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Tuesday, 10 April 2007

**Magna Pacific (Holdings) Limited 02- Panel Receives Application**

The Takeovers Panel advises that it received an application on Thursday 5 April 2007 from Lionsgate Australia Pty Ltd, a wholly owned subsidiary of Lions Gate Entertainment Inc (**Lionsgate**), in relation to Lionsgate's off-market, cash takeover bid for Magna Pacific (Holdings) Limited (**Magna Pacific**).

On 5 February 2007 Lionsgate lodged a substantial holder notice in relation to a pre-bid acceptance agreement with Macquarie Private Portfolio Management Limited (**Macquarie**) under which Lionsgate acquired voting power over 11.65% of Magna Pacific securities (**Macquarie Agreement**).

Lionsgate lodged its bidder's statement with the Australian Securities and Investments Commission on 13 February 2007 and dispatched a replacement bidder's statement to Magna Pacific on 26 March 2007 following a Panel decision dated 21 March 2007.

On 30 March 2007 destra Corporation Ltd (**destra**) and Magna Pacific announced their intention to implement a scheme of arrangement under which destra would acquire all the issued capital in Magna Pacific (**Announcements**).

Lionsgate's application relates to issues including:

- the recommendation by the Magna Pacific board to vote in favour of the scheme set out in the Announcements when the intentions of Magna Pacific and destra relate to a proposal that Lionsgate submits is not currently capable of acceptance;
- whether Magna Pacific has provided adequate information and explanations in relation to the proposed scheme and the related conditions, in particular the funding arrangements under the proposed scheme;
- whether the break fee arrangements meet the requirements in Guidance Note 7 - Lock-Up devices.

Lionsgate seeks a declaration of unacceptable circumstances, and final orders restraining Magna Pacific and destra from implementing the proposed scheme.

The Panel has not decided whether to conduct proceedings in relation to the application and makes no comment on the merits of the application. It also notes that

it has not received submissions from other parties to the application and it is, therefore, unaware of their views.

The President of the Panel has appointed Susan Doyle, Braddon Jolley (sitting President) and Karen Wood to consider the application.

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