

## BABCOCK & BROWN CAPITAL LIMITED

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### ASX Release

25 May 2006

#### **Eircom Recommended Offer - Additional Undertakings Received**

Please find attached a regulatory announcement made in the United Kingdom in relation to the recommended offer for eircom Group plc (eircom). The announcement confirms that BCM Ireland Holdings Ltd has received irrevocable undertakings from the representatives of the eircom Employee Share Ownership Trust (ESOT) on the eircom Board to vote in favour of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting.

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](http://www.babcockbrowncapital.com)

#### **About eircom (EIR.I)**

eircom was privatised in 1999, and was then the subject of a private equity buy out in 2001. It was re-listed in 2004 on both the London & Irish Stock Exchanges. eircom owns Ireland's copper and fibre backbone telecommunications network. It is the dominant provider of fixed line wholesale and retail telecommunication services. eircom has recently acquired Meteor, a mobile telecommunications business, which has a rapidly growing 13% share of the mobile market. It also has 77% market share in the fast growing DSL market.

For immediate release

24 May 2006

## RECOMMENDED CASH OFFER

for

*eircom* Group plc (“*eircom*”)

by

BCM Ireland Holdings Limited  
 (“BCMIH”)

## IRREVOCABLE UNDERTAKINGS

### 1. Introduction

On 23 May 2006 the Independent Directors<sup>1</sup> 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.

### 2. Irrevocable Undertakings

BCMIH is today announcing that, in addition to the irrevocable undertaking received from the Independent Directors and disclosed in the announcement dated 23 May 2006, BCMIH has received irrevocable undertakings from the representatives of the ESOT on the *eircom* Board, namely Con Scanlon, John Conroy and Cathal Magee, to vote in favour of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting, in respect of a total of 1,313,655 *eircom* Ordinary Shares, representing approximately 0.1 per cent. of *eircom*’s existing issued ordinary share capital.

### 3. 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.

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<sup>1</sup> 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.

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](http://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.

## **Enquiries**

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### **BCMIH**

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