

BABCOCK & BROWN CAPITAL

16 April 2006

ASX Announcement

Babcock & Brown Capital – BCM and ESOT Make Joint Offer Proposal

Babcock & Brown Capital Limited (ASX: BCM) today confirmed that BCM, in conjunction with the Employee Share Ownership Trust (ESOT), has lodged a joint proposal with the Board of eircom plc. The proposal may or may not result in a joint offer for eircom.

The joint proposal contemplates a joint offer by BCM and the ESOT for eircom at an offer price of €2.20 per eircom share plus the payment by eircom of a €0.052 per share final dividend. The offer contemplated by the joint proposal is subject to due diligence and other pre-conditions.

BCM and its associates currently hold 308,999,053 ordinary shares in eircom representing 28.8% of the issued capital. The average entry price is €2.05 per share. The ESOT currently holds 21.4% of eircom, so together the joint bidders hold in excess of 50% of eircom.

Mr Robert Topfer Executive Director of BCM, said “We look forward to the eircom Board’s response and are pleased that the ESOT have joined us in our approach. We have the support of a first class consortium of banks and anticipate a smooth transaction.”

“We look forward to the opportunity to address all stakeholders on the merits of our proposal, once we have received a definitive response from the Board” he said.

For further enquiries please contact:

Andrew McLindon
Wilson Hartnell PR
Phone: +353 1 669 0187 / 00 353 87 288 9601 (m)

Kelly Hibbins
Babcock & Brown
Phone: +61 2 9229 1800
Mobile: +61 2 414 609192

About Babcock & Brown Capital

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.

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

About eircom (EIR.I)

eircom was privatised in 1999, and was then the subject of a private equity buy out in 2001. It was re-listed in 2004 on both the London & Irish Stock Exchanges. eircom owns Ireland's copper and fibre backbone telecommunications network. It is the dominant provider of fixed line wholesale and retail telecommunication services. eircom has recently acquired Meteor, a mobile telecommunications business, which has a rapidly growing 13% share of the mobile market. It also has 77% market share in the fast growing DSL market.