

Babcock & Brown Capital September 07 Quarter Update

28 November 2007

AGENDA

- BCM Snapshot
- eircom Operational Update
- Golden Pages Update

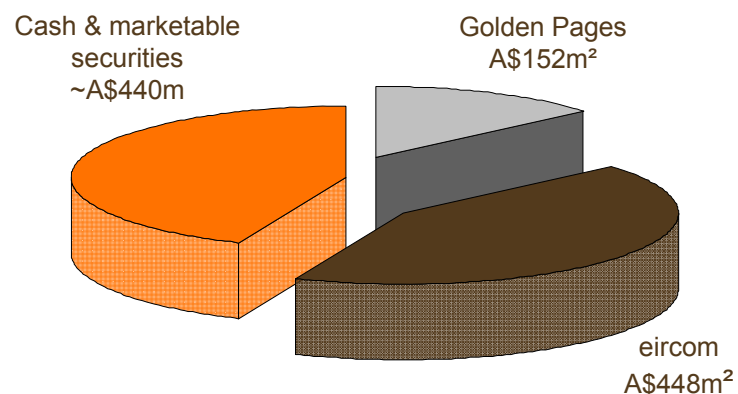
BCM SNAPSHOT

ASX Code	Babcock & Brown Capital Ltd: BCM
Market cap ¹	A\$890m (A\$4.45 share price)
ASX Indices inclusion	ASX 200
Balance date	30 June
Further information	www.babcockbrowncapital.com Deborah Kelly +61 2 9229 1800

Investment Philosophy

- An Australian-based listed private equity company
- BCM's primary goal is to achieve strong risk-adjusted returns over the medium-term
- Taking positions globally in listed and private entities
- Building a concentrated portfolio of investments with predictable cash flows
- Pursuing active investment management

Current Portfolio^{1 2}



*Increasing equity value
emerging over time*

¹ As at 27 November 2007

² Equity amount invested

BCM SNAPSHOT



eircom performing strongly

Ireland's largest fixed line telecoms and internet service provider, and fastest growing mobile business

Acquired 57.1% in Aug 06 (Total EV¹ of ~A\$8bn (€4.8bn))

Business performing well and slightly ahead of acquisition expectations

- Solid fixed line revenue and EBITDA
- ~18.5% mobile market share² and growing

Value enhancing achievements, incl acquisition of 3G mobile licence, investment in networks, post-acquisition refinancing of debt and development and sale of real estate



Well positioned in a tech savvy, high growth country: Israel

Israel's largest directory and local search business

Acquired 100% in Aug 07 for EV¹ of ~A\$248m, representing 10.3x FY07 EBITDA (compares very favourably with recent acquisitions such as Yellow Pages in New Zealand at 14x EBITDA)

New opportunities to expand the platform constantly being reviewed

BCM to investigate opportunities to optimise capital structure

Marketable

securities and cash

~A\$440m portfolio of a small number of listed stocks and cash

¹ Enterprise value

² eircom management estimate

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eircom – INVESTMENT SCORECARD

Fixed Line

Maintain fixed line EBITDA at ~€150m per qtr, ~€600m p.a.



Actual EBITDA¹ ** qtr ended:

Sept 07 – €147m

Jun 07 – €145m

Mar 07 – €145m

Dec 06 – €143m

Sept 06 – €157m

Mobile

Attain historical European average 3rd player market share of 20%



Actual market share qtr ended*:

Sept 07 – 18.5% market share

June 07 – 18.2% market share

Mar 07 – 17.9% market share

Dec 06 – 17.4% market share

Sept 06 – 16.5% market share

Grow mobile phone subscribers



Actual subscribers qtr ended*:

Sept 07 – 908,000 subs

June 07 – 875,000 subs

Mar 07 – 832,000 subs

Dec 06 – 803,000 subs

Sept 06 – 734,000 subs

Attain historical European average 3rd player EBITDA margin of 30%



Actual EBITDA margin % qtr ended: **Sept 07 – 24% (24%²)**

Jun 07 – 22% (22%²)

Mar 07 – 23% (18%²)

Dec 06 – 15% (14%²)

Sept 06 – 18% (13%²)

In a growth phase, more EBITDA is spent on customer acquisition than in a mature market. EBITDA margins also improve with scale

