



## ASX Release

18 December 2007

### BCM STRENGTHENS EIRCOM DEBT HEDGING

Babcock & Brown Capital Limited (“BCM”) today announced that it has entered into €500 million of additional five-year interest rate swaps\* in relation to debt over the investment in eircom Group plc (“eircom”). The swaps are effective from 19 December 2007.

BCM has interest rate swaps in place over €3 billion (~ 80%) of the total eircom senior debt facility of €3.8 billion, with ~ 80% hedged for two years and ~ 50% hedged for four years. eircom’s weighted average cost of debt is ~ 7%.

Rob Topfer, Director of BCM said, “In the current general market uncertainty, it is very pleasing to note that eircom has a secure and long-dated debt profile with a weighted average term of eight years. eircom has continually met its quarterly covenants on cash, interest cover, and senior and total debt leverage. Further eircom has an undrawn working capital facility of €150 million”.

Facility	Amount (EUR m)	Maturity	Repayment	Margin (bps)
Tranche A	611 <sup>1</sup>	Sep 2013	Amortising	E + 175
Tranche B	1,250	Sep 2014	Bullet	E + 187.5
Tranche C	1,250	Sep 2015	Bullet	E + 212.5
<b>Total First Lien Debt</b>	<b>3,130</b>			
Second Lien Debt	350	Mar 2016	Bullet	E + 425
<b>Total Senior Debt</b>	<b>3,480</b>			
Floating Rate Notes	350	Sep 2016	Bullet	E + 500
<b>Total Cash Pay Debt</b>	<b>3,830</b>			
PIK Notes <sup>2</sup>	460	Feb 2017	Bullet	E + 700
<b>Total Debt</b>	<b>4,271</b>			

<sup>1</sup> Initial draw down €650m

<sup>2</sup> Includes capitalised interest on initial face value of €425m

\* Fixed rate of 4.477% semi-annual payments

BABCOCK & BROWN  
CAPITAL LIMITED

“As recently advised, BCM will provide an update on the performance of its investments in terms of their current operations, value recognition, realisation triggers and possible returns to shareholders by the end of the first quarter 2008,” Mr Topfer said.

**ENDS**

**Further Information:**

Erica Borgelt  
Investor Relations  
Babcock & Brown  
+61 2 9229 1800

**About Babcock & Brown Capital Limited**

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.

**eircom**

BCM holds a 57.1% interest in eircom representing an investment of approximately \$448 million. Associates of Babcock & Brown hold an additional 7.9% and existing and former employees hold the remaining 35% through their share ownership trust, the ESOT.

eircom owns Ireland's copper and fibre backbone telecommunications network. It is the largest provider of fixed line wholesale and retail telecommunication services in Ireland and has 70% of the fast growing broadband market. eircom’s mobile business has a rapidly growing 18.5% share of the mobile market.

**Golden Pages**

BCM acquired Golden Pages in July 2007. Golden Pages is the leading Israeli directories business with portfolio of complementary directory and search businesses operating across four distribution platforms.

Golden Pages was acquired for an enterprise value of A\$248 million, requiring an equity investment of A\$152 million.

For further information please see our website: [www.babcockbrowncapital.com](http://www.babcockbrowncapital.com)