



Magnotta Winery to be taken private by founding family

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Magnotta Winery Corp. shares soared Tuesday morning after the company revealed it is being taken private by its founding family in a deal worth just under \$16-million.

Magnotta stock jumped \$1.02 to \$2.84, a gain of 56 per cent when trading in the company resumed Tuesday on the TSX.

The Toronto-area wine producer said late Monday it had been advised by the Magnotta family which controls the company that it intends to take the alcohol company private at \$2.90 a share.

The family owns just over 60 per cent of the company's 13.93 million common shares outstanding, leaving about 5.51 million shares held by minority shareholders.

At the \$2.90 price for the going private deal, the transaction is valued at just under \$16-million.

In a related move, the Magnotta family has struck a deal with a shareholder holding 15.95 per cent of the company to tender its shares to the going private deal.

The \$2.90 bid is a 59 per cent premium to the \$1.82 price the shares closed at Monday on the Toronto Stock Exchange.

Magnotta Winery said its board has set up an independent committee to review the proposed transaction.

The board has also hired Deloitte & Touche LLP to value the company's shares and assess whether the going private bid is fair financially to minority shareholders.

A special meeting of shareholders is slated for Jan. 12 to vote on the proposal.

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