

BABCOCK & BROWN CAPITAL LIMITED

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STRONG RESULTS DELIVER 87% INCREASE IN EBITDA

Group Financial Highlights

- EBITDA of A\$793.3 million up 87% on previous corresponding period (“pcp”)
- Consolidated profit of A\$92.7 million up from a loss of A\$0.2 million on pcp
- EPS of 46.4c, an increase exceeding 100% on pcp
- NAV A\$5.19 per share vs A\$4.66 at 30 June 2007

Operational Highlights

eircom

- Maintained fixed line EBITDA at ~ €150 million per quarter in line with guidance
- 48% increase in fixed line broadband subscribers year on year
- 90% increase in Meteor EBITDA year on year
- Meteor market share of 18.9%, an increase of almost 2% year on year

Golden Pages

- EBITDA of NIS90 million up 23% pcp
- Stable Golden Pages EBITDA pcp
- 100% growth in online EBITDA on pcp

Overview

Babcock & Brown Capital Limited (“BCM”) today announced earnings before interest, tax, depreciation and amortisation (“EBITDA”) for the six months to 31 December 2007 of A\$793.3 million, an increase of 87% on the previous corresponding period.

Commenting on the half year results, Kerry Roxburgh, Independent Chairman of BCM said, “We are delighted with the strong operating performance of both eircom and Golden Pages which translates into a consolidated profit for the half-year attributable to members of A\$92.7 million, an increase exceeding 100% over the prior year. This represents earnings per BCM share of 46.4 cents for the period.

“BCM remains well capitalised with cash of approximately A\$460 million in a challenging global credit market environment. Both eircom and Golden Pages have secure long dated debt profiles which are non-recourse to BCM.”

eircom

Rob Topfer, Director of BCM said, “The strong and consistent operating performance of both eircom’s fixed line and mobile business contributed €354 million to eircom Group EBITDA for the six months, an increase of 8% on the previous corresponding period.

“Fixed line EBITDA remained very resilient at ~€150 million per quarter. Broadband take-up continues to grow strongly with eircom adding 174,000 DSL customers bringing the total number of DSL subscribers to 534,000 at 31 December 2007, an impressive 48% increase year on year and surpassing its previously stated target of 500,000 DLS subscribers. Retail subscriber numbers at the end of the period represent 71% of the total Irish retail DSL broadband market.

“The performance of the Meteor mobile business resulted in an increase in EBITDA of 90% on the previous corresponding period. Meteor continues to gain market share increasing its position from 17% in December 2006 to 18.9% in December 2007.

“The slight decrease in Meteor’s EBITDA margin on the previous quarter reflects subscriber upgrades and increased acquisitions during the Christmas period. Despite this Meteor’s EBITDA margin of 22% (including management incentive costs) was 32% higher than the previous December quarter and Meteor remains on track to achieving our stated target EBITDA margin of 30%.

“eircom has a high cash-generating capacity with an annualised running cash yield of approximately 20.8%.

“eircom’s hedging profile was further strengthened in December 2007 when the interest rate swap position was extended to cover ~80% of eircom’s €3.8 billion total cash-pay debt.

“With 222 voluntary leaving packages taken up at 31 December 2007, the Voluntary Leaving Program remains on track to achieve a total reduction of 900 within three years.

Golden Pages

“We are very pleased with the early performance of our Golden Pages investment which achieved NIS90 million EBITDA for the full year ended 31 December 2007.

“Golden Pages has maintained print revenue at NIS182 million year on year and grown the online and Local Search & Information Businesses EBITDA from NIS11 million to NIS31 million year on year.

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“The recent NIS400 million refinancing of Golden Pages debt package facilitated a NIS150 million return of capital to BCM (~ A\$43 million allowing for existing hedges) and provided for a new working capital and acquisition facility NIS150 million. This places Golden Pages in a very strong position to continue its program of value enhancing acquisitions.”

Outlook

“We are confident that BCM’s underlying investments will continue to meet or exceed the targets referred to above. Both eircom and Golden Pages remain firmly on track to deliver consistent results for FY07/08,” Mr Roxburgh concluded.

Attachments

- An investor presentation which includes information intended to provide investors with the metrics for evaluating the performance and underlying value of eircom
- Financial accounts for BCM Ireland Finance Limited (“BCMIF”) and BCM Ireland Preferred Equity Limited (“BCMIFE”). BCMIF and BCMIFE are single purpose financing entities in the Babcock & Brown Capital / eircom Group corporate structure.

We are required to provide BCMIF accounts to holders of the floating rate notes issued out of BCMIF and BCMIFE accounts to holders of the PIK notes issued out of BCMIFE.

ENDS

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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. 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 Securities 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 71% of the fast growing retail DSL broadband market. eircom's mobile business has a growing 18.9% 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\$150 million. Following the refinance in February 2008 the equity investment is currently A\$107 million.

For further information please see our website: www.babcockbrowncapital.com