

Paris, 02 August, 2018



### MERGER BY INCORPORATION OF BENI STABILI BY FONCIERE DES REGIONES

*This press release (document E exemption) has been prepared in accordance with article 17 of the Autorité des marchés financiers instruction DOC-2016-04 dated October 21, 2016 as amended*

*The corporate name change into Covivio will be proposed in General Meeting on 6th September 2018.*

*The current corporate name of Covivio is Foncière des Régions*

## 1. TERMS AND CONDITIONS OF THE MERGER

### A. Context

On 19 April 2018, Foncière des Régions (the “**Company**”) proposed to Beni Stabili a merger project (the “**Merger**”) based on an exchange ratio of 8.5 Foncière des Régions shares for 1,000 Beni Stabili shares (after the detachment of 2017 dividends).

As part of the procedure for the approval of related-party transactions, the independent directors’ committee of Beni Stabili gave its favourable and unanimous opinion on the proposed Merger, relying in particular on the fairness opinion issued by Lazard and on a valuation review issued by Deloitte.

The works council of the Economic and Social Union of Foncière des Régions was informed and consulted on the Merger project and gave a favourable opinion on the proposed Merger on 23 May 2018.

In this context, Foncière des Régions and Beni Stabili entered into a merger agreement on 25 May 2018 to define their respective obligations with a view to implementing the Merger.

The Merger would be implemented in accordance with the terms and conditions of the merger plan executed by the Company and Beni Stabili on 19 July 2018 (the “**Merger Plan**”).

As of the date of signing of the Merger Plan, on 19 July 2018, Foncière des Régions held 59,87% of the share capital of Beni Stabili.

The new shares issued by Foncière des Régions in consideration for Beni Stabili shares will be the subject of a request for admission to trading on the Euronext Paris regulated market, with the Euronext market company, as well as on the Milan stock exchange for all Foncière des Régions shares (*Mercato Telematico Azionario*).



[covivio.eu](http://covivio.eu)

Follow us on Twitter @covivio\_  
and on the following networks



**B. Rationale for the merger**

This Merger will continue the transformation of Beni Stabili initiated two years ago and confirms Foncière des Régions' investment strategy in Italy, focused on Milan and the development pipeline. It is also a major step in simplifying the group's organisation and helps to strengthen the links between its various divisions. The Merger will also consolidate the group's status as an integrated European real estate operator and leader in its markets by strengthening its three strategic pillars, namely the focus on European capitals, real estate development and customer culture.

The Merger will also simplify the procedures and legal requirements currently applicable, which will also reduce costs. The Merger should also strengthen the Company's profile on capital markets by increasing its market capitalization and broadening the free float.

**2. KEY FEATURES OF THE MERGER**

Transferee company	<p>Foncière des Régions is a joint stock company (<i>société anonyme</i>) incorporated and existing under the laws of France, with a share capital of Eur 225,835,737, with its registered offices in 18, avenue François Mitterrand, 57000 Metz, France, registered with the French register of companies (<i>Registre du commerce et des sociétés</i>) under number 364 800 060.</p> <p>The shares of Foncière des Régions are publicly traded on a regulated stock exchange (Euronext Paris, compartment A: ISIN code FR0000064578).</p>
Transferor company	<p>Beni Stabili is a joint stock company (<i>società per azioni</i>) incorporated and existing under the laws of the Republic of Italy, with a share capital of Eur 226,959,280.30, with its registered offices in Via Piemonte, 38, 00187 Rome, Italy, registered with the Italian register of companies (<i>Registro delle Imprese</i>) of Rome under number 00380210302.</p> <p>The shares of Beni Stabili are publicly traded on the Italian <i>Mercato Telematico Azionario</i> (“<b>MTA</b>”) organized and managed by Borsa Italiana S.p.A. and also on a regulated stock market in France (Euronext Paris).</p>
Control relationships	As of 19 July 2018, Foncière des Régions held approximately 59.87% of the share capital of Beni Stabili.
Common directors	<p>Foncière des Régions and Beni Stabili have the following directors in common:</p> <ul style="list-style-type: none"> <li>- Mr Jean Laurent, who is also the Chairman of the board of directors of Foncière des Régions;</li> <li>- Mr Leonardo del Vecchio;</li> <li>- Mr Christophe Kullmann, who is also the Chief Executive Officer of both Foncière des Régions and Beni Stabili and also serves as member of the Direction Committee (<i>Comité de Direction</i>) of Foncière des Régions.</li> </ul> <p>Furthermore, for the sake of completeness, Ms Marjolaine Alquier de L'Epine serves as director of Beni Stabili and Head of Audit and Internal Control of Foncière des Régions.</p>
<b>DESIGNATION AND VALUATION OF THE CONTRIBUTED ASSETS AND ASSUMED LIABILITIES</b>	
Transferred assets and liabilities	Transfer to Foncière des Régions, subject to the satisfaction of the conditions precedent mentioned below, of all the assets of Beni Stabili in the state in which they would be on the Effective Date (as this term is defined below).
Accounts used to determine the	The terms of the Merger have been determined for both Foncière des Régions and Beni Stabili on the basis of their respective financial statements as at 30 June 2018.

