

### c) Share Options

Under our current share option plan, 10 million Class B shares have been set aside for the grant of share options to full-time employees, of which 7.7 million remain available for grant. The exercise price for each option is the closing price for our Class B shares on the last trading day before the date of grant. Our share options are settled through the issuance of Class B shares.

During the year ended December 31, 2012, we granted 1,524,821 Class B share options at market prices to employees. These share options have a weighted average exercise price of \$39.24, vest in equal amounts over three years and have a term of 10 years.

The weighted average fair value of Class B share options granted in the year was estimated at \$12.15 per option (2011 - \$19.44) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2012	2011
Weighted average exercise price	\$ 39.24	\$ 58.71
Dividend yield	2.04%	1.02%
Risk-free interest rate	1.38%	2.63%
Expected option life	4.2 years	4.2 years
Expected volatility	43%	41%
Forfeiture rate	2.50%	2.13%

The expected volatility is based on a statistical analysis of daily share prices over the expected option life.

Outstanding share options are as follows:

	2012		2011	
	Shares (in 000's)	Weighted Average Exercise Price	Shares (in 000's)	Weighted Average Exercise Price
Outstanding at beginning of year	5,768	\$ 30.51	5,228	\$ 24.79
Granted	1,525	39.24	910	58.71
Exercised	(188)	8.27	(245)	15.75
Forfeited	(172)	43.23	(122)	24.75
Expired	(80)	39.21	(3)	43.74
Outstanding at end of year	6,853	\$ 32.65	5,768	\$ 30.51
Vested and exercisable at end of year	4,471	\$ 27.00	3,334	\$ 27.56

The average share price during the year was \$33.74 (2011 - \$45.69).