

Michel Léger

Chartered Accountant

Auditor

Honorary expert authorised by the Paris Court of Appeal

FONCIERE DES REGIONS S.A. (Absorbing Company)

Public limited company (société anonyme) with a share capital of €225,835,737

18, avenue François Mitterrand - 57000 METZ

TRADE AND COMPANIES REGISTER OF METZ TI - 364 800 060

BENI STABILI S.P.A. SIIQ (Absorbed company)

Public limited company with a share capital of €226,959,280.30

ROME (RM) Via Piemonte 38 Postcode 00187

<p>MERGER BY WAY OF ABSORPTION OF BENI STABILI S.p.A. SIIQ BY FONCIERE DES REGIONS S.A.</p>
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**Report of the merger auditor
on the number of FONCIÈRE DES RÉGIONS shares to which,
potentially and subsequently to the merger between BENI STABILI and FONCIÈRE
DES RÉGIONS,
the transferable securities giving access to the capital of BENI STABILI will give
entitlement**

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FONCIERE DES REGIONS S.A

18 avenue François Mitterrand - 57000 METZ
364 800 060 RCS METZ TI

BENI STABILI S.P.A SIIQ

Via Piemonte, 38 CAP 00187 - ROMA (RM)
Tax number: 00380210302

Report of the Merger Auditor on the number of FONCIÈRE DES RÉGIONS shares to which, potentially and subsequently to the merger between BENI STABILI and FONCIÈRE DES RÉGIONS, the transferable securities giving access to the capital of BENI STABILI will give entitlement.

Dear Sir, Dear Madam,

Under the terms of the assignment entrusted to me by the President of the Metz Regional Court on 8 June 2018, concerning the merger by way of absorption of **BENI STABILI S.P.A. SIIQ** (BENI STABILI or the absorbed company) by **FONCIERE DES REGIONS S.A** (FONCIÈRE DES RÉGIONS or the absorbing company), I have been appointed as merger auditor in order to draw up the reports referred to in articles L. 225-147, L. 236-9 and L. 236-10 of the French Commercial Code.

In this context and in accordance with the provisions of article L. 228-101 of the French Commercial Code, I have drawn up this report on the number of FONCIÈRE DES RÉGIONS shares to which, subsequently to the merger, the transferable securities giving access to the capital of BENI STABILI will potentially give entitlement.

The number of capital securities in the absorbing company to which the holders of transferable securities giving access to the absorbed company's capital may be entitled was decided in the merger plan signed on 19 July 2018 by the legal representatives of FONCIÈRE DES RÉGIONS and BENI STABILI. It is my duty to express an opinion on the number of FONCIÈRE DES RÉGIONS shares to which, subsequently to the merger, the convertible bonds issued by BENI STABILI will potentially give entitlement in the event of redemption of said bonds convertible into FONCIÈRE DES RÉGIONS shares. For this purpose, I have performed the procedures that I considered necessary with regard to the professional standards of the *Compagnie nationale du commissaire aux comptes* (French national institute of statutory auditors) relating to said assignment. Said procedures have in particular consisted of verifying that the number of capital securities to which holders of convertible bonds may be entitled has been determined in accordance with the provisions of article L.228-101 of the French Commercial Code.

Please find below my report submitted in accordance with the following outline:

- 1. Presentation and description of the transaction**
- 2. Procedures carried out, summary of our work and appraisal**
- 3. Conclusion**

1. Presentation of the transaction and description of the contributions

1.1. Presentation of the transaction

1.1.1. The absorbing company

FONCIERE DES REGIONS is a public limited company with its registered office located at 18 avenue François Mitterrand, 57000 Metz. It was registered on 17 January 1964 on the Metz Trade and Companies Register under number 364 800 060.

Its share capital amounts to 225,835,737 euros. This is divided into 75,278,579 shares with a par value of 3 euros each, fully subscribed and paid up.

a. Corporate purpose

The corporate purpose of the absorbing company, as set out by article 3 of its articles of incorporation, is:

Primarily:

- the acquisition of any land, property rights or buildings, including by means of construction lease, emphyteutic lease, permit for temporary occupation of public property and financial lease together with any assets or rights that may be accessory to or associated with said real estate assets;
- the construction of buildings and all transactions having a direct or indirect relationship with the construction of said buildings;
- the operation and development by means of rental of said real estate assets;
- directly or indirectly, the holding of interests in entities referred to in article 8 and in paragraphs 1, 2 and 3 of article 206 of the French General Tax Code, and more generally the acquisition of a stake in any companies for which the main purpose is the operation of a rental property asset base together with the coordination, management and assistance of said entities and companies.

