

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 2-5061

AMPAL-AMERICAN ISRAEL CORPORATION

(Exact name of registrant as specified in its charter)

New York

13-0435685

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1177 Avenue of the Americas, New York, New York

10036

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (212) 782-2100

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The number of shares outstanding of each of the issuer's classes of common stock is Common - 3,000,000; Class A - 20,595,938 (as of October 31, 1996).

AMPAL-AMERICAN ISRAEL CORPORATION
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AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30,

1996

1995

(Dollars in thousands, except per share data)	(Unaudited)	(Unaudited) (Note 2)
REVENUES		
Equity in earnings of affiliates (Note 3)	\$ 174	\$ 6,859
Manufacturing	7,773	7,840
Interest:		
Related parties	8,253	7,442
Others	1,571	2,507
Rental income	8,729	4,864
Realized and unrealized gains on investments	1,820	3,030
Other	1,540	1,507
	-----	-----
Total revenues	29,860	34,049
	-----	-----
EXPENSES		
Manufacturing	8,823	7,157
Interest:		
Related parties	3,021	2,094
Others	7,895	7,309
Rental property operating expenses	4,291	1,599
Other	5,335	5,430
	-----	-----
Total expenses	29,365	23,589
	-----	-----
Income from continuing operations before income taxes	495	10,460
Income taxes	1,508	5,260
	-----	-----
(Loss) income from continuing operations	(1,013)	5,200
	-----	-----
Discontinued operations (Note 5):		
Loss from operations	(3,610)	(2,128)
Loss on disposition of \$3,121, net of applicable tax benefit of \$4,096	975	--
	-----	-----
Loss from discontinued operations	(2,635)	(2,128)
	-----	-----
NET (LOSS) INCOME	\$ (3,648)	\$ 3,072
	=====	=====
(Loss) earnings per Class A share:		
(Loss) earnings from continuing operations	\$ (.04)	\$.19
Loss from discontinued operations	(.09)	(.08)
	-----	-----
(Loss) earnings per Class A share	\$ (.13)	\$.11
	=====	=====
Weighted average number of Class A and equivalent shares outstanding (in thousands)	24,613	25,076

The accompanying notes are an integral part of the consolidated financial statements.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

THREE MONTHS ENDED SEPTEMBER 30,

1996

1995

(Dollars in thousands, except per share data)	(Unaudited)	(Unaudited) (Note 2)
REVENUES		
Equity in (losses) earnings of affiliates (Note 3)	\$ (1,046)	\$ 1,239
Manufacturing	2,569	2,595
Interest:		
Related parties	2,048	2,751
Others	441	673
Rental income	3,003	3,119
Realized and unrealized (losses) gains on investments	(311)	1,313
Other	596	538
	-----	-----
Total revenues	7,300	12,228
	-----	-----
EXPENSES		
Manufacturing	3,368	2,401
Interest:		
Related parties	907	1,129
Others	2,011	2,465
Rental property operating expenses	1,408	1,355
Other	2,021	1,846
	-----	-----
Total expenses	9,715	9,196
	-----	-----
(Loss) income from continuing operations before income taxes	(2,415)	3,032
Income taxes	150	1,364
	-----	-----
(Loss) income from continuing operations	(2,565)	1,668
	-----	-----
Discontinued operations (Note 5):		
Loss from operations	--	(1,183)
Loss on disposition of \$2,714, net of applicable tax benefit of \$2,654	(60)	--
	-----	-----
Loss from discontinued operations	(60)	(1,183)
	-----	-----
NET (LOSS) INCOME	\$ (2,625)	\$ 485
	=====	=====
(Loss) earnings per Class A share:		
(Loss) earnings from continuing operations	\$ (.09)	\$.06
Loss from discontinued operations	--	(.04)
	-----	-----
(Loss) earnings per Class A share	\$ (.09)	\$.02
	=====	=====
Weighted average number of Class A and equivalent shares outstanding (in thousands)	24,613	24,875

The accompanying notes are an integral part of the consolidated financial statements.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

 CONSOLIDATED BALANCE SHEETS

ASSETS AS AT	SEPTEMBER 30, 1996	DECEMBER 31, 1995

(Dollars in thousands)	(Unaudited)	(Note 2)
Cash and cash equivalents	\$ 10,285	\$ 15,976
Deposits, notes and loans receivable	62,795	73,935
Investments (Note 3)	140,493	142,583
Real estate rental property, less accumulated depreciation of \$5,904 and \$4,994 (Note 6)	58,587	57,289
Property and equipment, less accumulated depreciation of \$4,155 and \$3,731	5,649	6,097
Other assets	20,435	13,636
Net assets of discontinued operations (Note 5)	--	2,578
	-----	-----
TOTAL ASSETS.....	\$298,244 =====	\$312,094 =====

The accompanying notes are an integral part of the consolidated financial statements.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY AS AT	SEPTEMBER 30, 1996	DECEMBER 31, 1995
	(Unaudited)	(Note 2)
(Dollars in thousands)		
LIABILITIES		
Notes and loans payable:		
Related parties	\$ 33,903	\$ 37,326
Others	8,160	4,177
Debentures	62,883	74,378
Accounts and income taxes payable, accrued expenses and minority interests	33,759	31,798
Total liabilities	----- 138,705	----- 147,679
SHAREHOLDERS' EQUITY (Note 4)		
4% Cumulative, Participating, Convertible Preferred Stock, \$5 par value; authorized 650,000 shares; issued and outstanding 195,523 and 199,030 shares	978	995
6-1/2% Cumulative, Convertible Preferred Stock, \$5 par value; authorized 4,282,850 shares; issued and outstanding 1,017,441 and 1,052,599 shares	5,087	5,263
Class A Stock, \$1 par value; authorized 60,000,000 shares; issued 21,188,611 and 21,065,392 shares; outstanding 20,583,211 and 20,459,992 shares	21,189	21,066
Common Stock, \$1 par value; authorized, issued and outstanding 3,000,000 shares	3,000	3,000
Additional paid-in capital	57,380	57,310
Retained earnings	81,911	85,559
Treasury Stock, 605,400 shares of Class A Stock, at cost	(3,829)	(3,829)
Cumulative translation adjustments	(6,103)	(4,354)
Unrealized loss on marketable securities	(74)	(595)
Total shareholders' equity	----- 159,539	----- 164,415
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$298,244 =====	\$312,094 =====

