



Merrill Lynch (Australia) Pty Limited
ACN 000 890 451
Level 38
Governor Philip Tower
1 Farrer Place
SYDNEY NSW 2000
AUSTRALIA

FACSIMILE TRANSMISSION SHEET

DATE: 22 November 2005
TO: Company Announcements Office
Australian Stock Exchange Limited
FAX: 1900 999 279
FROM: Elina Lee
AT: Merrill Lynch, Office of General Counsel
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NO OF PAGES: 5 (including covering page)

RE: BABCOCK & BROWN CAPITAL LIMITED (BCMCA)

Please find attached completed Form 603 - Notice of Initial Substantial Holder for BCMCA.
A copy of this Notice has also been sent to BCMCA today.

Kind Regards,

Elina Lee

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To, Company Name/Scheme BABCOCK & BROWN CAPITAL LIMITED

ACN/ARSN 112 119 203

1. Details of substantial holder (1)

Name MERRILL LYNCH & CO., INC.

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 15 / 11 / 2005

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	11,190,775	11,190,775	5.60%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
See Appendix 1		

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
See Appendix 2			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
See Appendix 3				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Appendix 4	

7. Addresses

The addresses of persons named in this form are as follows:

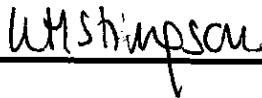
Name	Address
See Appendix 5	

Signature

print name Wendy Stimpson

capacity Attorney-in-Fact

sign here



date 22 / 11 / 2005

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
 See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisition, even if they are not paid directly to the person from whom the relevant interest was acquired.

Form 603 - Merrill Lynch as Initial Substantial Holder of Babcock & Brown Capital Limited

Appendix 1 - [item 3]

Holder of relevant interest	Nature of relevant interest	Class and number of securities
Merrill Lynch & Co., Inc.	Beneficial Owner (deemed interest from its associates)	Ordinary share 11,190,775
Merrill Lynch International	- ditto -	Ordinary share 11,190,775

Appendix 1a - [item 3]

Stock Borrowing and Lending	Number of shares	Loan value
Collateral received	Appendix 3a	Appendix 3a

Appendix 2 - [item 4]

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder	Class and number of securities
Merrill Lynch & Co., Inc.	Deemed interest from its associates	N/A	Ordinary share 11,190,775
Merrill Lynch International	Merrill Lynch International	N/A	Ordinary share 11,190,775

Appendix 3 - [item 5]

Holder of relevant interest	Date of acquisition	Consideration	Class and number of securities
Merrill Lynch International	Appendix 3a	Appendix 3a	Ordinary share 11,190,775

Appendix 4 - [item 6]

Name and ACN/ARSN (if applicable)	Nature of association
Merrill Lynch & Co., Inc.	Ultimate holding company
Merrill Lynch International	Subsidiary of Merrill Lynch & Co., Inc.

Appendix 5 - [item 7]

Name	Address
Merrill Lynch & Co., Inc.	4 World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281
Merrill Lynch International	Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ

Transaction History**Appendix 3a**

Period: 15 August 2005 - 15 November 2005

BABCOCK & BROWN CAPITAL LIMITED

Trade Date	Transaction	Loan Value / Consideration (AUS\$)	Price (AUS\$)	No of Shares	No of Shares Balance
Stock Collateral Received - Merrill Lynch International					
15-Nov-05	Collateral Receive	0.00	0.00	brought forward 2,618,000	8,572,775 11,190,775