Contemplated merger with Beni Stabili: A major step forward in European strategy & Group simplification - April 20th, 2018
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Beni Stabili: the leading Office player in Milan
**BENI STABILI: THE LEADING ITALIAN OFFICE PLAYER**

- **€3.5 bn portfolio** Group Share
  - (€4.2 bn on a 100% basis)

  > **Strategic focus on offices**

- **253 assets**
  - (1,903,000 m²)

- **51 assets**
  - (620,000 m²)

- **64% of total GAV in Milan**
  - €2.2 bn (Group Share)

  - **61%** CBD & Porta Nuova
  - **22%** Center & Semi-Center
  - **17%** Periphery

- **8 projects**
  - (198,100 m²)

- **Fuelled by a c. €800 M pipeline** mostly in Milan (89%)

- **253 assets** (1,903,000 m²)
  - **Offices - excl. Telecom Italia** 69%
  - **Telecom Italia** 23%
  - **Non strategic** 8%

- **51 assets** (620,000 m²)
  - **Business Districts** 64% of total GAV in Milan
  - **CBD & Porta Nuova**
  - **Center & Semi-Center**
  - **Periphery**

- **Existing Portfolio**
- **Development Pipeline**
- **Business Districts**

1. As of year end 2017, pro-forma the 9% disposal in SICAF Telecom Italia
2. 100% basis
DELIVERING ON TARGETS ANNOUNCED IN 2015
PAVING THE WAY TO A STRATEGIC GROUP INTEGRATION

Diversified Tenant Base & Focus on Milan

Improved Occupancy

Healthier credit profile

Focus on Milan • 49% → 64% +15pp

% Telecom Italia • 41% → 23% (18pp)

Occupancy rate (Offices, excl. TI)

2015 2017

2015 2017

Loan-to-Value

S&P Global BBB-
Investment Grade Rating

2017

50.9%

44.1%

Increased Debt Maturity

~6 yrs
(ex. 4.3 yrs in 2015)

Reduced Cost of Debt

2.15% (vs. 2015)

1 Based on Gross Asset Value

2 Proforma of the additional disposal of 9% of SICAF Telecom Italia
Strategic merger supported by strong Milan office market dynamic
MILAN OFFICE MARKET DYNAMIC SUPPORTING THE PROPOSED TRANSACTION
REGAINED MOMENTUM OF MILAN OFFICE MARKET, FAVOURING GRADE A ASSETS

Increased Take-up: Preference for Grade A

~+20% - 2017 take-up vs. 2015

70% - Grade A as % of total take-up 2017

Limited Vacancy for Grade A Properties:

Milan Vacancy Rate (Q1 2018)

<table>
<thead>
<tr>
<th>CBD / Porta Nuova</th>
<th>Centre</th>
<th>Semi Centre</th>
<th>Periphery</th>
<th>Hinterland</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.8%</td>
<td>6.0%</td>
<td>4.2%</td>
<td>13.5%</td>
<td>11.0%</td>
</tr>
<tr>
<td>4.5%</td>
<td>4.3%</td>
<td>2.4%</td>
<td>12.5%</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

Of which Grade A

2.3% 4.7% 1.8% 2.9% 2.4%

Vacancy Milan: 10.3%

Beni Stabili Milan vacancy: 2.4%

Increasing Rents for Quality Assets:

Average Economic Rent for Prime Offices

€400 €420 €440 €460 €480

2013 2014 2015 2016 2017-2018

+10%

Source: Cushman & Wakefield
Simplification as a growth driver
SIMPLIFICATION AS A GROWTH DRIVER

A key milestone towards the ongoing objective of simplification

✓ Improve flexibility and reactivity
✓ Intensify client centric approach
✓ Capitalize on a €21 bn Group: financing sources / cost, synergies and sharing of best practices between products & countries

Group structure - 2017

Foncière des Régions

- FDL 61.3%
- FDM 50.0%
- FDM Management 40.7%
- SICAF Telecom Italia 51%
- Beni Stabili 52.4%
- Immeo 61.0%
- Residential France
- Hotels