The accompanying notes are an integral part of the consolidated financial statements.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30,	1996	1995
	(Unaudited)	(Unaudited)
		(Note 2)

(Dollars in thousands)		
Cash flows from operating activities:		
Net(loss) income	\$ (3,648)	\$ 3,072
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in earnings of affiliates	(174)	(6,859)
Loss from discontinued operations	2,635	2,128
Realized and unrealized gains on investments	(1,820)	(3,030)
Depreciation expense	1,526	1,146
Amortization expense	2,882	3,415
Minority interests	(379)	(195)
(Increase) in other assets	(1,996)	(887)
(Decrease) increase in accounts and income taxes payable, accrued expenses and minority interests	(1,284)	2,897
Investments made in trading securities	(1,610)	(5,606)
Proceeds from sale of trading securities	2,471	12,029
Dividends received from affiliates	--	3,029
	-----	-----
Net cash (used in) provided by operating activities	(1,397)	11,139
	-----	-----
Cash flows from investing activities:		
Deposits, notes and loans receivable collected	15,527	22,063
Deposits, notes and loans receivable granted	(3,453)	(3,082)
Investments made in:		
Available-for-sale securities	(228)	(1,339)
Affiliates and others	(5,107)	(32,405)
Proceeds from sale of investments:		
Affiliates and others	7,965	50,969
Purchase of property and equipment	(494)	(378)
Purchase of real estate rental property	(895)	(45,270)
	-----	-----
Net cash provided by (used in) investing activities	13,315	(9,442)
	-----	-----

The accompanying notes are an integral part of the consolidated financial statements.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

 CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30,	1996	1995
	-----	-----
(Dollars in thousands)	(Unaudited)	(Unaudited) (Note 2)
Cash flows from financing activities:		
Notes and loans payable received:		
Related parties	\$ 1,053	\$ 30,167
Others	5,535	1,056
Notes and loans payable repaid:		
Related parties	(4,606)	(3,858)
Others	(1,573)	(420)
Debentures repaid	(16,237)	(9,398)
Proceeds from issuance of shares to minority interests	--	50
Purchase of treasury shares	--	(3,046)
	-----	-----
Net cash (used in) provided by financing activities	(15,828)	14,551
Effect of exchange rate changes on cash and cash equivalents	(1,781)	(742)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(5,691)	15,506
Cash and cash equivalents at beginning of period	15,976	38,568
	-----	-----
Cash and cash equivalents at end of period	\$ 10,285	\$ 54,074
	=====	=====
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period:		
Interest:		
Related parties	\$ 1,800	\$ 912
Others	3,073	2,988
	-----	-----
Total interest paid	\$ 4,873	\$ 3,900
	=====	=====
Income taxes paid	\$ 2,844	\$ 2,399
	=====	=====

The accompanying notes are an integral part of the consolidated financial statements.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

NINE MONTHS ENDED SEPTEMBER 30,

1996

1995

(Dollars in thousands)	(Unaudited)	(Unaudited)
4% PREFERRED STOCK		
Balance, beginning of year	\$ 995	\$ 1,033
Conversion of 3,507 and 5,542 shares into Class A Stock	(17)	(28)
Balance, end of period	\$ 978	\$ 1,005
6-1/2% PREFERRED STOCK		
Balance, beginning of year	\$ 5,263	\$ 5,575
Conversion of 35,228 and 36,498 shares into Class A Stock	(176)	(183)
Balance, end of period	\$ 5,087	\$ 5,392
CLASS A STOCK		
Balance, beginning of year	\$ 21,066	\$ 20,841
Issuance of shares upon conversion of Preferred Stock	123	137
Balance, end of period	\$ 21,189	\$ 20,978
ADDITIONAL PAID-IN CAPITAL		
Balance, beginning of year	\$ 57,310	\$ 57,185
Conversion of Preferred Stock	70	74
Balance, end of period	\$ 57,380	\$ 57,259
RETAINED EARNINGS		
Balance, beginning of year	\$ 85,559	\$ 89,007
Net (loss) income	(3,648)	3,072
Dividends declared:		
4% Preferred Stock - \$.20 per share	--	(40)
6-1/2% Preferred Stock - \$.325 per share	--	(351)
Balance, end of period	\$ 81,911	\$ 91,688
TREASURY STOCK		
Balance, beginning of year	\$ (3,829)	\$ --
Purchase of 465,900 shares of Class A Stock, at cost	--	(3,046)
Balance, end of period	\$ (3,829)	\$ (3,046)
CUMULATIVE TRANSLATION ADJUSTMENTS		
Balance, beginning of year	\$ (4,354)	\$ (2,636)
Foreign currency translation adjustment	(1,749)	217
Balance, end of period	\$ (6,103)	\$ (2,419)
UNREALIZED (LOSS) ON MARKETABLE SECURITIES		
Balance, beginning of year	\$ (595)	\$ (511)
Unrealized gain, net ...	40	467
Transfer to trading securities	116	--
Write-off due to permanent impairment	365	--
Balance, end of period	\$ (74)	\$ (44)

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. As used in these financial statements, the term the "Company" refers to Ampal-American Israel Corporation ("Ampal") and its consolidated subsidiaries.

2. The December 31, 1995 consolidated balance sheet presented herein was derived from the audited December 31, 1995 consolidated financial statements of the Company.

Reference should be made to the Company's consolidated financial statements for the year ended December 31, 1995 for a description of the accounting policies which have been continued without change. Also, reference should be made to the notes to the Company's December 31, 1995 consolidated financial statements for additional details of the Company's consolidated financial condition, results of operations and cash flows. The details in those notes have not changed except as a result of normal transactions in the interim other than those that are discussed in Note 5. Certain amounts in the 1995 financial statements have been reclassified to conform with the current period's presentation. All adjustments (of a normal recurring nature) which are, in the opinion of management, necessary to a fair presentation of the results of the interim period have been included.