**COVIVIO**  
**PRESS RELEASE**

terms of the Merger	
Valuation method	<p>As Foncière des Régions will control Beni Stabili as of the Effective Date, and in accordance with regulation n°2004-01 of the French Accounting Regulation Authority (<i>Comité de la réglementation comptable</i>), Beni Stabili's assets and liabilities that will have been transferred by universal succession of title to Foncière des Régions will be recorded at their net book value as at the Effective Date in Foncière des Régions' accounts. In this respect, in accordance with the opinion CU CNC n°2005-C, Beni Stabili has set up estimated accounts as of 31 December 2018 (the "<b>Estimated Accounts</b>") in order to provide an estimate of the net book value of the assets and liabilities transferred by universal succession of title to Foncière des Régions by Beni Stabili at the Effective Date.</p> <p>The final book value of the assets and liabilities that will be transferred by universal succession of title to Foncière des Régions, and, as a consequence, the resulting net asset value thereof, will be determined based on the final accounts of Foncière des Régions as of the Effective Date.</p>
Value of the net assets contributed	<p>The book value of the net assets contributed by Beni Stabili to Foncière des Régions pursuant to the Merger is, by way of illustration and on the basis of the Estimated Accounts, equal to the difference between:</p> <ul style="list-style-type: none"> <li>- the net book value of the contributed assets: Eur 3,215,098,689, and</li> <li>- the net book value of the contributed liabilities: Eur 1,372,011,076, that is</li> <li>- Eur 1,843,087,613.</li> </ul> <p>Given that the exact amount of the final net asset value of Beni Stabili will only be known after the Effective Date, and in absence of a guarantee as to the amount of the final net asset value, it has been decided, by common agreement of the Parties, that the provisional net asset value retained for the purpose of the Merger Plan will be equal to the sum of the net asset value based on the Estimated Accounts (i.e. Eur 1,843,087,613) to which a 25% discount will be applied. Therefore, the provisional net asset value retained for the purpose of the Merger will be equal to: Eur 1,382,315,710 (the "<b>Provisional Net Asset Value</b>").</p>
<b>EXCHANGE RATIO AND CONSIDERATION FOR THE MERGER</b>	
Merger exchange ratio and consideration for the merger	<p>(1) The assignment of the shares of the Company to the holders of the shares of Beni Stabili will be carried out through a capital increase of the Company of a maximum of 9,478,728 shares issued and allotted with a par value of 3 Euros per share (based on (i) an exchange ratio of 8.5 shares of the Company for 1,000 shares of Beni Stabili (the "<b>Merger Exchange Ratio</b>") subject to a possible adjustment of the Merger Exchange Ratio in accordance with the provisions described below, (ii) a maximum number of 205,423,172 shares of Beni Stabili that may be issued before the Effective Date upon the conversion of the bonds convertible into Beni Stabili shares (the "<b>Convertible Bonds</b>") and based on the conversion price in effect as of the date hereof (as may be adjusted in accordance with the terms and conditions of the Convertibles Bonds), and (iii) without taking into account a possible capital increase of Beni Stabili before the Effective Date).</p> <p>(2) The Merger Exchange Ratio has been determined by the boards of directors of the Company and of Beni Stabili based on the valuation methods described below and on a fully-diluted basis, taking into account a maximum number of shares equal to 78,273,034 for the Company and 2,475,015,975 for Beni Stabili.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;"><b>Methods used to determine the Merger Exchange Ratio</b></p> <p>In the context of the Merger, Beni Stabili's shareholders will receive 8.5 new Foncière des Régions shares per 1,000 Beni Stabili shares (the « <b>Merger Exchange Ratio</b>»). The Merger Exchange Ratio was approved by the Boards of Directors of Beni Stabili and Foncière des Régions on 24 and 25 May 2018 respectively.</p> </div>

