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## Note 36

### Employee equity participation continued

#### Option Plan continued

The weighted average remaining contractual life for the share options outstanding as at 31 March 2011 is 1.57 years (2010: 2.24 years). The weighted average remaining contractual life when analysed by exercise price range is:

Exercise price range \$	Number of options 2011	Remaining life (years) 2011	Number of options 2010	Remaining life (years) 2010
10 – 20	24,000	2.94	29,000	3.94
20 – 30	279,565	2.85	320,951	3.86
30 – 40	484,457	2.71	667,746	3.76
40 – 50	374,531	2.51	623,513	2.92
50 – 60	13,458,653	2.33	15,915,168	3.36
60 – 70	7,679,595	0.38	15,724,244	0.94
70 – 80	8,203,057	1.31	9,524,147	2.32
80 – 90	430,688	1.12	576,768	1.98
90 – 100	154,464	1.20	163,798	2.21
	<b>31,089,010</b>	<b>1.57</b>	<b>43,545,335</b>	<b>2.24</b>

There were no options issued in the financial year. The weighted average fair value of options granted during the previous financial year was \$11.30.

The market value of shares issued during the year as a result of the exercise of these options was \$1 million (2010: \$136 million).

The market value of shares which would be issued from the exercise of the outstanding options at 31 March 2011 was \$1,137 million (2010: \$2,058 million). No unissued shares, other than those referred to above, are under option under the MGESOP as at the date of this report.

The options were measured at their grant dates based on their fair value and the number expected to vest. This amount is recognised as an expense evenly over the respective vesting periods and the equity provided is treated as a capital contribution.

Options granted vest as to one third of each tranche after the second, third and fourth anniversaries of the date of allocation of the options. Subject to the MGESOP rules and the Company's personal dealing policy, options can be exercised after the vesting period during an options exercise period up to expiry. In individual cases, such as where an employee leaves with the Company's agreement towards the end of a vesting period, the Company's Executive Committee has the power to waive the remainder of any vesting period and allow exercise of some or all of the relevant options.

For options granted to the members of MBL and MGL's Executive Committees, Executive Voting Directors and other Executive Directors where the invitation to apply for the options was sent to the Executive on or after 30 June 2006, in respect of each tranche of vested options, options will only be exercisable if the Company's average annual return on ordinary equity for the three previous financial years is above the 65th (Executive Committee and Executive Voting Directors) and 50th (other Executive Directors) percentiles, of the corresponding figures for all companies in the then S&P/ASX 100 Index, with the conditions to be examined only upon vesting.

The MGESOP rules provide that the total number of options which can be on issue at any one time is limited such that the number of shares resulting from exercise of all unexercised options does not exceed 20 per cent of the number of the Company's then issued ordinary shares plus the number of shares which the Company would have to issue if all rights to require the Company to issue shares, which the Company has then granted (including options) were then enforced or exercised to the greatest extent permitted.