Secondarily, directly or indirectly:

- the leasing of all types of property assets;
- the acquisition, including by means of concession, permit for temporary occupation of public property, and operation of car parks;
- the management and administration of all property assets and rights on behalf of third parties and direct and indirect subsidiaries;
- the coordination, management and assistance of all direct and indirect subsidiaries.

Exceptionally, the alienation in particular by means of disposal, transfer, exchange and merger of the absorbing company's assets.

And more generally:

- the involvement in the capacity of borrower and lender in any intra-group lending or treasury transaction and the possibility of granting for that purpose any real or personal, movable or immovable, mortgage or other securities;
- and any civil, financial, commercial, industrial, movable and immovable property transactions deemed useful for the development of any one of the company's aforementioned purposes.

b. Duration and corporate financial year

The duration of the absorbing company shall come to an end on 1 December 2062, unless extended or dissolved before such time.

The closing date for the absorbing company's corporate financial year is 31 December of each year.

c. Treasury shares

As at 30 June 2018, approximately 0.07% of the absorbing company's capital was in treasury shares.

d. Other securities issued

In November 2013, the absorbing company issued Net share settled bonds convertible into cash and/or new and/or existing shares (ORNANE) at the annual interest rate of 0.875% for a nominal amount of 345,000,000 euros and redeemable on 1 April 2019 (the "ORNANES").

The absorbing company also issued debenture loans (non convertible) on 16 December 2012, 28 March 2013, 10 September 2014, 20 May 2016 and 21 June 2017, for a total amount remaining due as at 31 December 2017 of around 1,673.3 million euros.

As at 30 June 2018, the number of the absorbing company's free shares, which had been allocated but not yet definitively vested, stood at 488,367 shares. None of the absorbing company's securities other than those indicated have been issued and are in circulation as at the date hereof.

1.1.2. The absorbed company

BENI STABILI is a public limited company with its registered office located at Via Piemonte, 38, 00187 ROMA (Italy). It was listed on 19 February 1996 on the Rome Companies Register under fiscal number 00380210302.

Its share capital amounts to 226,959,280.30 euros, divided into 2,269,592,803 shares with a par value of 0.10 euros each, fully paid up, all of the same category. It is held 59.87% by the company FONCIERE DES REGIONS, 5.70% by the company PREDICA, 0.04% in treasury shares, the remainder corresponding to floating capital.

The purpose of the absorbed company is set out by article 3 of its articles of incorporation. In particular, the corporate purpose of the absorbed company includes all activities relating to real estate and all activities relating to the acquisition of interests, excluding transactions with the public, in Italy and abroad.

a. Corporate purpose

The absorbed company may in particular:

- acquire, sell and manage properties and register mortgages;
- carry out new constructions, renovate and redevelop buildings, in particular on behalf of and/or in a consortium with third parties;
- divide buildings and agricultural land into plots, establish districts in accordance with urban planning regulations; participate in establishing consortia with an objective of urban development and for the construction of building complexes; entering into agreements and obligations in relation to urban planning restrictions with the competent municipalities;
- act as landlord or tenant, manage buildings and real estate assets, in particular on behalf of businesses, companies and other entities;
- liquidate and manage businesses, companies and entities connected with the real estate sector; form companies and acquire stakes and investments in other companies or businesses, directly or indirectly, with the exclusion of dealings with the public and of public tenders.

The absorbed company may engage in any other activities deemed necessary and appropriate for achieving its corporate purpose. More specifically, the absorbed company may undertake, for example and without this list being exhaustive, surveys, research projects and commercial, industrial, financial, movable and immovable transactions; it may enter into mortgage contracts and take out loans of any type or duration, and issue movable or personal securities, securities through movable and immovable assets, including collateral, pledges and mortgages covering its own bonds or those of companies and businesses in which it has interests or stakes.

