

Increases in the year mainly refer to Prelios S.p.A. class B shares obtained following the early conversion of the Prelios bond for euro 47,536 thousand and transactions relating to the investment in Alitalia: in February conversion of the bond for euro 2,842 thousand with a conversion premium of euro 853 thousand; from October, following the announced corporate restructuring of Alitalia Group and of the new Industrial Plan, the subscription of 49,387,729 shares in Alitalia – Compagnia Aerea Italiana S.p.A. for euro 5,349 thousand, equal to 2.7% of the share capital (two payment tranches).

Decreases mainly refer to the transfer of the above Prelios S.p.A. class B shares to the associate Fenice S.r.l on June 30, 2014.

The **fair value adjustments in equity** mainly relate to the investments in Mediobanca S.p.A. (positive for euro 6,459 thousand), Fin.Priv. S.r.l. (positive for euro 741 thousand), Emittente Titoli (positive for euro 965 thousand), IEO (positive for euro 344 thousand), Movincom Servizi S.p.A. (negative for euro 100 thousand) and Fondo Anastasia (negative for euro 262 thousand), Prelios S.p.A. class B share (negative for euro 4,772 thousand) and RCS Mediagroup S.p.A. (negative euro 8,922 thousand).

The item **impairments** refers primarily to the equity investment in Alitalia S.p.A. (euro 11,229 thousand) for the share held in the company before the corporate restructuring.

The fair value of listed securities corresponds to their stock market price as at December 31, 2014. For non-listed securities and real estate funds, the fair value was estimated on the basis of available information.

Further details are set out in the Attachments to the explanatory notes.

12. DEFERRED TAX ASSETS

Amounted to euro 119,085 thousand (euro 101,312 thousand in 2013), referring to deferred tax assets on residual tax losses deemed recoverable based on projections of future taxable income under the Italian tax consolidation in the time period envisaged in the Pirelli Business Plan 2013-2017.

The total deferred tax assets in question also reflect use of tax losses in the year in respect of taxable income and adjustment resulting from the sustainability evaluation of deferred tax assets themselves according to the indications of the future plans of the Italian companies (refer to note 34).