

**3 March 2006**

## **ASX Announcement**

### **Babcock & Brown Capital Limited Increases Holding in eircom Group plc**

Babcock & Brown Capital Limited (ASX: BCM) and its associates confirm that they hold 253.7 million ordinary shares in eircom Group plc (eircom), representing 23.6%. The additional shares were acquired at a maximum price of EUR2.20, providing BCM and its associates with an average cost per share for the entire holding in eircom of EUR2.02.

BCM Executive Director Robert Topfer said "BCM is focused on the potential for growth in the Irish telecommunications market at three levels; first the general Irish economy as incumbent telecommunications operators tend to track underlying GDP; second, eircom's expansion in the mobile and broadband markets; and third, new services to be delivered over next generation networks (NGN).

"For eircom to grow with the general economy, expand its services and enter new markets it will be imperative that it upgrades, extends and improves its network.

"Our vision of eircom leading the growth of the Irish telecommunications market is not dependant on a split of the retail and wholesale businesses. However, BCM is open to exploring that possibility if it facilitates growth in the market or enhances the ability of the network business to upgrade its network and invest in NGN. With the right regulatory environment, BCM believes that a split of this nature may well provide the opportunity to achieve both outcomes concurrently".

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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.

For further information please see our website: [www.babcockbrowncapital.com](http://www.babcockbrowncapital.com)