

# Notes to the consolidated financial statements

## for the half-year ended 30 September 2014

### continued

	Half-year to 30 Sep 2014 \$m	Half-year to 31 Mar 2014 \$m	Half-year to 30 Sep 2013 \$m
<b>Note 17</b>			
<b>Reserves, retained earnings and non-controlling interests</b>			
<b>Reserves</b>			
<b>Foreign currency translation reserve</b>			
Balance at the beginning of the period	(313)	(322)	(895)
Currency translation differences arising during the period, net of hedges and tax	248	9	573
<b>Balance at the end of the period</b>	<b>(65)</b>	<b>(313)</b>	<b>(322)</b>
<b>Available for sale reserve</b>			
Balance at the beginning of the period	385	520	313
Revaluation movement for the period, net of tax	74	103	208
Transfer to income statement for impairment, net of tax	14	15	49
Transfer to profit on realisation, net of tax	(110)	(253)	(50)
<b>Balance at the end of the period</b>	<b>363</b>	<b>385</b>	<b>520</b>
<b>Share-based payments reserve</b>			
Balance at the beginning of the period	683	561	688
MEREP expense including related tax effect for the financial period	169	121	136
Excess deferred tax on MEREP expense	(2)	31	22
Transfer to retained earnings in respect of expired and lapsed options and forfeited MEREP awards	–	(3)	(94)
Transfer to other liabilities on vesting of MEREP awards and exercise of options <sup>(1)</sup>	–	(9)	–
Transfer to share capital on vesting of MEREP awards and exercise of options	(218)	(4)	(191)
Transfer of excess deferred tax to share capital on vesting of MEREP awards	(12)	(14)	–
<b>Balance at the end of the period</b>	<b>620</b>	<b>683</b>	<b>561</b>
<b>Share-based payments capital reduction reserve<sup>(2)</sup></b>			
Balance at the beginning of the period	(72)	–	–
Transfer to share capital related to vested and forfeited awards	18	(72)	–
<b>Balance at the end of the period</b>	<b>(54)</b>	<b>(72)</b>	<b>–</b>
<b>Cash flow hedging reserve</b>			
Balance at the beginning of the period	(28)	(44)	(49)
Revaluation movement for the period, net of tax	(21)	16	5
<b>Balance at the end of the period</b>	<b>(49)</b>	<b>(28)</b>	<b>(44)</b>
<b>Share of reserves of interests in associates and joint ventures accounted for using the equity method</b>			
Balance at the beginning of the period	14	11	–
Share of other comprehensive income during the period	(3)	3	11
<b>Balance at the end of the period</b>	<b>11</b>	<b>14</b>	<b>11</b>
<b>Total reserves at the end of the period</b>	<b>826</b>	<b>669</b>	<b>726</b>
<b>Retained earnings</b>			
Balance at the beginning of the period	5,637	5,610	5,439
Profit attributable to ordinary equity holders of MGL	678	764	501
Dividends paid on ordinary share capital (note 5)	(514)	(740)	(419)
Transfer from share based payments reserves in respect of expired and lapsed options and forfeited MEREP awards	–	3	94
Change in non-controlling ownership interest	–	–	(5)
<b>Balance at the end of the period</b>	<b>5,801</b>	<b>5,637</b>	<b>5,610</b>

(1) Represents vested MEREP awards settled through cash.

(2) Represents SYD Distribution to the unvested MEREP holders recognised as return of ordinary share capital on Sydney Airport stapled securities distribution. Refer Note 5 - Dividends and distributions paid or provided for.