



Magellan Flagship Fund Limited
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**Magellan Flagship Fund Limited ('MFF')
Net Tangible Assets ('NTA') per share for January 2010**

MFF advises that its approximate monthly and weekly NTA per share as at Friday, 29 January 2010 was \$0.735 excluding net deferred tax assets¹ of \$0.09.

MFF remained fully invested in January. Changes to MFF's portfolio in the month were again very modest.

Overall, MFF's portfolio companies are reporting excellent results so far this reporting season. To date, almost all are showing market share gains and strong profitability and cashflows in the ongoing difficult economic conditions. We consider that the medium to long term prospects for MFF's companies are strengthening.

The adverse market reactions in January to Greece's debts, the Obama proposals and the start of monetary policy tightening in China, reinforce our caution about the key risk areas of regulatory/government policies and business, consumer, voter and debt / equity market confidence.

Approximately 91.3% 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 29 January 2010, MFF had net borrowings of approximately 19.6% of total investment assets. Most of the borrowings are denominated in AUD, with smaller amounts of borrowings in USD and Euro.

Key currency rates for AUD as at 29 January were 0.8889 (USD), 0.6395 (EUR), 0.5547 (GBP) and 0.9369 (CHF), compared with 31 December 2009 rates which were 0.8994 (USD), 0.6268 (EUR), 0.5569 (GBP) and 0.9297 (CHF).

A handwritten signature in black ink, appearing to read 'Nerida Campbell', is positioned above the typed name.

Nerida Campbell
Company Secretary
2 February 2010

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