

CaesarStone Sdot-Yam Ltd.
Form F-3/A
April 05, 2013

As filed with the Securities and Exchange Commission on April 5, 2013

Registration No. 333-187645

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

**Amendment No. 1
to
FORM F-3
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

CAESARSTONE SDOT-YAM LTD.

(Exact name of registrant as specified in its charter)

Israel
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer
Identification No.)

**Kibbutz Sdot-Yam
MP Menashe, 3780400
Israel
+972 (4) 636-4555**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Caesarstone USA, Inc.
6840 Hayvenhurst Ave., Suite 100
Van Nuys, California 91406
(818) 779-0999**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Colin J. Diamond, Esq.
Joshua G. Kiernan, Esq.
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
Tel: (212) 819-8200
Fax: (212) 354-8113

**Michal Baumwald Oron, Adv.
General Counsel
Caesarstone Sdot-Yam Ltd.
Kibbutz Sdot-Yam
MP Menashe, 3780400 Israel
Tel: +972 (4) 610-9239
Fax: +972 (4) 636-4400**

**Amir Halevy, Adv.
Dr. Shachar Hadar, Adv.
Gross, Kleinhendler, Hodak, Halevy,
Greenberg & Co.
One Azrieli Center
Tel Aviv 6702100, Israel
Tel: +972 (3) 607-4444
Fax: +972 (3) 607-4470**

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that

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shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

TABLE OF CONTENTS**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered ⁽¹⁾	Proposed maximum offering price per unit ⁽²⁾	Proposed maximum aggregate offering price	Amount of registration fee
Ordinary Shares, par value NIS 0.04 per share ⁽³⁾	10,291,250	\$ 25.36	\$ 260,986,100	\$ 35,598.50 ⁽⁴⁾

Up to 10,291,250 ordinary shares may be sold from time to time pursuant to this Registration Statement by the selling shareholders named herein. Pursuant to Rule 416 of the Securities Act of 1933, as amended, this (1) Registration Statement also includes additional ordinary shares issuable upon stock splits, stock dividends or similar transactions.

Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the (2) Securities Act, based upon the average of the high and low sales prices (\$24.53 and \$26.19) of the Registrant's ordinary shares on the Nasdaq Global Select Market on March 27, 2013.

(3) Represents ordinary shares registered for resale by the selling shareholders.

(4) The Registrant has previously paid the full amount of the registration fee.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF CONTENTS

The information contained in this prospectus is not complete and may be changed. The selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated April 5, 2013

PROSPECTUS

Up to 10,291,250 Ordinary Shares Offered by Selling Shareholders

CAESARSTONE SDOT-YAM LTD.

This prospectus relates to the sale or other disposition, from time to time, by the selling shareholders identified in this prospectus of up to 10,291,250 of our ordinary shares. We will not receive any of the proceeds from the sale of ordinary shares by the selling shareholders.

Each time a selling shareholder sells securities pursuant to this prospectus, we will provide a supplement to this prospectus that contains specific information about the offering and the specific terms of the securities offered. You should read this prospectus and the applicable prospectus supplement carefully before you invest in our securities.

The selling shareholders may, from time to time, offer to sell the ordinary shares through public or private transactions, directly or through underwriters, agents or dealers, on or off the Nasdaq Global Select Market at prevailing market prices or at privately negotiated prices. If any underwriters, agents or dealers are involved in the sale of any of these securities, the applicable prospectus supplement will set forth the names of the underwriter, agent or dealer and any applicable fees, commissions or discounts.

Our ordinary shares are traded on the Nasdaq Global Select Market under the symbol CSTE.

Investing in these securities involves certain risks. Please carefully consider the Risk Factors in ITEM 3: Key Information Risk Factors of our most recent Annual Report on Form 20-F incorporated by reference in this prospectus, the Risk Factors beginning on page 2 of this prospectus, and the Risk Factors section in any applicable prospectus supplement, for a discussion of the factors you should consider carefully before deciding to purchase these securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities being offered by this prospectus, or determined if this prospectus is truthful or

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complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2013