¹ Before fair value adjustments

² Post incentive costs

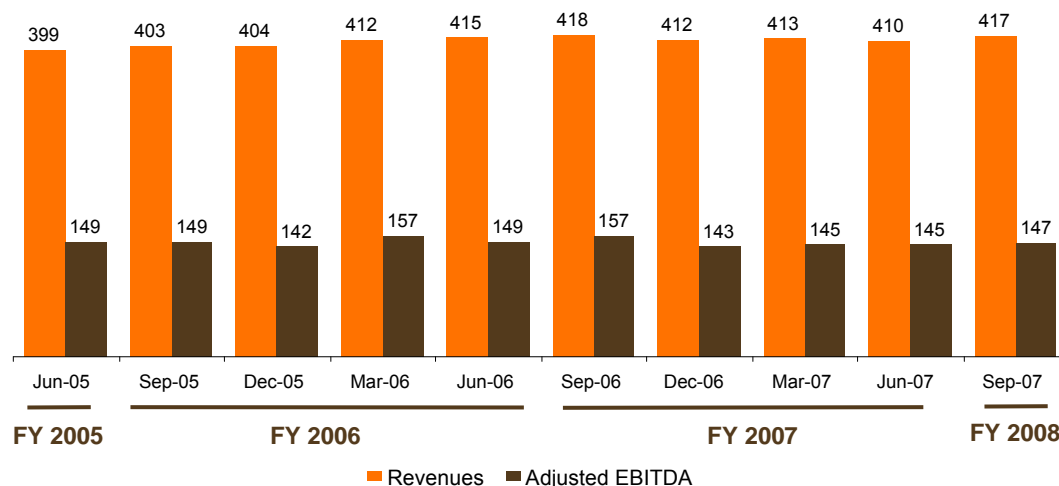
* Source: ComReg Quarterly reports and company estimates

** After €10m p.a. management fees to BCM Ireland Equity

eircom SEPTEMBER 07 QUARTER UPDATE

Fixed

- Revenue remains flat over same period last year
- 1% increase year on year in the number of new fixed lines (excluding DSL)
- 63% increase year on year in the number of broadband customers from 300,000 to 490,000
- €147m EBITDA¹, 1% increase on previous quarter
- Restructuring programmes progressing – 220 exit applications approved to date



Quarterly revenue and
Adjusted EBITDA¹
(Jun-05 to Sept-07)

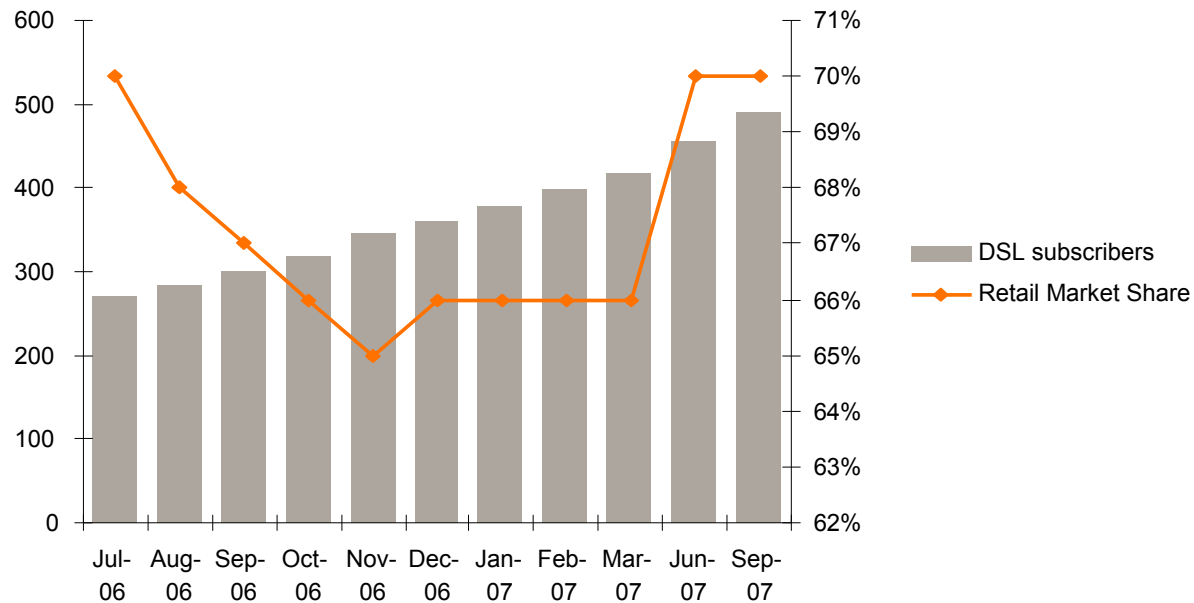
Source: eircom management accounts

¹ EBITDA before restructuring costs, transaction costs, non-cash pension charge/credit and profit on disposal of property and investments. Before Fair value adjustments and after Management fees.

