

**22 February 2006**

## **ASX Announcement**

### **Babcock & Brown Capital – Preliminary Approach to Eircom and Group Holding In Eircom Increased to 18%**

Babcock & Brown Capital Limited (ASX: BCM) confirms the eircom Group plc (eircom) announcement overnight that BCM has made a preliminary approach to eircom that “may or may not lead to an offer being made” for eircom by BCM.

BCM also confirms it has lodged a disclosure of interest notice with eircom.

BCM and its associates (the “Group”) now holds 193,107,534 ordinary shares in eircom representing 18.0% (previously 12.5%) of the capital. These shares have been purchased at an average price of EUR 1.96 per share. The maximum price paid was EUR 2.20 and the current price is EUR 2.205.

BCM’s own share of the Group’s 18.0% shareholding is 16.3% at a cost of approximately \$A550 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 (“ESOT”) with a 22% holding.

Speaking from Dublin, Robert Topfer, executive director of BCM said, “Our discussions with eircom have been of a preliminary nature, and we await a formal response from the Board of eircom.”

BCM expects to announce its half year results next week. The BCM Board anticipates a result of approximately \$A12.2 million (6.1 cents per share) plus Australian equivalents to International Financial Reporting Standards (“AIFRS”) adjustments of approximately \$A13.3 million to give a total reportable net profit after tax according to the AIFRS standards of approximately \$A25.5 million (12.8 cents per share).

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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](http://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.