TABLE OF CONTENTS

TABLE OF CONTENTS

	Page
<u>ABOUT THIS PROSPECTUS</u>	<u>1</u>
<u>MARKET AND INDUSTRY DATA AND FORECASTS</u>	<u>1</u>
<u>CAESARSTONE SDOT-YAM LTD.</u>	<u>2</u>
<u>RISK FACTORS</u>	<u>2</u>
<u>FORWARD-LOOKING STATEMENTS</u>	<u>2</u>
<u>CAPITALIZATION</u>	<u>3</u>
<u>PRICE RANGE OF ORDINARY SHARES</u>	<u>3</u>
<u>USE OF PROCEEDS</u>	<u>4</u>
<u>SELLING SHAREHOLDERS</u>	<u>4</u>
<u>DESCRIPTION OF ORDINARY SHARES</u>	<u>4</u>
<u>PLAN OF DISTRIBUTION</u>	<u>9</u>
<u>LEGAL MATTERS</u>	<u>12</u>
<u>EXPERTS</u>	<u>12</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>12</u>
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	<u>13</u>
<u>ENFORCEABILITY OF CIVIL LIABILITIES</u>	<u>13</u>

i

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this process, the selling shareholders referred to in this prospectus may offer and sell our ordinary shares under this prospectus.

Under this shelf process, the selling shareholders may sell up to 10,291,250 ordinary shares in one or more offerings. The offer and sale of securities under this prospectus may be made from time to time, in one or more offerings in any manner described under the section in this prospectus entitled Plan of Distribution.

This prospectus provides you with a general description of the securities the selling shareholders may offer. Each time the selling shareholders sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus, and may also contain information about any material federal income tax considerations relating to the securities covered by the prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information under the headings Where You Can Find More Information and Incorporation of Certain Documents by Reference.

This summary may not contain all of the information that may be important to you. You should read this entire prospectus, including the financial data and related notes incorporated by reference in this prospectus, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause or contribute to such differences include those discussed in Risk Factors and Forward-Looking Statements.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus and the documents incorporated by reference in this prospectus include data, forecasts and information obtained from industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. Forecasts and other metrics included in this prospectus and the documents incorporated by reference in this prospectus to describe the countertop industry are inherently uncertain and speculative in nature and actual results for any period may materially differ. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying assumptions relied upon therein. While we are not aware of any misstatements regarding the industry data presented herein or in the documents incorporated by reference in this prospectus, estimates and forecasts involve uncertainties and risks and are subject to change based on various factors, including those discussed under the headings Forward-Looking Statements and Risk Factors in this prospectus and Risk Factors in ITEM 3: Key Information Risk Factors of our most recent Annual Report on Form 20-F incorporated by reference in this prospectus.

Unless otherwise noted in this prospectus or the documents incorporated by reference in this prospectus, Freedonia Custom Research, Inc. (Freedonia) is the source for third-party industry data and forecasts. The Freedonia Report, dated March 13, 2013, that we commissioned represents data, research opinion or viewpoints developed on our behalf and does not constitute a specific guide to action. In preparing the report, Freedonia used various sources, including publically available third-party financial statements; government statistical reports; press releases; industry magazines; and interviews with manufacturers of related products (including us), manufacturers of competitive products, distributors of related products, and government and trade associations. Growth rates in the Freedonia Report are

based on many variables, such as currency exchange rates, raw material costs and pricing of competitive products, and such variables are subject to wide fluctuations over time. The Freedonia Report speaks as of its final publication date (and not as of the date of this filing), and the opinions and forecasts expressed in the Freedonia Report are subject to change by Freedonia without notice. We have inquired of Freedonia, and been informed that as of the date of this filing, there has been no change in the Freedonia Report.

1

TABLE OF CONTENTS

CAESARSTONE SDOT-YAM LTD.

Overview

Our legal and commercial name is Caesarstone Sdot-Yam Ltd. We were founded in 1987 and incorporated under the laws of the State of Israel in 1989. We conducted an initial public offering and listing on the Nasdaq Global Select Market in March 2012.

We are a leading manufacturer of high quality engineered quartz surfaces sold under our premium Caesarstone® brand. The substantial majority of our quartz surfaces are used as countertops in residential kitchens and sold primarily into new residential construction as well as the renovation and remodeling end markets. Other applications for our products include vanity tops, wall panels, back splashes, floor tiles, stairs and other interior surfaces that are used in a variety of residential and commercial applications.

Corporate Information

We are incorporated under the laws of the State of Israel. Our principal executive offices are located at Kibbutz Sdot-Yam, MP Menashe, 3780400, Israel, and our telephone number is +972 (4) 636-4555. Our web site address is www.caesarstone.com. The information on our web site does not constitute part of this prospectus. Our agent in the United States is our subsidiary, Caesarstone USA, Inc. The address of Caesarstone USA, Inc. is 6840 Hayvenhurst Ave., Suite 100, Van Nuys, California 91406, United States.

