

**Magellan Flagship Fund Limited ('MFF')
Net Tangible Assets ('NTA') per share for August 2013**

MFF advises that its approximate monthly post-tax NTA per share as at 31 August 2013 was \$1.271 and \$1.365 pre-tax (both figures are cum 1 cent per share unfranked dividend).

Additional information:

	Undiluted
Pre-tax NTA (after accounting for final dividend)	\$1.355
Net deferred tax liabilities	(\$0.094)
Post-tax NTA (after accounting for final dividend)	\$1.261

No adjustments have been made for possible future dilution for the 2017 options. All figures in this release are unaudited and approximate. The ex dividend date is 14 October 2013.

During the month net cash rose to approximately 12.2% of net assets from approximately 4.9% as at 31 July 2013. Currency positions remain materially unchanged. Our portfolio focus remains on pockets where we perceive value, on Quality and on risks. Portfolio business cases remain intact, although we remain cautious about paying much for perceived growth in the current conditions.

Previous portfolio actions to reduce MFF's indirect exposures to emerging markets provided some shield from the downward fluctuations in those economies and related markets, which accelerated moderately in August. If these emerging market downdrafts are sustained, aggregate near term investor expectations for global multinationals will also have been optimistic. Despite some general market weakness in August, more aggressive selling was concentrated in the emerging markets, particularly those with current account and stagflation problems. Consensus earnings downgrades are not isolated events, in recent weeks. In due course, fresh buying opportunities may arise if investors materially reduce their global multinational (and other) exposures of potential interest to us. Access to cash provides opportunities during inevitable fluctuations.

Despite the "noise" and Central bank discussions, numerous markets continue to be buoyed by the ongoing massive official stimulus, which has enticed many investors out of low risk assets. We perceive that the potential partial risk hedging aspects of MFF's "short AUD" position continue, in current conditions.

As at 31 August 2013, MFF held cash/receivables balances in a mix of US Dollars, Singapore Dollars, Hong Kong Dollars and GBP. Net cash was approximately 12.2% of net assets with borrowings predominantly in AUD and some Euro.

Key currency rates for AUD as at 31 August 2013 which were 0.891 (USD), 0.675 (EUR), 0.576 (GBP) and 0.830 (CHF) compared with rates at 31 July 2013 which were 0.897 (USD), 0.676 (EUR), 0.592 (GBP) and 0.834 (CHF)

Yours faithfully,



Chris Mackay
Director



Leo Quintana
Legal Counsel & Company Secretary

3 September 2013