

7 March 2006

ASX Announcement

Babcock & Brown Capital – Group holding in eircom increased to 24.5%

Babcock & Brown Capital Limited (ASX: BCM) confirms it has lodged a further disclosure of interest notice with eircom Group plc (eircom).

As at the close of trade in the United Kingdom on Friday, 3 March 2006, BCM and its associates (the “Group”) held 263,000,187 ordinary shares in eircom representing 24.5% (previously 23.6%) of the issued capital. BCM’s average entry price is now €2.025 per share. The maximum price paid was €2.20 and the current price is €2.21.

BCM’s share of the Group’s 24.5% shareholding is 22.8% at a cost of approximately \$A801.3 million. eircom has 1073 million shares on issue representing a market capitalisation of approximately \$A3.8 billion. The other major shareholder in eircom is the Employee Share Ownership Trust with a 22% holding.

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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.