

It is also important to note that the investment in Rinascente Upim was classified among “assets held for sale”, on the basis of a plan for the sale of the two investments held by the same, which represent the exclusive corporate purpose, carried out at the end of the year and which already led to completion of the sale of the investment in Upim S.r.l. (controlled by Rinascente/Upim S.r.l.) in January 2010; the carrying amount of the investment, net of the actuarial losses cumulatively allocated to equity up to December 31, 2008 (Euro 239 thousand net of the resultant tax effect) was wholly offset with the shareholders’ loan granted to the same by Pirelli & C. Real Estate S.p.A..

The column “**Decrease in financial receivables**” contains the reduction in financial receivables from associates and joint ventures in the Real Estate segment due to the portions of loss made by the same associates and joint ventures in excess to the carrying amount of the investments.

The column “**Movements in provisions for liabilities and charges**” includes provisions to cover losses of associates and joint ventures in the Real Estate segment exceeding their carrying amounts, where a legal or constructive obligation exists.

For comments on the column “**Share of net income**”, see the comments contained in Note 34.1 below “share of net income of associates and joint ventures”.

The most important data of the main associates and joint ventures (at 100%) at December 31, 2009 relating to the Real Estate segment are presented below:

(in thousands of euro)

	associates	joint ventures
Non-current assets	572,529	4,840,535
Current assets	1,528,279	9,090,760
Non-current liabilities	1,078,035	11,018,260
Current liabilities	100,083	1,689,069
Revenues from sales and services	270,587	1,351,381
Costs of production	(244,539)	(1,843,076)
Net income	7,822	(214,613)

It is worth noting, finally, that of total equity investments in associates and joint ventures, an amount of Euro 97,415 thousand has been pledged as collateral.

11. Other financial assets

These amounted to Euro 228,106 thousand compared with Euro 527,229 thousand at December 31, 2008. They can be broken down as follows:

(in thousands of euro)

	12/31/2009	12/31/2008
Available-for-sale financial assets	221,351	476,300
Financial assets carried at fair value through profit or loss	-	29,599
Financial assets carried at amortized cost	6,755	21,330
	228,106	527,229

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

(in thousands of euro)

	12/31/2009	12/31/2008
Opening balance	476,300	926,362
Increases	3,031	31,864
Decreases	(241,984)	(29,992)
Impairments	(20,102)	(200,840)
(Gains)/Losses transferred to income statement for disposal or impairment losses, previously recognised in Equity	(792)	1,995
Adjustment to fair value	34,739	(136,408)
Reclassification	(41,646)	(132,171)
Reversal of reserve for reclassification of associates	12,281	15,419
Redemption of units	-	-
Other	(476)	71
Closing balance	221,351	476,300

At December 31, 2009 available for sale financial assets included:

(in thousands of euro)

	12/31/2009	12/31/2008
Listed securities		
Telecom Italia S.p.A.	-	203,539
Mediobanca S.p.A.	131,011	108,979
Oclaro (formerly Avanex Corporation)	10,440	1,422
Other companies	1,975	105
	143,426	314,045
Unlisted securities		
Alcatel Submarine SA	-	44,805
Alitalia S.p.A.	17,171	20,000
Fin. Priv. S.r.l. (sh. Mediobanca)	17,945	14,883
Gruppo Banca Leonardo S.p.A.	8,337	8,444
Istituto Europeo di Oncologia S.r.l.	6,677	6,483
Vittoria Capital N.V. (sh. Vittoria Assicurazioni)	-	6,469
F.C. Internazionale Milano S.p.A.	6,008	4,627
Ticom I LP	2,114	2,453
Equinix Two SCA	3,536	2,270
Equinix Investment Company S.c.p.A.	-	970
Other PRE Group	2,781	9,115
Other companies	5,581	5,213
	70,150	125,732
Closed-end real estate funds		
Olinda Fondo Shops	-	17,888
Cloe Fondo Uffici	-	11,170
Tecla Fondo Uffici	5,461	5,122
Armillia	1,826	1,847
Fondo Abitare Sociale 1	488	496
	7,775	36,523
	221,351	476,300

The **increases** relate mainly to the subscription of 5,311,741 shares in F.C. Internazionale Milano S.p.A. (Euro 1,381 thousand) and to the purchase of units in Equinox (Euro 1,266 thousand).

The **decreases** include mainly the sale of the equity interest in Alcatel-Lucent Submarine Networks, held by the parent company Pirelli & C. S.p.A. (Euro 44,805 thousand), which generated a capital gain of Euro 11,195 thousand, to the sale of shares, held directly and indirectly by Pirelli & C. S.p.A., in Telecom Italia S.p.A. (Euro 183,785 thousand), which generated a capital gain of Euro 2,251 thousand, and to the sale of the equity interest in Vittoria Capital N.V. representing 5% of the share capital (Euro 5,677 thousand) again held by Pirelli & C. S.p.A., which generated a capital gain of Euro 823 thousand.

The **impairment losses** related almost exclusively to the equity investment in Telecom Italia S.p.A. (Euro 19,754 thousand).

Adjustments to fair value, positive overall by Euro 34,739 thousand, related mainly to equity investments in Mediobanca S.p.A. (Euro 22,033 thousand), in Oclaro Inc.-formerly Avanex (Euro 9,018 thousand) and in FinPriv S.r.l. (Euro 3,062 thousand) set against a negative adjustment for Alitalia (Euro 2,829 thousand).

The item “**reclassification**” relates almost exclusively to the Real Estate Segment and regards the interests held in Cloe Fondo Uffici and in Olinda Fondo Shops, as already described above.

For listed securities and closed-end real estate funds, the fair value corresponds to the stock exchange quotation at December 31, 2009.

For unlisted securities and closed-end real estate funds, the fair value was determined making use of estimates on the basis of the best information available.

The item **other financial assets carried at fair value through profit or loss** was reduced to zero following reclassification of the units of Cloe Fondo Uffici – a reserved unlisted closed-end real estate investment trust – held by the Real Estate Segment, to the item “Equity investments in associates and joint ventures”.

Other financial assets carried at amortized cost (Euro 6,755 thousand at December 31, 2009 and Euro 21,330 thousand at December 31, 2008) consist of a bond with deferred redemption amount relating to the securitization of a portfolio of non-performing loans (Euro 741 thousand), and of Class B junior notes relating to the securitization of a portfolio of non-performing loans (Euro 6.014 thousand), both relating to the Real Estate Segment.