

S.r.l. in the year 2013, following the fair value adjustment of the Prelios S.p.A. class B shares held at the close of the previous year.

Investments in associates, measured using the equity method, are immaterial in terms of impact on total consolidated assets both individually and in aggregate form.

12.2 INVESTMENTS IN JOINT VENTURES

The Group holds an investment of 60% [% ownership unchanged from the previous year] in PT Evoluzione Tyres, a jointly controlled entity which operates in Indonesia active in the production of tyres. Although it is now owned by 60%, due to contractual agreements between shareholders it falls within the definition of a joint venture as the governance rules explicitly require unanimous consent in decisions relating to significant activities.

Investments accounted for using the net equity method are immaterial in terms of impact on the total consolidated assets.

13. OTHER FINANCIAL ASSETS

Other financial assets amounted to euro 180,741 thousand, compared to euro 289,096 thousand at December 31, 2013. The breakdown is as follows:

(in thousands of euro)

	12/31/2014	12/31/2013
Financial assets available for sale	180,741	185,009
Financial assets at fair value through income statement	-	104,087
	180,741	289,096

The value of financial assets at fair value through the Income Statement at December 31, 2013 referred to the "Convertendo", an equity financial instrument subscribed as part of the restructuring plan of the financial receivable from Prelios S.p.A. finalised in August 2013. The loan, with original maturity at December 31, 2019, was converted on April 14, 2014 following the realization of the conditions for which the issuer requested the total conversion in advance. Following this conversion Pirelli obtained:

- 111,916,082 Prelios class A ordinary shares - refer to note 12.1 above;
- 93,390,705 class B Prelios shares - unlisted and without voting right - recorded at a fair value of euro 0.51 per share, for a total of euro 47,536 thousand; the fair value was determined by applying a discount for illiquidity of approximately 18% compared to the value of Prelios S.p.A. ordinary shares at April 14, 2014 [euro 0.62 per share].

The movements during the year in **financial assets available for sale** are the following:

(in thousands of euro)

	12/31/2014	12/31/2013
Opening balance	185,009	118,125
Exchange difference	378	67
Increases	57,035	9,931
Decreases	(42,894)	(29)
Impairment	(13,434)	(17,970)
Fair value adjustments recognized in Equity	(5,231)	37,499
Transfer from investments in associated companies	-	37,480
Other	(122)	(94)
Closing balance	180,741	185,009

The breakdown by individual investment is as follows:

(in thousands of euro)

	12/31/2014				FAIR VALUE	12/31/2013 FAIR VALUE
	HISTORICAL COST	CUMULATIVE FV ADJUSTMENTS RECOGNIZED IN EQUITY	FV ADJUSTMENTS RECOGNIZED IN INCOME STATEMENT			
			PREVIOUS PERIODS	2014		
A	B	C	D	A+B+C+D		
Mediobanca S.p.A.	90,247	43,637	(27,234)	-	106,650	100,191
RCS Mediagroup S.p.A.	37,480	-	-	(15,860)	21,620	30,539
Other companies	134	-	11	(11)	134	134
Listed securities	127,861	43,637	(27,223)	(15,871)	128,404	130,864
Alitalia S.p.A.	36,578	-	(20,000)	(11,229)	5,349	7,534
Fin. Priv. S.r.l.	14,458	5,577	(5,562)	-	14,473	13,732
Fondo Anastasia	13,250	1,572	-	-	14,822	15,084
European Institute of Oncology [Istituto Europeo di Oncologia S.r.l.]	4,039	1,343	-	-	5,382	5,038
F.C. Internazionale Milano S.p.A.	7,213	-	(6,655)	-	558	558
Euroqube	373	-	-	(222)	151	373
Ticom I LP	1,366	-	(619)	(82)	665	700
Emittenti Titoli	117	3,481	-	-	3,598	2,633
Equinox Two SCA	7,443	-	(1,232)	(1,764)	4,447	5,421
Other companies	3,884	220	(1,083)	(129)	2,892	3,072
Unlisted securities	88,721	12,193	(35,151)	(13,426)	52,337	54,145
Total	216,582	55,830	(62,374)	(29,297)	180,741	185,009

Increases mainly refer for euro 47,536 thousand, to the Prelios S.p.A. class B shares obtained as a result of the early conversion of the Prelios bond, as described above, the conversion of the Alitalia Convertible Bond [euro 3,695 thousand] in January 2014 and the subscription of Alitalia S.p.A. shares for euro 5,349 thousand.

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

Impairments mainly refer to the investments in Alitalia S.p.A [euro 11,229 thousand] and Equinox Two S.C.A. [euro 1,764 thousand].

The fair value adjustment recognized in equity, equal to a positive net value of euro 5,231 thousand, mainly refers to the investments in Mediobanca S.p.A. (positive for euro 6,459 thousand), RCS Mediagroup S.p.A. (negative for euro 8,920 thousand), Fin. Priv. S.r.l. (positive for euro 741 thousand), Emittenti Titoli (positive for euro 965 thousand), and Prelios S.p.A. B shares (negative for euro 4,772 thousand).

Losses recognized in shareholders' equity relating to class B shares of Prelios S.p.A. (euro 4,772 thousand) following the transfer on June 30, 2014 were reclassified to the Income Statement under "losses from investments" (refer to note 35.3). The losses accumulated in equity related to the investment in RCS Mediagroup S.p.A. (6,940 at January 1, 2014 plus an additional euro 8,920 thousand recorded during the year) were reclassified to the Income Statement under "losses from investments" (refer to note 35.3).

The fair value of listed financial instruments corresponds to the stock market price as at December 31, 2014.

The fair value of unlisted financial instruments was determined by making estimates on the basis of the best information available.

14. DEFERRED TAX ASSETS AND PROVISION FOR DEFERRED TAX LIABILITIES

This breakdown is as follows:

(in thousands of euro)

	12/31/2014	12/31/2013
Deferred tax assets	248,564	210,181
Provision for deferred tax liabilities	[53,029]	[49,956]
	195,535	160,225

Deferred tax assets and deferred tax liabilities are offset when a legal right exists to offset current tax receivables and current tax payables, and the deferred taxes refer to the same legal entity and the same tax authority. Their composition gross of the offsets made is as follows:

(in thousands of euro)

	12/31/2014	12/31/2013
Deferred tax assets	354,697	303,911
- of which recoverable within 12 months	76,718	72,483
- of which recoverable beyond 12 months	277,979	231,428
Provision for deferred tax liabilities	[159,162]	[143,686]
- of which recoverable within 12 months	[11,090]	[27,247]
- of which recoverable beyond 12 months	[148,072]	[116,439]
	195,535	160,225

The tax effect of temporary differences and of tax losses carried forward which make up the item at December 31, 2014 and at December 31, 2013 is shown in the following table: