

BRASCAN RESIDENTIAL PROPERTIES**S.A.**

Publicly-Held Company of Authorized Capital

Corporate Taxpayer ID (CNPJ/MF)

07.700.557/0001-84

Corporate Registry ID (NIRE) 33.300.277.153

COMPANY S.A.

Publicly-Held Company of Authorized Capital

Corporate Taxpayer ID (CNPJ/MF)

58.877.812/0001-08

Corporate Registry ID (NIRE) 35.300.175.891

NOTICE TO SHAREHOLDERS

The Management of BRASCAN RESIDENTIAL PROPERTIES S.A. ("BRP") and of COMPANY S.A. ("Company") (BRP and Company collectively referred to as the "Companies"), hereby inform that, in compliance with the precedent conditions provided for in item 3.2 of the joint Material Fact released by Company and BRP on September 10, 2008, the corporate events proposed with regard to the corporate reorganization of the two Companies into one single group ("Operation") were approved in their entirety by the Companies' shareholders, in Extraordinary General Meetings held on October 22, 2008 ("EGMs"), by means of (i) the merger of Company's shares by BRASCAN SPE SP-3 S.A. ("Subsidiary"), a subsidiary of BRP (the "Merger of Shares"), followed by the redemption of the preferred redeemable shares issued by the Subsidiary, and, supplemented by (ii) the merger of the Subsidiary by BRP ("Merger"), allowing, thus, for the unification of Company's shareholding structure to BRP's shareholding structure, pursuant to the joint Material Facts of Company and BRP disclosed on September 10 and 12, 2008 (the "Material Facts").

1. BRP's New Capital Stock

1.1 Due to the operation, BRP's capital stock has been increased by one hundred thirty-three million, five hundred and twelve thousand, one hundred and fourteen reais and ten centavos (R\$133,512,114.10), by means of the issuance of seventy-six million, nine hundred and seventy-eight thousand (76,978,000) registered non-par common shares, assigned to the shareholders of the Subsidiary, former shareholders of Company, pursuant to the terms of trade proposed in the Instrument of Justification and Protocol of Merger of Shares ("Protocol of Merger of Shares"), which sets forth the terms and conditions of the merger of shares of Company by the Subsidiary, and in the Instrument of Justification and Protocol of Merger of Shares ("Protocol of Merger") and, jointly with the Protocol of Merger of Shares, "Protocols"), which sets forth the terms and conditions of the merger of the Subsidiary by BRP, as amended, approved by the EGMs.

1.2 BRP's capital stock shall be one billion, one hundred and ninety-nine million, seven hundred and ninety thousand, five hundred and eighty-eight reais and ten centavos (R\$1,199,790,588.10) divided into two hundred and sixty-two million, six thousand, four hundred and seventy-four (262,006,474) registered common shares with no par value, and all the shares issued by Company shall then be owned by BRP, whereby Company shall be BRP's wholly-owned subsidiary.

2. Terms of Trade

2.1 With the implementation of the Operation, Company's shareholders shall be assigned (i) sixteen (16) common shares and three (3) preferred shares redeemable by the Subsidiary for each share held by Company's shareholders, in the case of the Merger of Shares; and, afterwards, (ii) 1.0690 common shares by BRP for each sixteen (16) registered common shares received by the former shareholders of Company in the Subsidiary, as a result of the Merger. The issued redeemable preferred shares were redeemed by the Subsidiary soon after their issuance.

3. Recomposition of Stock Fractions

3.1 The fractions of common shares resulting from the substitution of each former shareholder of Company (as of the Merger of Shares, shareholder of the Subsidiary) shall be rounded down to the preceding whole number, and the difference shall be paid in cash, by BRP, up to December 11, 2008, which corresponds to the deadline of five (5) working days after the receipt of the resources resulting from the divestiture on the São Paulo Stock Exchange – BOVESPA, of the shares corresponding to this set of fractions, and this divestiture shall take place within five (5) working days after the end of the withdrawal term for dissenting shareholders, pursuant to the Protocols.

4. Compensation of Company's former shareholders

4.1 In view of the Operation, Company's former shareholders shall be paid the total amount of two hundred million reais (R\$200,000,000.00), in local currency, corresponding to the sum of the payment: (a) of one hundred million reais (R\$100,000,000.00), for the redemption of the Subsidiary's redeemable preferred shares, pursuant to the approval of the Subsidiary's shareholders at a General Meeting held on October 22, 2008; and (b) of one hundred million reais (R\$100,000,000.00) referring to the interim and intercalary dividends declared by Company, whose distribution, which was conditioned to the approval of the Merger of Shares, and, thus, of the Corporate Reorganization, was approved by the Company's Board of Directors at a meeting held on October 21, 2008, and disclosed to the market on October 22, 2008, and of this amount, (b1) seventy-eight million, nine hundred fifty-three thousand, three hundred and thirty-six reais and eight centavos (R\$78,953,336.08) shall be paid to the income withholding reserve account,

pursuant to the Company's Financial Statements as of December 31, 2007; and (b2) twenty-one million, forty-six thousand, six hundred sixty-three reais and ninety-two centavos (R\$21,046,663.92) shall be paid to the account of income ascertained in the first half of 2008, pursuant to the Semi-Annual Balance Sheet prepared by the Company on July 30, 2008.

4.2 The payment of the redemption of shares referred to in item 4.1.(a) above shall take place up to December 1, 2008, which corresponds to the term of five (5) working days counted from the end of the period for the exercise of the right to withdraw resulting from the approval of the Corporate Reorganization, pursuant to the Protocols, by BRP, in the capacity of successor of the Subsidiary's liabilities, as a result of the Merger of the Subsidiary, in the total amount of one hundred million reais (R\$100,000,000.00), of which each redeemed preferred share corresponds to R\$0.462924.

