



Tuesday, 3 July 2007

Magna Pacific (Holdings) Limited 05 – Panel Receives Application

The Takeovers Panel advises that it has received an application from Lionsgate Australia Pty Limited (**Lionsgate**), in relation to the affairs of Magna Pacific (Holdings) Limited (**Magna**).

The current application relates to Magna's notification to ASX on 2 July 2007 that it is in discussions for a placement of up to 15% of the company's issued capital, which placement would create a strategic alliance (**Placement**).

Magna has previously announced the proposed acquisition of all of the shares in Magna by destra Corporation Limited by a scheme of arrangement (**Scheme**). Magna shareholders are scheduled to consider the Scheme at a meeting which has been convened for 30 July 2007.

The Panel has previously received applications in relation to an off-market, cash takeover bid for Magna by Lionsgate (see Magna Pacific 01 – [TP 07/07](#) and [TP 07/11](#), Magna Pacific 02 – [TP 07/14](#) and [TP 07/16](#), Magna Pacific 03 – [TP 07/17](#) and [TP 07/25](#), and Magna Pacific 04 – [TP 07/27](#) and [TP 07/31](#)). Lionsgate's offer for Magna lapsed on Friday 29 June 2007 (**Lapsed Lionsgate Offer**).

Lionsgate submits that in the context of the Scheme and the Lapsed Lionsgate Offer, the Placement is likely to affect control of Magna by diluting the voting power of shareholders, including Lionsgate, who may not support the Scheme, thus increasing the prospects of success.

Lionsgate is seeking a declaration of unacceptable circumstances, interim orders restraining Magna from proceeding with the Placement pending the outcome of any Panel proceedings, and final orders preventing Magna from proceeding with the Placement.

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 is currently assembling a sitting Panel to consider the application.

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