

24 April 2006

ASX Announcement

Bidding Agreement signed and Due Diligence granted to Babcock & Brown Capital and ESOT

Further to recent announcements, the Independent Board of eircom Group plc ("eircom") has confirmed today in a release to the London Stock Exchange that it has entered into a bidding agreement with Babcock & Brown Capital Limited ("BCM") and the eircom ESOP Trustee Limited (the "ESOT") under which it has agreed to provide due diligence information regarding eircom to BCM and the ESOT.

A further announcement will be made when appropriate.

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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.