The absorbed company's transactions shall be carried out in compliance with the following rules on real estate investment and concentration of risks and financial leverage limitations:

(a) The absorbed company may not invest in an individual real estate asset with the same urban characteristics and functions: (i) directly, in a proportion greater than 25% of the total value of its real estate assets; and (ii) directly and through the intermediary of its subsidiaries, in a proportion greater than 15% of the total value of the real estate assets of the group at its head. In this respect, it is specified that, for development plans covered by a single urban plan, the portions of ownership that are functionally independent and covered by single building permits, or equipped with urban works that are sufficient for guaranteeing connection to public utilities, cease to have the same urban characteristics and the same functional characteristics;

(b) The absorbed company may not generate: (i) directly, rents, through the same tenant or tenants belonging to the same group, in a proportion greater than 30% of the absorbed company's total rents; and (ii) directly or through the intermediary of its subsidiaries, rents from the same tenant or tenants belonging to the same group, in a proportion higher than 60% of the group's total overall rents;

(c) The absorbed company may take on: (i) directly, the borrowings (including financial payables towards the subsidiaries and the parent company), net of cash and cash equivalents, of the parent company's equivalent assets and financial receivables, for an overall nominal value not exceeding 70% of the sum of the total value of its real estate assets, the balance sheet value of stakes in subsidiaries and the nominal value of the financial receivables of subsidiaries; and (ii) directly and through the intermediary of subsidiaries, the consolidated financial payables (including amounts due to the parent company), net of cash and cash equivalents and of the parent company's equivalent assets and financial receivables, for an overall nominal value not exceeding 70% of the sum of the total of the group's real estate assets.

The above limitations may be exceeded in exceptional circumstances or in circumstances outside of the absorbed company's control.

Unless the interests of the shareholders and/or the absorbed company require otherwise, said limitations may not be exceeded for a period of more than 24 months, as regards the thresholds established in paragraphs (a) and (b), and 18 months as regards the thresholds established in paragraph (c). As an exception to the foregoing, the 30% limitation applicable in accordance with paragraph (b) above does not apply if the absorbed company's real estate assets are rented to one or more tenants belonging to a group of national or international importance.

b. Duration and corporate financial year

The duration of the absorbed company shall come to an end on 31 December 2100, unless extended or dissolved before such time.

The closing date for the absorbed company's corporate financial year is 31 December of each year.

c. Treasury shares

As at 30 June 2018, 0.04% of the absorbed company's capital was in treasury shares.

d. Other securities issued

In 2015, the absorbed company issued convertible bonds (200,000,000 0.875 per cent. Convertible Bonds due 2021), in circulation and listed on ExtraMOT - Professional Market of the Italian Stock Exchange.

On 29 May 2018, BENI STABILI published in the Italian Official Gazette (Section II - No 62), and in particular in accordance with the provisions of articles 65-quinquies, 65-sexies, 65-septies and 84 of the CONSOB Regulation on issuers (no. 11971/99, the “CONSOB Regulation on Issuers”), as well as on the absorbed company’s website (www.benistabili.it) and in accordance with the terms and conditions of Convertible Bonds, a notice informing bearers of Convertibles Bonds of the start of the 30 day period, in accordance with Article 2503-bis, paragraph 2, of the Italian Civil Code, during which the bearers of Convertible Bonds have the possibility of exercising their conversion right.

On expiry of said 30 day period, no bearer of Convertible Bonds has exercised their right to convert their Convertible Bonds into the absorbed company’s shares.

By operation of law in respect of the merger, the absorbing company shall assume all obligations in relation to the Convertible Bonds in circulation at the date of implementation i.e. 31 December 2018.

BENI STABILI also issued the following bonds, which are in circulation:

- (i) the “Euro 300,000,000 2.375 per cent. Notes due 20 February 2028” listed on the Luxembourg stock exchange (the “2028 Bonds”);
- (ii) the “Euro 300,000,000 1.625 per cent. Notes due 17 October 2024” listed on the Luxembourg stock exchange (the “2024 Bonds”); and
- (iii) the “Euro 125,000,000 2.125 per cent. Notes due 30 March 2022” listed on the Irish stock exchange (the “2022 Bonds” and, together with the 2028 Bonds and the 2024 Bonds, the “Bonds”).