**COVIVIO**  
**PRESS RELEASE**

The Merger Exchange Ratio was established following a multi-criteria approach based on standard and appropriate valuation methodologies to Real Estate Investment Trusts. Such methodologies are set out below:

- An analysis of the official and closing share prices for Foncière des Régions and Beni Stabili on 19 April 2018, the last unaffected share price date before the announcement of the beginning of the discussions between Foncière des Régions and Beni Stabili in connection with the potential merger, as well as the volume-weighted average share prices over a 1, 3, 6, 9 and 12-month period before that date;
- An analysis of market analysts' target prices for both companies;
- The Net Asset Value and Triple Net Asset Value published at 31 December 2017, and subsequently also assessed as of 30 June 2018, by Foncière des Régions and Beni Stabili, in line with EPRA (European Public Real Estate Association) recommendations;
- An analysis of comparable companies' trading multiples based on usual real estate sector valuation methodologies to Foncière des Régions and Beni Stabili financial metrics;
- An analysis of comparable precedent transactions in the European real estate sector.

The aforementioned valuation analysis was based on the following sources:

- Foncière des Régions and Beni Stabili consolidated financial statements at 31 December 2017;
- Foncière des Régions and Beni Stabili annual reports for the fiscal year ended 31 December 2017;
- A preview of Foncière des Régions and Beni Stabili financial metrics for the half-year period ended 30 June 2018;
- The company presentations and company press releases available on Foncière des Régions and Beni Stabili websites;
- Market data sources: Bloomberg, S&P Capital IQ, FacSet, market analysts' research reports covering Foncière des Régions and Beni Stabili.

- (3) In determining the Merger Exchange Ratio, the boards of directors of the Company and of Beni Stabili have also considered that the Company and/or Beni Stabili (as applicable) may take any of the following actions without triggering an adjustment of the Exchange Ratio: (i) the Company shall be entitled to grant new free shares up to a maximum number of 151,455 shares, (ii) the Company shall be entitled to issue new shares to allow conversion of the convertible bonds (*Obligations à option de Remboursement en Numéraire et/ou en Actions Nouvelles et/ou Existantes* (the “**ORNANES**”), (iii) Beni Stabili shall be entitled to purchase as many of its own shares for which withdrawal rights will have been exercised as may be required to complete the liquidation procedure under applicable law, (iv) Beni Stabili shall be entitled to issue new shares to allow the conversion of the Convertible Bonds in accordance with the relevant terms and conditions, and (v) the Company shall be entitled to issue shares, equity instruments or other instrument giving access to the share capital or voting rights of the Company with no preferential subscription rights attached to each share of the Company in accordance with and subject to the terms and conditions of the financial authorizations granted as of the date hereof to the board of directors of the Company by its shareholders' meeting, up to an aggregate maximum number of securities corresponding to 10% of the current share capital of the Company taking also into account all the shares, equity instruments or other instruments possibly issued under paragraph (4) below.
- (4) In determining the Merger Exchange Ratio, the boards of directors of the Company and of Beni Stabili have also considered that the Company and Beni Stabili shall also be entitled to issue shares, equity instruments or other instrument giving access to the share capital or voting rights of the Company or Beni Stabili, as the case may be, with a preferential subscription right attached to each share of the Company or Beni Stabili, as the case may be (rights' issue), up to an aggregate maximum number of securities corresponding to 10% of the current share capital of Beni Stabili or of the