RISK FACTORS

An investment in our securities involves a high degree of risk. Our business, financial condition or results of operations could be adversely affected by any of these risks. If any of these risks occur, the value our ordinary shares and our other securities may decline. You should carefully consider the risk factors discussed under the caption ITEM 3: Key Information Risk Factors in our Annual Report on Form 20-F for the year ended December 31, 2012, in any other filing we make with the SEC subsequent to the date of this prospectus, each of which is incorporated herein by reference, and in any supplement to this prospectus, before making your investment decision.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated in it by reference contain forward-looking statements which involve known and unknown risks and uncertainties. We include this notice for the express purpose of permitting us to obtain the protections of the safe harbor provided by the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements. Examples of forward-looking statements include: projections of capital expenditures, competitive pressures, revenues, growth prospects, product development, financial resources and other financial matters. You can identify these and other forward-looking statements by the use of words such as may, plans, anticipates, believes, estimates, predicts, intends, potential or the negative of such terms, or other terminology.

Our ability to predict the results of our operations or the effects of various events on our operating results is inherently uncertain. Therefore, we caution you to consider carefully the matters described under the caption Risk Factors and

certain other matters discussed in this prospectus, the documents incorporated by reference in this prospectus, and other publicly available sources. Such factors and many other factors beyond the control of our management could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements. Unless we are required to do so under U.S. federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking statements.

TABLE OF CONTENTS**CAPITALIZATION**

The table below sets forth our total capitalization as of December 31, 2012 on an actual basis:

	As of December 31, 2012 (in thousands)
Total debt	\$ 22,936
Redeemable non-controlling interest ⁽¹⁾	7,106
Ordinary shares, par value NIS 0.04 per share; 200,000,000 shares authorized; 34,365,250 shares issued and outstanding	360
Additional paid-in capital	135,437
Accumulated other comprehensive income	8,517
Retained earnings	79,603
Total shareholders' equity	223,917
Total capitalization	\$ 253,959

Redeemable non-controlling interest consists of 45% of the common stock of our Canadian joint venture, Caesarstone Canada Inc., in which we own a 55% interest. The 45% interest that we do not own is subject to a put option exercisable by the holder to us. Following the formation of our joint venture in October 2010, we measured all of the assets contributed to Caesarstone Canada Inc. by our former distributor in Eastern Canada, Canadian Quartz Holdings Inc., at their fair value to determine the redeemable non-controlling interest due to the put option granted to Canadian Quartz Holdings Inc. to sell its 45% ownership interest in Caesarstone Canada Inc. to us.

PRICE RANGE OF ORDINARY SHARES

Our ordinary shares began trading publicly on the Nasdaq Global Select Market on March 22, 2012. Prior to that date, there was no public market for our ordinary shares. The following table lists the high and low sales prices for our ordinary shares for the periods indicated as reported by the Nasdaq Global Select Market.

Year	High	Low
2013 (through April 4, 2013)	\$ 27.86	\$ 16.15
2012 (beginning on March 22, 2012)	\$ 17.39	\$ 10.08
Quarter	High	Low
2013		
Second quarter 2013 (through April 4, 2013)	\$ 27.49	\$ 22.57
First quarter 2013	\$ 27.86	\$ 21.25
2012		
Fourth quarter 2012	\$ 17.39	\$ 14.01
Third quarter 2012	\$ 14.52	\$ 10.08
Second quarter 2012	\$ 13.88	\$ 10.75
First quarter 2012 (beginning on March 22, 2012)	\$ 12.33	\$ 10.70

Most Recent Six Months	High	Low
April 2013 (through April 4, 2013)	\$ 27.49	\$ 22.57
March 2013	\$ 27.86	\$ 21.25
February 2013	\$ 25.25	\$ 18.71
January 2013	\$ 20.02	\$ 16.15
December 2012	\$ 17.39	\$ 15.41
November 2012	\$ 16.17	\$ 14.59
October 2012	\$ 16.24	\$ 14.01

3

TABLE OF CONTENTS

USE OF PROCEEDS

We will not receive any proceeds from the sales of shares by the selling shareholders.

SELLING SHAREHOLDERS

This prospectus relates to the possible offering and sale, from time to time, of up to 10,291,250 ordinary shares by the selling shareholders.

