WAUSAU PAPER CORP.
Form 8-A12B/A
March 14, 2013

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-A/A

AMENDMENT NO. 3

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES

PURSUANT TO SECTION 12(b) OR 12(g) OF THE

SECURITIES EXCHANGE ACT OF 1934

WAUSAU PAPER CORP.

(Exact Name of Registrant as Specified in Its Charter)

Wisconsin (State of Incorporation or Organization)	39-0690900 (I.R.S. Employer Identification No.)
100 Paper Place	
Mosinee, Wisconsin (Address of Principal Executive Offices)	54455-9099 (Zip Code)

If this Form relates to the registration of a class of securities pursuant to Section 12(b) of the Exchange Act and is effective pursuant to General Instruction A.(c), please check the following box. S

If this Form relates to the registration of a class of securities pursuant to Section 12(g) of the Exchange Act and is effective pursuant to General Instruction A.(d), please check the following box. £

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class to be so Registered	Name of Each Exchange on Which Each Class is to be Registered
Preferred Share Purchase Rights	New York Stock Exchange

Securities to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Item 1.

Description of Registrant s Securities to be Registered.

Item 1 of the Registrant s Registration Statement on Form 8-A, dated as of October 21, 1998, and amended as of August 22, 2000, and as of October 17, 2008, is amended to insert the following as the conclusion of Item 1:

Third Amendment to Agreement

Effective March 6, 2013, the Board of Directors of the Company adopted an amendment to the Agreement to change the definition of Acquiring Person, as set forth in Section 1(a) of the Agreement, by inserting the following at the end of Section 1(a) of the Agreement:

; provided however that none of Starboard Value and Opportunity Master Fund LTD or any of the other entities or persons listed on Attachment A to this Agreement or any of their respective Affiliates or Associates (collectively, Starboard) shall be deemed to be an Acquiring Person so long as none of Starboard or any of its Affiliates or Associates beneficially owns more than the greater of 17% of the outstanding shares of Common Stock or 8,390,971 shares of Common Stock, in each case in the aggregate.

A copy of the Amendment is filed as Exhibit 4.1(c) hereto and is incorporated by reference.

Item 2.

Exhibits.

Exhibit No.	Description
4.1	Rights Agreement, dated as of October 21, 1998, between the Company and Harris Trust and Savings Bank, including the Form of Restated Articles of Incorporation as Exhibit A, the Form of Rights Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C (incorporated by reference to Exhibit 4.1 to the Company s Registration Statement on Form 8-A, filed on October 29, 1998) (Commission File No. 001-13923).

4.1(a)	Amendment, dated as of August 22, 2000, between the Company and Harris Trust and Savings Bank (the Rights Agent), to that certain agreement, dated as of October 21, 1998, between the Company and the Rights Agent (incorporated by reference to Exhibit 4.1(a) to the Company s Registration Statement on Form 8-A/A, filed on December 19, 2000) (Commission File No. 001-13923).
4.1(b)	Amendment, dated as of October 17, 2008, between Wausau Paper Corp. and Continental Stock Transfer & Trust Company (the Rights Agent), as successor to Harris Trust and Savings Bank, to that certain agreement dated as of October 21, 1998 between the Company and the Rights Agent (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K, filed on October 17, 2008) (Commission File No. 001-13923).
4.1(c)	Amendment, dated as of March 5, 2013, between Wausau Paper Corp. and Continental Stock Transfer & Trust Company (the Rights Agent), as successor to Harris Trust and Savings Bank, to that certain agreement dated as of October 21, 1998 between the Company and the Rights Agent (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K, filed on March 12, 2013) (Commission File No. 001-13923).

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 14, 2013

WAUSAU PAPER CORP.

By

SHERRI L. LEMMER

Sherri L. Lemmer

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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2.72% 2.94% 3.15%

Dividend yield

0% 0% 0%

The expected volatility is based on the historical volatility of the Company’s stock. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected term of the stock options granted. The expected life assumption is based on assumption related to the options’ vesting schedules and life terms. The dividend yield is derived from the absence of formal dividend distribution plan.

