

BABCOCK & BROWN CAPITAL LIMITED

Babcock & Brown Capital Limited · ABN 31 112 119 203 · www.babcockbrowncapital.com
Level 23 The Chifley Tower · 2 Chifley Square · Sydney NSW 2000 Australia · T +61 2 9229 1800 · F +61 2 9231 5619
Level 51 South Tower · 525 Collins Street · Melbourne VIC 3000 Australia · T +61 3 9627 2800 · F +61 3 9629 8040



ASX Release

14 March 2008

SHAREHOLDERS TO APPROVE CAPITAL MANAGEMENT PROGRAM

Babcock & Brown Capital Limited (BCM) today announced the convening of a General Meeting of shareholders on Monday, 21 April 2008, to approve the capital management program outlined in its Investment Review of 28 February 2008. In its Investment Review, BCM announced that it intended to spend at least \$310m on capital management programs over a period of twelve months.

Shareholder approval will be sought to buy back up to 100 million shares or 50% of BCM's ordinary shares (the "Buy-Back Resolution"). The Company may decide to buy back some or all of this capital off-market using one or more tender processes and/or on-market using an expanded on-market buy-back program (together the "Buy-Back Program").

The BCM Directors unanimously recommend that shareholders approve the Buy-Back Resolution.

Indicative Timetable

Subject to receipt of appropriate ASIC and ASX waivers, an indicative series of actions and dates relating to the Buy-Back Program are set out below:

Date	Action
On or about 20 March 2008	Notice of Meeting sent to shareholders
On or about 2 April 2008	Subject to Board decision to proceed, announcement of initial off-market tender process
On or about 14 April 2008	Despatch of off market tender booklets to shareholders
21 April 2008	General meeting of shareholders to approve the Buy-Back Resolution
Before 31 May 2008	Subject to approval of the Buy-Back Resolution, opening and completion of initial off market tender

BCM has an existing on-market buy-back program in place to acquire 19.98 million shares or 9.99% of BCM's issued share capital and as at 13 March 2008 had acquired 11,692,685 shares at an average cost of \$3.94 (exc. brokerage).

Subject to the specified volume limits, this program will continue up until the General Meeting.

Process

The BCM Board is contemplating an off-market tender and assuming the necessary shareholder and regulatory approvals are obtained would expect to open and complete an initial off-market tender before 31 May 2008. No final decision has yet been made regarding the timing, size or buy-back price of any off-market tender. Ultimately, in relation to any off-market tender, once the tenders are received, the Board will decide whether to accept any, all or some portion of the tenders received. Further, while BCM continues to pursue its existing on-market buy-back program, no decision has yet been made regarding the timing, size or price of any expanded on-market program.

The Board reserves the right to proceed with an off-market tender or tenders and/or an expanded on-market buy-back at any time over the next twelve months having regard to BCM's circumstances at the time and its ongoing capital management strategy.

Babcock & Brown's Position

Babcock & Brown and the Babcock & Brown Board representatives Mr Phil Green and Mr Rob Topfer, together owning approximately 19.79 million shares in BCM, have confirmed to BCM that they will not vote on the Buy-Back Resolution and that they will not participate in any on-market buy-back. They have reserved the right to participate in any off-market tender but will not do so at current price levels. If they decide to participate, they will only do so once prior notification is provided to ASX or is set out in the off-market tender booklet. If either Babcock & Brown or the Babcock & Brown Board representatives elect to participate in any off-market tender, the independent directors alone will decide on the final number of shares, if any, to be bought back under that tender and the final clearing price.

Kerry Roxburgh, the Independent Chairman of BCM said "the General Meeting is the first step in the capital management program announced on 28 February 2008. If the Buy-Back Resolution is approved by shareholders, BCM will have the flexibility to proceed with a range of initiatives, including on-market and off-market buybacks, to return capital to BCM shareholders".

Mr Rob Topfer, Director of BCM said "while Babcock & Brown supports the Buy-Back Resolution, as manager of BCM, it has decided to abstain from the shareholder vote so that this important decision can be made by the remaining BCM shareholders."

A copy of the Notice of Meeting is attached to this release.

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. 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