**COVIVIO**  
**PRESS RELEASE**

	<p>Company (as applicable), and, where referred to the Company, taking also into account all the shares, equity instruments or other instruments possibly issued under such paragraph (3)(v) above with regard to the company, provided that:</p> <p>(I) in the event of an issuance of shares in accordance with paragraph (4) above (rights issue), the Merger Exchange Ratio shall then be adjusted to provide the holders of shares of Beni Stabili with the same economic effect as contemplated by this Merger Plan prior to such event, by automatically amending the Merger Exchange Ratio as follows:</p> $Z = 8.50 \times S / T\text{fdr}$ <p>Where:  “Z” shall be the recalculated Merger Exchange Ratio (i.e. the number of shares of the Company that each shareholder of Beni Stabili will receive in exchange for 1,000 shares of Beni Stabili);  “S” shall mean the last price of the shares of the Company on Euronext Paris prior to the public announcement of the rights issue;  “Tfdr” shall mean the theoretical ex-rights price of the shares of the Company;  and</p> <p>(II) in the event of an issuance of shares in accordance with paragraph (4) above (rights issue) of Beni Stabili, the Merger Exchange Ratio shall then be automatically adjusted as per the formula described under paragraph (5) below, in which case the “Dbs” component of the formula (as defined below) shall be replaced by the theoretical value of the right, as calculated based on (i) the last price of the shares of Beni Stabili prior to the announcement of the capital increase, minus (ii) the theoretical ex-rights price (TERP).</p> <p>(5) In compliance with the requirements of the SIIQ regime, before the Effective Date, Beni Stabili may pay an interim dividend for the financial year 2018, pursuant to Article 2433-<i>bis</i> of the Italian Civil Code. In this event, the Merger Exchange Ratio shall be adjusted to provide the holders of shares of the Company or of shares of Beni Stabili, as the case may be, with the same economic effect as provided under this Merger Plan prior to such event, by amending automatically the Merger Exchange Ratio as follows:</p> $Z = [S \times 8.50/1000 - D\text{bs}] / [S/1,000]$ <p>Where:</p> <ol style="list-style-type: none"> <li>i. “Z” shall be the recalculated Merger Exchange Ratio (i.e. the number of shares of the Company that each shareholder of Beni Stabili will receive in exchange for 1,000 shares of Beni Stabili);</li> <li>ii. “S” shall mean an amount of Eur 83.80, corresponding to the closing price of Eur 88.30 for shares of the Company on Euronext on 19 April 2018 minus the 2017 dividend of Eur 4.50 per share of the Company;</li> <li>iii. “Dbs” total amount of dividend or other distribution (before any applicable withholding tax) per share of Beni Stabili paid or payable by Beni Stabili prior to the Effective Date (excluding the 2017 dividend already paid as of the date hereof).</li> </ol>
Treatment of the fractional shares	<p>Any shareholder of Beni Stabili who does not hold, on the Effective Date, a sufficient number of shares of Beni Stabili to receive a whole number of new shares of Foncière des Régions (the “<b>Fractional Entitlements to Transferee Shares</b>”) will be entitled to receive a cash consideration as a settlement for such Fractional Entitlements to Transferee Shares.</p> <p>With a view to procure the funds to settle the Fractional Entitlements to Transferee Shares, it will be proposed to the general meeting of the Company convened to resolve on the</p>