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TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 14 - SHAREHOLDERS' EQUITY (CONT)

e.Stock option plans (Cont)

The following table is a summary of the activity of TAT's stock Option plan:

	Year ended December 31			
	2009		2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	65,477	$ 6.15		
Granted	-	-	65,477	$ 6.15
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at the end of the year	65,477	$ 6.15	65,477	$ 6.15
Exercisable options	-	-	-	-

Compensation expenses attributable to outstanding stock options were $63 and $47 for the years ended December 31, 2009 and 2008. Compensation expense is recognized in the statement of income as an operating expense based on the fair value of the option over the requisite service period. As of December 31, 2009, the total recognized compensation cost related to non-vested stock awards was $110 and the weighted average period over which the cost is expected to be recognized is approximately 4 years.

(3) Limco Inc. entered into a share based compensation agreement with its Chief Executive Officer ("CEO") during August, 2005. The compensation agreement is made up of 45,000 Phantom Stock options and stock options to be issued upon the completion of an IPO by Limco Inc. The Phantom Stock options had a base exercise price of $6.37. At the date of exercise, the CEO received a cash payment for the difference between the exercise price and the average price of TAT's stock price for the 60 days preceding the exercise date. During the year ended December 31, 2007, Limco Inc. recorded expenses of $325. As of December 31, 2007, all of the Phantom Stock options had been exercised.

(4) Effective July 19, 2007, Limco Inc. established an Incentive Compensation Plan, ("The 2007 Plan"), under which, Limco Inc. may issue options to purchase 600,000 shares of Common stock. Pursuant to the plan during 2007, 404,250 options were granted, with an exercise increment for each option of $11. The options vest in three equal annual installments, except for 66,000 options that vest in four equal semi-annual installments. Options generally

expire five to ten years from date of grant. During 2008 additional 60,000 options were granted with an exercise increment for each option of $5.88.

The weighted average grant date fair value of the stock options granted under this 2007 plan during the years ended December 31, 2008 and 2007 was $5.38 and $2.63, respectively.

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 14 - SHAREHOLDERS' EQUITY (CONT)

e.Stock option plans (Cont)

(5) On February 25, 2009, Limco-Piedmont's board of directors decided to grant options to directors and managers to purchase 230,000 Common stock of Limco-Piedmont ("The 2009 plan"). The optionees included the Company's Chairman, CEO and a director in the Company who also serve as directors in Limco-Piedmont who each received 30,000 options. The exercise increment for each option is $ 2.16 and its value based on the Black & Scholes option pricing model is $ 1.06.

The following table summarizes Limco's weighted average assumptions used in the valuation of options (granted under 2007 plan and 2008 plan) for the years ended December 31, 2009 and 2008, respectively:

	2009		2008	
Weighted average expected stock price volatility	56	%	56	%
Weighted average expected option life (in years)	3.5		3.5	
Average risk free interest rate	2.87	%	2.87	%
Dividend yield	0	%	0	%

The expected volatility is based on the historical volatility of the Company's stock. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected term of the stock options granted. The expected life assumption is based on assumption related to the options' vesting schedules and life terms. The dividend yield is derived from the absence of formal dividend distribution plan.

Limco uses the Black-Scholes option pricing model to determine the weighted average fair value of options. The volatility factor used in the Black-Scholes option pricing model is based on historical stock price fluctuations. Due to the relative short period of the time Limco has been public TAT has estimated a 0% forfeiture rate. The expected term of options is based on the simplified method as allowed under and ASC 718-10-S99 and 110 issued by the SEC. The simplified method assumes the option will be exercised midway between the vesting date and the contractual term of the option. Limco is able to use the simplified method as the options qualify as "plain vanilla" options as defined by ASC 718-10-S99 and since Limco does not have sufficient historical exercise data to provide a reasonable basis to estimate expected term. Expected dividend yield is based upon Limco's historical and projected dividend activity and the risk free interest rate is based upon US Treasury rates appropriate for the expected term of the options.

(6) Upon the completion of the merger between TAT and Limco-Piedmont, as detailed in Note 3(b)(2) above, all options granted under Notes 14 (e) 4&5 above were cancelled. Upon the cancellation date, Limco-Piedmont recorded expenses totaling $ 542 which as of the date of cancellation has not yet been recorded as an expense in the financial statements.

TAT TECHNOLOGIES LTD

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U.S. dollars in thousands

NOTE 14 - SHAREHOLDERS' EQUITY (CONT)

e.Stock option plans (Cont)

Compensation expenses attributable to the said outstanding stock options were $904 (including the above $542 expense) and $175 for the years ended December 31, 2009 and 2008, respectively. Compensation expense is recognized in the statement of income as an operating expense based on the fair value of the option over the requisite service period.

A summary of Limco-Piedmont’s Option plans activity for the years ended December 31, 2009 and 2008, is presented below:

	Number of options (in thousands)	Weighted average exercise price	Weighted average contractual life remaining in years	Aggregate intrinsic value (1) (in thousands)
Outstanding at January 1, 2007	--			
Granted	404	$ 11.00	4.5	$ 570
Forfeited				
Outstanding at January 31, 2007	404	$ 11.00	4.5	$ 570
Granted	60	$ 5.88		
Forfeited	(153)	$ 11.00		
Outstanding at December 31, 2008	311	$ 10.01	4.37	$ -
Granted	230	$ 2.25		
Forfeited	(541)	$ 6.71		
Outstanding at December 31, 2009	-	-		-
Exercisable at December 31, 2009	-	$ -		$ -

(1) The intrinsic value of a stock option is the amount by which the market value of the underlying stock on December 31, 2008 exceeds the strike price of the option. There was no aggregate intrinsic value at December 31, 2008 as Limco stock price of $3.03 on December 31, 2008 was below the exercise price of all of the outstanding stock options. The aggregate intrinsic value at December 31, 2007 was $570.

f.Dividends

On September 2, 2007, TAT's Board of Directors declared a dividend in the amount of $2,617, or $0.40 per share, for all of the shareholders of TAT at the effective date - October 16, 2007. The dividend was fully paid on November 6, 2007.

On March 11, 2009, TAT's Board of Directors declared a cash dividend in the total amount of $3,500, or $0.55 per share, for all of the shareholders of Company at the effective date - March 29, 2009. TAT paid the dividend on April 8, 2009.

On March 11, 2009, Bental's Board of Directors approved the distribution of cash dividend in the total amount of $3,150. The dividend was paid on April 5, 2009, out of which TAT received $2,205.

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 14 - SHAREHOLDERS' EQUITY (CONT)

On November 12, 2009, TAT’s Board of Directors declared a cash dividend in the total amount of $2,660 or $0.38 per share, for all of the shareholders of the Company at the effective date November 23, 2009. TAT paid the dividend on December 7, 2009.

On November 24, 2009, Bental’s Board of Directors approved the distribution of cash dividend in the total amount of $1,297. The dividend was paid on December 7, 2009, out of which TAT received $908.

NOTE 15 - NET INCOME PER SHARE

The following table sets forth the computation of basic and diluted net income per share:

	Year ended December 31,		
	2009	2008	2007
Numerator:			
Net income attributed to TAT	$ 1,753	$ 4,268	$ 31,979
Denominator:			
Weighted average number of basic shares outstanding during the year	7,893,639	6,546,055	6,344,041
Effect of dilutive securities:			
Stock options and warrants	-	20,194	63,463
Denominator for diluted net income per share	7,893,639	6,566,249	6,407,504

The weighted average number of outstanding options excluded from the calculation of diluted net earnings per share, due to their anti dilutive effect was 65,477 for the year ended December 31, 2009, 9,298 for the year ended December 31, 2008 and none for the year ended December 31, 2007.