The following table sets forth: (1) the number and percentage of our ordinary shares that the selling shareholders beneficially owned prior to the offering of the shares; (2) the number of our ordinary shares offered by the selling shareholders from time to time; and (3) the number and percentage of our ordinary shares to be beneficially owned by the selling shareholders assuming the sale of all of the ordinary shares offered by the selling shareholders. The applicable percentages of beneficial ownership are based on an aggregate of 34,593,529 ordinary shares issued and outstanding on March 31, 2013 and are calculated pursuant to rules promulgated by the SEC.

<u>Selling Shareholders</u>	Shares Beneficially Owned Prior to Offering		Number of Shares to be Offered		Shares Beneficially Owned After Offering	
	Number	Percent	Number	Percent	Number	Percent
Kibbutz Sdot-Yam ⁽¹⁾	18,715,000	54.1 %	2,300,000	6.6 %	16,415,000	47.5 %
Tene Investment Funds ⁽²⁾	7,991,250	23.1 %	7,991,250	23.1 %		

(1) Consists of 18,715,000 ordinary shares held by Mifalei Sdot-Yam Agricultural Cooperative Society Ltd., an indirect, wholly-owned subsidiary of Kibbutz Sdot-Yam. The Economic Council elected by the members of Kibbutz Sdot-Yam manages the economic activities and strategy of Kibbutz Sdot-Yam and its subsidiaries, and makes the voting decisions of Kibbutz Sdot-Yam with regard to our shares, subject to the approval of the general assembly of Kibbutz Sdot-Yam with regard to material issues including dilution of the holdings of Kibbutz Sdot-Yam in our company or disposition of any of our shares. The Economic Council takes its decisions by majority vote and has nine members: Amir Rotem (Chairman), Eitan Shachar, Itai Amir, Yoram Rozenblat, Marchella Shani, Reuben Cohen, Amit Ben Zvi, Amos Ben Horin and Doron Horev. Maxim Ohana, the former Chairman of the Economic Council and the Chairman of our Board of Directors, also participates in its meetings until the end of 2013 as an observer without voting rights. Amihai Beer is the secretary of the Economic Council and also participates in meetings without voting rights. The address of Kibbutz Sdot-Yam is MP Menashe 3780400, Israel.

Consists of 6,480,250 ordinary shares held by Tene Investments in Quartz Surfaces L.P. and 1,511,000 ordinary shares held by Tene Investments in Quartz Surfaces B (Parallel) L.P. The general partner of each of these entities is (2)Tene Management Investments in Kibbutzim Ltd. The major shareholder of the general partner is Tenram Funds Management Ltd. and its major shareholder is Tenram Ltd., which is wholly owned by Ariel Halperin. The address of Tene Investment Funds is 4 Berkovich Street, Tel Aviv, Israel.

DESCRIPTION OF ORDINARY SHARES

Our authorized share capital consists of 200,000,000 ordinary shares, par value NIS 0.04 per share, of which 34,487,385 were issued and outstanding as of February 28, 2013.

Our ordinary shares are not redeemable and do not have preemptive rights. The ownership or voting of ordinary shares by non-residents of Israel is not restricted in any way by our articles of association or the laws of the State of Israel, except for anti-terror legislation and except that citizens of countries which are in a state of war with Israel may not be recognized as owners of ordinary shares.

The description below is a summary of the material provisions of our articles of association and of the Israeli Companies Law, 5759-1999 (the Companies Law).

Voting

Holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote of shareholders at a shareholder meeting. Shareholders may vote at shareholder meetings either in person, by proxy or, with respect to certain resolutions, by a voting instrument.

TABLE OF CONTENTS

Israeli law does not allow public companies to adopt shareholder resolutions by means of written consent in lieu of a shareholder meeting. Shareholder voting rights may be affected by the grant of any special voting rights to the holders of a class of shares with preferential rights that may be authorized in the future.

In addition, pursuant to a voting agreement, Kibbutz Sdot-Yam and Tene have agreed to the following:

Kibbutz Sdot-Yam and Tene will vote together for six nominees to our board of directors nominated by Kibbutz Sdot-Yam, and, for so long as Tene holds more than 8.25% of our outstanding share capital, one nominee to our board of directors nominated by Tene;

Kibbutz Sdot-Yam has currently nominated five directors to our board of directors and has the right to propose for nomination one additional director for whom Tene must vote to be a member of our board of directors pursuant to the voting agreement;