

Below is the fair value of borrowings from banks and other financial institutions, compared with the relevant carrying amount:

(in thousands of euro)

	CARRYING AMOUNT		FAIR VALUE	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Bonds	498,940	499,217	523,565	533,010
Other non-current borrowings	1,650	1,650	1,650	1,650
	500,590	500,867	525,215	534,660

Borrowings from banks and other financial institutions are denominated in euro.

20. PROVISIONS FOR LIABILITIES AND CHARGES

The following table shows the movements for the period:

PROVISIONS FOR LIABILITIES AND CHARGES NON CURRENT (in thousands of euro)

	12/31/2014	12/31/2013
Opening balance	37,167	50,486
Increases	1,012	361
Reversal	(19,455)	(11,743)
Uses	(1,668)	(1,937)
Closing balance	17,056	37,167

They refer to provisions mainly for:

- remediation works for euro 4,671 thousand;
- tax risks for euro 10,588 thousand relating to the VAT case 2004 (euro 1,100 thousand) pending last instance proceedings, IRES/IRAP case (euro 150 thousand) with two instances of proceedings in favour of the company and IRPEG case 2002 related to FOS S.p.A. (guarantees remained contractually with Pirelli in the disposal of the investment FOS S.p.A.) pending the judgment of the Supreme Court (euro 7,400 thousand).

Increases are mainly due to adjusting the provision to the current demand for legal and tax disputes.

Reversal of excess provisions mainly refer to disputes regarding IRPEG and ILOR for the 1982 and 1983 financial years and IRPEG corporate income tax for the 1983/1984 financial years, which were extinguished due to the handing down of the final decision in the 2nd degree, with positive effect for the company for euro 9,455 thousand, that the Inland Revenue has not challenged in the Court of Cassation within the applicable time limit and to the release of provisions allocated in previous years to cover contractual guarantees now expired for euro 10,000 thousand.

Uses are for costs incurred for remediation works and legal transactions.

Provisions for liabilities and charges – current portion, amount to euro 2,657 thousand and refer to the allocation of the excess over the carrying amount, of the impairment loss of the investment in Pirelli & C. Ambiente S.r.l.