



Magellan Flagship Fund Limited
ABN 32 121 977 844

Level 7, 1 Castlereagh Street,
Sydney NSW 2000 AUSTRALIA

General: +61 2 8114 1888
Facsimile: +61 2 8114 1800
Website: www.magellangroup.com.au

Magellan Flagship Fund Limited ("MFF") Net Tangible Assets ("NTA") per share for November 2010

MFF advises that its monthly and weekly NTA per share as at 30 November 2010 was \$0.781 excluding net deferred tax assets of \$0.079. These figures are unaudited.

A small number of MFF's portfolio companies reported results, and others updated the market during the month. The positive performance of our companies continues in almost all cases as they recover from the financial crisis.

Many MFF portfolio companies also continue to increase their shareholder friendly share buybacks and dividends, rather than make value dilutive acquisitions. Google's ongoing acquisition programme appears to be an exception and we discount its US\$25 billion cash holdings in assessing its value. US Bancorp, American Express and Wells Fargo will be reviewed by the US Federal Reserve over the coming months to assess whether their dividends and buybacks may be increased.

Market and economic conditions remain very unsettled with concerns including European Sovereign debt and official tightening to reduce Chinese inflation. Modest reweighting of the portfolio occurred during the month. This included increasing MFF's exposure to revenues and earnings from emerging markets as a proportion of total exposures.

About 90% 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 and almost 3% being China focussed. The revenue and earnings split for the multinationals average about 40% USA, slightly less than 30% Europe and slightly more than 30% ROW. The emerging markets proportion of underlying revenue and earnings continues to rise.

As at 30 November 2010, MFF had net borrowings of approximately 19.8% of total investment assets. The borrowings are almost entirely denominated in AUD.

Key currency rates for AUD as at 30 November 2010 were 0.9591 (USD), 0.7367 (EUR), 0.6158 (GBP) and 0.9559 (CHF) compared with the 29 October 2010 rates which were 0.9802 (USD), 0.7052 (EUR), 0.6130 (GBP) and 0.9640 (CHF).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Nerida Campbell', is written over a light blue circular stamp.

Nerida Campbell
Company Secretary
02 December 2010

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