3. In May 1996, a wholly-owned subsidiary of Coral World International Limited ("CWI"), the Company's 50%-owned affiliate, entered into a contract to sell its marine park in Nassau (Bahamas) to an unrelated party for \$3.75 million and CWI recorded a loss on sale of approximately \$4 million (the Company's share is \$2 million, \$1.3 million net of taxes). In addition, in May 1996, CWI's management made a decision to sell its marine park in St. Thomas (U.S. Virgin Islands), and CWI recorded a loss of approximately \$2 million (the Company's share is \$1 million, \$.7 million net of taxes) to adjust the carrying value of its investment to net realizable value. In recognition of these events the Company reflected these losses as of March 31, 1996. On September 27, 1996, CWI closed the sale of the marine park in Nassau (Bahamas) and recorded additional expenses in connection with the sale of approximately \$1 million (the Company's share is \$.5 million, \$.3 million net of taxes) in the three-month period ended September 30, 1996.

4. On June 6, 1996, Bank Hapoalim B.M. ("Hapoalim") completed the sale of 5,742,351 shares of Ampal Class A Stock (equal to 27.9% of the outstanding Class A Stock as of that date, not assuming conversion of Hapoalim's Preferred Stock) at a price of \$7.87 per share to Rebar Financial Corp. ("Rebar"), a company controlled by the Steinmetz family. This sale of shares was made within the framework of the reduction of the non-banking holdings of Hapoalim according to the Banking (Licensing) Law in effect in Israel, which requires Hapoalim to sell non-banking holdings in excess of 25% by the end of 1996. Hapoalim continues to beneficially hold 4,758,640 shares, assuming conversion of its Preferred Stock (equal to 22.7% of the outstanding Class A Stock as of September 30, 1996, assuming conversion of Hapoalim's Preferred Stock) and 100% of the Common Stock, which has superior voting rights. As of September 30, 1996, Rebar held 5,862,351 shares of Ampal Class A Stock (equal to 28.5% of the outstanding shares of Class A Stock, not assuming conversion of Hapoalim's Preferred Stock). Hapoalim also agreed to sell to Rebar either an additional 1,500,001 shares of Class A Stock or 1,500,001 shares of Common Stock. Upon completion of the sale, Hapoalim will hold no more than the percentage required by Israeli law.

Ampal previously announced that Hapoalim has advised Ampal of its desire to enter into a transaction with Ampal to equalize the rights of Ampal's Common Stock to those of its Class A Stock.

5. Discontinued Operations - On October 11, 1996 the Company agreed to sell all of its equity interest in its food processing subsidiary, Pri Ha'emek (Canned and Frozen Food) 88 Ltd. ("Pri Ha'emek") to Agrifarm International Limited ("Agrifarm"), a British company. This agreement is subject to receipt of regulatory approvals in Israel, approvals of the Boards of Directors of the parties and a right of first refusal in favor of another shareholder of Pri Ha'emek to complete the transaction on the same terms as Agrifarm. Accordingly, the results of Pri Ha'emek, whose financial statements were previously consolidated with the Company's financial statements through June 30, 1996, have been presented as discontinued operations for all periods presented in the consolidated financial statements. In connection with the sale, the Company recorded \$2,714,000 of additional expenses and a tax benefit of \$2,654,000 in the three-month period ended September 30, 1996. For the nine-month period ended September 30, 1996, the Company recorded a tax benefit of approximately \$4.1 million, which was based on a total loss of its investment in Pri Ha'emek in the amount of \$9.7 million.

6. On September 25, 1996 the Company's 94%-owned real estate subsidiary, which is the owner of an office building located at 800 Second Avenue, New York City, entered into a nonbinding letter of intent with the Government of Israel regarding the sale to the Government of the portion of the building currently occupied by the Government for a price of approximately \$31 million. The building was purchased by the Company's subsidiary in June 1995 for approximately \$45 million. The Government currently occupies slightly less than 50 percent of the building.

The transaction is subject to conditions, including approval of relevant Israel Government bodies and execution of a binding agreement. The letter of intent contemplates that the agreement will be signed in November 1996, with a closing to take place in December 1996.

7. Subsequent Event - On October 17, 1996 the Company's indirect affiliate, MEMCO Software Ltd. ("MEMCO"), a provider of enterprise security solutions, conducted its initial public offering of 3,870,000 Ordinary Shares (including 450,000 over-allotment shares) at \$15.00 per share. MEMCO sold 3,450,000 of these shares and received net proceeds of approximately \$46 million, and existing shareholders sold 420,000 shares. The Company will record a fourth quarter gain of approximately \$1.6 million, after taxes, with respect to the offering.

Prior to the offering, the Company's 42.5%-owned affiliate, Ophir Holdings Ltd. ("Ophir"), owned a 17.9% interest in MEMCO, which it purchased for \$2.5 million. Ophir sold Ordinary Shares in the offering, reducing its ownership interest to 13.1%. Ophir continues to hold 2,026,388 shares of MEMCO.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

Results of Operations (See discussion on Discontinued Operations elsewhere in Management's Discussion and Analysis)

Nine months ended September 30, 1996 compared to nine months ended September 30, 1995:

Consolidated income from continuing operations decreased from \$5.2 million for the nine-month period ended September 30, 1995 to a loss of \$1 million for the same period in 1996. The decrease in income in 1996 resulted primarily from decreases in equity in earnings of affiliates, lower unrealized gains on investments, losses incurred by the Company's manufacturing subsidiary and higher interest expense. These decreases were partially offset by an increase in net rental income.

Equity in earnings of affiliates decreased from \$6.8 million for the nine months ended September 30, 1995 to \$.2 million for the same period in 1996. The decrease is primarily attributable to losses recorded by the Company's 50%-owned affiliate, Coral World International Limited ("CWI"). In May 1996, CWI's wholly-owned subsidiary in Nassau (Bahamas) entered into a contract to sell its marine park to an unrelated party for \$3.75 million and CWI recorded a loss on sale of approximately \$4 million (the Company's share is \$2 million, \$1.3 million net of taxes). CWI's management also made a decision to sell its marine park in St. Thomas, and CWI recorded a loss of approximately \$2 million (the Company's share is \$1 million, \$.7 million net of taxes) to adjust the carrying value of its investment to net realizable value. In recognition of these events the Company reflected these losses as of March 31, 1996. On September 27, 1996 CWI closed the sale of the marine park in Nassau (Bahamas) and recorded additional expenses in connection with the sale of approximately \$1 million (the Company's share is \$.5 million, \$.3 million net of taxes) in the three-month period ended September 30, 1996.