eircom SEPTEMBER 07 QUARTER UPDATE CONT

Broadband

- 35k net DSL customer adds in the Sept quarter, resulting in 490k total subscribers at 30 Sept 07, 8% increase from previous quarter
- Net adds 24% ahead compared to September 06
- DSL channels 63% ahead year on year
- Retail share of DSL is now 70%¹

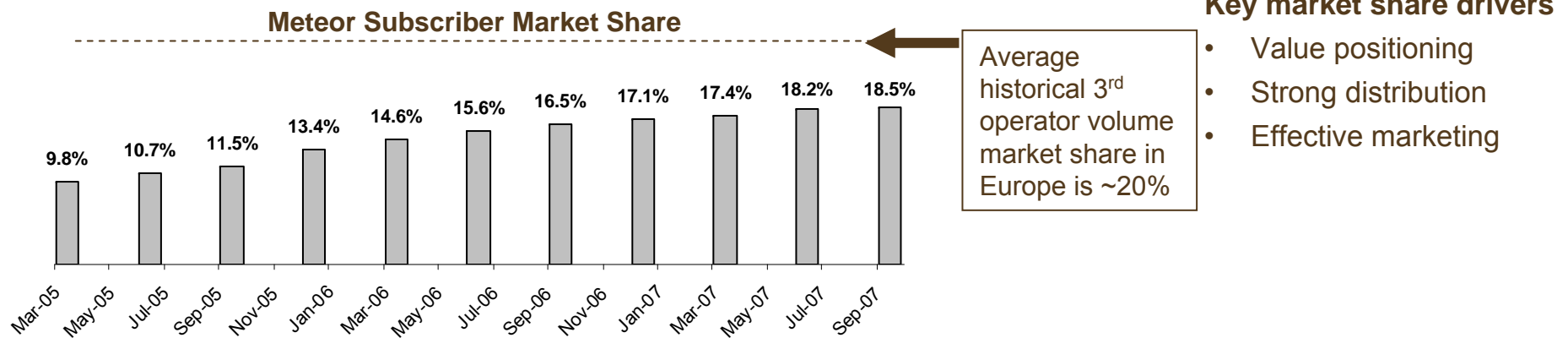


eircom SEPTEMBER 07 QUARTER UPDATE CONT

Mobile

- Increase in market share to 18.5% in September 2007 from 16.5% in September 2006¹
- Revenue of €116m up from €87m year on year as subscriber base grows and activity increases
- EBITDA of €28m a 17% increase on previous quarter and more than double the prior corresponding period
- Remains one of Europe's fastest growing mobile operators

¹ ComReg quarterly reports and company estimates

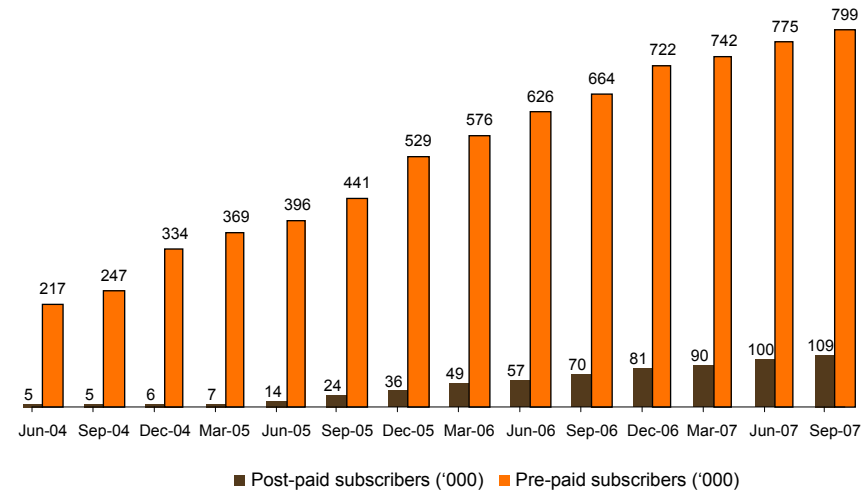


Source: ComReg and company estimates for market share, JPMorgan for average 3rd operator market share

