



Ampal



COMPANY PRESENTATION

November 2011

About Ampal:

Ampal-American Israel Corporation (“Ampal” or the “Company”) 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 and related sectors. Ampal’s goal is to develop or acquire majority interests in businesses that are profitable and generate significant free cash flow which Ampal can control. For more information about Ampal please visit our web site at www.ampal.com.

Safe Harbor Statement on Forward-Looking Statements

Certain information in this presentation includes forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) 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 presentation, 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 Egypt, 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 outcomes 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 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.

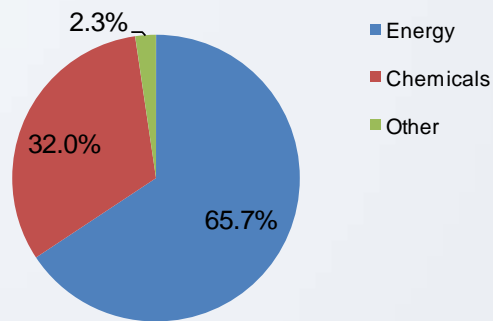
Use of Non-GAAP Financial Measures

Ampal uses certain non-GAAP financial measures in this presentation. Ampal uses non-GAAP financial measures as supplemental measures of performance and believes these measures provide useful information to investors in evaluating our operations, period over period. However, non-GAAP financial measures have limitations as analytical tools, and should not be considered in isolation or as a substitute for Ampal’s financial results prepared in accordance with GAAP. In addition, investors should note that any non-GAAP financial measures Ampal uses may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. Reconciliations of our non-GAAP financial measures are included in this presentation.

Company Profile | AMPAL

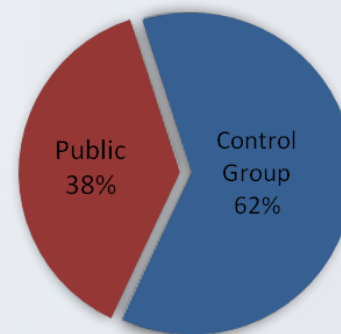
Proportion of Investments

(Holdings Book Value*)



Holding Structure

Traded on NASDAQ and TASE



General Data

- Incorporated in New York
- Invests in companies with a stable cash flow
- Market Value (Million US\$)** 24
- Equity (Million US\$) 133.1

*The Company's Financial Statements are prepared in accordance with US GAAP (and not IFRS).