✓ Delisting Completed in 2017
✓ Merger Completed Early 2018

Merger: Proposed Transaction

Group structure - Post contemplated merger

- Offices €8.6 bn
- Hotels Europe FDM Group Share
- German Residential Immeo €3.1 bn
- SICAF Telecom Italia
- Beni Stabili
- Immeo
- Residential Germany

Ownership: 42.0% (limited partner)
Ownership: 61.7%

GAV ~ €15 bn

1 As of mid-2018, including secured transactions in H1 2018
A TRANSACTION STRENGTHENING THE GROUP’S STRATEGIC PILLARS

1. **Focus on European capital cities**
   
   +€1.7 bn of assets\(^1\) mainly in Milan

   Foncière des Régions portfolio to reach c. €15 bn\(^2\) Group Share (€21 bn at 100%)

2. **Full integration to best serve our clients**
   
   Know-how sharing & leveraging synergies between markets and countries:

   - Coworking: Milan #1 Wellio site by 2019
   - Hotels: Italy as a targeted market

   Full integration of ~ €800 M Beni Stabili’s pipeline in Milan

3. **Strengthened property developer**
   
   +€275 M of new committed projects in Milan 2018 and 2019

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\(^1\) Group Share

\(^2\) As of mid-2018, including secured transactions in H1 2018
FOCUS ON DEVELOPMENT PIPELINE IN MILAN
COMMMITTED PIPELINE EVOLUTION: +26% INCREASE BY 2018-2019

A major partner of the development and regeneration of new tertiary areas in Milan

End-2014

End-2015

End-2016

End-2017

2018-2019:

Selected future committed projects

Milan, The Sign B / C
C.17,000 m², ~ €70 M
Launched in Q1 2018

Milan, Corso Italia
C.11,000 m²

Milan, Symbiosis
C. 15,000 m²

Milan, Via Dante
C. 4,700 m²

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Contemplated transaction & estimated impacts
Unanimous support from Foncière des Régions Board of Directors

Transaction conditional on Foncière des Régions and Beni Stabili 2/3 approval at respective Extraordinary General Meeting

Foncière des Régions proposed exchange ratio: 8.5 FDR shares for 1,000 Beni Stabili shares (post 2017 dividend distribution)

FDR intends to acquire additional BS shares in the market, to reach up to 60% in Beni Stabili capital

Foncière des Régions planning a dual listing in Paris and Milan

Shareholders Support

Unanimous support from Foncière des Régions Board of Directors

Transaction conditional on Foncière des Régions and Beni Stabili 2/3 approval at respective Extraordinary General Meeting

Accretive Financial Impacts and Further Enhanced Capital Markets Profile

Slightly Accretive

Preliminary identified synergies: ~ €5 M

EPRA Earnings per share: ~ +1%

NAV per share: ~ +1%

Maintained

Healthy Financial Profile

Strengthened

Capital Markets Profile

+ ~ €700 M Market Cap

Note: Share prices as of 19 April 2018 (FDR: €88.30, BS: €0.730)

1 In case the Merger is accepted by the EGMs of both companies, Beni Stabili shareholders who did not contribute to the resolution are entitled to a cash withdrawal right in accordance with applicable law

2 Assuming (i) the acquisition of additional Beni Stabili shares in the market by FDR, to reach 60% in Beni Stabili prior to completion of the merger and (ii) 100% straight merger
AN ENHANCED CAPITAL MARKET VISIBILITY: INCREASED SCALE AND ENLARGED FREE FLOAT

Increased market capitalization

Post merger

€7.3 bn

€6.6 bn

April 2018

End 2016

+ €0.7 bn

€5.7 bn

An enlarged free float, increasing liquidity

Post merger

€3.7 bn (50.6%)

€3.2 bn (47.8%)

April 2018

End 2016

+ €0.5 bn (+ ~17%)

€2.5 bn (43.8%)

Proforma shareholding structure

Free Float 50.6%

Delfin 26.6%

Covèa 7.1%

Crédit Agricole Assurances 8.1%

ACM 7.6%

Note: Share prices as of 19 April 2018 (FDR: €88.30, BS: €0.730)