eircom SEPTEMBER 07 QUARTER UPDATE cont

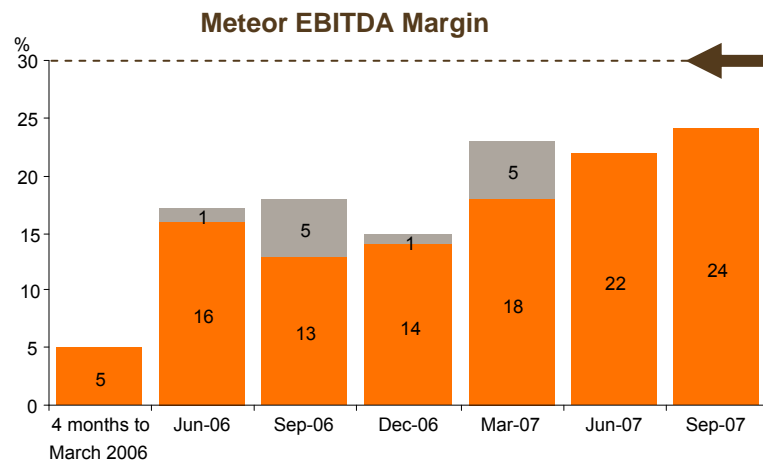
Mobile cont

- EBITDA margin¹ for the Sept 2007 quarter of 24% up from 22% in the June 2007 quarter and 13% in the Sep 06 quarter
- 19% increase in the number of net subscribers from 734,000 to 908,000 yoy
 - 88% pre-pay/ 12% post-pay
- Blended ARPU of €41.53, up from €39.60 in the prior year



Source: eircom management results

¹ Includes management incentive fee costs



Average historical 3rd operator EBITDA margin in Europe is ~30%

Key EBITDA drivers

- Increased net subscriber base
- Scale effect increasingly having an impact

Source: eircom management results, JPMorgan for average 3rd operator market share

* incentive fee costs are highlighted separately

eircom SEPTEMBER 07 QUARTER UPDATE CONT

Restructuring Programme

- Plans progressing - 189 exits at end September 2007
- Management reiterates target of 900 exits over 3 years

Property Sales

- Disposal of Radio Mast Access business for €155 million, proceeds will be invested in core business operations
- Existing property portfolio currently under review

Broadband rollout

- Target of 500,000 broadband customers by end 2007 exceeded - c. 518,000 DSL subscribers at 15 November 2007
- Accelerated rollout of broadband to 917 exchanges is underway, 503 enabled as at 30 September

New Business

- eircom awarded contract to provide telecommunications services to Northern Irish Civil Service.
- Contract runs for 6 to 10 years and is valued at up to €100 million

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GOLDEN PAGES – INVESTMENT SCORECARD

		YEAR TO DATE	QUARTER	
GOLDEN PAGES PRINT Manage print earnings	▶	Net Revenue	9 months ended: Sept 07 – NIS 137m Sept 06 – NIS 133m	Q107 – NIS 44m Q106 – NIS 44m
		EBITDA	Sept 07 – NIS 43m Sept 06 – NIS 48m	Q107 – NIS 13m Q106 – NIS 14m
		Subscribers	30 Sept 07 – 29,301 31 Dec 06 – 29,700	
GOLDEN PAGES ONLINE Grow online revenue	▶	Net Revenue	Sept 07 – NIS 30m Sept 06 – NIS 21m	Q107 – NIS 11m Q106 – NIS 7m
		EBITDA	Sept 07 – NIS 4m Sept 06 – NIS 0.1m	Q107 – NIS 4m Q106 – NIS 3m
		Billable customers	30 Sept 07 – 15,103 31 Dec 06 – 10,000	
LOCAL SEARCH & INFORMATION BUSINESSES* Grow local search and information businesses	▶	Net Revenue	Sept 07 – NIS 64m Sept 06 – NIS 46m	Q107 – NIS 33m Q106 – NIS N/A
		EBITDA	Sept 07 – NIS 17m Sept 06 – NIS 14m	Q107 – NIS 10m Q106 – NIS N/A

