



ABN 59 108 437 592

Level 1, 1 Castlereagh Street
SYDNEY NSW 2000
Ph: 61 2 8114 1888
Fax: 61 2 8114 1800
www.magellangroup.com.au

8 December, 2006

Companies Announcements Office
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street,
Sydney, NSW, 2000

Dear Sirs,

Magellan Flagship Fund Limited Initial Public Offer Closes Oversubscribed

Magellan Financial Group Limited is pleased to advise that the \$378 million Initial Public Offering of Magellan Flagship Fund Limited (MFF) closed oversubscribed. In accordance with the timetable set out in the prospectus, the Directors of MFF will next week confirm allocations and scaling of applications under the public offer component of the IPO and ASX trading of the shares in MFF is to commence on 19 December 2006 with the ASX code "MFF".

Chairman, Mr Chris Mackay, said "We are delighted with the outstanding support from a wide ranging group of investors who have joined us in establishing Australia's largest internationally focussed listed investment company. We received applications from clients of more than 30 broking groups and financial planning organisations throughout Australia and New Zealand."

"We will be focussed on identifying outstanding businesses and disciplined in our investment assessments."

Yours faithfully,

A handwritten signature in black ink, appearing to read 'David Simpson', written over a horizontal line.

David Simpson
General Counsel & Company Secretary