

AMPAL-AMERICAN ISRAEL CORP

FORM 8-K (Current report filing)

Filed 7/3/2007 For Period Ending 7/3/2007

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Sector	Financial
Fiscal Year	12/31

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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): July 3, 2007 (June 28, 2007)

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)

(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))
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Item 7.01 **Regulation FD Disclosure .**

On July 2, 2007, Ampal-American Israel Corporation (“Ampal”) issued (i) a press release regarding its inclusion in the Russell 3000 and Russell 2000 indexes in the United States and the TASE 100 and TASE 75 indexes of the Tel Aviv Stock Exchange and (ii) a press release regarding the filing with the Israeli Securities Authority of a draft preliminary prospectus for the resale and listing on the TASE of its Series A Notes. The full text of the press releases are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report and are incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 **Other Events .**

Joint Venture to Hold Interest in East Mediterranean Gas Co. S.A.E.

On June 28, 2007, Ampal and Israel Infrastructure Fund (“IIF”), together with other institutional investors (the “Original Investors”), agreed to include additional Israeli institutional investors (the “New Investors,” together with the Original Investors and IIF the “Investors”) in the previously announced joint venture to purchase and hold shares in East Mediterranean Gas. Co. (S.A.E.), an Egyptian corporation (“EMG”). As previously announced, Ampal, through a wholly owned subsidiary, Merhav Ampal Energy Ltd., entered into the initial agreement to form the joint venture on June 6, 2007. The initial agreement was amended to reflect the addition of the New Investors.

The joint venture will use the additional funds provided by the New Investors to purchase an additional 2.6% interest in EMG from Merhav (M.N.F.) Ltd. (“Merhav”) for a purchase price of approximately \$57 million, which is the same purchase price (on a per share basis) paid by Ampal’s wholly-owned subsidiary for its last purchase of beneficial ownership in EMG shares in December 2006. Ampal’s wholly owned subsidiary will contribute an additional 2.6% interest in EMG above the 1.8% interest in EMG it has already agreed to contribute. At closing, the joint venture will hold a total of 8.8% of the outstanding shares of EMG. Ampal’s contribution is being valued at the same price per EMG share as the joint venture’s purchase from Merhav. Following the investment, Ampal will hold a 50% interest in the joint venture and the Investors will have a 50% interest in the joint venture for their aggregate contribution of approximately \$97 million. This transaction (including the original agreement to form the joint venture) is subject to customary closing conditions.

As previously announced the joint venture entity will be a newly formed Israeli limited partnership, "Merhav Ampal Energy Holdings, LP," whose general partner will be an Israeli company equally owned by a wholly owned subsidiary of Ampal and IIF, one of the Investors. IIF is a private equity fund specializing in investment opportunities in infrastructure projects.

Upon the closing of the transaction, Ampal's beneficial interest in EMG, which is currently 12.5% of the outstanding shares of EMG, will remain unchanged. Ampal will thereafter hold 8.1% of the interest in EMG directly through a wholly owned subsidiary, and 4.4% of the interest in EMG through the joint venture.

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 including 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.

The full text of the press release announcing this transaction is attached as Exhibit 99.3 to this Current Report and is incorporated herein by reference.

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 July 2, 2007.
99.2	Press release of Ampal-American Israel Corporation, dated July 2, 2007.
99.3	Press release of Ampal-American Israel Corporation, dated June 28, 2007.

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: July 3, 2007

By: /s/Yoram Firon

Name: Yoram Firon

Title: *Vice President – Investments and
Corporate Affairs*

EXHIBIT INDEX

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AMPAL-AMERICAN ISRAEL CORPORATION JOINS RUSSELL 2000 INDEX IN THE US AS WELL AS THE TEL AVIV 75 INDEX AT THE TEL AVIV STOCK EXCHANGE

Tel Aviv, Israel – July 2, 2007 - Ampal-American Israel Corporation - (NASDAQ: AMPL") announced today that it was added to the broad-market Russell 3000^(R) Index and Russell 2000^(R) Index when Russell Investment Group reconstituted its comprehensive set of U.S. and global equity indexes on June 22, 2007. The official membership list is posted on www.russell.com.

Membership in the Russell 3000, which remains in place for one year, means automatic inclusion in the large-cap Russell 1000 Index or small-cap Russell 2000^(R) Index. Russell determines membership for its equity indexes primarily by objective, market-capitalization rankings and style attributes.

The Russell 3000 serves as the U.S. component to the Russell Global Index, which Russell launched earlier this year to offer investors a comprehensive set of equity benchmarks that cover world-wide investing opportunities.

Russell indexes are widely used by investment managers and institutional investors for index funds and as benchmarks for both passive and active investment strategies.

Annual reconstitution of Russell's U.S. indexes captures the largest U.S. stocks as of the end of May, ranking them by total market capitalization. The largest 1,000 companies in this ranking are eligible for the Russell 1000 and the next 2,000 companies comprise the Russell 2000.