4.3 The shareholders registered as holders of shares of Company on the date of the EGMs, that is, October 22, 2008, and which do not exercise the right to withdraw resulting from the Merger of Shares, shall be entitled to receive the amount corresponding to the redemption of the preferred shares of the Subsidiary. Company's shareholders which exercise the right to withdraw resulting from the Merger of Shares shall not be entitled to receive common and/or preferred shares of the Subsidiary and, consequently, the amount of the redemption.

4.4 The payment of interim and intercalary dividends referred to in item 4.1.(b) above shall take place up to December 31, 2008, by Company, in the total amount of one hundred million reais (R\$100,000,000.00), or R\$1.388772001 for each common share held by Company's former shareholders. The holders of shares issued by Company on October 22, 2008, date of the disclosure of the approval of the abovementioned dividends by the Board of Directors of Company, shall be entitled to the abovementioned dividends.

5. Shares assigned to the former shareholders of Company

5.1 BRP shares received by the former shareholders of Company as a result of the Merger shall have the same rights assigned to the shares held by the other shareholders of BRP, including the profit sharing referring to the fiscal year of 2008.

6. Right to Withdraw

6.1 Pursuant to the Material Facts, both the stages of the Operation, the Merger of Shares and the Merger, shall entitle the dissenting shareholders of Company to withdraw, inclusive, after the Merger of Shares, in the capacity of shareholders of the Subsidiary, observing the procedures below:

- Shareholders not entitled to withdraw: Those which were provably holders of shares of Company up to September 09, 2008, day immediately prior to the disclosure of the first call to the Shareholders' General Meetings of Company and the Subsidiary which resolved on the Merger of Shares of Company and on the Merger. The shares acquired as of September 10, 2008, inclusive, shall not entitle their new holders to withdraw with regard to any of the Operation's stages.

- Exercise deadline: Thirty (30) days counted from the date of publication of the minutes of the EGMs, starting on October 23, 2008, and ending on November 24, 2008, and the shareholders which do not exercise the right in the predetermined term shall lose this right.

- Value: (i) by virtue of the Merger of Shares, the dissenting shareholders of Company shall be entitled to the refund of their shares, based on their net book value, pursuant to Company's Financial Statements of December 31, 2007, approved by the Annual General Meeting held on March 24, 2008, i.e. R\$4.6317 per share, net of the interim dividend distributed based on the Financial Statements of December 31, 2007, pursuant to item 4.1.(b1) above, and, thus, the refund value in case of the exercise of the right to withdraw corresponding to R\$3.535218175 per share, via Banco Bradesco S.A., depositary of Company's shares, or Custody Agents of the Brazilian Clearing and Depositary Corp. – CBLC for the shares deposited therein, and (ii) by virtue of the Merger, Company's former shareholders, after the Merger of Shares, shareholders of the Subsidiary, will be entitled to the refund of their shares, in the amount of R\$0.1159 per share issued by the Subsidiary, via Banco Bradesco S.A.

- Payment Date: The payment of the refund to Company's dissenting shareholders shall be fully made on December 11, 2008, which corresponds to the fifth working day after the end of the period referred to in Article 137, paragraph 3, of the Brazilian Corporation Law no. 6,404/76.

- Procedure for the communication of the Right to Withdraw: The shareholders which intend to exercise the right to withdraw shall contact Banco Bradesco S.A., depositary of Company's shares, or Custody Agents of the Brazilian Clearing and Depositary Corp. – CBLC, and shall request, in writing, the right to withdraw, mentioning the number of shares, and attaching notarized copies of the following documents: (a) INDIVIDUALS: Individual Taxpayers' ID (CPF), ID Card, and up-to-date proof of address, (b) CORPORATIONS: Corporate Taxpayer ID (CNPJ), Minutes, Bylaws and amendments, as well as the documents of the partners/legal representatives (Individual Taxpayers' ID - CPF, ID Card, and proof of address). The shareholders represented by proxy shall attach, in addition to the abovementioned documents, the respective instrument of term of office, which shall contain special powers for the proxy to communicate on their behalf the exercise of the right to withdraw, and request the refund of shares. The shareholders shall also fill in a request of refund, notarized,

informing the number of shares held by them on September 9, 2008, and the checking account for the credit of the amount corresponding to the refund. The aforementioned request shall be filed at any branch of Banco Bradesco S.A.

6.2 By virtue of the exercise of the Right to Withdraw, the number of shares making up the capital stock of BRP mentioned in item 1 above shall be reduced. Thus, within up to five (5) working days after the date of the end of the term to exercise the Right to Withdraw, the Companies shall disclose a Notice to the Shareholders with regard to the exercise of the Right to Withdraw and the final number of shares which will make up the capital stock of BRP.

7. Trading of Company's Shares as of October 23, 2008

7.1 The shares issued by Company shall be traded ex-dividends and ex-redemption as of October 23, 2008. The shares issued by Company shall remain being traded under the current ticker (CPNY3) up to the publication of a new material fact with regard to this matter.

8. Documents Availability

The Minutes of the EGMs, as well as the other documents referenced by this material fact are available at the Companies' headquarters and on their respective websites (www.companyri.com.br and www.brascanresidential.com.br/ri), and on the websites of CVM (www.cvm.gov.br) and BOVESPA (www.bovespa.com.br).

São Paulo, October 22, 2008.

Cristiano Gaspar Machado
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Officer
**BRASCAN RESIDENTIAL
PROPERTIES S.A.**

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