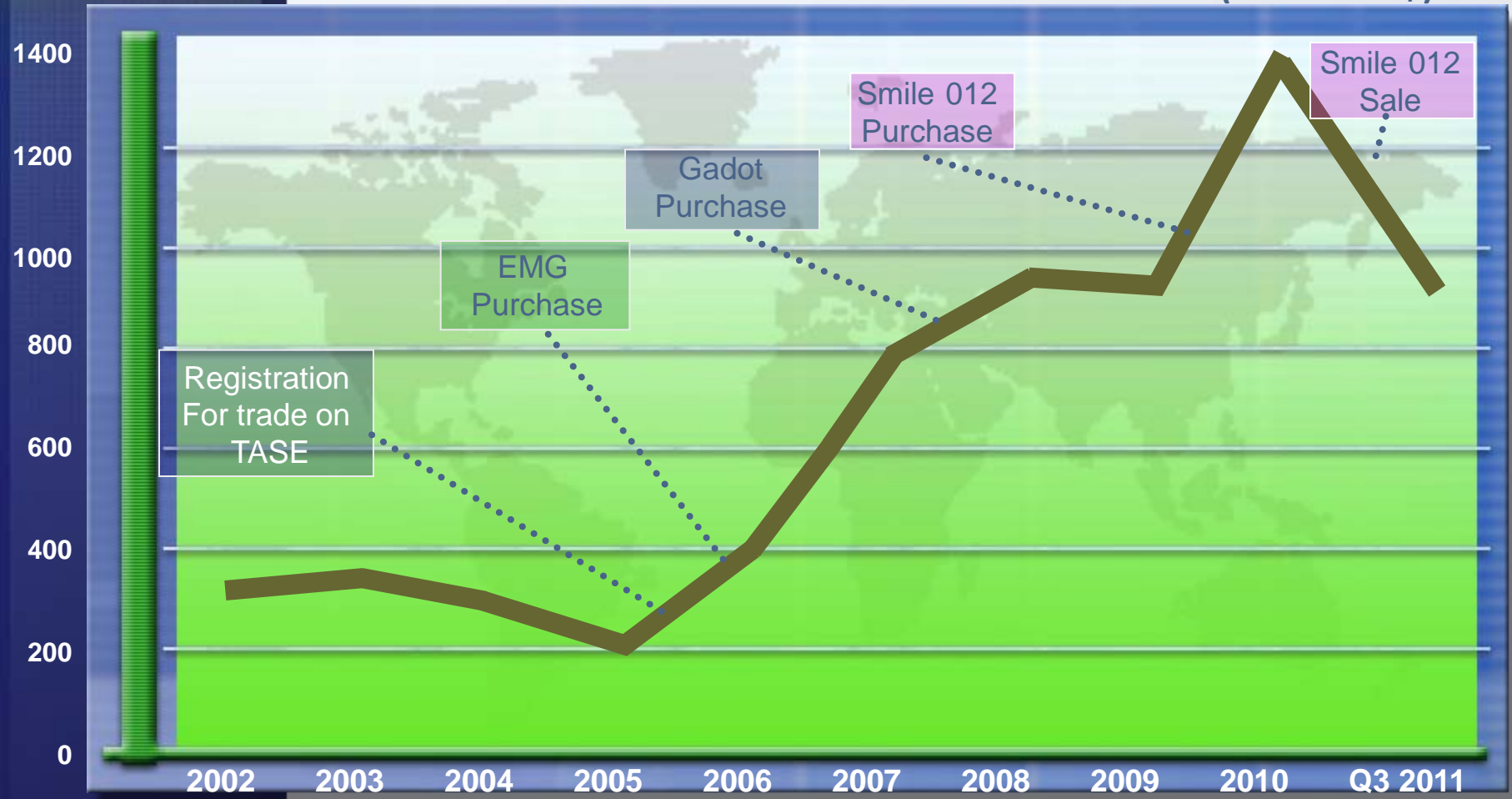
**Based on closing price on NASDAQ on November 10, 2011



- Ampal's investment focus is principally on companies or ventures where Ampal can exercise significant influence and use its management experience to enhance those investments.
- In making its investment decisions Ampal considers among other things, quality of management, potential return on investment, growth potential, projected cash flow, investment size, financing and All of Ampal's debts.
- Ampal seeks opportunistic situations in a variety of industries, with a focus on energy, chemicals and related sectors.
- Ampal's goal is to develop or acquire majority interests in businesses that are profitable and generate significant free cash flow which Ampal can control.
- Ampal's current policy is to apply retained earnings to finance its business activities and to redeem or repay Ampal's outstanding debt (including its unsecured notes traded on the Tel Aviv Stock Exchange). The payment of cash dividends in the future will depend upon Ampal's operating results, cash flow, working capital requirements, debt and other factors Ampal's Board of Directors will deem pertinent.

Major Milestones | AMPAL

Total Assets (Million US\$)





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Energy

EMG | East Mediterranean Gas – EMG Profile

Energy

- EMG was established and registered in Egypt in 2000 and has constructed an off-shore gas pipeline from El-Arish (Egypt) to Ashkelon (Israel) as well as on-shore facilities.
- Egypt has undertaken to export up to 7 BCM of natural gas annually for 20 years renewable to Israel through EMG.
- EMG's contracts with Israeli customers for Egyptian natural gas may have terms of up to 20 years, with a total of 140 BCM.
- The gas flow to Israel began in June 2008.
- At the end of 2010 EMG provided gas to Israel Electric Corporation and Mashav at an annual rate of 2.5 BCM.
- During 2011, several incidents interrupted EMG's gas flow, as detailed herein.
- Due to recent developments in Egypt, Ampal's valuations of EMG indicate a decrease of approximately 35% in EMG's value, compared to December 31, 2010 (from US\$2.9-3.3 billion, as of December 31, 2010 to US\$1.9-2.15 billion as of September 30, 2011). Due to recent events, the investment's carrying amount (16.8%) was written down to a value of approximately \$311 million (Representing a value of US\$1.85 billion).