NOTE 16 - INCOME TAXES

a. Measurement of taxable income under the Income Tax (Inflationary Adjustments) Law, 1985

In accordance with the above law results for tax purposes are measured and reflected in real terms in accordance with the changes in the Israeli Consumer Price Index (CPI). Under the Inflationary adjustments law (Amendment No. 20, 2008, hereafter – "the amendment"), that was enacted in the Israeli Parliament on February 26, 2008, the provisions of the Inflationary adjustments law will no longer apply to TAT in 2008 and thereafter. The amendment specifies transitional provisions regarding the discontinuance of the provisions of the Inflationary adjustments law that have applied to TAT through the end of 2007.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 16 - INCOME TAXES (CONT)

b.Tax benefits under Israel's Law for the Encouragement of Industry (Taxation), 1969

The Company has a status of an "Industrial company" as defined in the Industry law. In accordance with this status and related regulations, the Company is entitled to claim for tax purposes increased depreciation deductions in respect for equipment used for its industrial activities. In accordance with "special accelerated depreciation regulations" (2008), companies that most of their activities are "approved activities" as defined in the Industrial law are entitled to claim the accelerated depreciation expenses for machinery and equipment bought between June 1, 2008 to May 31, 2009.

c.Tax benefits under the Law for the Encouragement of Capital Investments, 1959 ("the Law"):

Some facilities of the Israeli companies in Israel have been granted approved enterprise status under the above law.

The main tax benefits available are:

Investment Grants

In respect of some of the Israeli companies' facilities the companies are entitled to investment grants given in certain rates between 10% to 25% and in accordance with the location of these facilities.

In respect of income derived from the approved enterprise, the Israeli companies are entitled to reduced tax rates during a period of up to seven years from the year in which such enterprise first earn taxable income (limited to twelve years from commencement of production or fourteen years from the date of approval, whichever is earlier).

Income derived from the approved enterprise is tax exempt during the first two years of the seven year tax benefit period as above, and is subject to a reduced tax rate not exceeding 25% during the remaining years of benefits.

For a consolidated company, a plan for the expansion of its facilities was approved as an "Approved plan" under the Law. Accordingly, the income derived from this plan will be subject to the above mentioned tax benefits.

In the event of distribution of a cash dividend from income which was tax exempt as above, the Company would have to pay the 25% tax in respect of the amount distributed. Company has policy not to distribute cash dividends from such exempt income. As of December 31, 2009, the Company had accumulated a total amount of $7.5 million of exempt income.

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 16 - INCOME TAXES (CONT)

Conditions for the entitlement of benefits

The above mentioned benefits are subject to the fulfillment of the terms specified in the Law, the related regulations and the approval plans as specified above. Failure to fulfill these terms might result the cancellation of the tax benefits (all or some), in which case the Company will be required to repay all benefits including interest and fines. Management estimates that the Israeli companies comply with all terms as mentioned above.

d.Reduction of Israeli corporate tax rate

The rate of the Israeli corporate tax is as follows: 2008 - 27%, 2009 - 26%, 2010 - 25%. In July 2009, the "Knesset" (Israeli Parliament) passed the Law for Economic Efficiency (Amended Legislation for Implementing the Economic Plan for 2009 and 2010), 2009, which prescribes, among others, an additional gradual reduction in the rates of the Israeli corporate tax and real capital gains tax starting 2011 to the following tax rates: 2011 - 24%, 2012 - 23%, 2013 - 22%, 2014 - 21%, 2015 - 20%, 2016 and thereafter - 18%. The effect of the abovementioned change on the financial statements is immaterial.

e.U.S. subsidiaries

U.S. subsidiaries are taxed based on federal and state tax laws. The effective tax rate for 2009, 2008, and 2007 was 38%, 41.48% and 35.6%, respectively.

f.Tax assessments

TAT’s income tax assessments are considered final through 2005.

Bental income tax assessments are considered final through 2006.

Limco-piedmont income tax assessments are considered final through 2006.

TAT-GAL which was incorporated in 2008 has not received final tax assessment yet.

The Company and its parent company file a consolidated tax report for the Israeli tax authorities. Accordingly, each one the companies is entitled to use its tax losses (resulted from the first year of consolidated tax report) against taxable income of the other company and subject to certain limitations.