**COVIVIO**  
**PRESS RELEASE**

	<p>Merger Plan to approve a global sale of the newly issued shares of the Company which would not have been allocated and which would correspond to the Fractional Entitlements to Transferee Shares, upon expiry of a thirty (30) day period following the latest date of recording into the registers of the whole share(s) allocated to the relevant shareholders. The sale of the newly issued Company's shares shall take place on Euronext Paris through a financial intermediary.</p>
Merger gain / loss	<p>The Merger gain/loss will be equal to the difference between (a) the portion of the final net asset value (excluding the book value of the treasury shares held by Beni Stabili) corresponding to the shares of Beni Stabili held by the Company as of the Effective Date and (b) the net book value of the shares of Beni Stabili held by the Company as of the Effective Date.</p>
Merger premium / adjustment of the merger premium	<p>The merger premium would be equal to the difference between (a) the portion of the net asset value transferred by universal succession to the Company corresponding to the shares of Beni Stabili which are not held by the Company (excluding the book value of the treasury shares held by Beni Stabili) and (b) the nominal value of the share capital increase of the Company.</p> <p>The estimated merger premium amounts to Eur 525,872,414 based on (i) the Provisional Net Asset Value (i.e. EUR 1,382,315,710) and (ii) a capital increase of the Company of a maximum of 9,478,728 shares issued and allotted with a par value of 3 Euros per share (provided that the final amount of the merger premium will be determined on the basis of the final net book value of the net asset value transferred by Beni Stabili on the Effective Date, the relevant portion applicable to this value and the final amount of the capital increase resulting from the Merger).</p>
<b>EFFECTS OF THE MERGER</b>	
Impact of the Merger on the Convertible Bonds of Beni Stabili	<p>As a legal effect of the Merger and in accordance with article L. 228-101 of the French Commercial Code, the Company shall undertake all the obligations in respect of the Convertible Bonds outstanding as of the Effective Date and, as from the Effective Date, the Convertible Bonds may be converted into shares of the Company.</p> <p>In this context, Beni Stabili has appointed an independent financial advisor (the “<b>Independent Financial Advisor</b>”) to carry out certain activities which, amongst other things, are necessary (but not in and of themselves sufficient) for the Merger to qualify as a “permitted reorganization” under the Conditions. The Independent Financial Advisor shall be in charge, <i>inter alia</i>, to determine (i) if the conversion price which will be applicable to the conversion of the Convertible Bonds into ordinary shares of the Company following the consummation of the Merger (the “<b>Initial Transferee Company Conversion Price</b>”) is appropriate, and (ii) if the other changes to be made to the Conditions in the context of the Merger are appropriate.</p> <p>On the basis of the Merger Exchange Ratio and subject to the possible adjustment of the Merger Exchange Ratio, the Independent Financial Advisor has determined that it would be appropriate to determine the Initial Transferee Company Conversion Price in the Conditions, as amended and restated upon the effectiveness of the Merger (the “<b>Restated Conditions</b>”), as follows:</p> <p><b>Initial Transferee Company Conversion Price = ACP × XR</b></p> <p>Where:</p> <p>“<b>ACP</b>” means the applicable conversion price immediately before consummation of the Merger (as may be adjusted prior to the Effective Date in accordance with the Conditions); and</p>

**COVIVIO**  
**PRESS RELEASE**

“**XR**” means 1,000/8.5 (as such fraction may be adjusted in case of an adjustment of the Merger Exchange Ratio in accordance with this Merger Plan).

Due to the manner in which the Restated Conditions may be drafted, it may be necessary to also determine a further conversion price (the “**Alternative Change of Control Price**”) which would apply during a period equal to the “Change of Control Period” (as defined in the Conditions), and which would need to be determined pursuant to the formula set out in Condition 6(b)(x) but assuming for this purpose that:

- COCCP means the Alternative Change of Control Price; and
- OCP means the Initial Transferee Company Conversion Price.

Whilst the Independent Financial Advisor has not seen a draft of the Restated Conditions, in principle it believes that in the event the Restated Conditions include the concept of an Alternative Change of Control Price which would apply during a period equivalent to the “Change of Control Period”, the approach set out in the preceding paragraph for the calculation of the Alternative Change of Control Price would be appropriate.

By way of illustration, and based on the current Merger Exchange Ratio and on the conversion price in effect as of the date hereof (Eur 0.9736):

- the Initial Transferee Company Conversion Price would be Eur 114.5411; and
- in the event an Alternative Change of Control Price is required to be determined as aforesaid and the date on which the Change of Control (as defined in the Conditions) occurs were to be the Effective Date, such Alternative Change of Control Price would be Eur 101.9655.

The Merger will trigger a “Change of Control” within the meaning of the Conditions and therefore, bondholders will be entitled to put one or more of their Convertible Bonds requiring the Company to redeem them on the 14th calendar day after the expiry of the Change of Control Period, unless an Independent Financial Advisor issues and delivers a confirmation opinion stating that the Change of Control is not, in its opinion, materially prejudicial to the interest of the bondholders (provided that, for the avoidance of doubt, the Parties intend to appoint such Independent Financial Advisor in order to have delivered such confirmation opinion).