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EMG | East Mediterranean Gas - 2011 Updates

Energy

- On November 10, 2011, there was an explosion on GASCO's (the Egyptian gas transport company) pipeline approximately 20 Kilometers west of El-Arish. The gas supply to EMG and its clients has been interrupted, and as of the date of this presentation was published the expected gas resumption date is unknown.
- From February 5, 2011 to July 30, 2011, there have been five alleged terror attacks on GASCO's pipeline.
- On July 30, 2011, in the wake of violent incidents in El-Arish, Egypt, there was an attempt to cause damage to the EMG site near El-Arish. The security forces on site returned fire, prevented any penetration of the EMG site and repelled the attack.
- Due to the alleged terror attacks, gas supply to EMG and its clients has been interrupted from February 5, 2011 to March 15, 2011, April 27, 2011 to June 9, 2011, July 4, 2011 to July 5, 2011, July 12, 2011 to October 23, 2011 and from November 10, 2011.
- As a result of the continued interruption of gas supply to EMG and the delivery of gas to EMG below contracted quantities, the international shareholders of EMG, including Ampal, have commenced procedures under applicable bilateral investment treaties between several countries and Egypt. Such procedures may ultimately result in arbitration of claims under the various treaties, EMG's gas supply agreement or other agreements.
- In addition, Ampal has also been advised by EMG that EMG has initiated arbitration proceedings against the government-owned Egyptian gas supplier alleging a breach of various provisions of its gas purchase agreement. EMG seeks, in part, to enforce the undertakings included in the gas purchase agreement.



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Natural Gas in Israel

- Demand for natural gas in Israel continues to increase both for electricity generation and industrial conversions.
- EMG is one of only two gas suppliers in Israel.
- EMG contracted the supply of more than half of the natural gas consumed by the Israeli market.
- Assuming a positive resolution of the situation in Egypt, EMG is currently the only company that can provide additional quantities of gas to Israel in the years 2011-2013.

