

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):
October 28, 2011

American Superconductor Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

0-19672

(Commission
File Number)

04-2959321

(IRS Employer
Identification No.)

64 Jackson Road
Devens, Massachusetts

(Address of principal executive offices)

01434

(Zip Code)

Registrant's telephone number, including area code **(978) 842-3000**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.02. Termination of a Material Definitive Agreement.

On October 28, 2011, American Superconductor Corporation, a Delaware corporation (the "Company"), The Switch Engineering Oy, a limited liability company incorporated and existing under the laws of Finland ("The Switch"), and the shareholders of The Switch (the "Sellers"), entered into a Termination Agreement (the "Termination Agreement"), pursuant to which the Company and the Sellers mutually agreed to terminate the Share Purchase Agreement dated March 12, 2011 and amended on June 29, 2011 (the "Purchase Agreement"), and the Amended and Restated Stockholders Agreement dated June 29, 2011 (the "Stockholders Agreement").

Pursuant to the Purchase Agreement, the Company had agreed, upon the satisfaction or waiver of the conditions in the Purchase Agreement, to acquire all of the outstanding shares of The Switch for an aggregate purchase price of (i) €190.0 million, which was to be paid as follows: (1) €14.25 million in cash in the form of an advance payment (the "Advance Payment"), which was paid by the Company on June 29, 2011, (2) €118.75 million in cash at the closing and (3) the issuance at the closing of shares of the Company's common stock, \$0.01 par value per share ("Common Stock"), with a value of €57.0 million based on the average closing price of the Common Stock during the 20 trading days preceding the second business day prior to the closing and the USD/EUR exchange rate on the second business day prior to the closing, and (ii) in the event closing occurred after September 1, 2011, interest at an annual rate of 4% on €118.75 million, accruing from September 1, 2011 until the closing date (inclusive), payable in cash at the closing. In the event that the total number of shares of Common Stock issuable to the Shareholders would have exceeded 19.9% of the total number of shares of Common Stock outstanding prior to such issuance, in lieu of the issuance of such excess shares, the Company had agreed to pay additional cash at the closing to the Minor Sellers (as defined in the Purchase Agreement) and issue to the remaining shareholders unsecured promissory notes for such excess amount, which notes would have been payable on the first business day after the first anniversary of the closing date.

Pursuant to the Termination Agreement, the Company and the Sellers agreed, among other things, that (i) the Purchase Agreement and the Stockholders Agreement are terminated with immediate effect, except for Section 10 (Confidentiality) of the Purchase Agreement, (ii) the Company and the Sellers have no further rights or obligations, other than as provided for in the Termination Agreement, towards each other under or in relation to the Purchase Agreement or the Stockholders Agreement, and (iii) the Sellers are entitled to retain the Advance Payment as a termination fee, which the Company will record as an expense during the three months ended September 30, 2011.

A description of the terms of the Purchase Agreement was included in Item 1.01 of the Current Report on Form 8-K filed by the Company on June 30, 2011 and to the extent required by Item 1.02 of Form 8-K, the description of the Purchase Agreement is incorporated by reference in this Item 1.02 pursuant to General Instruction B.3 of Form 8-K.

The foregoing description of the Termination Agreement does not purport to be complete and is qualified in its entirety by reference to the Termination Agreement, a copy of which is attached as Exhibit 10.1 hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 Termination Agreement dated as of October 28, 2011 by and between the Shareholders of The Switch Engineering Oy, a limited liability company incorporated and existing under the laws of Finland ("The Switch"), the Registrant and The Switch.

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.

AMERICAN SUPERCONDUCTOR CORPORATION

Date: October 31, 2011

By: /s/ David A. Henry

David A. Henry

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 10.1 | Termination Agreement dated as of October 28, 2011 by and between the Shareholders of The Switch Engineering Oy, a limited liability company incorporated and existing under the laws of Finland ("The Switch"), the Registrant and The Switch. |

TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT (this “**Agreement**”) is dated as of October 28, 2011 and made by and between

- (1) **THE SHAREHOLDERS OF THE SWITCH ENGINEERING OY** as listed in Appendix A to the SPA (as defined below) (the “**Sellers**”);
- (2) **AMERICAN SUPERCONDUCTOR CORPORATION**, a corporation incorporated and existing under the laws of Delaware, United States, having its principal place of business at 64 Jackson Road Devens, MA 01434, United States (“**AMSC**”); and
- (3) **THE SWITCH ENGINEERING CORPORATION**, a limited liability company incorporated and existing under the laws of Finland, having its principal place of business at Yrittäjänkatu 15, 65380 Vaasa, Finland (the “**Company**”).

The above parties are hereinafter jointly referred to as the “**Parties**” and individually as a “**Party**”.

WHEREAS

- (A) The Sellers and AMSC have entered into a share purchase agreement dated 12 March 2011 and amended on 29 June 2011 (the “**SPA**”) regarding the Company and a stockholders agreement dated 12 March 2011 and amended on 29 June 2011 (the “**Stockholders Agreement**”); and
- (B) It is the intention of the Sellers and AMSC to agree on the termination of the SPA and the Stockholders Agreement as of the date hereof.

NOW, THEREFORE, IT IS AGREED:**1. TERMINATION OF THE AGREEMENTS**

- 1.1 The Sellers and AMSC hereby agree that the SPA and the Stockholders Agreement shall terminate with immediate effect as of the date hereof, except for Section 10 (Confidentiality) of the SPA which shall continue in full force and effect, and that the Sellers and AMSC shall have no further rights or obligations, other than as provided for in this Agreement, towards each other under or in relation to the SPA or the Stockholders Agreement.
- 1.2 In consideration of the termination herein, each of the Parties confirms that such Party has not and shall not have any claims, charges, complaints, liens, demands, causes of action, damages and liabilities, known or unknown, suspected or unsuspected, against any of the other Parties in relation to the SPA or the Stockholders Agreement.
- 1.3 In addition to the abovementioned, each Party represents and warrants that neither it nor anyone acting on its behalf has assigned or transferred, or attempted to assign or transfer, to any person or entity, any of the claims, charges, complaints, liens, demands, causes of action, damages or liabilities it is releasing in this Agreement.