**COVIVIO**  
**PRESS RELEASE**

Impact of the Merger for Foncière Régions shareholders	<p>The impact of the capital increase resulting from the Merger for the holder of 1% of the Company's share capital before the Merger (based on (i) an exchange ratio of 8.5 Company shares for 1,000 Beni Stabili shares (subject to a possible adjustment of the Merger Exchange Parity in accordance with the provisions of the Merger Plan), (ii) the number of Beni Stabili shares held by the Company and by Beni Stabili on the date of the Merger Plan, and (iii) without taking into account a potential capital increase of Beni Stabili or the Company before the Effective Date) is as follows:</p> <table border="1" data-bbox="451 443 1447 909"> <thead> <tr> <th></th> <th>Percentage held on a non-diluted basis</th> <th>Percentage held on a diluted basis<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td>Before the capital increase resulting from the Merger</td> <td style="text-align: center;">1%</td> <td style="text-align: center;">0.962%</td> </tr> <tr> <td>After the capital increase resulting from the Merger and without taking into account the Beni Stabili shares which may be issued before the Effective Date as a result of the Convertible Bonds</td> <td style="text-align: center;">0.907%</td> <td style="text-align: center;">0.875%</td> </tr> <tr> <td>After the capital increase resulting from the Merger and taking into account a maximum of 205,423,172 Beni Stabili shares which may be issued before the Effective Date as a result of the Convertible Bonds</td> <td style="text-align: center;">0.888%</td> <td style="text-align: center;">0.858%</td> </tr> </tbody> </table>		Percentage held on a non-diluted basis	Percentage held on a diluted basis <sup>1</sup>	Before the capital increase resulting from the Merger	1%	0.962%	After the capital increase resulting from the Merger and without taking into account the Beni Stabili shares which may be issued before the Effective Date as a result of the Convertible Bonds	0.907%	0.875%	After the capital increase resulting from the Merger and taking into account a maximum of 205,423,172 Beni Stabili shares which may be issued before the Effective Date as a result of the Convertible Bonds	0.888%	0.858%
	Percentage held on a non-diluted basis	Percentage held on a diluted basis <sup>1</sup>											
Before the capital increase resulting from the Merger	1%	0.962%											
After the capital increase resulting from the Merger and without taking into account the Beni Stabili shares which may be issued before the Effective Date as a result of the Convertible Bonds	0.907%	0.875%											
After the capital increase resulting from the Merger and taking into account a maximum of 205,423,172 Beni Stabili shares which may be issued before the Effective Date as a result of the Convertible Bonds	0.888%	0.858%											
Impact of the Merger on the employees of Foncière Régions	<p>The Merger is not expected to have a significant impact on employment.</p> <p>The works council of the Economic and Social Union of Foncière des Régions was informed and consulted on the Merger project and gave a favourable opinion on the Merger project on 23 May 2018.</p>												
Impact of the Merger on the creditors of Foncière Régions	<p>It is specified, for the avoidance of doubt, that the Company's creditors (who are not bondholders) whose claim is prior to the publication of the Merger Plan may file an opposition under the conditions provided for in Article L. 236-14 of the French Commercial Code.</p> <p>In accordance with Article L. 236-15 of the French Commercial Code, the general meeting of bondholders may grant a mandate to the representatives of the group to oppose the Merger under the conditions provided for in Article L. 236-14 of the French Commercial Code.</p> <p>In accordance with legal provisions, an opposition filed by a creditor will not have the effect of prohibiting the continuation of the Merger operations.</p>												
Withdrawal right of Beni Stabili shareholders	<p>Within 15 days from the registration of the minutes of the extraordinary shareholders' meeting of Beni Stabili approving the Merger Plan, shareholders of Beni Stabili who did not approve the Merger Plan will be entitled to exercise their withdrawal right from Beni Stabili pursuant to article 2437, paragraph 1, letter (c) of the Italian Civil Code and article 5 of Legislative Decree 108/2008 of 30 May 2008.</p> <p>Notice of the registration will be published in accordance with the Italian laws and on Beni</p>												

<sup>1</sup> Taking into account (i) the outstanding free shares allocated but not vested on 30 June 2018 (i.e. 488,367 free shares) and (ii) the shares which may be issued upon the reimbursement of the ORNANE.