M.D.F. Industries Ltd. ("M.D.F."), the Company's 50%-owned affiliate, which has established a plant in Israel for the production of medium density fiber boards, and which completed its running-in period on June 30, 1996, incurred significant losses in the quarter ended September 30, 1996. The losses are primarily attributable to the excess of cost of sales per production unit over the selling price. M.D.F.'s sales prices were affected by the decrease in the world prices of all wood-connected products, and to the establishment of nearly 30 new plants for the production of medium density fiber boards throughout the world.

Moriah Hotels Ltd. ("Moriah"), the Company's 46%-owned affiliate, which is one of the largest hotel chains in Israel, recorded losses in 1996 primarily because its Tel Aviv hotel was closed for renovations for part of the period. Moriah also experienced decreases in occupancy rates and room rates which resulted from the decrease in tourism to Israel in 1996. The Tel Aviv hotel, which has undergone a \$13 million renovation, partially reopened in May 1996, and its renovations are expected to be completed in the fourth quarter of 1996.

The Company's 42.5%-owned affiliate, Ophir Holdings Ltd. ("Ophir"), incurred losses in 1996 because of the decrease in realized and unrealized gains recorded on its investments as well as increased interest expense on its CPI-linked bank borrowings, due to the higher rate of increase in the Consumer Price Index ("CPI") in Israel in 1996.

The decreases noted above were partially offset by the increased earnings recorded by the Company's 50%-owned affiliate, Trinet Venture Capital Ltd. ("Trinet"), a venture capital fund, which recorded unrealized gains on its investments in Logal Software

and Educational Systems Ltd. ("Logal") and Imagenet Ltd. ("Imagenet"). Logal, which markets computerized educational systems for learning sciences in high schools and colleges, completed a \$13 million public offering in March 1996 in the United States. Imagenet, which develops and markets computer aided network engineering software products, completed a \$2 million private placement for 20% of the company in June 1996. In addition, the earnings of the Company's affiliate, Teledata Communication Ltd. ("Teledata"), improved as a result of increased sales, mainly because of its more successful marketing efforts.

Manufacturing revenues and expenses reflect the operations of Paradise Mattresses (1992) Ltd. ("Paradise"), the Company's 85.1%-owned subsidiary, which is a leading manufacturer and distributor of mattresses and fold-out beds in Israel. Paradise recorded losses in 1996, primarily in the third quarter, because of increased advertising and promotional expenses in connection with a new marketing program.

Interest expense increased in 1996 mainly because of debt incurred in connection with the purchase of an office building ("800 Second Avenue") located at 800 Second Avenue, New York, New York, in June 1995.

The increases in rental income and rental property expenses are attributable to the operations of 800 Second Avenue.

The Company recorded \$.1 million and \$1.3 million of unrealized gains on marketable securities and \$1.7 million of gains on sale of investments in the nine-month periods ended September 30, 1996 and 1995, respectively. The gains recorded in 1996 were mainly attributable to the Company's investments in Teledata and M-Systems Flash Disk Pioneers Ltd. ("M-Systems"), whereas the gains recorded in 1995 were mainly attributed to the Company's investment in Mercury Interactive Corporation. Unrealized gains in 1996 were offset by the unrealized loss recorded on the Company's investment in Idan Software Industries I.S.I., Ltd. ("Idan") in the quarter ended September 30, 1996.

The increase in the effective income tax rate in 1996 is mainly attributable to the losses of certain Israeli subsidiaries and affiliates from which no tax benefits are available.

Three months ended September 30, 1996 compared to three months ended September 30, 1995:

Consolidated income from continuing operations decreased from \$1.7 million for the three-month period ended September 30, 1995 to a loss of \$2.6 million for the same period in 1996. The decrease in 1996 resulted primarily from decreases in equity in earnings of affiliates, losses incurred by Paradise and unrealized losses on investments in 1996 as compared to unrealized gains in 1995.

Equity in earnings of affiliates decreased from \$1.2 million for the three months ended September 30, 1995 to equity in losses of \$1 million for the same period in 1996. The decrease is primarily attributable to the losses incurred by M.D.F. and Moriah, and additional losses recorded by CWI in connection with the sale of its marine park in Nassau (Bahamas). These decreases were partially offset by increased earnings of Ophir, which recorded a gain on sale of part of its investment in Teledata. See discussion on Results of Operations - Nine months ended September 30, 1996 compared to nine months ended September 30, 1995.

Paradise recorded losses in the third quarter of 1996 for the same reasons as discussed in Results of Operations - Nine months ended September 30, 1996 compared to nine months ended September 30, 1995.

The Company recorded \$.9 million of unrealized losses and \$.7 million of unrealized gains on investments and \$.6 million of gains on sale of investments in the three-month periods ended September 30, 1996 and 1995, respectively. The unrealized losses recorded in the three-month period ended September 30, 1996 were mainly attributable

to the Company's investments in Idan and M-Systems, whereas the realized gains for the same period were attributable to the Company's investment in Teledata. The unrealized and realized gains recorded in the three-month period ended September 30, 1995 were mainly attributable to the Company's investment in Mercury Interactive Corporation.

The increase in the effective income tax rate in the quarter ended September 30, 1996 as compared to the same period ended September 30, 1995 is attributable to the same reasons as discussed in Results of Operations - Nine months ended September 30, 1996 compared to nine months ended September 30, 1995.