By operation of law in respect of the merger, the absorbing company shall assume all obligations in relation to the Bonds in circulation at the date of implementation of the contribution.

None of the absorbed company’s securities other than those indicated have been issued and are in circulation as at the date hereof.

1.1.3. Direct links between the companies

At the date of signature of the merger plan, FONCIERE DES REGIONS held approximately 59.87% of the shares of BENI STABILI in circulation, thus exercising de jure control over BENI STABILI. In addition, the absorbing company exercises management and coordination powers over the absorbed company’s activities in accordance with articles 2497 et seq. of the Italian Civil Code.

BENI STABILI and FONCIERE DES REGIONS have the following officers in common:

- Mr Jean Laurent, who is also chairman of the board of directors of the company FONCIERE DES REGIONS;
- Mr Leonardo Del Vecchio;
- Mr Christophe Kullmann, who is also chief executive officer of FONCIERE DES REGIONS and of BENI STABILI and member of the executive board of FONCIERE DES REGIONS;
- Mrs Marjolaine Alquier de L’Epine who is board member of BENI STABILI and also head of audit and internal control of FONCIERE DES REGIONS.

1.2. Description of the merger

1.2.1. Objectives of the merger

On 19 April 2018, FONCIERE DES REGIONS submitted a merger project to the board of directors of BENI STABILI, of which the board of directors took due note on 20 April 2018, by which FONCIERE DES REGIONS would absorb BENI STABILI on the basis of an exchange ratio of 8.5 FONCIERE DES REGIONS shares for 1,000 BENI STABILI shares. In this context, BENI STABILI has in particular initiated the procedures applicable to transactions with related parties, in accordance with applicable legal and regulatory requirements. In the context of this procedure, the committee of independent directors of BENI STABILI has given its favourable and unanimous approval on the merger project relying in particular on a fairness opinion produced by the consultant bank.

On 25 May 2018, the parties entered into a Merger Agreement in view of combining their activities by means of a merger-absorption of BENI STABILI by FONCIERE DES REGIONS. In this context, on 18 and 19 July 2018 respectively, the board meetings of BENI STABILI and FONCIERE DES REGIONS decided to approve the merger plan submitted for your approval. The envisaged merger is a merger within the meaning of article 1 of Directive 2009/133/EC of 19 October 2009 on the common system of taxation applicable to mergers, divisions, partial divisions, partial transfers of assets and exchanges of shares concerning companies of different Member States, and to the transfer of the registered office of an SE or SCE between Member States, of article 210-0 A of the French General Tax Code and of articles 178 et seq. of the Italian law on taxation.

The merger proposed to you is intended to simplify the structure of the FONCIERE DES REGIONS group and emphasise the links between platforms. The purpose of the merger is to consolidate the group's status as integrated European real estate operator and leader on its markets, by increasing its strength in three strategic areas of focus which are (i) emphasis placed on European capitals, (ii) real estate development and (iii) client-oriented culture. The merger will also make it possible to simplify the legal procedures and requirements that are currently applicable, which should also help to reduce costs. The merger should also boost the profile of FONCIERE DES REGIONS on capital markets through an increase in its stock market capitalisation and expansion of the free float.

1.2.2. Accounts used in order to establish the conditions of the merger

In accordance with the provisions of article L. 236-4 of the French Commercial Code, FONCIÈRE DES RÉGIONS and BENI STABILI have agreed that the merger shall have a delayed effect from an accounting and taxation standpoint as at midnight on 31 December 2018, i.e. subsequently to the date on which the merger will be submitted to the general shareholders' meetings of BENI STABILI and FONCIÈRE DES RÉGIONS. The merger shall also take effect from a legal point of view on 31 December 2018 at midnight.

In accordance with the *Comité de la réglementation comptable* (French Accounting Regulation Committee) regulation no. 2004-01 and CU CNC notice no.2005-C:

- the assets and liabilities transferred by the absorbed company have been listed in the merger plan on the basis of the estimated corporate accounts of BENI STABILI as at 31 December 2018 (the Estimated Accounts);
- the assets and liabilities have been assessed at their net book value on the basis of the Estimated Accounts.

