

Brazil Fund Starts Process to Become Open-End Investment Firm

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The Brazil Fund, Inc. announced that its board of directors approved the conversion of the Fund from a closed-end investment company to an open-end investment company, subject to regulatory and shareholder approvals and other applicable requirements.

Robert J. Callander, Chairman of the Fund's Board of Directors, said, "The Brazil Fund Board has been working intensively over the past several months to achieve the best results for its shareholders. Unfortunately, our effort to implement an in-kind tender offer was not successful because of questions raised about Brazilian capital gains tax.

"In recent weeks, the Board has again deliberated about alternatives and has decided that converting the Fund into an open-end investment company provides the best value to our shareholders.

"The Board believes that the liquidity and size of the Brazilian markets now make an open-end fund viable and the proposed conversion will eliminate the discount to net asset value that has prevailed during the Fund's closed-end status. Shareholders will now have more liquidity in their Brazilian investment under the open-end format."

Adoption of the open-ending proposal will require the affirmative vote of holders of at least two-thirds of the outstanding shares of the Fund at the 2005 Annual Meeting of Stockholders, scheduled for December 13, 2005. The record date for stockholders entitled to vote on the proposal at the meeting has been set for October 21, 2005.

A proxy statement, containing more details about the proposal and the action taken by the Board, will be sent to stockholders of the Fund as of the record date for the meeting asking them to vote on the proposed conversion.

Conversion of the Fund to an open-end investment company will also require regulatory approvals in Brazil.

If the requisite stockholder and regulatory approvals are obtained for conversion to open-end status, the Fund will continuously offer its shares for investment following the effective date of a registration statement filed with the Securities and Exchange Commission.

Stockholders will be able to redeem their shares at net asset value, less a redemption fee of 2% of the net asset value of shares outstanding on the conversion date that are redeemed during the first six months after the conversion.

The redemption fee will be paid entirely to the Fund. Upon the conversion, the Fund's shares will be delisted from the New York Stock Exchange.

The Brazil Fund, Inc. is a non-diversified, closed-end investment company. The Fund seeks long-term capital appreciation through investing primarily in equity securities of Brazilian issuers. Its shares are listed on the New York Stock Exchange under the symbol "BZF".

Investments in funds involve risks. Additional risks are associated with international investing, such as government regulations and differences in liquidity, which may increase the volatility of the investment.

The Fund focuses its investments in Brazil, thereby increasing its vulnerability to developments in Brazil. Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes and market risks.

This may result in greater share price volatility. Shares of closed-end funds frequently trade at a discount to net asset

value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below or above net asset value.

The Brazil Fund, Inc - www.thebrazilfund.com