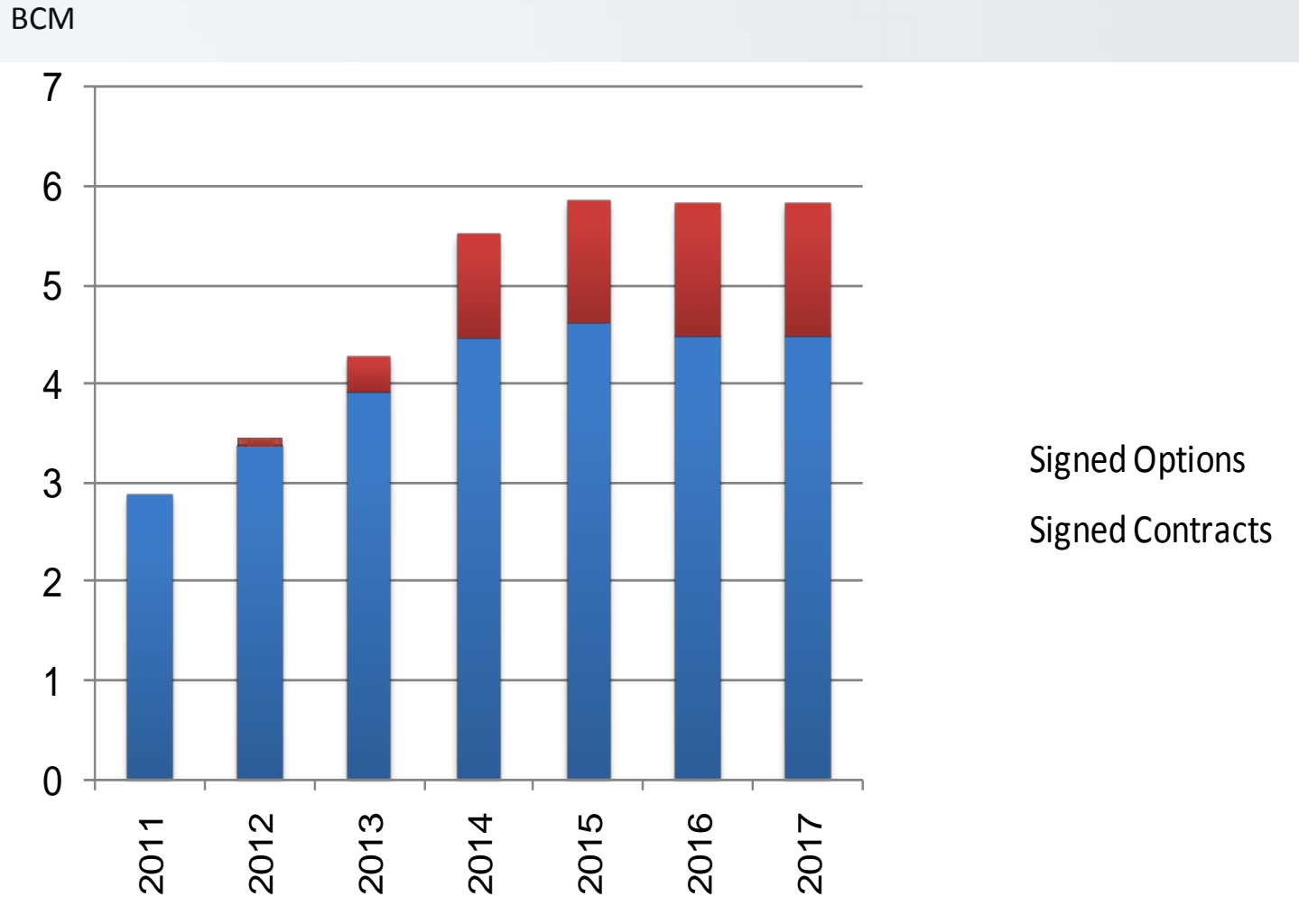
EMG

- EMG has access to Egyptian gas reserves totaling in excess of 2,500 BCM from proven diverse sources
- EMG has skilled and professional management with decades of experience in Egypt and its gas industry
- EMG has already concluded several long-term contracts for the sale of over 90 BCM valued at over US\$15 billion
- EMG's estimated revenues (assuming delivery of 7 BCM annually) – **over US\$1.0 billion**
- Estimated EBITDA (with provision of 7 BCM annually) – over US\$350 million
- Pipeline construction cost – approximately US\$460 million
- Debt Balance – US\$170 million
- Due to current interruption in gas supply, Ampal cannot determine the expected first dividend from EMG



EMG | Signed Contracts & Options

Energy



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Global Wind Energy (“GWE”)

- GWE is owned equally by Clal and Ampal (50%/50%)
- GWE focuses on the new development and acquisition of controlling interests in renewable energy, including wind energy projects outside of Israel
- GWE currently has projects in Greece and Poland, which are in varying developmental stages, with a total capacity of over 250 MW
- As of September 30, 2011, GWE has received a production license for 2 projects for a total capacity of approximately 60MW wind farms, and 20MW photovoltaic projects, all in Greece



Ethanol Project in Colombia

- Production of Bio-Ethanol fuel from sugarcane.
- The Project includes the development of a 11,000 hectare sugar cane plantation (Agricultural Project) and the design, construction and operation of an ethanol production plant (Industrial Project). 10,000 hectares are already available for the Project, including purchased and leased land.
- The Colombian government supports the development of the ethanol industry and, since 2000, has adopted a series of measures to encourage the supply and demand for ethanol and to create a regulatory framework to set prices, including the adoption of a series of laws, decrees and resolutions to stimulate carburant alcohol production, sale and consumption, and including the Colombian Law that stipulates mandatory 10% blending of Ethanol for gasoline use in urban areas.
- Ampal holds a loan of approximately US\$22 million convertible to 25% of the Project, to be converted upon the first withdrawal from the financing bank.





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Chemicals



Gadot Profile

- The leading Israeli company for chemical supply and services to customers throughout the supply chain of chemicals from producer to end-user (mainly liquid chemicals).
- Operates in the fields of procurement, marketing and distribution (shipping with a fleet of tankers and ISO-Tanks), storage in terminals, trailers and special storage areas for hazardous materials.
- Gadot is the representative, marketer and distributor in Israel to more than 100 international chemical companies including DuPont, Exxon, BASF, DOW, CHEVRON, SHELL and others.



Chemicals Field

- Years of experience in storage, handling, packaging, transporting and shipping hazardous materials.
- Provides services to the entire chemicals supply chain in Israel.
- Geographic Areas of Activity: Israel, Western Europe, South and Central America, USA.
- Clients, including major Israeli companies:
Teva, Makhteshim, ICL, Palsan, HP and others.
- Completed in the 3rd quarter of 2010 the purchases of ADPO Ghent (which owns and operates a state-of-the-art chemical storage terminal in Ghent, Belgium) and of Merhav Agro (a supplier of agricultural protection products in Israel).