2. CONFIDENTIALITY

- 2.1 The Parties agree that all confidential information (including trade secrets, technical, commercial, financial and legal information of the Group Companies (as defined in the SPA and its amendment) and AMSC and its affiliated companies) or other information of a proprietary nature contained in the SPA or relating to the Group Companies or AMSC and its affiliated companies, including Confidential Information (as defined in the SPA), Disclosed Material (as defined in the SPA), the existence and the terms and conditions of the SPA, or obtained by a Party from the other Parties in connection with the due diligence review and negotiations relating to the transactions contemplated in the SPA shall be strictly confidential and not be disclosed to any third party or used to cause damage to another Party. The obligation to keep information confidential does not apply, if (i) a Party is required to provide information by law, regulation or governmental decision, or (ii) a Party is required to provide information by any applicable stock exchange regulations, or (iii) such disclosure has been consented to by the other Party in writing, or (iv) the information is commonly known in the public domain and this is not a result of a breach by the Party. The secrecy obligation set forth in this Section 2 shall remain in effect for five (5) years from the date of this Agreement.
- 2.2 AMSC undertakes immediately after the signing of this Agreement promptly to destroy or delete all of the documents and all copies thereof containing confidential information, including Confidential Information (as defined in the SPA) and Disclosed Material (as defined in the SPA), regarding the Company, its affiliated companies and the Group Companies (as defined in the SPA) (including all copies thereof and any notes, analyses, compilations, summaries, studies, interpretations or other documents prepared by AMSC or its directors, employees or advisors which contain any confidential information) that was delivered to AMSC by the Sellers, the Company or its advisors or the Group Companies (as defined in the SPA) or that was prepared by AMSC, and confirm such destruction to the Company in writing.
- 2.3 The Sellers and the Company undertake immediately after the signing of this Agreement promptly to destroy or delete all of the documents and electronic copies thereof containing confidential information regarding AMSC and its affiliated companies (including all copies thereof and any notes, analyses, compilations, summaries, studies, interpretations or other documents prepared by the Sellers, the Company or its directors, employees or advisors which contain any confidential information) that was delivered to the Sellers or to the Company by AMSC or its advisors or that was prepared by the Sellers or the Company and confirm such destruction to AMSC in writing.
- 2.4 Notwithstanding Sections 2.2 and 2.3 above, the Parties may retain such information as may be required under any applicable law or regulation, and they shall not be required to erase any automatically stored back-up files in electronic data systems.
- 2.5 Sections 2.2 and 2.3 above shall not apply to any current co-operation between the Company and AMSC outside the transactions contemplated in the SPA and subject to any existing confidentiality agreements between such parties.

3. ADVANCE PAYMENT

The Parties hereby acknowledge that the Advance Payment (as defined in the SPA) of EUR 14,250,000 paid by AMSC to the Sellers constitutes a termination fee to the

Sellers, and AMSC and its affiliated companies or their assignees or their successors shall have no right whatsoever to claim the Sellers to return the Advance Payment or any part of it.

4. MISCELLANEOUS

- 4.1 This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all other agreements, whether oral or in writing between the Parties.
- 4.2 All press releases and other public relations activities of the Parties with regard to this Agreement shall be mutually approved by Sellers and Purchaser in advance.
- 4.3 This Agreement shall be governed by and construed in accordance with the substantive laws of Finland. Any dispute arising out of or relating to this Agreement or transaction agreed herein shall be finally settled by arbitration in accordance with the Arbitration Rules of the Stockholm Chamber of Commerce. The Arbitration Tribunal shall consist of three (3) arbitrators, one (1) to be appointed by AMSC, one (1) by the Sellers and one (1) arbitrator, serving as the chairman, by the two arbitrators so appointed. Failing the appointment of an arbitrator or the chairman, the arbitrator or the chairman, as the case may be, shall be appointed by the Arbitration Board of the Stockholm Chamber of Commerce. The arbitration shall be held in Stockholm, Sweden and the arbitral proceedings shall be conducted in the English language, but evidence may be submitted also in Finnish and/or Swedish and witnesses heard in any of the said languages.
- 4.4 Each Party to this Agreement acknowledges and represents that it (i) has fully and carefully read and acquainted itself with this Agreement prior to signing it, (ii) has been or has had the opportunity to be, advised by independent legal counsel of its own choice at its own costs as to the legal effect and meaning of each of the terms and conditions of this Agreement, and (iii) is entering into this Agreement freely and voluntarily and not in reliance on any promises or representation other than as set forth in this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed and delivered as of the date first written above in two (2) identical counterparties, one (1) for each Party.

AMERICAN SUPERCONDUCTOR CORPORATION

By: /s/ David A. Henry
Name: David Henry
Title: Senior Vice President, Chief Financial Officer and
Treasurer

**THE SHAREHOLDERS OF THE SWITCH
ENGINEERING OY** as listed in Appendix A to the SPA, acting
through the Sellers' Representative

By: /s/ Veijo Karppinen
Name: Veijo Karppinen
Title: Sellers' Representative

By: /s/ Dag Sandås
Name: Dag Sandås
Title: Sellers' Representative

THE SWITCH ENGINEERING CORPORATION

By: /s/ Dag Sandås
Name: Dag Sandås
Title: CFO and Deputy to CEO