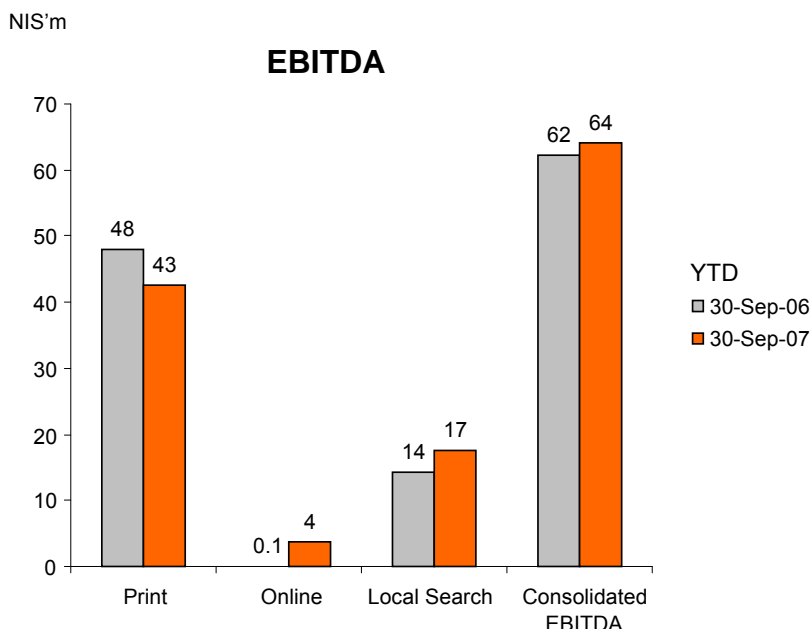
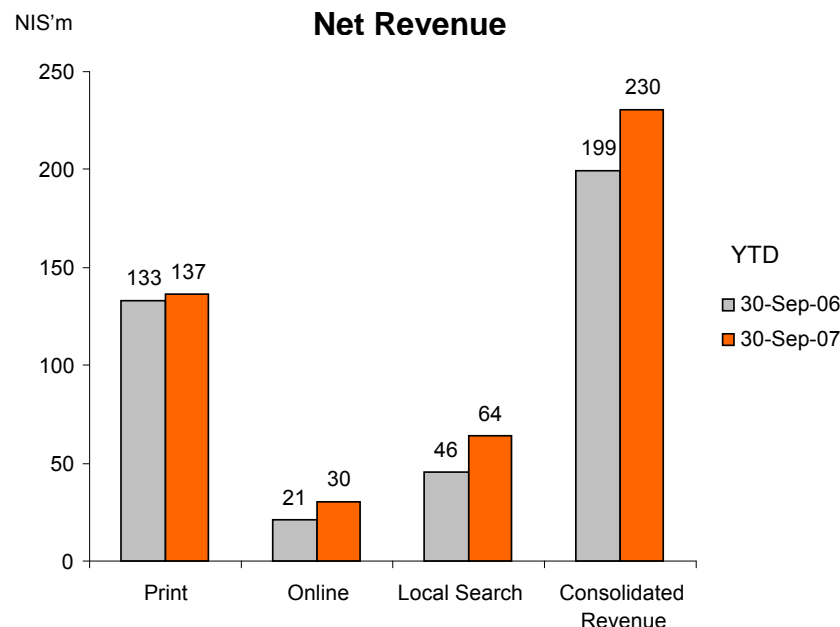
*Includes Dun & Bradstreet
 NIS = New Israeli Shekel

GOLDEN PAGES – OPERATIONAL UPDATE

Net Revenues

YTD 9 months ending 30 Sept 07

- Print net revenue 3% higher than previous corresponding 9 month period
- Strong growth in Online net revenue of 44%
- Growth in local search and information businesses (including Dun & Bradstreet) of 39%



EBITDA

YTD 9 months ending 30 Sept 07

- Increase in Online EBITDA from NIS 0.1m to NIS 3m
- Increase in local search and information businesses (including Dun & Bradstreet) of 19% from previous period
- Print EBITDA effected by higher targeted marketing spend



Thank you

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