

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:

[in thousands of euro]

	12/31/2014	12/31/2013
Deferred tax assets:		
Provisions for future liabilities and charges	22,386	17,044
Employee benefit obligations	103,966	74,694
Inventories	14,492	19,161
Tax losses carried forward	127,645	123,254
Amortisation and depreciation	4,888	4,854
Trade receivables and other receivables	15,299	10,093
Trade payables and other payables	44,099	37,227
Derivatives	2,828	6,003
Other	19,094	11,581
Total	354,697	303,911
Provision for deferred tax liabilities:		
Amortisation and depreciation	(112,011)	(92,047)
Other	(47,151)	(51,639)
Total	(159,162)	(143,686)

At December 31, 2014 the value of deferred tax assets not recognized on temporary differences amounted to euro 39,530 thousand (euro 53,132 thousand at December 31, 2013), and those relating to tax losses amounted to euro 38,276 thousand (euro 201,880 thousand at December 31, 2013); these amounts refer to situations in which recovery is not expected to occur. The decrease in tax losses for which no deferred tax assets were recognized is mainly attributable to the sale during the financial year of the company Pirelli Finance (Luxembourg) S.A.

The breakdown by maturity of the value of tax losses, for which no deferred tax assets were recognised, is shown below:

[in thousands of euro]

MATURITY IN	12/31/2014	12/31/2013
2014	-	285
2015	1,508	1,414
2016	8,191	7,881
2017	5,577	5,389
2018	7,674	7,250
2019	3,643	3,148
2020	6,010	6,018
2021	2,635	2,211
2022	5,121	18,253
2027	-	503
2028	-	12,690
2029	-	878
2030	-	890
without maturity date	123,091	655,383
	163,450	722,193

Of the total tax losses without maturity, euro 50,353 thousand refer to losses recognised by the Spanish subsidiary Pirelli Neumaticos and euro 44,896 thousand to losses attributable to the English subsidiary Pirelli UK Holding, in relation to which no sufficient taxable income to recover those losses is expected. The decrease in tax losses for which no deferred tax asset was recognized is primarily due to the sale in the year of the subsidiary Pirelli Finance (Luxembourg) S.A. which recorded tax losses totalling euro 462,995 thousand at December 31, 2013.

The tax effect of gains and losses recognised directly in equity was positive for euro 14,879 thousand

[positive for euro 9,279 thousand in 2013], and is disclosed in the Statement of Comprehensive Income. These changes were mainly due to the tax effects associated with actuarial gains/losses on employee benefits obligations and to the adjustment of derivatives in cash flow hedges to their fair value.

15. TRADE RECEIVABLES

The breakdown of trade receivables is set forth below:

(in thousands of euro)

	12/31/2014			12/31/2013		
	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT
Trade receivables	719,000	-	719,000	708,000	-	708,000
Provision for bad debts	[45,192]	-	[45,192]	[41,573]	-	[41,573]
	673,808	-	673,808	666,427	-	666,427

Out of the total trade receivables amounting to euro 719,000 thousand (euro 708,000 thousand at December 31, 2013), net of invoices or credit notes to be issued, and gross of the provision for bad debts, euro 125,204 thousand are overdue (euro 89,276 thousand at December 31, 2013).

Receivables overdue and not yet due were measured in accordance with the Group accounting policies described in the section on adopted accounting standards.

Impaired receivables include both significant single positions subject to individual impairment and positions sharing similar credit risk characteristics that have been grouped together and impaired on a collective basis.

The change in the provision for bad debts is shown below:

(in thousands of euro)

	12/31/2014	12/31/2013
Opening balance	41,573	51,083
Translation differences	(1,251)	(2,017)
Increases	16,389	6,250
Decreases	(11,504)	(12,646)
Other	(15)	(1,097)
Closing balance	45,192	41,573

Accruals to the provision for bad debts are recognised in the Income Statement as "Other costs" [note 34].

For trade receivables, the carrying amount is considered to approximate the fair value.