Ampal furthered announced that as of July 1, 2007 it was added to the Tel Aviv 75 and Tel Aviv 100 Indexes of the Tel Aviv Stock Exchange. The Tel Aviv 100 Index includes the 100 largest companies on the Tel Aviv Stock Exchange based on market capitalization. The Tel Aviv 75 Index includes the 75 largest companies on the Tel Aviv stock Exchange based on market capitalization (after the first 25 companies). Both the

Tel Aviv 100 and Tel Aviv 75 indexes have minimum public holdings and trading volume requirements and are updated twice a year.

"Ampal is pleased to be added to the prestigious Russell 3000 and Russell 2000 indexes as well as to the leading Tel Aviv 100 and Tel Aviv 75 Indexes" stated Yosef A. Maiman, the Chairman, President and CEO of Ampal. Mr. Maiman further stated that "I believe Ampal inclusion will further enhance our visibility in the investment community both in the US and in Israel and is a reflection of the progress Ampal has made over the last few years in executing our strategy of investments."

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.

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



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AMPAL-AMERICAN ISRAEL CORPORATION FILES DRAFT PRELIMINARY PROSPECTUS IN ISRAEL FOR THE REGISTRATION OF PREVIOUSLY ISSUED SERIES A NOTES

Tel Aviv, Israel – July 2, 2007 - Ampal-American Israel Corporation - (NASDAQ: AMPL") announced today that on June 28, 2007 it filed a draft preliminary prospectus with the Israeli Securities Authority and the Tel Aviv Stock Exchange for the resale and listing with the Tel Aviv Stock Exchange of its Series A Notes. The Series A Notes were sold to Israeli institutional investors in a private placement in November 2006 in the principal amount of NIS 250,000,000 (approximately \$58 million).

The debt offering was made solely to certain non-U.S. institutional investors in accordance with Regulation S under the U.S. Securities Act of 1933, as amended. The notes have not been and will not be registered under the U.S. securities laws, or any state securities laws, and may not be offered or sold in the United States or to United States persons without registration unless an exemption from such registration is available. This notice does not constitute an offer to sell the notes, nor a solicitation for an offer to purchase the notes. Further, this press release shall not constitute any offer, solicitation or sale of any of the notes in any jurisdiction in which such offering sold would be unlawful.

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Ampal-American Israel Corporation and Israel Infrastructure Fund Announced the Increase in the Joint Venture with Institutional Investors in Israel to hold shares in EMG.

TEL AVIV, Israel, June 28, 2007 - Ampal-American Israel Corporation (Nasdaq:AMPL)) and Israel Infrastructure Fund (IIF), leading the group of institutional investors announced today that additional Israeli institutional investors have agreed to join Ampal, Israel Infrastructure Fund and other institutional investors in the joint venture to invest in East Mediterranean Gas. Co. (S.A.E.), an Egyptian corporation (“EMG”). As previously announced, Ampal entered into the initial agreement to form the joint venture on June 6, 2007.

The joint venture will purchase, with additional funds provided by the new institutional investors, an additional 2.6% interest in EMG from Merhav (m.n.f) Limited ("Merhav") for a purchase price of approximately \$57 million, which is the same purchase price (on a per share basis) paid by Ampal's wholly-owned subsidiary for its last purchase of beneficial ownership in EMG shares in December 2006. Ampal's wholly owned subsidiary will contribute an additional 2.6% interest in EMG above the 1.8% interest in EMG it has already agreed to contribute. The joint venture will hold a total of 8.8% of the outstanding shares of EMG. Ampal's contribution is being valued at the same price per EMG share as the joint venture's purchase from Merhav. Following the investment, Ampal will hold a 50% interest in the joint venture. The institutional investors will have a 50% interest in the joint venture for their aggregate contribution of approximately \$97 million. This transaction is subject to customary closing conditions.

As previously announced the joint venture will be a newly formed Israeli limited partnership, "Merhav Ampal Energy Holdings, LP" whose general partner will be an Israeli company equally owned by a wholly owned subsidiary of Ampal and the Israel Infrastructure Fund (IIF). IIF, leading the group of institutional investors in the joint venture, is a private equity fund specializing in investment opportunities in infrastructure projects.

Upon the closing of the transaction, Ampal's beneficial interest in EMG, which is 12.5% of the outstanding shares of EMG, will remain unchanged. Ampal will now hold its interest, 8.1% individually through a wholly owned subsidiary, and 4.4% through the joint venture.

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 including 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.

Yosef A. Maiman, the Chairman, President and CEO of the Company and a member of the controlling shareholders group of the Company, is the sole owner of Merhav. After this transaction Merhav will continue to hold 8.1% of EMG.

Of the transaction, Mr Maiman said, "We are pleased with the increase investment by Israeli Institutional Investors in EMG and with the growing of the newly formed partnership that will be a platform for future cooperation between the parties in developing business in the energy sector."

Mr. Yaron Kestenbaum, the CEO of the Israeli Infrastructure Fund stated that: "We are glad that additional investors joined Mr. Maiman and us and will participate in this important venture in the Israeli energy sector. "

About Ampal

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About Israel Infrastructure Fund

IIF is a private equity fund specializing in investment opportunities in infrastructure projects with the potential to generate significant interest and dividend income and capital appreciation. IIF has diversified interests in the following sectors: Energy, Water, Environment, Transport and others. For more information about IIF please visit our web site at www.iif.co.il

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