



Magellan Flagship Fund Limited
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Magellan Flagship Fund Limited ("MFF") Net Tangible Assets ("NTA") per share for July 2009

MFF advises that its approximate monthly and weekly NTA per share as at Friday, 31 July 2009 was \$0.685 excluding net deferred tax assets¹ of \$0.11. Significant gains in market equity prices for the portfolio were partly offset by strengthening in the Australian Dollar.

During July there were no sales from the MFF portfolio and some ongoing purchases in leading global businesses including Wal-Mart, McDonald's and Coca-Cola.

In July, markets continued to rebound ahead of any widespread recovery in corporate results and economic figures. Commodity and emerging markets funds continue to receive significant positive flows. Speculative market activity is again rising rapidly, drawn by unprecedented fiscal and monetary stimulus, record low interest rates and the gradual return of business confidence. We continue to focus on attractive valuations for high quality companies, most of which are cash generative business leaders increasing their profitable market shares in major emerging markets as well as in the more developed markets. Caution continues to be warranted, as the bubbles emerging elsewhere will make the tasks more difficult for policy makers and investors.

As recently advised to the ASX, MFF completed the 20 million share buyback programme in July at an overall average price of approximately 55.6 cents per share. Shareholders will be advised whether Directors authorise a further on-market buyback programme at their next meeting later this month.

More than 95% of MFF's total investment assets by market value continue to be in global multinationals (being entities that generate 50% or more of their revenue and/or have material operations in 15 or more countries outside the domicile of their primary securities exchange), with a majority of the balance being predominantly North American focused. The revenue and earnings split for the multinationals average about 40% USA, 30% Europe and 30% ROW. The emerging markets proportion of underlying revenue and earnings continues to rise. As at 31 July 2009, MFF had net borrowings of approximately 18.8% of total investment assets, predominantly denominated in AUD, Euro and British Pounds.

Key currency rates for AUD as at 31 July 2009 rates were 0.8275 (USD), 0.5884 (EUR) and 0.9020 (CHF) compared with the 30 June 2009 rates which were 0.8085 (USD), 0.5764 (EUR) and 0.8792 (CHF).

A handwritten signature in blue ink, appearing to read 'Leo Quintana', is written over a light blue horizontal line.

Leo Quintana
Legal Counsel & Co-Company Secretary
4 August 2009

¹ Deferred tax assets less deferred tax liabilities
All figures are unaudited