Discontinued Operations

Pri Ha'emek (Canned and Frozen Food) 88 Ltd. ("Pri Ha'emek"), the Company's 58.5%-owned food processing subsidiary, which initiated a recovery plan at the end of 1995, recorded further losses in 1996. Its food processing revenues decreased in 1996 as a result of decreased sales volume in the domestic market. Food processing expenses increased in 1996 due to the increases in labor costs and costs of raw materials, which are linked to the increases in the CPI, decreased labor productivity and a reduction of discounts from suppliers. Therefore, on October 11, 1996, the Company agreed to sell all of its equity interest in Pri Ha'emek to Agrifarm International Limited ("Agrifarm"), a British company. This agreement is subject to receipt of regulatory approvals in Israel, approvals of the Boards of Directors of the parties and a right of first refusal in favor of another shareholder of Pri Ha'emek to complete the transaction on the same terms as Agrifarm. Accordingly, the results of Pri Ha'emek, whose financial statements were previously consolidated with the Company's financial statements through June 30, 1996, have been presented as discontinued operations for all periods presented in the consolidated financial statements. In connection with the sale, the Company recorded \$2,714,000 of additional expenses and a tax benefit of \$2,654,000 in the three month period ended September 30, 1996. For the nine-month period ended September 30, 1996, the Company recorded a tax benefit of approximately \$4.1 million, which was based on a total loss of its investment in Pri Ha'emek in the amount of \$9.7 million.

Liquidity and Capital Resources

At September 30, 1996, cash and cash equivalents were \$10.3 million as compared with \$16 million at December 31, 1995. In addition, Ampal had approximately \$30 million of highly liquid interest-bearing securities included in the investments caption at September 30, 1996 as compared with \$34 million at December 31, 1995. The decrease in cash and cash equivalents and short-term investments is primarily related to the scheduled redemptions of debentures, additional investments, including \$1.5 million invested in Geotek Communications, Inc., an international wireless telecommunications company, and loans advanced to Pri Ha'emek in the amount of \$1.6 million.

Deposits, notes and loans receivable, and debentures decreased as a result of scheduled repayments.

Other Events

(a) On June 6, 1996 Bank Hapoalim B.M. ("Hapoalim") completed the sale of 5,742,351 shares of Ampal Class A Stock (equal to 27.9% of the outstanding Class A Stock as of that date, not assuming conversion of Hapoalim's Preferred Stock) at a price of \$7.87 per share to Rebar Financial Corp. ("Rebar"), a company controlled by the Steinmetz family. This sale of shares was made within the framework of the reduction of the non-banking holdings of Hapoalim according to the Banking (Licensing) Law in effect in Israel, which requires Hapoalim to sell non-banking holdings in excess of 25% by the end of 1996. Hapoalim continues to beneficially

hold 4,758,640 shares, assuming conversion of its Preferred Stock (equal to 22.7% of the outstanding Class A Stock as of September 30, 1996, assuming conversion of Hapoalim's Preferred Stock) and 100% of the Common Stock, which has superior voting rights. As of September 30, 1996, Rebar held 5,862,351 shares of Ampal Class A Stock (equal to 28.5% of the outstanding shares of Class A Stock, not assuming conversion of Hapoalim's Preferred Stock). Hapoalim also agreed to sell to Rebar either an additional 1,500,001 shares of Class A Stock or 1,500,001 shares of Common Stock. Upon completion of the sale, Hapoalim will hold no more than the percentage required by Israeli law.

Ampal previously announced that Hapoalim has advised Ampal of its desire to enter into a transaction with Ampal to equalize the rights of Ampal's Common Stock to those of its Class A Stock.

(b) On September 25, 1996 the Company's 94%-owned real estate subsidiary, which is the owner of 800 Second Avenue, in New York City, entered into a nonbinding letter of intent with the Government of Israel regarding the sale to the Government of the portion of the building currently occupied by the Government for a price of approximately \$31 million. The building was purchased by the Company's subsidiary in June 1995 for approximately \$45 million. The Government currently occupies slightly less than 50 percent of the building.

The transaction is subject to conditions, including approval of relevant Israel Government bodies and execution of a binding agreement. The letter of intent contemplates that the agreement will be signed in November 1996, with a closing to take place in December 1996.

Subsequent Event

On October 17, 1996 the Company's indirect affiliate, MEMCO Software Ltd. ("MEMCO"), a provider of enterprise security solutions, conducted its initial public offering of 3,870,000 Ordinary Shares (including 450,000 over-allotment shares) at \$15.00 per share. MEMCO sold 3,450,000 of these shares and received net proceeds of approximately \$46 million, and existing shareholders sold 420,000 shares. The Company will record a fourth quarter gain of approximately \$1.6 million, after taxes, with respect to the offering.

Prior to the offering, the Company's 42.5%-owned affiliate, Ophir, owned a 17.9% interest in MEMCO, which it purchased for \$2.5 million. Ophir sold Ordinary Shares in the offering, reducing its ownership interest to 13.1%. Ophir continues to hold 2,026,388 shares of MEMCO.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings - None.

Item 2. Changes in Securities - None.

Item 3. Defaults upon Senior Securities - None.

Item 4. Submission of Matters to a Vote of Security Holders

On October 3, 1996, at the Annual Meeting of Shareholders of Registrant, the following persons were elected as directors by the following vote:

(i) WITHHELD	CLASS A	FOR	AUTHORITY
-----	-----	---	
	H.B. Henshel	16,316,952	97,720
	I. Hochberg	16,316,698	97,974
	H. Kronish	16,316,039	98,633
	E. Sommer	16,317,348	97,324

(ii) WITHHELD	COMMON/CLASS A	FOR	AUTHORITY
-----	-----	---	
	A. Abend	32,659,467	169,877
	M. Arnon	32,731,863	97,481
	S.I. Batkin	32,731,263	98,081
	Y. Elinav	32,725,520	103,824
	L. Lefkowitz	32,725,583	103,761
	H. Peled	32,731,520	97,824
	S. Ravid	32,731,362	97,982
	S. Recht	32,731,870	97,474
	M.W. Sonnenfeldt	32,725,520	103,824
	R. Steinmetz	32,734,020	95,324

Item 5. Other Information - None.

