



Magellan Flagship Fund Limited
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**Magellan Flagship Fund Limited ("MFF")
Net Tangible Assets ("NTA") per share for February 2011**

MFF advises that its monthly NTA per share as at 28 February 2011 was \$0.764 excluding net deferred tax assets¹ of \$0.082. These figures are unaudited.

During the month changes in the portfolio were limited, and we maintained our unhedged currency positions. Business confidence continues to recover, albeit unevenly. Currency and commodity headwinds continue.

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 about 4% 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 28 February 2011, MFF had net borrowings of approximately 20% of total investment assets. Borrowings are denominated in AUD.

Key currency rates for AUD as at 28 February 2011 were 1.0183 (USD), 0.7373 (EUR), 0.6261 (GBP) and 0.9465 (CHF) compared with the 31 January 2011 rates which were 0.9970 (USD), 0.7272 (EUR), 0.6224 (GBP) and 0.9368 (CHF).

Yours faithfully,

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

Leo Quintana
Legal Counsel & Company Secretary

2 March 2011

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