The final net book values of the assets and liabilities transferred and, therefore, of the net assets transferred as a result thereof, will need to be determined at the date of the merger's implementation on the basis of the absorbed company's final accounts as at 31 December 2018 to be submitted for approval by the board of directors of FONCIÈRE DES RÉGIONS.

Furthermore the merger involves the following:

- BENI STABILI shall bring all asset and liability items to the company FONCIÈRE DES RÉGIONS as they are shown on its balance sheet in respect of the financial year ended on 31 December 2018;
- FONCIERE DES REGIONS shall account for the BENI STABILI asset and liability items in accordance with the accounting principles to which FONCIERE DES REGIONS is subject (without prejudice to the harmonisation of accounting and valuation methods applicable to the asset and liability items after the Merger). The book value of the net assets transferred shall be carried over to FONCIERE DES REGIONS and the value of said net assets shall be reflected in the accounts of FONCIERE DES REGIONS in euros, as at 31 December 2018;
- BENI STABILI shall transfer to FONCIERE DES REGIONS, subject to the usual ipso facto and ipso jure conditions, and subject to the conditions set out in the merger plan, all of the asset and liability items making up its asset base (including all assets, rights and powers whatever these may be), on the understanding that both the assets and liabilities of the BENI STABILI asset base shall be allotted to FONCIERE DES REGIONS in the state in which it is found as at 31 December 2018;
- In accordance with CU CNC notice no.2005-C, BENI STABILI has drawn up forecast financial statements as at 31 December 2018 so as to provide an estimate of the net book value of assets and liabilities in the full transfer of its asset base to FONCIERE DES REGIONS. The final net book values of the assets and liabilities that will be transferred in the full transfer of the asset base to the absorbing company and, therefore, of the net assets transferred as a result thereof, will need to be determined on the basis of the absorbed company's final accounts at the date of implementation, which will be submitted for approval by the absorbing company's board of directors and will be the subject of an audit by its statutory auditors. The difference between provisional net assets and final net assets shall constitute an adjustment of the merger premium;
- Following the merger, FONCIERE DES REGIONS shall harmonise the accounting and valuation methods for assets and liabilities by (i) removing from the balance sheet any assets and liabilities entered that do not correspond to the definition of assets and liabilities given by the French general accounting plan, (ii) noting the assets and liabilities that need to be recorded on the balance sheet in accordance with the French general accounting plan and (iii) recognising said restatements in consideration of the merger losses or gains that may be recorded, failing which they shall be allocated to the Company's retained earnings, in accordance with the rules on changes in method;
- The merger shall result in the dissolution without liquidation of BENI STABILI with correlative attachment of the items acquired to a permanent establishment of FONCIERE DES REGIONS in Italy. All assets and liabilities shall be allocated to said permanent establishment, including all stakes held by BENI STABILI in its subsidiaries as well as its stake in Central SICAF S.p.A. The permanent establishment shall continue to carry out, without interruption, all activities carried out by BENI STABILI;
- In terms of corporate taxes, the absorbing company and the absorbed company agree to submit the merger with respect to French taxation, to the preferential merger treatment referred to in article 210A of the French General Tax Code;
- With regard to registration fees, the parties hereby declare that this merger enters into the scope of application of the treatment set out in article 816 of the French General Tax Code, since the absorbing company and the absorbed company are both subject to corporate income tax.

1.2.3. Description of the net assets transferred by BENI STABILI to FONCIÈRE DES RÉGIONS

The estimated net assets acquired amount to 1,843,087,613 euros taking into account assets acquired of 3,215,098,689 euros and liabilities assumed of 1,372,011,076 euros. Insofar as the final amount of net assets contributed by the absorbed company will only be known after the date of implementation, and in the absence of guaranteed net assets, it has been agreed between the parties that the provisional net assets retained for the purposes of the merger plan shall be equal to the sum of net assets valued on the basis of the Estimated Accounts, to which a discount of 25% will be applied.