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 16 - INCOME TAXES (CONT)

g.Income tax reconciliation:

A reconciliation of the theoretical tax expense assuming all income is taxed at the statutory rate to income taxes as reported in the statements of income:

	Year ended December 31, 2009	2008	2007
Income before income taxes as reported in the statements of income	$ 1,367	$ 6,888	$ 35,962
Statutory tax rate in Israel	26 %	27 %	29 %
Theoretical tax expenses	355	1,860	10,429
Increase (decrease) in income taxes resulting from:			
Tax adjustment for foreign subsidiaries subject to a different tax rate	402	671	532
Reduced tax rate on income derive from "Approved Enterprises" plans	(20)	(268)	-
Permanent differences	155	-	-
Reduced tax rate on capital gain from sale of shares of subsidiary company	-	-	(6,400)
Difference in basis of measurement for financial reporting and income tax purposes	-	(636)	(870)
Tax in respect of prior years	*(1,609)	77	(535)
Non-deductible expenses	(48)	91	56
Income taxes as reported in the statements of income	$ (765)	$ 1,795	$ 3,212

*Income taxes benefit relating to prior years is a result of an approved enterprise certificate granted to Bental by the Israeli tax authorities in 2009. At the time only when receiving such approval was Bental able to recognize certain tax benefit relating to 2008.

h.Income before income taxes is comprised as follows:

	Year ended December 31, 2009	2008	2007
Domestic (Israel)	$ 4,222	$ 2,263	$ 27,897

Foreign (United States)	(2,855)	4,625	8,065
	$ 1,367	$ 6,888	$ 35,962

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TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 16 - INCOME TAXES (CONT)

i. Income taxes included in the statements of income:

	Year ended December 31,		
	2009	2008	2007
Current:			
Domestic (Israel)	$ 1,163	$ 73	$ 671
Foreign (United States)	(1,188)	1,845	2,862
	(25)	1,918	3,533
Deferred:			
Domestic (Israel)	(51)	(201)	(330)
Foreign (United States)	920	78	9
	869	(123)	(321)
Previous years			
Domestic (Israel)	(1,609)	-	-
Foreign (United States)	-	-	-
	(1,609)	-	-
	$ (765)	$ 1,795	$ 3,212

* Income taxes benefit relating to prior years is a result of an approved enterprise certificate granted to Bental by the Israeli tax authorities in 2009. At the time only when receiving such approval was Bental able to recognize certain tax benefit relating to 2008.

j. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of TAT's deferred tax liabilities and assets are as follows:

	December 31,	
	2009	2008
Deferred tax assets (liabilities):		
Allowance for doubtful accounts	$ 846	$ 72
Unrealized gains	237	375
Provisions for employee benefits and other temporary differences	597	789
Inventory	712	--
Tax loss carryforwards	--	238
	$ 2,392	$ 1,474

Deferred tax assets – short-term- other accounts receivables				
Provisions for employee benefits and other temporary differences- Deferred tax assets – Long-term	$	220		--
Other temporary differences Deferred tax Liabilities – Short-term- other accounts payable	$	19		--
Fixed assets and intangible assets		(1,704)		(1,086)
Gain from sale of the propellers & parts businesses		(1,332)		--
Deferred tax Liabilities - Long-term	$	(3,036)	$	(1,086)

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TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 16 - INCOME TAXES (CONT)

As of December 31, 2009, TAT did not provide a valuation allowance in respect of deferred tax assets, since management currently believes that it is more likely than not that the deferred tax asset will be realized in the future.