**COVIVIO**  
**PRESS RELEASE**

	<p>Stabili's web-site.</p> <p>The redemption price payable to shareholders, calculated in accordance with the criteria set out in article 2437-ter of the Italian Civil Code, is Eur 0.7281 for each share of Beni Stabili in relation which the withdrawal rights will be exercised (the "<b>Redemption Price</b>").</p> <p>From the date of receipt of a withdrawal notice from shareholders of Beni Stabili in accordance with article 2437-<i>bis</i> of the Italian Civil Code, those shareholders will not be entitled to exercise the economic rights relating to the shares for which the withdrawal has been exercised (including, for the avoidance of doubt, the right to dividends, interim dividends and distributions resolved and paid the withdrawal).</p> <p>The effectiveness of a withdrawal and the payment of the Redemption Price is subject to the satisfaction of (or, to the extent legally permissible, waiver to) the Conditions Precedent i to iv below, being understood that the transfer of the withdrawing shareholders' shares will be carried on the date of payment of the Redemption Price.</p> <p>Pursuant to article 2437-<i>quater</i> of the Italian Civil Code, Beni Stabili shares on which the withdrawal right is exercised will be offered in priority (through an option or preemption right) to the other shareholders of Beni Stabili proportionally to the number of shares held by each of them, as well as to the holders of Convertible Bonds based on the Merger Exchange Ratio.</p> <p>If the shareholders of Beni Stabili and/or the holders of Convertible Bonds, as the case may be, have not acquired all of the shares for which a withdrawal right has been exercised, Beni Stabili will be entitled, at its discretion, to offer the remaining shares to third parties in accordance with the applicable laws. In accordance with the applicable laws and regulations, Beni Stabili also reserved the right, at its discretion, to negotiate purchase commitments of the shares by third parties (including shareholders, banks or financial intermediaries), possibly also after completion of the settlement procedure for the shares of withdrawing shareholders, in any event prior to the Effective Date. Any shares remaining unsold will be either purchased by Beni Stabili prior to the Effective Date and/or by the Company after the Effective Date.</p>
<b>CONDITIONS PRECEDENT FOR THE COMPLETION OF THE MERGER</b>	
	<p>The completion of the Merger would be subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the following conditions precedent:</p> <ul style="list-style-type: none"><li>i. approval of the terms of the Merger Plan by the extraordinary general meeting of the shareholders of the Company;</li><li>ii. approval of the terms of the Merger Plan by the extraordinary general meeting of the shareholders of Beni Stabili;</li><li>iii. delivery by the clerk of the District Court of Metz (<i>Tribunal d'instance de Metz</i>) and an Italian notary public of pre-Merger compliance certificates regarding pre-Merger acts and formalities;</li><li>iv. delivery by the clerk of the District Court of Metz (<i>Tribunal d'instance de Metz</i>) or by a French notary public of a legality certificate concerning completion of the Merger in accordance with article 128 of the Directive (EU) 2017/1132 of the</li></ul>