The value of the provisional net assets conveyed is therefore as follows:

	In euros
Net assets contributed	1,843,087,613
Discount 25%	(460,771,903)
Provisional net assets conveyed	1,382,315,710

In the context of my assignment, it is not my duty to issue an opinion on the value of the asset transfers. Nonetheless, insofar as I was appointed as merger auditor by order of the President of the Commercial Court of Metz dated 8 June 2018, I have issued a report on the value of the asset transfers in the context of said separate assignment.

1.3. Determination of the exchange ratio

The merger exchange ratio approved on 25 May 2018 by the board meetings of FONCIÈRE DES RÉGIONS and BENI STABILI is 8.5 FONCIÈRE DES RÉGIONS shares for 1,000 BENI STABILI shares.

In the context of my assignment, it is not my duty to issue an opinion on the exchange ratio retained.

Nonetheless, insofar as I was appointed as merger auditor by order of the President of the Commercial Court of Metz dated 8 June 2018, I have issued a report on remuneration of the asset transfers in the context of said separate assignment.

1.4. Treatment, in the context of the merger, of the transferable securities giving access to the capital of BENI STABILI

The only transferable securities issued by BENI STABILI and giving access to its capital are bonds convertible into shares.

On 28 October 2015, the absorbed company issued convertible bonds (2,000,000 of convertible bonds reaching maturity in 2021), in circulation and listed on ExtraMOT - Professional Market of the Italian Stock Exchange.

The second paragraph "Risk factors relating to the bonds" of the admission document shows the methods for conversion of bonds. They are detailed below:

- Converted into cash
- Converted into shares
- Converted in line with a combination of cash and shares

It should be mentioned that the choice for conversion is in the issuer's hands.

On 29 May 2018, the absorbed company published in the Italian Official Gazette (Section II - No 62), and in particular in accordance with the provisions of articles 65-quinquies, 65-sexies, 65-septies and 84 of the CONSOB Regulation on issuers (no. 11971/99, the “CONSOB Regulation on Issuers”), as well as on the absorbed company’s website (www.benistabili.it) and in accordance with the terms and conditions of Convertible Bonds, a notice informing bearers of Convertibles Bonds of the start of the 30 day period, in accordance with Article 2503-bis, paragraph 2, of the Italian Civil Code, during which the bearers of Convertible Bonds have the possibility of exercising their conversion right.

On expiry of said 30 day period, no bearer of Convertible Bonds has exercised their right to convert their Convertible Bonds into the absorbed company’s shares. By operation of law in respect of the merger, the absorbing company shall assume all obligations in relation to the Convertible Bonds in circulation at the date of implementation i.e. 31 December 2018.

By operation of law in respect of the merger and pursuant in particular to the provisions of article L. 228-101 of the French Commercial Code, the absorbing company shall assume all obligations in relation to the Convertible Bonds in circulation as at 31 December 2018, starting from 31 December 2018, and the Convertible Bonds may, among other possibilities, be converted into the absorbing company’s shares.

In this context, the absorbed company has appointed an independent financial adviser in order to implement certain procedures which, in particular, are necessary (although insufficient in themselves) for the merger to be qualified as a “permitted reorganisation” under the terms of the Conditions. The independent financial adviser is in charge of determining in particular (i) if the conversion price that will be applicable to conversion of the Convertible Bonds into common shares of the absorbing company upon completion of the merger (the “**absorbing company’s original conversion price**”) is appropriate, and (ii) if the other amendments made to the conditions in the context of the merger are appropriate.

The last conversion price as it results from the last adjustment notice dated 7 May 2018 is 0.9736 euros per Convertible Bond.

Based on the exchange ratio and subject to a possible adjustment of the exchange ratio, the independent financial adviser has established that it would be sufficient to determine the absorbing company’s original conversion price under the terms of the conditions, such as amended and updated as of the time when the merger takes effect (the “amended conditions”), as follows:

The absorbing company’s original conversion price = ACP x XR

Where:

“ACP” refers to the applicable conversion price immediately before completion of the merger (as may be adjusted before the date of completion in accordance with the conditions); and

“XR” means 1000/8.5 (as said fraction is likely to be adjusted in the event of adjustment of the exchange ratio pursuant to the merger plan).

