

BABCOCK & BROWN CAPITAL LIMITED

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ASX Release

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BCM CONCLUDES A\$6.1 BILLION FINANCING PACKAGE

Babcock & Brown Capital (ASX: BCM) is pleased to announce that it has finalised the terms of its debt financing package in relation to BCM Ireland Holdings Limited ("BCMIH") offer for eircom Group plc ("eircom").

Rob Topfer Executive Director of BCM said "eircom is a highly recognised name in the European credit markets and we worked with our underwriting banks to achieve a very attractive rating and debt package.

"The Senior Debt Facilities and the Floating Rate Note benefited from exceptionally strong investor demand, with the pricing on both facilities significantly below that assumed in our business plan. At the current EURIBOR rate of 3.19%, the weighted average cost of the whole debt package is 6.52% p.a.¹.

"Moody's and S&P have assigned corporate ratings of Ba3 / BB- and subordinated ratings of B2 / B."

The debt financing is comprised of €3.65 billion of Senior Secured Facilities (including €150 million of undrawn revolving facility) and a €350 million Senior Floating Rate Note. The key terms of the debt package are:

Facility	Amount (EUR m)	Maturity	Repayment	Margin (bps)
Term Loan A	650	7 years	Amortising	E + 200
Term Loan B	1,250	8 years	Bullet	E + 237.5
Term Loan C	1,250	9 years	Bullet	E + 275
Total First Lien Debt	3,150			
Second Lien	350	9.5 years	Bullet	E + 425
Total Senior Debt	3,500			
Revolving Credit Facility	150	7 years	Bullet	E + 200
Total Senior Facilities	3,650			
Floating Rate Notes ^(*)	350	10 years	Bullet	E + 500
Total Debt	4,000			

(*) Non call 1 year with prepayment penalty of 102% in Year 2 and 101% in Year 3

¹ In respect of €1.5 billion of financing the weighted average cost of debt is 6.00%. BCM has entered into interest rate swaps in respect of €2.5 billion of debt facilities with 50% for 3 years and 50% for 5 years, and assuming swapped rates of 3.71% the weighted average cost of debt is 6.52%.

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Background to the Offer for eircom

On 23 May 2006 BCM Ireland Holdings Limited ("BCMIH") a BCM controlled subsidiary announced an \$8 billion recommended offer ("Offer") for the acquisition of the issued capital in eircom, which is to be effected by means of a scheme of arrangement ("Scheme") under section 425 of the United Kingdom Companies Act. eircom shareholders, at a meeting on the 26 July 2006 in Dublin Ireland, voted in favour of the Scheme.

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.

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