TAT does not intend to distribute earnings of a foreign subsidiary aggregating $14,834 as of December 31, 2009, and accordingly, no deferred tax liability has been established relative to these earnings. If these amounts were not considered permanently reinvested, a deferred tax liability would have been required.

k. Effective January 1, 2007, TAT adopted a new pronouncement which clarify the accounting "Accounting for Uncertainty in Income Taxes, an Interpretation of ASC 740" ("the pronouncement"), The pronouncement clarifies the accounting for uncertain tax positions. The pronouncement prescribes a comprehensive model for how companies should recognize, measure, present and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under the pronouncement, tax positions shall initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions shall initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming full knowledge of the position and all relevant facts. The pronouncement also revises disclosure requirements to include an annual tabular rollforward of unrecognized tax benefits. TAT was required to apply the provisions of the pronouncement to all tax positions upon initial adoption with any cumulative effect adjustment to be recognized as an adjustment to retained earnings.

During 2008, Limco was audited by the Internal Revenue Service for the tax year ended December 31, 2006. It was the determination of the Internal Revenue Service that Limco had deemed dividend distributions to TAT related to interest expense charged during 2005, 2006 and 2007. Interest and penalties totaling $43 have been charged to income tax expense during the year ended December 31, 2008. The audit is now closed and Limco believes that the only tax years open for audit are the years ended December 31, 2007 through December 31, 2009.

A reconciliation of the beginning and ending amount of recognized provision, as a result of a new pronouncement which clarify the accounting "Accounting for Uncertainty in Income Taxes, an Interpretation of ASC 740", is as follows:

	Amount
Balance at January 1, 2008	$ 248
Additions for tax positions of prior years	189
Settlements with tax authorities	(437)
Balance at December 31, 2008	-
Additions for tax positions of prior years	-
Settlements with tax authorities	-

Balance at December 31, 2009	$ -

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 17 - SEGMENT INFORMATION

a. Segment Activities Disclosure:

As of December 1, 2009, following the completion of the investment agreement signed between TAT and FAvS, see Note 1(h), pursuant to which Piedmont acquired 37% of the Class B Common Stock of FAvS in return for Piedmont's propeller and parts businesses, the Company began reporting its operations based on three operating segments:

- The Original Equipment Manufacturing ("OEM") segment in the field of heat transfer products referring mainly to the following areas of activity: (a) planning, developing, manufacturing and marketing a wide range of various types of heat transfer products used in mechanical and electronic systems for the military and commercial aircraft industries; (b) developing and manufacturing cooling and environmental control systems used in aircrafts, military facilities, tents and armored vehicles; (c) manufacturing a wide range of aircraft accessories such as fuel systems, turbines and airborne pneumatic components.

- The OEM of electrical motion systems segment referring mainly to planning and manufacturing electrical motion system protection and custom made electro-mechanical systems used in civilian and military systems.

- The Maintenance, Repair, Overhaul ("MRO") segment referring to rendering MRO services for overhaul aircraft systems installed mainly in commercial aircrafts. The MRO services consist of heat transfer products, APUs, landing gear, propellers and related control accessories.

TAT evaluates segment performance based on revenue and operating income. The operating income reported in TAT's segments excludes corporate and other unallocated amounts. Although such amounts are excluded from the business segment results, they are included in reported consolidated earnings. Corporate and unallocated amounts include executive level expenses and certain expenses related to accounting and finance, human resources and information technology departments.

During 2008 through December 1, 2009, TAT managed also a fourth segment – the Part segment, that focused on sales of parts of APU's, propellers, landing gears and other aviation components.

The OEM of electrical motion systems segment was added with the consolidation of Bental, following its acquisition on August 18, 2008 (see note 3(a)).

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 17 - SEGMENT INFORMATION (CONT)

b.Segments statement operations disclosure:

The following financial information is the information that management uses for analyzing the segment results. The figures are presented in consolidated method as presented to management.

Cost related to selling and marketing and general and administrative for MRO and Parts are allocated based on revenues. This was a change made in 2008. The segment results for 2007 related to MRO and Parts have been restated to conform with this allocation method.

