

	Consolidated 2011 \$m	Consolidated 2010 \$m	Company 2011 \$m	Company 2010 \$m
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Note 32

Reserves, retained earnings and non-controlling interests continued

Non-controlling interests

Macquarie Income Preferred Securities¹

Proceeds on issue of Macquarie Income Preferred Securities	107	107	-	-
Less issue costs	(1)	(1)	-	-
	106	106		
Current year profit	4	8	-	-
Distribution provided on Macquarie Income Preferred Securities (note 5)	(4)	(8)	-	-
Foreign currency translation reserve	(43)	(39)	-	-
Total Macquarie Income Preferred Securities	63	67	-	-

Macquarie Income Securities²

4,000,000 Macquarie Income Securities of \$100 each	400	400	-	-
Less transaction costs for original placement	(9)	(9)	-	-
Total Macquarie Income Securities	391	391	-	-

Other non-controlling interests

Ordinary share capital	46	40	-	-
Foreign currency translation reserve	(12)	(13)	-	-
Retained earnings	40	52	-	-
Total other non-controlling interests	74	79	-	-
Total non-controlling interests	528	537	-	-

¹ On 22 September 2004, Macquarie Capital Funding LP, a subsidiary of the Company, issued £350 million of MIPS. MIPS – guaranteed non-cumulative step-up perpetual preferred securities – currently pay a 6.177 per cent (2010: 6.177 per cent) per annum semi-annual non-cumulative fixed rate distribution. They are perpetual securities and have no fixed maturity but may be redeemed on 15 April 2020, at MGL's discretion. If redemption is not elected on this date, the distribution rate will be reset to 2.35 per cent per annum above the then five-year benchmark sterling gilt rate. MIPS may be redeemed on each fifth anniversary thereafter at MGL's discretion. The first coupon was paid on 15 April 2005. Following the cancellation of £307.5 million MIPS in September 2009, £42.5 million MIPS remain on issue.

² The Macquarie Income Securities issued by MBL were listed for trading on the Australian Stock Exchange (now Australian Securities Exchange) on 19 October 1999 and became redeemable (in whole or in part) at MBL's discretion on 19 November 2004. Interest is paid quarterly at a floating rate of BBSW plus 1.7 per cent per annum (2010: 1.7 per cent per annum). Payment of interest to holders is subject to certain conditions, including the profitability of MBL. They are a perpetual instrument with no conversion rights.

These instruments are classified as equity in accordance with AASB 132 *Financial Instruments: Presentation* and reflected in the Consolidated Entity's financial statements as a NCI, with distribution entitlements being included with NCI share of profit after tax.

Distribution policies for these instruments are included in note 5 – Dividends and distributions paid or provided.