

**BRASCAN RESIDENTIAL PROPERTIES S.A.**  
**Corporate Taxpayer's ID (CNPJ/MF) 07.700.557/0001-84**  
**Company Registry ID (NIRE) 33.3.002.7715-3**  
**Publicly-held Company**

**NOTICE TO SHAREHOLDERS**

We hereby inform the shareholders that Brascan Residential Properties S.A. ("BRP" or "the Company"), in compliance with the applicable legal and statutory provisions, will carry out a capital increase from the current 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) to one billion, three hundred and ninety-nine million, seven hundred and ninety thousand, five hundred and eighty-eight reais and ten centavos (R\$1,399,790,588.10), an effective increase of two hundred million reais (R\$200,000,000.00), through a rights issue of one hundred million (100,000,000) new book-entry, registered common shares with no par value ("Capital Increase"). The aforementioned increase is within the limits of the authorized capital, as provided for in Article 9 of the Company's Bylaws, and was approved at the Board of Directors' Meeting held on January 15, 2009. The Company's shareholders shall be entitled the right of first refusal in the subscription of the new shares, pursuant to the provisions in Article 171 of Law 6,404/1976, for a term of thirty (30) days as of the release of this Notice to Shareholders. The exercise of said right in the subscription of the new shares shall comply with the following conditions:

**1. Capital Increase Amount**

Two hundred million reais (R\$200,000,000.00)

**2. Amount and Type of Shares to be Issued**

One hundred million (100,000,000) new book-entry, registered common shares with no par value.

**3. Registration Date and Subscription Ratio**

Shareholders of shares issued by the Company on January 15, 2009 shall have the right of first refusal in the subscription of the newly issued shares at the ratio of 0.398394446 new book-entry, registered common share with no par value to each common share issued by the Company held thereby.

**4. Ex Rights Trading**

Shares acquired as from January 16, 2009 will be trade ex rights by the acquiring shareholder. As of January 16, 2009, shares issued by the Company will be traded ex rights.

**5. Issue Price**

The issue price of the new shares was established at two reais (R\$2.00) per common share, pursuant to item III, paragraph 1, Article 170 of Law 6,404/1976, based on the volume weighted average closing price of the shares issued by the Company in the last thirty (30) trading sessions of the Bolsa de Valores de São Paulo S.A. – BVSP (São Paulo Stock Exchange), between

November 28, 2008 and January 14, 2009, with a discount of twelve percent (12%) over that price.

## **6. Dividends**

The shares to be issued will be entitled to all dividends, interest on equity, bonuses and any capital remuneration distributed by the Company after the ratification of the Capital Increase by the Board of Directors.

## **7. Term to Exercise the Right of First Refusal in the Subscription**

Shareholders shall exercise their right of first refusal in the subscription of shares from January 16, 2009 to February 16, 2009.

## **8. Granting of the Right of First Refusal in the Subscription**

The right of first refusal shall be freely granted by shareholders of the Company to third-parties, pursuant to Article 171, Paragraph 6, of Law 6,404/1976.

## **9. Procedures for Share Subscription**

9.1. Shareholders whose shares are kept by Banco Bradesco S.A., the depository financial institution of the book-entry shares issued by the Company ("Banco Bradesco"), may express their interest in subscribing the new shares within the term set forth in item 7 above, at any branch of Banco Bradesco.

9.2. Shareholders whose shares are kept by the CBLC – Brazilian Clearing and Depository Corporation ("CBLC") may exercise their right of first refusal in the subscription of the new shares through their custody agents.

## **10. Means of Payment**

Payment for the new shares shall be made in cash, in domestic currency, upon subscription.

## **11. Unsubscribed Rights**

11.1. Subscribers shall express their interest on subscribing unsubscribed rights at the corresponding share subscription list.

11.2. After the term to exercise the right of first refusal expires, subscribers who have expressed their interest on unsubscribed shares at the subscription will have five (5) days after unsubscribed shares have been determined, which will be informed by the Company through a new Notice to Shareholders, to subscribe unsubscribed shares.

11.3. Should there still be unsubscribed shares after the subscription of unsubscribed shares described in item 11.2 above, new terms for subscribing unsubscribed shares will be open for the shareholders who have requested to subscribe these unsubscribed shares at the share subscription list.

## **12. Total Subscription of the Capital Increase**

12.1. Signatory shareholders of the Shareholders' Agreement of September 9, 2008 have undertaken to subscribe all shares corresponding to their right of first refusal, and Brascan Brasil Ltda. has undertaken to, additionally, subscribe all unsubscribed shares not subscribed by other shareholders of the Company.

12.2. Thus, should no other shareholder request subscription of unsubscribed shares not subscribed during the period mentioned in item 11.3 above, the remaining shares shall be fully subscribed by the shareholder Brascan Brasil Ltda..

## **13. Ratification**

After the effective subscription of all issued shares, a new Company Board of Directors' Meeting shall be held to ratify the Capital Increase.

## **14. Share Credit**

Issued shares shall be credited to their respective subscribers within three (3) business days as of the ratification of the Capital Increase.

Rio de Janeiro, January 15, 2009.

Luiz Rogelio Rodrigues Tolosa  
Investor Relations Officer