The following financial information is a summary of the operating income of each operational segment:

	Year ended December 31, 2009						
	OEM- Heat Transfer Products	OEM - Electric Motion Systems	MRO	Parts (*)	Corporate	Elimination from inter companies sale	Consolidated
Revenues							
Sale of products	$28,617	$11,321	$-	$-	$-	$(5,187)	$ 34,751
Services and other			42,283	6,057			48,340
Total revenues	28,617	11,321	42,283	6,057		(5,187)	83,091
Cost of revenues	19,809	8,021	37,900	5,879	-	(4,714)	66,895
Gross profit	8,808	3,300	4,383	178	-	(473)	16,196
Research and development expenses	408	272	-	-	-	-	680
Selling and marketing expenses	1,063	629	1,668	359	-	-	3,719
General and administrative expenses	3,767	1,176	6,196	516	3,324	-	14,979
Capital gain			(4,400)				(4,400)
Operating income (loss)	$3,570	$1,223	$919	$(697)	$(3,324)	$(473)	$ 1,218

(*) For the period of January 1 through November 30, 2009.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 17 - SEGMENT INFORMATION (CONT)

b.Segments statement operations disclosure (cont)

	Year ended December 31, 2008						
	OEM-Heat Transfer Products	OEM - Electric Motion Systems	MRO	Parts	Corporate	Elimination from inter companies sale	Consolidated
Revenues							
Sale of products	$ 27,857	$ 9,758	$ -	$ -	$ -	$ (5,891)	$ 31,724
Services and other			54,276	17,289			71,565
Total revenues	27,857	9,758	54,276	17,289	-	(5,891)	103,289
Cost of revenues	21,058	7,845	43,664	13,922	-	(5,926)	80,563
Gross profit	6,799	1,913	10,612	3,367	-	35	22,726
Selling and marketing expenses	1,364	250	2,094	661	-	-	4,369
General and administrative expenses	4,342	713	3,466	1,024	2,862	-	12,407
Operating income (loss)	$ 1,093	$ 950	$ 5,052	$ 1,682	$ (2,862)	$ 35	$ 5,950

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 17 - SEGMENT INFORMATION (CONT)

b.Segments statement operations disclosure (cont)

	Year ended December 31, 2007					
	OEM- Heat Transfer Products	MRO	Parts	Corporate	Eliminations from inter Companies sales	Consolidated
Revenues						
Sale of products	$23,489	$-	$-	$-	$ (4,561)	$ 18,928
Services and other		49,392	20,384			69,776
Revenues	$23,489	$49,392	$20,384	-	$ (4,561)	$ 88,704
Cost of revenues	17,891	35,205	16,603	-	(4,492)	65,207
Gross profit (loss)	5,598	14,187	3,781	-	(69)	23,497
Selling and marketing expenses	1,106	2,088	525	-	-	3,719
General and administrative expenses	3,540	1,988	455	5,012	-	10,995
Operating income (loss)	$952	$10,111	$2,801	$(5,012)	$ (69)	$ 8,783

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TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 17 - SEGMENT INFORMATION (CONT)

c.The following financial information identifies the assets to segment

As of December 31, 2009

	OEM – Heat Transfer Products	OEM - Electric Motion Systems	MRO	Parts	Corporate	Consolidated
Assets	$ 38,354	$ 13,888	$ 51,220	$ -	$ 21,029	$ 124,491
Depreciation and amortization	1,050	507	1,413	-	-	2,970
Capital investments	846	960	3,052	-	-	4,858
Goodwill	-	1,055	4,256	-	-	5,311

As of December 31, 2008

	OEM – Heat Transfer Products	OEM - Electric Motion Systems	MRO	Parts	Corporate	Consolidated
Assets	$ 39,822	$ 19,170	$ 39,480	$ 7,118	$ 30,340	$ 135,930
Depreciation and amortization	1,020	1,164	1,169	-	-	3,353
Capital investments	1,095	767	1,696	-	-	3,558
Goodwill	-	1,185	4,814	-	-	5,999

As of December 31, 2007

	OEM – Heat Transfer Products	OEM - Electric Motion Systems	MRO	Parts	Corporate	Consolidated
Assets	$ 40,704	-	$ 33,299	$ 3,522	$ 35,882	$ 113,407
Depreciation and amortization	906	-	1,123	2	-	2,031
Capital investments	3,404	-	2,884	15	-	6,303

Goodwill	-	-	4,780	-	-	4,780

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TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 17 - SEGMENT INFORMATION (CONT)

d. The following presents total revenues, based on the location of the end customers, for the years ended December 31, 2009, 2008 and 2007 and long-lived assets as of those dates.

