa* (CONSOB) in respect of the Offer. Accordingly, neither the Offer to Purchase nor any other material relating to the Offer may be distributed or made available in the Republic of Italy.

Belgium. In Belgium, the Offer is not, directly or indirectly, being made to, or for the account of, any person other than to professional or institutional investors referred in article 3, 2° of the Belgian royal decree of 7 July 1999 on the public character of financial operations, each acting on its own account. The Offer to Purchase has not been and will not be submitted to nor approved by the Belgian Banking, Finance and Insurance Commission (*Commission Bancaire, Financière et des Assurances/Commissie voor het bank, Financie en Assurantiewezzen*) and, accordingly, may not be used in connection with any offer in Belgium except as may otherwise be permitted by law.

France. The Offer is not being made and will not be made, directly or indirectly, to the public in the Republic of France. Only (i) qualified investors (*investisseurs qualifiés*) and/or (ii) a restricted group of investors on the condition that they will invest for their own account (*cercle restreint d'investisseurs*) all as defined and in accordance with Article L. 4111-2 of the French Code Monétaire et Financier and decree no. 98-880 dated 1 October 1998 are eligible to accept the Offer in France.