**COVIVIO**  
**PRESS RELEASE**

	<p>European Parliament and of the Council of 14 June 2017 relating to certain aspect of company law and article L. 236-30 of the French Commercial Code;</p> <p>v. approval for listing on Euronext Paris of the shares of the Company issued and allotted to the holders of shares of Beni Stabili (the “<b>Conditions Precedent</b>”).</p>
<b>EFFECTIVE DATE AND EFFECT OF THE MERGER</b>	
	<p>Subject to fulfilment (or, to the extent permitted under applicable laws, waiver) of the Conditions Precedent, and for the purposes of article L. 236-31 of the French Commercial Code and of article 15 of Legislative Decree 108/2008, the effectiveness of the Merger from a legal, tax and accounting standpoint will be postponed at 11:59 pm on 31 December 2018 (the “<b>Effective Date</b>”).</p>
<b>CONTROL OF THE MERGER</b>	
<p>Merger appraiser</p>	<p>In accordance with article L.236-25 and L. 236-10 of the French Commercial Code, the president of the commercial chamber of the regional court of Metz (<i>Président de la chambre commerciale du Tribunal de grande instance de Metz</i>) appointed Mr. Michel Léger as merger appraiser. He is responsible for preparing a report on the conditions of the Merger to confirm, in particular, the fairness of the Merger Exchange Ratio. He is also responsible for the preparation of another report to confirm that the value of the assets and liabilities transferred by universal succession of title to the Company by Beni Stabili is not over-estimated. The conclusions of the reports are presented below:</p> <p><u>On the value of the transferred assets and liabilities:</u></p> <p><i>« As a conclusion of my work, my opinion is that the value of the contributions amounting to Eur 1,382,315,710 is not over-estimated and, as a consequence, the net assets that are transferred are at least equal to the amount of the share capital increase plus the amount of the merger premium ».</i></p> <p><u>On the remuneration of the transferred assets and liabilities:</u></p> <p><i>« As a conclusion of my work and taking into account the specific terms for the determination of the exchange ratio, my opinion is that the exchange ratio of 8.5 FONCIERE DES REGIONS shares for 1 000 BENI STABILI shares is fair. »</i></p> <p>Mr Michel Léger has also delivered a report regarding the number of Company shares, to which the Convertible Bonds will potentially give right following the Merger, in accordance with the provisions of Article L. 228-101 of the French commercial code. The conclusion of this report is presented below:</p> <p><i>« Based on my work and on the exchange ratio of 8.5 FONCIÈRE DES RÉGIONS shares for 1 000 BENI STABILI shares, and subject to a possible adjustment of the conversion price which would occur after the date of this report, the number of FONCIÈRE DES RÉGIONS shares which the holders of BENI STABILI convertible bonds will be entitled to receive, potentially and following the completion of the merger, in case of reimbursement of the convertible bonds in FONCIÈRE DES RÉGIONS shares, in accordance with the terms and conditions described in the merger plan, does not raise any particular observation on my behalf. »</i></p> <p>Is it further specified that, on 19 June 2018, the Court of Rome appointed EY S.p.A. as an independent expert in charge of releasing the experts’ report on the fairness of the Merger Exchange Ratio (“<i>relazione sulla congruità del rapporto di cambio delle azioni?</i>”) and addressing, in particular, (a) the method or methods adopted to calculate the proposed Merger Exchange Ratio and the values resulting from the application of each one as well as; (b) any difficulties encountered in the preparation of its valuations.</p>



## CONTACTS

### Press Relations

Géraldine Lemoine  
Tél : + 33 (0)1 58 97 51 00  
[geraldine.lemoine@covivio.fr](mailto:geraldine.lemoine@covivio.fr)

### Investor Relations

Paul Arkwright  
Tél : + 33 (0)1 58 97 51 85  
[paul.arkwright@covivio.fr](mailto:paul.arkwright@covivio.fr)

Laetitia Baudon

Tél : + 33 (0)1 44 50 58 79  
[laetitia.baudon@shan.fr](mailto:laetitia.baudon@shan.fr)



## ABOUT COVIVIO

Thanks to its partnering history, its real estate expertise and its European culture, Foncière des Régions is redefining its raison d'être in line with the revolution in usage, inventing today's user experience, designing tomorrow's city and becoming Covivio.

A preferred real estate player at the European level, Covivio is close to its end users, capturing their aspirations, combining work, travel, living, and co-inventing vibrant spaces.

A benchmark in the European real estate market with 23 Bn€ in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.

Its living, dynamic approach opens up exciting project and career prospects for its teams.

Covivio's shares are listed in the Euronext Paris A compartment (FR0000064578 - COV), are admitted to trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, and in the ESG FTSE4 Good, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Oekom, Ethibel and Gaïa ethical indices.

Covivio is rated BBB/Positive outlook by Standard and Poor's.

*The change of Foncière des Régions' corporate name to Covivio will be proposed in General Meeting on 6th September 2018.*

*This press release does not constitute and should not be regarded as an offer or a solicitation of an offer for the purchase, sale or exchange of Foncière des Régions or Beni Stabili securities. It does not constitute an offer or solicitation of an offer to buy, sell or exchange securities in a country in which such an offer, solicitation, sale or exchange is unlawful or subject to registration under applicable law in that country.*

*This press release does not constitute an offer of securities in the United States. Securities may not be offered or sold in the United States without registration or exemption from registration in accordance with the 1933 U.S. Securities Act, as amended.*



[covivio.eu](http://covivio.eu)

Follow us on Twitter @covivio\_  
and on the following networks