1 Assuming (i) the acquisition of additional Beni Stabili shares in the market by FDR, to reach 60% in Beni Stabili prior to completion of the merger and (ii) 100% straight merger
AN ENHANCED EUROPEAN PORTFOLIO, FOCUSING ON CAPITAL CITIES

Foncière des Régions
Dec-2017

Foncière des Régions post-merger\(^2\)

\(\approx \€15\) bn

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Direct impact of the contemplated Transaction

\(+\€1.7\) bn, mainly in Milan

(Group Share)

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1. End 2017, pro-forma of 9% SICAF Telecom Italia disposal
2. As of mid-2018, including secured transactions in H1 2018
An attractive value proposition for Beni Stabili shareholders
AN ATTRACTIVE VALUE PROPOSITION FOR BENI STABILI SHAREHOLDERS

- Improved credit rating combined with a lower cost of debt
- Sizeable development pipeline valued in excess of €5 bn
- Increased and enhanced stock market profile / size
- Increased free float & liquidity for shareholders (~x6³)

Stronger Credit Profile

Access to #4 European REIT²

... offering a unique exposure to Europe and to its most growing markets

→ office, hotel and residential markets
→ Paris, Berlin, Milan

Strengthened Capital Market Profile

Enhanced Return Profile

- +16% dividend per share increase for Beni Stabili shareholders⁴

Market cap.

Beni Stabili³

€1.7 bn

Free Float: €0.6 bn (38.3%)

Combined³

€7.3 bn

Free Float €3.7 bn (50.6%)

¹ As of 19 April 2018. FDR 3-month VWAP: €88.19, BS 3-month VWAP: €0.693. Calculation ex-dividend (FDR dividend: €4.50, Beni Stabili dividend: €0.033).
² On a 100% basis
³ Based on 19 April 2018 share prices (FDR: €88.30, BS: €0.730) and assuming (i) the acquisition of additional Beni Stabili shares in the market by FDR, to reach 60% in Beni Stabili prior to completion of the merger and (ii) 100% straight merger
⁴ Based on an exchange parity of 8.5x FDR shares for 1,000 BS shares. Based on a 2017 dividend of €4.50 for FDR shareholders and €0.033 for Beni Stabili shareholders

As of 19 April 2018, at the proposed exchange ratio

+ ~8%
Key takeaways
KEY TAKEAWAYS

> Successful completion of Beni Stabili transformation initiated in 2015

> Enhanced focus on European capital cities

> Stronger development pipeline

> A further simplified and integrated Company acting as One Team

> Accretive financial impacts & further enhanced Capital Market profile
  Market cap +€0.7 bn / Free-Float +17% in value

> Attractive transaction terms proposed to Beni Stabili Shareholders
  + ~8% Premium to the 3-month VWAP exchange ratio\(^1\) / +16% dividend per share increase\(^2\)

> Group rebranding to be announced soon

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\(^1\) As of 19 April 2018. At the proposed exchange ratio FDR 3-month VWAP: €88.19, BS 3-month VWAP: 0.693€. Calculation ex-dividend (FDR dividend: €4.50, Beni Stabili dividend: €0.033). \(^2\) Based on an exchange parity of 8.5x FDR shares for 1,000 BS shares. Based on a 2017 dividend of €4.50 for FDR shareholders and €0.033 for Beni Stabili shareholders.
<table>
<thead>
<tr>
<th>Event</th>
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<tbody>
<tr>
<td>Board Meeting of Foncière des Régions formally initiating discussions on Merger Agreement</td>
<td>19 April 2018</td>
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<tr>
<td>Board Meeting of Beni Stabili formally initiating discussions on Merger Agreement</td>
<td>20 April 2018</td>
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<td>Signing of the Merger Agreement</td>
<td>By End May 2018</td>
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<tr>
<td>Foncière des Régions / Beni Stabili Extraordinary General Meetings</td>
<td>September 2018</td>
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<tr>
<td>Capital Markets Day in Milan</td>
<td>18 October 2018</td>
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<td>Regulatory approvals and other customary closing conditions</td>
<td>H2 2018</td>
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<td>Expected Closing</td>
<td>End-2018</td>
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