

**Magellan Flagship Fund Limited ('MFF')
Weekly Net Tangible Assets ('NTA')**

MFF advises that its approximate weekly NTA per share as at Friday, 16 November 2012 was \$0.957 excluding net deferred tax assets¹ of approximately \$0.022.

MFF's net cash level as at 16 November 2012 has been reduced to approximately 30.9% as markets have fallen after the US election and China's new leadership announcement, making most purchase prices for MFF portfolio companies less expensive. MFF also paid a 1 cent per share dividend to shareholders on 16 November 2012 and the net cash and NTA per share figures are after allowing for the cash and dividend reinvestment plan elements of the dividend.

The Australian Government released its July and August 2012 financial statements on the Finance Department website very late on Friday, 16 November 2012. The figures included a \$9.6 billion underlying cash deficit for August 2012, net debt increased to \$153.2 billion against the stated end June 2013 forecast net debt of \$143.3 billion, modest improvement against the corresponding aggregate 2011/12 figures despite the fiscal year end payment shifts and it was disclosed that GST revenue was below last year for both months, with August 2012 more materially below (in nominal terms, with larger real declines). The figures are not inconsistent with the declining trade data trend and may reflect the narrowing of important policy windows, although caveats must obviously be applied to short run figures.

Yours faithfully,



Chris Mackay
Director



Leo Quintana
Legal Counsel & Company Secretary

20 November 2012

¹ Deferred tax assets less deferred tax liabilities

All figures are unaudited

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