	2009		2008		2007	
	Total revenues	Long-lived assets	Total revenues	Long-lived assets	Total revenues	Long-lived assets
Sale of products						
Israel	$ 19,613	$ 9,312	$ 17,077	$ 9,164	$ 7,369	$ 6,758
Asia	-	-	1,173	-	111	-
North America	7,554	-	8,233	-	7,793	-
Europe	5,788	-	5,241	-	3,593	-
Other	1,796	-	-	-	62	-
	$ 34,751	$ 9,312	$ 31,724	$ 9,164	$ 18,928	$ 6,758

	2009		2008		2007	
	Total revenues	Long-lived assets	Total revenues	Long-lived assets	Total revenues	Long-lived assets
Services						
Israel	$ 95	$ -	$ -	$ -	$ 14	$ -
Asia	-	-	3,324	-	2,444	-
North America	34,043	5,151	49,239	6,023	48,761	5,169
Europe	10,767	-	14,269	-	14,891	-
Other	3,435	-	4,733	-	3,666	-
	$ 48,340	$ 5,151	$ 71,565	$ 6,023	$ 69,776	$ 5,169

TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 18 - SELECTED STATEMENTS OF INCOME DATA

		Year ended December 31,		
		2009	2008	2007
a.	Financial income (expenses), net:			
	Financial income:			
	Foreign currency translation adjustments	$ 1,541	$ 1,257	$ 305
	Interest on cash equivalents, short-term bank deposits and others	650	1,420	1,402
		2,191	2,677	1,707
	Financial expenses:			
	Bank charges	(214)	(264)	(142)
	Interest on long-term loans	(206)	(143)	(640)
	Foreign currency translation adjustments	(1,462)	(943)	(220)
	Interest expenses on call option to Non controlling interest	(72)	(28)	-
	Others	(88)	(125)	(4)
		(2,042)	(1,503)	(1,006)
		$ 149	$ 1,174	$ 701

		Year ended December 31,		
		2009	2008	2007
b.	Other income (expenses), net:			
	Gain from sale of shares and decrease in holding of subsidiary company	$ -	$ -	$ 26,375
	Gain (Loss) on sale of marketable securities classified as available-for-sale		(236)	34
	Other income	-	-	69
		$ -	$ (236)	$ 26,478

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TAT TECHNOLOGIES LTD

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 19 - SUPPLEMENTAL CONSOLIDATED BALANCE SHEET INFORMATION

	Warranty provision	Inventory Reserve	Account Receivable
Reserves and Allowances			
Balance, as of January 1, 2007	$ 776	$ 1,644	$ 280
Additions	8	124	10
Write-offs, net of recoveries	-	-	(135)
Balance, as of December 31, 2007	784	1,768	155
Additions	215	268	180
Write-offs, net of recoveries	(300)	-	(181)
Balance, as of December 31, 2008	699	2,036	154
Additions	71	273	2,394
Write-offs, net of recoveries	(369)	-	(188)
Balance, as of December 31, 2009	$ 401	$ 2,309	$ 2,360

NOTE 20 - SUBSEQUENT EVENT

In April 2010, the Company was notified by FAvS that one of the customers of the propeller MRO business, which had been contributed to FAvS by Piedmont, was requesting reimbursement for damages purportedly caused to certain propellers. FAvS in turn, advised the Company that it wanted the Company to reimburse it for any liability FAvS might incur to such customer. This controversy is in its early stage and it is unclear at this point what liability, if any, the Company might eventually incur. As of the date hereof, the Company has provided a reserve of $350 with respect to this potential expense.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

TAT TECHNOLOGIES LTD.

By: /s/ Yaron Shalem
Yaron Shalem
Chief Financial Officer
(Principal Accounting Officer)

Date: June 28, 2010

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