

Other current payables (euro 134,190 thousand) mainly include:

- euro 76,398 thousand for the purchase of property, plant and equipment (euro 84,531 thousand at December 31, 2013);
- euro 16,839 thousand for customer advances (euro 8,835 thousand at December 31, 2013);
- euro 8,342 thousand for income withholding tax (euro 11,993 thousand at December 31, 2013);
- euro 8,061 thousand for payables to representatives, agents, professionals and consultants (euro 6,693 thousand at December 31, 2013);
- euro 2,490 thousand for the purchase of land in Argentina;
- euro 1,662 thousand for payables to directors, statutory auditors and supervisory bodies (euro 2,527 thousand at December 31, 2013).
- euro 1,476 thousand for solidarity contributions to be donated in compliance with the local regulations to beneficial-social associations in Venezuela;
- euro 985 thousand for environmental and urban planning development projects in progress in Brazil.

For other current and non-current payables, the carrying amount is considered to approximate their fair value.

27. TAX PAYABLES

The tax payables mainly relate to national and regional income taxes and total euro 104,158 thousand (of which euro 3,397 thousand recognised in non-current liabilities), compared to euro 83,809 thousand at December 31, 2013 (of which euro 3,537 thousand recognised in non-current liabilities).

28. DERIVATIVE FINANCIAL INSTRUMENTS

This item includes the fair value of derivative instruments outstanding at December 31, 2014. The following table shows the breakdown:

(in thousands of euro)

	12/31/2014		12/31/2013	
	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT ASSETS	CURRENT LIABILITIES
Hedge accounting not adopted				
Foreign currency derivatives - commercial transactions	19,765	[26,001]	17,255	[13,544]
Foreign currency derivatives - included in net financial position	5,868	[2,554]	4,438	[3,175]
Interest rate derivatives	-	[2,180]	-	-
Other derivatives - included in net financial position	-	[2,089]	575	-
Hedge accounting adopted				
- cash flow hedge:				
Foreign currency derivatives - commercial transactions	2,113	-	384	[1,482]
Interest rate derivatives	606	[10,011]	513	[38,824]
Other derivatives	545	-	-	[13]
- fair value hedge				
Interest rate derivatives - included in net financial position	207	-	1,653	-
	29,104	[42,835]	24,818	[57,038]
- Total derivatives included in net financial position	6,075	[4,642]	6,666	[3,175]

Derivative financial instruments without adoption of hedge accounting

The value of **foreign currency derivatives** corresponds to the fair value of forward currency purchases/sales outstanding at the closing date of the period. These involve hedges of Group commercial and financial transactions for which hedge accounting was not adopted. The fair value is determined by using the forward exchange rate at the reporting date.

The value of **derivatives on interest rates**, between current liabilities for euro 2,180 thousand refers to the fair value assessment of 12 “plain vanilla” interest rate swaps on a total notional amount of euro 575 million maturing in February 2015, which envisage the payment of a fixed interest rate and collection of a variable interest rate. These derivatives were made to hedge against the risk of change in interest rates associated with the variable rate revolving syndicated credit facility granted to Pirelli & C. S.p.A, Pirelli Tyre S.p.A. and Pirelli International Plc for a total amount of euro 1,200,000 thousand and of which euro 75,000 thousand was used at December 31, 2014. For these derivatives in November 2014 the hedge accounting was interrupted and losses previously accumulated in Equity [euro 16,739 thousand] were fully reclassified to the Income Statement [refer to note 37 “financial expenses”]. Following the interruption of the hedge accounting, changes in the fair value of the derivative are recognized in the Income Statement.

Derivative financial instruments with adoption of hedge accounting

Cash flow hedge

The value of **derivatives on interest rates**, recognized as current liabilities for euro 10,011 thousand and current assets for euro 606 thousand [current liabilities amounted to euro 38,324 thousand and current assets amounted to euro 513 thousand at December 31, 2013], mainly refers to the fair value of 4 cross currency interest rate swaps negotiated in November 2012 to cover the exposure to exchange rate risk and limit exposure to interest rate risk associated with the private placement placed by Pirelli International Plc in the US market for a total nominal amount of USD 150 million, with duration between 5 and 12 years [refer to Note 24 “Borrowings from banks and other financial institutions”]. The aim is to hedge against changes in the cash flows of the payable denominated in foreign currency [both principal and interest] tied to changes in foreign exchange rates. A negative amount for euro 3,297 thousand was recognised in equity for the year.

29. COMMITMENTS AND CONTINGENCIES

Commitments to purchase property, plant and equipment

The commitments to purchase property, plant and equipment amount to euro 167,122 thousand [euro 109,535 thousand at December 31, 2013], and mostly relate to companies in Russia, Romania, Brazil, Italy, Mexico and China.

Commitments for the purchase of equity interests/fund units

These refer to commitments to subscribe units of the company Equinox Two S.C.A., a private equity company specialised in investments in listed and unlisted companies with high growth potential, for a maximum counter-value of euro 2,358 thousand.

Other contingencies

At the beginning of **April 2014** the European Commission communicated to Pirelli, and other parties involved [including Prysmian Cavi e Sistemi, a subsidiary of Pirelli until July 2005], the decision taken at the conclusion of the antitrust investigation initiated for the energy cables business, which provides for a penalty against Prysmian of approximately euro 104 million for a portion of which,