

# 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) December 21, 2006

**AMPAL-AMERICAN ISRAEL CORPORATION**  
**(Exact Name of Registrant as Specified in Charter)**

New York  
**(State or Other Jurisdiction  
of Incorporation)**

0-538  
**(Commission  
File Number)**

13-0435685  
**(IRS Employer  
Identification No.)**

111 Arlozorov Street, Tel Aviv, Israel  
**(Address of Principal Executive Offices)**

62098  
**(Zip Code)**

Registrant's telephone number, including area code 1-866-447-8636

N/A  
**(Former Name or Former Address, if Changed Since Last Report)**

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 8.01 Other Events.**

On December 21, 2006, Ampal-American Israel Corporation (the “Company”) issued a press release announcing that a wholly-owned subsidiary of the Company completed the previously announced purchase of additional shares of East Mediterranean Gas Company S.A.E., an Egyptian joint stock company, from Merhav M.N.F. Ltd., pursuant to an option granted to Ampal by Merhav M.N.F. Ltd. in August 2006. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated in this report by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press release of Ampal-American Israel Corporation, dated December 21, 2006.

**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.

Date: December 21, 2006

AMPAL-AMERICAN ISRAEL CORPORATION

By: /s/ Yoram Firon

Name: Yoram Firon  
Title: Vice President – Investments and  
Corporate Affairs

**EXHIBIT INDEX**

99.1 Press release of Ampal-American Israel Corporation, dated December 21, 2006.



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**Ampal-American Israel Corporation Completes the Purchase  
of Additional Interest in East Mediterranean Gas**

**TEL AVIV, Israel, December 21, 2006** - Ampal-American Israel Corporation (Nasdaq:AMPL) announced today that a wholly-owned subsidiary of the Company has completed the previously announced purchase of additional shares of East Mediterranean Gas Company ("EMG") from Merhav M.N.F. Ltd. ("Merhav"), pursuant to an option granted to Ampal by Merhav in August 2006.

EMG is an Egyptian joint stock company which has been given the right to export natural gas from Egypt to Israel and other locations in the East Mediterranean basin via an underwater pipeline. The pipeline, which EMG expects to be completed during the first quarter of 2008, will run from El-Arish, Egypt to Ashkelon, Israel.

Under the terms of the transaction, Ampal acquired the beneficial ownership of 5.9% of the outstanding shares of EMG's capital stock. The purchase price for the shares was approximately \$128.3 million, of which, approximately \$68.3 million was paid in cash, \$40 million will be paid in 8,602,151 shares of Ampal's Class A Stock and the balance was paid by a promissory note in the principal amount of \$20 million, which, at the option of Merhav, will be paid in cash, additional shares of Ampal's Class A Stock (based on a price per share of \$4.65 per share), or a combination thereof. The promissory bears interest at 6 months LIBOR (currently at 5.375%) and matures in one or more partial payments on the earlier of September 20, 2007 or upon demand by Merhav. The issuance of the shares of Class A Stock (including any shares issuable pursuant to the promissory note) is subject to the approval of the shareholders of Ampal. As a result of this transaction, Ampal beneficially owns 12.5% of the total outstanding shares of EMG.

Yosef A. Maiman, the Chairman, President and CEO of the Company and Ampal's controlling shareholder, is the sole owner of Merhav.

The transaction was approved by a special committee of the Board of Directors composed of the Ampal's independent directors.

#### About Ampal

Ampal and its subsidiaries primarily acquire interests in businesses located in the State of Israel or that are Israel-related. Ampal has diversified interests in the following sectors: Energy, Real Estate and others. For more information about Ampal please visit our web site at [www.ampal.com](http://www.ampal.com).

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