

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

27 March 2008

UPDATE ON CAPITAL MANAGEMENT PROGRAM

Babcock & Brown Capital Limited (BCM) previously announced its intention to spend at least \$310 million on capital management programs, including on-market and off-market buy-backs of up to 50% of BCM's ordinary shares, over a period of 12 months. A General Meeting of shareholders has been convened for Monday, 21 April 2008, to approve the buy-back of up to 50% of BCM's ordinary shares (the "Buy-Back Resolution").

ASIC Requirements

As indicated in the Notice of Meeting filed with ASX on 14 March 2008, certain ASIC exemptions are required before any off-market buy-back by way of tender can proceed. However, no ASIC exemptions are required in relation to the on-market buy-back approval.

In response to BCM's application, ASIC have indicated that as a condition of these exemptions they would require an Independent Expert's Report be made available to shareholders. The Independent Expert's Report would contain a valuation of BCM and address any other matters required by the regulator. BCM has determined that it is not possible to complete and distribute the required Independent Expert's Report in advance of the General Meeting on 21 April 2008.

Directors' Intentions

The Directors of BCM confirm their intent to proceed with the General Meeting and to seek approval of the Buy-Back Resolution on 21 April 2008, as they remain of the view that it is important to proceed with the recent strategic initiatives at the earliest opportunity. If the Buy-Back Resolution is approved, this will enable BCM to continue with its current on-market buy-back program after the limit under that program of 9.99% of BCM's issued share capital is reached.

Subsequent to the General Meeting on 21 April 2008, if an off-market tender remains an appropriate option and if required to do so as a condition to obtaining the necessary regulatory approvals, BCM will obtain the necessary Independent Expert Report, convene a meeting of shareholders and meet all other regulatory

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requirements necessary to proceed with an any off-market tender proposal by BCM.

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 a refinance in February 2008 the equity investment is currently A\$107 million.

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