

Battle for Lions Gate ends with Icahn selling

August 30 2011, By RYAN NAKASHIMA , AP Business Writer

(AP) -- Activist investor Carl Icahn said Tuesday that he is shedding his entire stake in Lions Gate Entertainment Corp., ending a more than two-year battle for control and sending shares of the niche movie studio tumbling in after-hours trading.

The sale, announced after the market closed, included an agreement for both sides to drop all pending lawsuits.

Lions Gate and its next largest investor, Mark Rachesky, each agreed to buy back a quarter of Icahn's shares for \$7 each, which is about what Icahn spent acquiring his one-third [stake](#) in the company.

Lions Gate is based in Vancouver and operates out of Santa Monica, Calif. The company said that it has the right to designate one or more parties to purchase Icahn's remaining stake, also at \$7 a [share](#), over the next 35 days.

The studio's shares fell 6 percent, or 44 cents, to \$7.08 in aftermarket trading.

Icahn wished the company well in a statement.

"As some have noted, my own `slate' is pretty full at the time, and I therefore determined that it is a good time to exit," he said.

Icahn is also the largest [shareholder](#) in Clorox and is seeking election to the board of that company. He said Tuesday that he would vote to sell

Clorox if appointed - or he would buy it himself.

Lions Gate CEO Jon Feltheimer said Icahn's departure was in the best interests of Lions Gate shareholders and noted that because the company is buying back some of Icahn's shares, the number of shares outstanding will be reduced and share value should increase.

"We believe that this accretive and antidilutive transaction is in the best interests of all Lionsgate shareholders, and it allows the [company](#) to continue to focus on the execution of its long-term [business plan](#)," Feltheimer said in a statement.

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