



## ***Brascan and Company announce combination of operations and the creation of a Top-3 Player of the real estate industry***

**São Paulo, September 10, 2008** – Brascan Residential Properties S.A. (“Brascan”, BOVESPA: BISA3) and Company S.A. (“Company”, BOVESPA: CPNY3), announced today that, following the approval of their respective Boards of Directors, have signed a Merger Agreement and other documents for the integration of the operations. Completion of the transaction is expected in October 2008 and is subject to satisfactory confirmatory due diligence findings and final approval by the respective shareholders of both companies.

The resulting entity, on a pro forma basis, would have reported EBITDA and net income of R\$248 million and R\$210 million, respectively, for the full year 2007, positioning it as the second largest in the industry. As of June 30, 2008, the combined entity would have ranked third based on the size of its land bank (R\$17 billion) and shareholder’s equity (R\$1.6 billion), besides a solid capital structure to ensure future growth of the business.

The transaction will be completed through a merger of shares between Company and a Brascan subsidiary, and the concurrent incorporation of such subsidiary into Brascan. As a result, all of Company’s shareholders will migrate to Brascan’s shareholder base. Company’s shareholders will receive 76,978,000 newly issued shares of Brascan or 1.0690 Brascan share per 1 (one) share of Company plus R\$200 million cash payment (equivalent to R\$2.7775 per share of Company). After the consummation of the transaction, Brascan will have a total number of 262,006,474 common shares where approximately 42.7% will be free-float. Company’s shares (CPNY3) will be subsequently delisted.

Commenting on the transaction, Nicholas Reade, President and CEO of Brascan, said that “with this transaction we have created a Top-3 player in the Brazilian real estate market. The combined 2007 results place this new organization in the second position in terms of EBITDA and net income. This operation, in conjunction with the acquisition of MB Engenharia in April, strengthens our leadership position even further, with integrated operations, strong cash position, solid track record and a highly qualified management team. The resulting entity will have a diversified portfolio of projects and land bank, and will be in a strong position to deliver sustainable growth.”

### *Operating Highlights of both Companies*



- One of the leaders in Brazil’s real estate sector
  - Established market positions in Rio de Janeiro and the Mid-West, with a growing presence in São Paulo
  - Brand recognition (BRP in Rio/SP, MB in Mid-West)
  - Solid image
- Full product array across the whole spectrum of residential and commercial products
- Geographic Diversification
- Deep expertise in developing long term projects
- Successful experience in integration of companies: Servenco, MG500 and MB Engenharia

- Strong Presence in São Paulo
  - 25+ years of history
  - Strong brand recognition
- Reputation for high quality products
- Qualified management, well known in the industry
- Participation in diverse segments
- High capacity of business origination



The shareholders of both companies shall benefit from the added experience of their management teams, with deep expertise in both real estate development and construction in their respective core markets, and complementary land bank strategies. The new entity will also benefit from its relationship with Brookfield Asset Management, a global asset manager with approximately US\$95 billion of assets under management in the real estate, renewable energy and infrastructure sectors.

Walter Lafemina, President and CEO of Company, added that "we are very excited with this transaction. After approximately 30 years in the market and a positive long-standing partnership experience, Company and Brascan joined forces to grow stronger and to enhance shareholder value. We believe that the combination of Company's management team and its proven ability to originate new business and deliver consistent results with Brascan's strong cash position will leverage results for the combined entity. This combination will be further enhanced by Brascan's strategic view of the business and high-quality corporate governance."

The deep knowledge of Brascan and Company in their respective core markets will enable the business units in São Paulo, Rio de Janeiro and the Mid-west to operate with the highest standards. The combined entity re-affirms its guidance expectation for consolidated launchings from R\$3.0 to R\$3.2 billion in 2008.

Extraordinary Shareholders Meetings will take place within approximately 40 days in order to approve the transaction. Prior to final approval, both companies will perform a reciprocal due diligence on one another.

Citigroup Global Markets, Inc. has acted as Brascan's financial advisor, and UBS Pactual S.A. has acted as Company's financial advisor in this transaction.

## Conference Calls

The management of Brascan and Company will host conference calls on Wednesday, September 10, to discuss the combination of their operations with analysts and investors. The presentations and live webcasts of the conference calls will be available at [www.brascanresidential.com.br/ri](http://www.brascanresidential.com.br/ri) and [www.companyri.com.br/eng](http://www.companyri.com.br/eng)

### Portuguese

10:00 a.m. US EST  
11:00 a.m. Brasília Time  
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All participants  
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**About Brascan Residential Properties S.A.**

Brascan Residential Properties S.A. ("Brascan") is one of the largest developers in Brazil, operating in the mid-low, middle, mid-high and high segments of the residential development business. Brascan is a fully integrated developer, covering everything from the land acquisitions through planning, building, sales and customer service. Brascan is part of Bovespa's Novo Mercado and is traded under the ticker BISA3. For more details, please visit Brascan's website: [www.brascanresidential.com.br/ri](http://www.brascanresidential.com.br/ri).

**About Company S.A.**

Company S.A. ("Company") is one of the largest developers and construction companies of medium and upper class residential projects in the state of São Paulo. Company has the ability to launch projects in harmony with the land that it purchases at prices compatible with the project's profile and its shareholders' expected return. Company is part of Bovespa's Novo Mercado and is traded under the ticker CPLY3. For more details, please visit Company's website: [www.companyri.com.br/eng](http://www.companyri.com.br/eng).

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*This release contains forward-looking statements relating to the prospects of the business, as well as estimates of Brascan's and/or Company's operating and financial results and growth prospects. These are merely projections and, as such, are based exclusively on the expectations of Brascan's and/or Company's management concerning the future of the business and its continuous access to capital to finance the entities' business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, in addition to those listed in the documents filed by Brascan and/or Company and are, therefore, subject to change without prior notice.*