Financial Highlights

US\$ in Millions	Q3 2011 (unaudited)	Q3 2010 (unaudited)	2010
Revenues	139	122	497
Adjusted EBITDA*	8	6	26

*See EBITDA break-down on Appendix A



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Financials



Condensed Solo* (unconsolidated) Balance Sheet (Pro-Forma) – September 30, 2011

Financials

<u>Assets</u>		Liabilities and Shareholders' <u>Equity</u>	
	<u>US\$</u> (in Millions)		<u>US\$</u> (in Millions)
Cash, deposits and other financial items**	108.1	Banks and Debentures	347.3
Investments	352.1	Accounts Payable and Others	24.0
Fixed Assets	2.3	Equity	133.6
Other	42.4		
Total	504.9	Total	504.9

* Including Gadot, Merhav Ampal Energy Holdings, LP and Country Club Kfar Saba on equity basis and not consolidated.

** Including a convertible loan of approximately US\$22M to the project in Colombia.



Main Holdings – September 30, 2011

Financials

	Ampal's ownership %	Book Value (US\$ in Millions)	Method of Book Value
EMG*	12.5%	231.2	Cost (after impairment)**
Gadot	100%	112.7	Consolidated
Other		8.2	
Total		352.1	

* Ampal's Financial Statements reflect a 16.8% interest in the shares of EMG (approximately US\$311M), which includes the 8.6% interest in EMG held by Ampal's joint venture with certain Israeli institutional investors, of which a 4.3% interest in EMG (approximately US\$80M) is attributable to the institutional investors.

** Due to the impairment of Ampal's investment in EMG, the investment's carrying amount (16.8% of EMG) of approximately US\$361M (as of December 31, 2010) was written down to its fair value of approximately US\$311M.

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Condensed Consolidated Balance Sheet – September 30, 2011

Financials

	US\$ (in Millions)		US\$ (in Millions)		
Current Assets (excluding cash, deposits and other financial items)	187.4	Current Liabilities (excluding banks and debentures)	92.0		
Cash, deposits and other financial items*	118.9	Loans:	Debentures	260.5	
Fixed Assets	197.1		Banks – Ampal	89.4	
Investments:	EMG (Ampal)		231.2	Banks – Gadot	211.9
	EMG (Institutional Investors)		79.6	Gadot – Construction of Vessels	49.5
	Other Investments	9.9	Capital Note – Institutional Investors in EMG	98.7	
Other Non-Current Assets	42.9	Other Liabilities (including minority rights)	12.0		
Goodwill and Intangible Assets	80.6	Equity	133.6		
	947.6		947.6		

*Including a convertible loan of approximately US\$22M to the project in Colombia





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Thank you!

Appendix A – EBITDA Break-Down for Gadot

	Three Months Ended September 30, 2011 (Unaudited)	Three Months Ended September 30, 2010 (Unaudited)	Twelve Months Ended December 31, 2009
Revenues	139	122	497
Expenses	<u>(126)</u>	<u>(111)</u>	<u>(452)</u>
Profit	13	11	45
Marketing, sales, General, administrative and other expenses	(11)	(10)	(40)
Depreciation and amortization	<u>4</u>	<u>4</u>	<u>17</u>
EBITDA	6	5	22
Non-recurring and stock compensation expenses	<u>2</u>	<u>1</u>	<u>4</u>
Adjusted EBITDA	8	6	26

Adjusted EBITDA is defined as earnings before interest, income tax provision, depreciation and amortization, adjusted for non recurring expenses. Management believes adjusted EBITDA for Gadot to be a meaningful indicator of its performance that provides useful information to investors regarding its financial condition and results of operations. Presentation of adjusted EBITDA is a non-GAAP financial measure commonly used by management to measure operating performance. While management considers adjusted EBITDA to be an important measure of comparative operating performance, it should be considered in addition to, but not as a substitute for, net income and other measures of financial performance reported in accordance with Generally Accepted Accounting Principles. Adjusted EBITDA does not reflect cash available to fund cash requirements. Not all companies calculate adjusted EBITDA in the same manner, and the measure as presented may not be comparable to similarly-titled measures presented by other companies.