



Friday, 9 March 2007

Magna Pacific (Holdings) Limited - Panel Preliminary Decision

The Takeovers Panel advises that it has made a preliminary decision in relation to the application from Magna Pacific (Holdings) Limited (**Magna Pacific**), in relation to an off-market, cash takeover bid for Magna Pacific by Lionsgate Australia Pty Ltd (**Lionsgate**).

Preliminary Decision

The Panel considered that there were a number of statements in, and omissions from, the Lionsgate bidder's statement dated 13 February 2007 which were sufficiently misleading to give rise to unacceptable circumstances. However, the Panel has accepted an undertaking by Lionsgate to make corrective disclosures to the Panel's satisfaction in the form of a replacement bidder's statement to be provided to Magna Pacific shareholders. Accordingly, on the basis that Lionsgate has agreed to issue a replacement bidder's statement setting out corrective disclosures, the Panel considers that it may not be against the public interest to decline to make a declaration of unacceptable circumstances.

Lionsgate offered to the Panel not to dispatch its bidder's statement until after the Panel had made a final determination in order to provide Magna Pacific with a single, clear document in the event that the Panel considered any further disclosure was desirable. Therefore, Lionsgate has not yet dispatched its bidder's statement to Magna Pacific shareholders.

The Panel suggests that Magna Pacific shareholders and the market should exercise caution in relying on information in the bidder's statement until it is corrected.

Replacement bidder's statement

The Panel expects that it will receive a draft replacement bidder's statement and be in a position to settle the final replacement bidder's statement in the week commencing 12 March 2006.

The sitting Panel in these proceedings is Susan Doyle, Braddon Jolley (sitting President) and Karen Wood. The Panel will publish its reasons for its decision on its website after the proceedings are finished.

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