Item 6. Exhibits and Reports on Form 8-K

(a) Index to Exhibits:

Exhibit 10 - Material Contracts - English translation of a Share Purchase Contract, dated October 11, 1996, between Ampal Industries, Inc. and Agrifarm International Ltd., regarding the sale of shares of Pri Ha'emek (Canned and Frozen Food) 88 Ltd..... Page E-1*

Exhibit 11 - Schedule Setting Forth Computation of Earnings Per Class A Share.....Page 15

Exhibit 27 - Financial Data Schedule.

(b) Reports on Form 8-K - None.

* Refers to separately bound exhibit volume.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

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 thereunto duly authorized.

AMPAL-AMERICAN ISRAEL CORPORATION

By:/s/ Lawrence Lefkowitz

*Lawrence Lefkowitz
President
(Principal Executive Officer)*

By:/s/ Alan L. Schaffer

*Alan L. Schaffer
Vice President - Finance
and Treasurer
(Principal Financial Officer)*

By:/s/ Alla Kanter

*Alla Kanter
Vice President - Accounting
and Controller
(Principal Accounting Officer)*

Dated: November 14, 1996

EXHIBIT-10

[TRANSLATED FROM THE HEBREW]

SHARE PURCHASE CONTRACT

Made in Tel Aviv this 11th day of October 1996

BETWEEN: AMPAL INDUSTRIES, INC.

whose address for the purpose of this contract is c/o Ampal (Israel) Ltd., of 111 Arlozorov Street, Tel Aviv

(hereinafter referred to as "the Vendor")

AND: AGRIFARM INTERNATIONAL LTD.

whose address for the purpose of this contract is c/o Hadassim Agricultural Development Co. Ltd., POB 119 Rosh Pina 12000

(hereinafter referred to as "the Purchaser")

WHEREAS the Vendor, Ampal Industries (Israel) Ltd., Ampal Development (Israel) Ltd. and Ampal Financial Services Ltd. (the said four are

hereinafter referred to as "Ampal") hold 8,223,7279 ordinary shares of NIS 1 n.v. each (hereinafter referred to as "The Shares") of Pri Ha'emek (Canned and Frozen Food) 88 Ltd. (hereinafter referred to as "the Company"), representing as at 30th September 1996 approx. 58% of the Company's issued share capital (prior to the conversion of the debentures);

AND WHEREAS the Company is a public company whose Shares are traded on the Tel Aviv Stock Exchange Ltd. (hereinafter referred to as "the Stock Exchange");

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AND WHEREAS the Purchaser has considerable experience in the food industry
and it has examined the state of the Company's business;

AND WHEREAS the Purchaser intends operating the Company as a going concern
and to act to rehabilitate it;

AND WHEREAS the Purchaser has the experience, expertise, know-how and means
required to operate the Company as a going concern;

AND WHEREAS the Vendor is unaware of any event which the Company is under a
legal duty to report to the Stock Exchange and/or the Securities
Authority and which has not been reported;

AND WHEREAS Ampal wishes to sell to the Purchaser, and the Purchaser wishes
to purchase from Ampal, the Shares being fully paid up and free of
any charge and third party right whatsoever with the Company
being "as is";

ACCORDINGLY, IT IS WARRANTED AND AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. Recitals and Headings

1.1 The recitals to this contract constitute an integral part hereof and every representation, warranty or undertaking included in the recitals shall be deemed included in the body hereof.

1.2 The clause headings are for locational convenience only and shall be given no weight for the purposes of the interpretation hereof.

2. The Transaction

2.1 The Vendor hereby undertakes to sell and/or procure that Ampal shall sell the Shares to the Purchaser, and the Purchaser hereby undertakes

to purchase the Shares from Ampal, upon the terms, conditions and stipulations particularized below.

2.2 The Shares shall be transferred to the Purchaser on the closing date (as defined below) being fully paid up and free of any charge and third party right whatsoever against payment of the sum of NIS 8,223 in respect of all the Shares.

2.3 In consideration for the purchase of the Shares and the full and precise performance of the Purchaser's undertakings pursuant to this contract, the Vendor undertakes as follows:

2.3.1 Ampal shall assign to the Purchaser its rights in respect of an owners' loan linked to the consumer price index ("the index") and bearing interest at a rate of 3% per annum which was made available to the Company by Ampal in the past in a total amount (principal and interest) of NIS 1,000,000 (one million new shekels); and also

2.3.2 Ampal shall assign to the Purchaser its rights in respect of an owners' loan in the sum of NIS 2,000,000 (two million new shekels) which was made available to the Company by Ampal pursuant to clause 5.1 below; and also

2.3.3 Ampal shall waive its rights vis-a-vis the Company in respect of the balance of an owners' loan debt (principal and interest), save for the sum of NIS 1,000,000 in respect whereof the provisions of clause 2.3.1 above shall apply, the loan pursuant to clause 5.1 below in respect whereof the provisions of clause

2.3.2 above shall apply and debentures listed for trading on the Stock Exchange which Ampal shall be entitled to continue holding; and also

2.3.4 Ampal shall pay the Purchaser the sum of US\$ 1,500,000 (one million five hundred thousand US dollars) against the release of the guarantee and deposit which was made available by Ampal and Ampal (Israel) Ltd. as collateral to secure the Company's liabilities up to the said amount to Bank Hapoalim Ltd.; and also

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2.3.5 Ampal shall pay the Purchaser the sum of NIS 2,000,000 (two million new shekels);

and all upon the terms, conditions and stipulations particularized below.

3. Conditions Precedent for the Implementation of the Transaction

The receipt of the approvals and consents particularized below constitutes a condition precedent for the implementation of the transaction pursuant hereto:

3.1 The receipt of the Director of Restrictive Trade Practices' consent to the transaction.

3.2 The receipt of a written waiver to the Vendor's satisfaction of Cheddar George Inc.'s rights in respect of the sale of the Shares.

The parties undertake to act in good faith to the best of their ability to obtain the approvals and consents as soon as possible, including to sign any document that may be reasonably required in respect thereof. If by 10th November 1996 (or a later date of which the Vendor shall give written notice to the Purchaser - if it gives notice - but by no later than 31st December 1996), the approvals and consents as aforesaid have not been received, this contract and all the parties' obligations pursuant hereto, save for clauses 5.3 and 8 below, shall be null and void.