In line with the way in which the amended conditions may be drafted, the merger plan sets out that it may also be necessary to determine an additional conversion price (the “alternative change of control conversion price”) which would apply during a period corresponding to the “change of control period” (as defined in the conditions), and which would need to be determined in accordance with the formula set out in the conditions but assuming for such purpose that:

- COCCP refers to the alternative change of control conversion price; and
- OCP refers to the absorbing company’s original conversion price.

The independent financial adviser is of the opinion that, in the event that the amended conditions would provide for a concept of alternative change of control price applicable during a period equivalent to the “change of control period”, the approach described in the previous paragraph relating to calculation of the alternative change of control price would be appropriate.

By way of illustration, and on the basis of the exchange ratio and conversion price in effect at the date of the merger plan (0.9736 euros):

- the absorbing company’s original conversion price would be 114.5411 euros (corresponding to a maximum number of 1,746,036 FONCIERE DES REGIONS shares on the basis of the number of Convertible Bonds in circulation at the date of the merger plan); and
- in the case that it would be necessary to determine an alternative change of control price as described above with a change of control (as defined in the conditions) at the date of completion of the merger, the alternative change of control price would be 101.9655 euros (corresponding to a maximum number of 1,961,377 FONCIERE DES REGIONS shares on the basis of the number of convertible bonds in circulation at the date of the merger plan).

2. Procedures carried out, summary of our work and appraisal

2.1. Procedures carried out

I have performed my procedures in accordance with the professional standards of the *Compagnie nationale des commissaires aux comptes* (French national institute of statutory auditors) applicable to said assignment. Said professional standards require the implementation of procedures intended to verify that:

- the merger plan contains the information set out in the second paragraph of article L. 228-101 of the French Commercial Code;
- the number of FONCIÈRE DES RÉGIONS securities to which, potentially and subsequently to the merger, the convertible bonds determined in accordance with the provisions of article L. 228-101 of the French Commercial Code will give entitlement.

I have in particular proceeded with the following work:

- verification of the following information indicated in the merger plan between FONCIÈRE DES RÉGIONS and BENI STABILI:
 - arithmetical verification of the conversion price between the convertible bonds and the FONCIÈRE DES RÉGIONS shares in line with the exchange ratio function retained for the merger;
 - verification of the last known conversion price adjustment notice;
- review of the documentation relating to the convertible bonds:
 - transaction memo dated 25 October 2015 for admission on the ExtraMOT market;
 - press release dated 20 April 2018 announcing the merger project for FONCIÈRE DES RÉGIONS with BENI STABILI;
 - press release dated 25 May 2018 on the approval of the merger agreement by the board meetings of BENI STABILI and FONCIÈRE DES RÉGIONS.

My assignment provided for by law is neither an audit assignment nor a limited review assignment. Its purpose is not to enable the formulation of an opinion on the accounts, nor to carry out specific controls relating to compliance with corporate law. It cannot be equated with a due diligence assignment carried out by a lender or a purchaser and does not involve all the tasks necessary to that type of intervention.

This is an ad hoc assignment which will come to an end when I file my report.

2.2. Summary of our work and appraisal

On the basis of the information made available to me, and in particular:

- the transaction memo dated 25 October 2015 for admission on the ExtraMOT market;
- the adjustment notice for the conversion price of convertible bonds dated 7 May 2018.

I have checked that the information referred to in the merger plan on the number of FONCIÈRES DES RÉGIONS shares to which, potentially and subsequently to the merger, the BENI STABILI convertible bonds will give entitlement, was correct.

3. Conclusion

Based on my work and the exchange ratio of the merger set at 8.5 FONCIÈRE DES RÉGIONS shares for 1,000 BENI STABILI shares, and subject to a possible adjustment of the conversion price which would take place subsequently to the date of this report, the number of FONCIÈRE DES RÉGIONS securities to which the holders of BENI STABILI convertible bonds may be entitled in the event of redemption of the convertible bonds as FONCIÈRE DES RÉGIONS shares, potentially and subsequently, to the date of completion of the merger in accordance with the terms and conditions described in the merger plan, does not call for any observation on my part.

Paris, July 31th, 2018

The Auditory for the Merger,

Michel Léger
Statutory Auditor
Member of the Compagnie Régionale de Paris