

AMPAL-AMERICAN ISRAEL CORP

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 21, 2010 (June 15, 2010)

Ampal-American Israel Corporation

(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation)	0-538 (Commission File Number)	13-0435685 (IRS Employer Identification No.)
555 Madison Avenue New York, NY, USA (Address of principal executive offices)	10022 (Zip Code)	
(866) 447-8636 (Registrant's telephone number, including area code)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On June 15, 2010, Gadot Chemical Tankers and Terminals Ltd. (“Gadot”), a wholly owned subsidiary of Ampal-American Israel Corporation (the “Company”), entered into a stock purchase agreement (the “Agro SPA”) with Mr. Yosef A. Maiman, the Chairman, President and CEO of the Company, to purchase all of the issued share capital of Merhav Agro Ltd. (“Agro”) for a purchase price of NIS 108,000,000 (approximately \$28 million), subject to certain working capital adjustments and adjustments for changes in Agro’s indebtedness between signing and closing. The Agro SPA contains customary representations, warranties and indemnifications by Gadot and Mr. Maiman. The closing of the transaction is subject to customary closing conditions, including the regulatory approval of the Israeli Antitrust Commissioner (the “IAA”), and is expected to occur on July 1, 2010. However, the IAA has informed Gadot that it does not require the parties to the transaction to file a merger notice for the approval of the IAA. Thus, it is no longer necessary to obtain the approval of the IAA for the closing. Either Gadot or Mr. Maiman may terminate the Agro SPA if the transaction does not close by September 30, 2010, subject to certain limitations. Gadot will finance the purchase through the Company’s credit facility with certain Israeli banks.

Agro (formerly known as “Milchan Bros. Ltd.”) is one of the leading suppliers of plant protection products, plant growth regulators and seeds in Israel, with over 50 years of experience. Agro serves as the Israeli representative of many multinational corporations, including Du Pont de Nemours, Bayer CropScience, Syngenta, Chemtura and others. Gadot has identified the Israeli agriculture sector as a potential for growth and the business of Agro will be integrated with Gadot’s agro division.

Mr. Yosef A. Maiman is the Chairman, President and CEO of the Company and is a member of the Company’s controlling shareholder group. In addition, Mr. Maiman is Chairman of the board of directors of Gadot. A special committee composed solely of independent directors from the Company’s Board of Directors approved the purchase of Agro from Mr. Maiman. Houlihan Lokey Howard & Zukin Financial Advisors, Inc. acted as financial advisors to the special committee.

The foregoing description of the Agro SPA does not purport to be complete and is qualified in its entirety by reference to the actual agreement, which the Company intends to file as an exhibit to its next quarterly report.

A copy of the Company’s press release announcing the execution of the Agro SPA is attached hereto as Exhibit 99.1 and is incorporated in this report by reference.

In the press release, the Company disclosed total revenues and gross profit of Agro for 2009, which were prepared in accordance with generally accepted accounting principles (“GAAP”) in Israel. The total revenues and gross profit of Agro presented in the press release are “non-GAAP” financial measures, as defined in Regulation G promulgated by the SEC. If such total revenues and gross profit financial measures were restated in accordance with US GAAP, they would not differ materially from what is presented in the press release. Accordingly, management believes total revenues and gross profit of Agro for 2009 prepared in accordance with Israeli GAAP are meaningful indicators of its performance that provide useful information to investors regarding its financial condition and results of operations.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
99.1	Press release of Ampal-American Israel Corporation, dated June 16, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMPAL-AMERICAN ISRAEL
CORPORATION

Date: June 21, 2010

By: /s/ Yoram Firon

Name: Yoram Firon

Title: *Vice President - Investments and
Corporate Affairs*

EXHIBIT INDEX

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Gadot Chemical Tankers and Terminals Ltd. ("Gadot") to Acquire Merhav Agro

Tel Aviv – June 16, 2010 - Ampal-American Israel Corporation (Nasdaq: AMPL) ("Ampal"), a holding company in the business of acquiring and managing interests in various businesses, with emphasis in recent years on energy, chemicals, communications and related fields, announced today that Gadot, Ampal's wholly owned subsidiary, acquired Merhav Agro Ltd. ("Agro"), a supplier of agricultural protection products in Israel.

Gadot has signed an agreement with Mr. Yosef A. Maiman to acquire the entire issued share capital of Agro for a purchase price of NIS 108,000,000 (approximately \$28.4 million). The closing of the transaction is subject to customary closing conditions, including the regulatory approval of the Israeli Antitrust Commissioner (the "IAA"), and is expected to occur on July 1, 2010, unless the approval of the IAA is delayed beyond that date.

The total revenues of Agro in 2009 were approximately 81.3 million NIS (approximately \$21.4 million) with a gross profit of approximately 36.5 million NIS (approximately \$9.6 million) ¹.

¹ The financial statements of Agro are prepared in accordance with generally accepted accounting principles ("GAAP") in Israel, including with respect to the total revenues and gross profit disclosed in this press release. Total revenues and gross profit for Agro in 2009 would not differ materially from what is presented in this press release if they were restated in accordance with US GAAP.

Agro is one of the leading suppliers of plant protection products, plant growth regulators and seeds in Israel, with over 50 years of experience. Agro serves as the Israeli representative of many leading multinational corporations, including Du Pont de Nemours, Bayer CropScience, Syngenta, Chemtura and others.

Gadot has identified the agriculture sector as a potential growth driver and Agro will be integrated into Gadot's agro division. Gadot believes the integration of Agro's business into its own will create synergies that will allow Gadot to reduce costs and increase profitability, as well as expand its business activities and worldwide relationships with suppliers and customers.

A special committee composed solely of independent directors from Ampal's Board of Directors approved the acquisition of Agro from Mr. Yosef A. Maiman, the Chairman, President and CEO of Ampal. Houlihan Lokey Howard & Zukin Financial Advisors, Inc. acted as financial advisors to the special committee.

About Ampal:

Ampal and its subsidiaries acquire interests primarily in businesses located in the State of Israel or that are Israel-related. Ampal is seeking opportunistic situations in a variety of industries, with a focus on energy, chemicals, communications and related sectors. Ampal's goal is to develop or acquire majority interests in businesses that are profitable and generate significant free cash flow that Ampal can control. For more information about Ampal please visit our web site at www.ampal.com.

Safe Harbor Statement

Certain information in this press release includes forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934) and information relating to Ampal that are based on the beliefs of management of Ampal as well as assumptions made by and information currently available to the management of Ampal. When used in this press release, the words "anticipate," "believe," "estimate," "expect," "intend," "plan," and similar expressions as they relate to Ampal or Ampal's management, identify forward-looking statements. Such statements reflect the current views of Ampal with respect to future events or future financial performance of Ampal, the outcome of which is subject to certain risks and other factors which could cause actual results to differ materially from those anticipated by the forward-looking statements, including among others, the economic and political conditions in Israel, the Middle East, including the situation in Iraq, and the global business and economic conditions in the different sectors and markets where Ampal's portfolio companies operate. Should any of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcome may vary from those described herein as anticipated, believed, estimated, expected, intended or planned. Subsequent written and oral forward-looking statements attributable to Ampal or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements in this paragraph. Please refer to the Ampal's annual, quarterly and periodic reports on file with the SEC for a more detailed discussion of these and other risks that could cause results to differ materially. Ampal assumes no obligation to update or revise any forward-looking statements.