4. Implementation of the Transaction

On the first business day after receiving the approvals and consents mentioned in clause 3 above (hereinafter referred to as "the Closing Date"), the parties shall act simultaneously as follows:

4.1 The Purchaser and Ampal shall sign share transfer instruments in respect of the Shares.

4.2 The Purchaser shall pay Ampal the consideration for the Shares pursuant to clause 2.2 above.

4.3 The Vendor shall procure that Ampal shall act as follows:

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4.3.1 Ampal shall assign to the Purchaser all its rights in respect of owners' loans as provided in clauses 2.3.1 and 2.3.2 above; and also

4.3.2 Ampal shall waive its rights vis-a-vis the Company in respect of the balance of the owners' loan debt as provided in clause 2.3.3 above; and

4.3.3 Ampal shall pay the Purchaser the amount provided in clause

2.3.4 above against the release of the guarantee and deposit as provided in the said clause and the amount provided in clause

2.3.5 above. The said amount shall be remitted to the Company pursuant to clause 4.4 below.

4.4 The Purchaser shall make available to the Company owners' loans in an amount in NIS equal to US\$ 1,500,000 together with the sum of NIS 2,000,000, linked to the Index and bearing interest at 3% per annum, and it shall furnish Ampal with a document signed by Bank Hapoalim Ltd. confirming the release of the guarantee and deposit as provided in clause 2.3.4 above.

5. The Interim Period

5.1 The Vendor shall make available to the Company by 13th October 1996 the sum of NIS 2,000,000 (two million new shekels) as an owners' loan linked to the index and bearing interest at 3% per annum. The said loan shall be assigned to the Purchaser on the closing date pursuant to clause 2.3.2 above.

5.2 From 13th October 1996, the Purchaser shall be involved in the management of the Company and shall act jointly with the Vendor as required in order to enable the continued routine management and operation of the Company as a going concern.

5.3 The parties shall use their best endeavours so that Messrs. Yoram Ben-Ami and Amram Yaniv shall be appointed members of the Company's board of directors as soon as possible after the date of the execution hereof. As soon as possible after the closing date, the parties shall use their best endeavours to replace the Company's directors who are Ampal employees with directors as the Purchaser shall instruct, or - if this contract is annulled pursuant to clause 3

above - the parties shall use their best endeavours to replace the persons appointed pursuant to this clause 5.3 with directors as the Purchaser shall instruct.

5.4 The parties shall use their best endeavours so that the Company's signatory authorization during the period up to the closing date shall require the joint signatures of one of the directors appointed pursuant to clause 5.3 above together with one of the directors who are Ampal employees in order to bind the Company.

5.5 The parties shall use their best endeavours to obtain the approvals required of the Company with regard to the actions that shall be effected pursuant to clauses 4.3 and 4.4 above by the closing date.

6. Additional Undertakings

6.1 The Purchaser hereby warrants that it is purchasing the Shares with the Company being "as is" on the closing date without any representation or liability by the Vendor and/or Ampal with regard to the Company and all matters relating thereto, its value, profitability or the value of the Shares, without any representations or undertakings relating to the Company and without any indemnity undertaking in respect of any non-conformity or difference deriving from such matters or other undertaking to the Purchaser in connection with the Company.

Without derogating from the generality of the foregoing, the Purchaser confirms that it is aware of the Company's managing director's rights vis-a-vis the Company and the Vendor and it is purchasing the Shares subject to the signed contractual obligations and it shall be exclusively liable for the full and precise performance thereof.

6.2 The Purchaser hereby warrants that it intends operating the Company as a going concern and to act to rehabilitate it. The Purchaser shall use the utmost efforts to bring the Company to profitability.

Without derogating from the generality of the foregoing, the Purchaser undertakes to make available to the Company, in addition to the owners' loans pursuant to clause 4.4 above, further injections in a further total amount of not less than NIS 5,000,000 (five million new

shekels) to improve the Company's working capital, either by way of owners' loans or in any other manner.

6.3 It is hereby expressly clarified that the Vendor's undertakings pursuant to this contract are to the Purchaser alone and they do not grant any right to the Company or to any other person, and the Purchaser's undertakings pursuant to this contract are to the Vendor alone and they do not grant any right to the Company or to any other person.

6.4 The parties undertake to act in good faith and to the best of their ability to obtain all the consents and approvals that shall be required in connection with the implementation of this contract, including to sign any document that may be reasonably required in respect thereof.

6.5 Ampal shall be entitled, at any time from the closing date and for 18 months thereafter (hereinafter referred to as "the option period"), to give written notice to the Purchaser of its wish to purchase all or part of the option Shares from it. If notice as aforesaid is given, the Purchaser shall be under a duty to sell all or part of the option Shares to Ampal as stated in the notice, with their being fully paid up and free of any charge or third party right whatsoever, in consideration for payment of the sum of NIS 0.5 in respect of each share of NIS 1 n.v. The transfer of the Shares and the payment of the consideration as aforesaid shall be effected on the date of giving the notice. Ampal shall be entitled to give a number of notices pursuant to this clause 6.5 and to exercise the options in instalments.

"The option Shares" means Shares representing 5.8% of all the Company's issued Shares or - in the event that the Purchaser or a related party to it purchases Shares of the Company from Cheddar George Inc. - Shares representing 8.3% of all the Company's issued Shares.

7. Approval of the Vendor's Board of Directors Committee

The Vendor's undertakings pursuant to this contract are subject to obtaining the approval of the Vendor's board of directors executive committee to the execution hereof.

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8. Confidentiality

Without derogating from the provisions of the law or the provisions of any other contract that shall apply in respect of a duty of confidentiality, the parties hereto shall maintain confidentiality, and shall not disclose to another during the period in which they are shareholders of the Company and thereafter, without the Company's prior written consent, any information of a secret nature relating to the Company's business, to proprietary information of the Company and suppliers or actual or potential customers. These provisions shall not apply in respect of any information which the party wishing to disclose it shall be able to prove that the information (a) reached its possession without any express or implied duty of confidentiality prior to receiving it, (b) came within the public domain other than at its fault or responsibility, (c) was received by it from a person who was entitled to disclose it, or (d) was under a duty to disclose it pursuant to the applicable law.

9. Sending Notices

The addresses of the parties hereto are as particularized alongside their names in the recitals. Any notice in connection with this contract given by one of the parties to the other shall be deemed as having been delivered to the addressee on the date on which it reached it or, if sent by registered post to the said addresses - at the time it reached its addressee or at the end of three business days from the time of dispatch - whichever is the earlier.

10. Waiver

A delay in exercising the rights of one of the parties in connection with this contract or the non-exercise of rights as aforesaid shall not be deemed a waiver of such rights. A notice or demand vis-a-vis any party shall not constitute a waiver of the rights of such party or a waiver of the right of the party delivering the notice or demand to take further action without notice or demand. A waiver made by one of the parties in respect of a right or remedy in a specific case shall not be deemed a waiver of a right or remedy as aforesaid in any other case.

11. Inclusive Contract

This contract expresses and merges all the matters agreed upon between the parties as at the date of the execution hereof in respect of the matters dealt with herein.

12. Non-Assignment

This contract and the parties' rights and obligations pursuant hereto cannot be assigned during the Option Period.

Notwithstanding the foregoing, if permits are not received from the Controller of Foreign Currency and the Bank of Israel as required to implement this contract by the date of obtaining the approvals provided in clause 3 above, all the Purchaser's rights and obligations pursuant to this agreement shall be automatically conferred ipso facto, and without requiring any additional document, upon Hadassim Agricultural Development Co. Ltd. In such an event, the Purchaser shall be entitled to assign all its rights and obligations pursuant to this agreement, subject to the Vendor's consent, and the Vendor shall not refuse its consent save on reasonable grounds, to another Israeli company connected with Hadassim Agricultural Development Co. Ltd., provided that notice thereof is given by the Purchaser to the Vendor prior to the closing date and that the assignee confirms in writing to the Vendor all its obligations pursuant to this agreement and signed every document required by the Vendor in such regard.

AS WITNESS THE HANDS OF THE PARTIES:

/s/Ampal Industries, Inc.

/s/Agrifarm International Ltd.

Ampal Industries, Inc.

Agrifarm International Ltd.

Hadassim Agricultural Development Co. Ltd. confirms its consent and undertaking pursuant to the provisions of clause 12 above.

/s/Hadassim Agricultural Development Co. Ltd.

Hadassim Agricultural Development Co. Ltd.

11th October 1996

Agrifarm International Ltd.

Dear Sirs,

In connection with the share purchase contract executed between us today ("the contract"), it is expressed that if Bank Hapoalim Ltd. ("the Bank") stipulates the release of the guarantee and deposit made available by Ampal and Ampal (Israel) Ltd. as provided in clause 2.3.4 of the contract with the payment of the interest in respect of the period which the amounts as aforesaid were made available to the Company by the Bank in respect of the said collateral, Ampal shall bear the interest as aforesaid in such amount as shall be agreed upon between it and the Bank, so that the said amount shall be added to the amount provided in clause 2.3.4 of the contract and shall be remitted to the Company as a further owners' loan pursuant to clause 4.4 of the contract.

Yours faithfully,

(Signed)

/s/Ampal Industries, Inc.

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Ampal Industries, Inc.

Exhibit 11

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
SCHEDULE SETTING FORTH COMPUTATION OF EARNINGS PER CLASS A SHARE

NINE MONTHS ENDED SEPTEMBER 30,	1996		1995	
(Amounts in thousands, except per share data)	(Unaudited)		(Unaudited)	
Weighted average number of shares outstanding:				
4% Preferred.....	197		205	
6-1/2% Preferred.....	1,035		1,102	
Class A.....	20,523		20,745	
Common.....	3,000		3,000	
	=====		=====	
Weighted average number of shares outstanding assuming conversion of preferred stock into Class A shares:				
Class A.....	24,613	89.14%	25,076	89.31%
Common.....	3,000	10.86	3,000	10.69
	-----		-----	
	27,613	100.00%	28,076	100.00%
	=====		=====	
(Loss) income from continuing operations.....				
	\$(1,013)		\$ 5,200	
Loss from discontinued operations.....				
	(2,635)		(2,128)	
	-----		-----	
NET (LOSS) INCOME.....				
	\$(3,648)		\$ 3,072	
	=====		=====	
Allocation of net (loss) income on the basis of the respective dividend rights of the above classes of stock, pro rata:				
Class A.....	\$(3,252)	89.14%	\$ 2,744	89.31%
Common.....	(396)	10.86	328	10.69
	-----		-----	
	\$(3,648)	100.00%	\$ 3,072	100.00%
	=====		=====	
(Loss) earnings per Class A share:				
(Loss) earnings from continuing operations.....				
	\$(.04)		\$.19	
Loss from discontinued operations.....				
	(.09)		(.08)	
	-----		-----	
(Loss) earnings per Class A share.....				
	\$(.13)		\$.11	
	=====		=====	

ARTICLE 5

MULTIPLIER: 1000

PERIOD TYPE	9 MOS
FISCAL YEAR END	DEC 31 1996
PERIOD END	SEP 30 1996
CASH	10,285
SECURITIES	140,493
RECEIVABLES	62,795
ALLOWANCES	0
INVENTORY	0
CURRENT ASSETS	20,435
PP&E	72,295
DEPRECIATION	10,059
TOTAL ASSETS	298,244
CURRENT LIABILITIES	33,759
BONDS	104,946
PREFERRED MANDATORY	0
PREFERRED	6,065
COMMON	24,189
OTHER SE	129,285
TOTAL LIABILITY ANDEQUITY	298,244
SALES	7,773
TOTAL REVENUES	29,860
CGS	0
TOTAL COSTS	8,823
OTHER EXPENSES	9,626
LOSS PROVISION	0
INTEREST EXPENSE	10,916
INCOME PRETAX	495
INCOME TAX	1,508
INCOME CONTINUING	(1,013)
DISCONTINUED	(2,635)
EXTRAORDINARY	0
CHANGES	0
NET INCOME	(3,648)
EPS PRIMARY	(.13)
EPS DILUTED	(.13)

End of Filing