

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 March 31, 2000

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 0-538

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 the issuer's Class A Stock, its only authorized common stock, is 18,895,015 (as of April 30, 2000).

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

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AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, (Dollars in thousands, except per share data)	2000 (Unaudited)	1999 (Unaudited) (Note 2)
REVENUES		
Equity in earnings of affiliates	\$ 2,866	\$ 811
Interest:		
Related parties.....	26	104
Others.....	348	221
Real estate income.....	2,173	1,878
Realized and unrealized gains on investments.....	3,243	9,088
Other.....	2,099	1,752
	-----	-----
Total revenues.....	10,755	13,854
	-----	-----
EXPENSES		
Interest:		
Related parties.....	-	996
Other.....	2,537	988
Real estate expenses.....	1,730	872
Loss from impairment of investment.....	1,500	-
Minority interests.....	72	77
Translation loss (gain).....	1,053	(137)
Other.....	2,022	1,710
	-----	-----
Total expenses.....	8,914	4,506
	-----	-----
Income from continuing operations before income taxes.....	1,841	9,348
Provision for income taxes.....	679	3,371
	-----	-----
Income from continuing operations.....	1,162	5,977
	-----	-----
Discontinued operations:		
Loss from operations.....	-	(425)
	-----	-----
Loss from discontinued operations.....	-	(425)
	-----	-----
NET INCOME.....	\$ 1,162	\$ 5,552
	=====	=====
Basic EPS Earnings per Class A share:		
Earnings from continuing operations.....	\$.06	\$.25
Loss from discontinued operations.....	-	(.02)
	-----	-----
Earnings per Class A share.....	\$.06	\$.23
	=====	=====
Shares used in calculation (in thousands).....	18,520	24,094
Diluted EPS Earnings per Class A share:		
Earnings from continuing operations.....	\$.05	\$.22
Loss from discontinued operations.....	-	(.02)
	-----	-----
Earnings per Class A share.....	\$.05	\$.20
	=====	=====
Shares used in calculation (in thousands).....	21,723	27,716

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

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS AS AT	March 31, 2000	December 31, 1999
(Dollars in thousands)	(Unaudited)	
Cash and cash equivalents.....	\$ 8,685	\$ 7,409
Deposits, notes and loans receivable.....	15,140	22,336
Investments.....	321,474	273,174
Real estate property, less accumulated depreciation of \$7,824 and \$7,463.....	79,126	72,809
Other assets.....	14,647	21,052
TOTAL ASSETS.....	\$439,072	\$396,780

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	March 31, 2000	December 31, 1999

(Dollars in thousands)	(Unaudited)	
LIABILITIES		
Notes and loans payable:		
Related parties.....	\$ 15,185	\$ 14,564
Others.....	143,321	131,296
Debentures.....	22,893	28,659
Accounts and income taxes payable, accrued expenses and minority interests.....	80,563	65,427
	-----	-----
Total liabilities.....	261,962	239,946
	-----	-----
SHAREHOLDERS' EQUITY		
4% Cumulative Convertible Preferred Stock, \$5 par value; authorized 189,287 shares; issued 162,519 and 165,823 shares; outstanding 159,169 and 162,473 shares.....	813	829
6-1/2% Cumulative Convertible Preferred Stock, \$5 par value; authorized 988,055 shares; issued 772,098 and 891,763 shares; outstanding 649,562 and 769,227 shares.....	3,860	4,459
Class A Stock, \$1 par value; authorized 60,000,000 shares; issued 25,192,960 and 24,817,445 shares; outstanding 18,773,779 and 18,289,264 shares.....	25,193	24,817
Additional paid-in capital.....	58,193	57,896
Retained earnings.....	119,524	118,362
Treasury stock, at cost.....	(34,863)	(35,552)
Accumulated other comprehensive income (loss).....	4,390	(13,977)
	-----	-----
Total shareholders' equity.....	177,110	156,834
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$439,072	\$396,780
	=====	=====

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

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31,	2000	1999
(Dollars in thousands)	(Unaudited)	(Unaudited) (Note 2)
Cash flows from operating activities:		
Net income.....	\$ 1,162	\$ 5,552
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in earnings of affiliates.....	(2,866)	(811)
Loss from discontinued operations.....	-	425
Realized and unrealized gains on investments.....	(3,243)	(9,088)
Depreciation expense.....	429	273
Amortization expense.....	249	318
Loss from impairment of investment.....	1,500	-
Translation loss (gain).....	1,053	(137)
Minority interests.....	72	77
Decrease (increase) in other assets.....	4,578	(27)
Increase in accounts and income taxes payable, accrued expenses and minority interests.....	495	2,336
Investments made in trading securities.....	(14,336)	(4,514)
Proceeds from sale of trading securities.....	9,925	1,235
Dividends received from affiliates.....	3,423	2,243
	-----	-----
Net cash provided by (used in) operating activities.....	2,441	(2,118)
	-----	-----
Cash flows from investing activities:		
Deposits, notes and loans receivable collected.....	7,806	6,107
Deposits, notes and loans receivable granted.....	(191)	(3,702)
Investments made in:		
Available-for-sale securities.....	(2,127)	-
Affiliates and others.....	(9,189)	(1,863)
Proceeds from sale of investments:		
Others.....	1,133	1,072
Deposit-sale of affiliate.....	-	7,581
Capital improvements.....	(5,768)	(508)
	-----	-----
Net cash (used in) provided by investing activities.....	(8,336)	8,687
	-----	-----

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

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31,	2000	1999
(Dollars in thousands)	(Unaudited)	(Unaudited) (Note 2)
Cash flows from financing activities:		
Notes and loans payable received:		
Others.....	\$ 19,564	\$ -
Notes and loans payable repaid:		
Related parties.....	-	(1,281)
Others.....	(7,285)	(48)
Proceeds from exercise of stock options.....	747	-
Debentures repaid.....	(6,389)	(5,764)
	-----	-----
Net cash provided by (used in) financing activities.....	6,637	(7,093)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents.....	534	377
	-----	-----
Net increase (decrease) in cash and cash equivalents.....	1,276	(147)
Cash and cash equivalents at beginning of period.....	7,409	12,047
	-----	-----
Cash and cash equivalents at end of period.....	\$ 8,685	\$ 11,900
	=====	=====
 Supplemental Disclosure of Cash Flow Information		
Cash paid during the period:		
Interest:		
Related parties.....	\$ -	\$ 348
Others.....	1,540	550
	-----	-----
Total interest paid.....	\$ 1,540	\$ 898
	=====	=====
Income taxes paid.....	\$ 139	\$ 36
	=====	=====

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

THREE MONTHS ENDED MARCH 31,	2000	1999
(Dollars in thousands, except share amounts)	(Unaudited)	(Unaudited)
4% PREFERRED STOCK		
Balance, beginning of year.....	\$ 829	\$ 861
Conversion of 3,324 and 1,983 shares into Class A Stock.....	(16)	(10)
Balance, end of period.....	\$ 813	\$ 851
6-1/2% PREFERRED STOCK		
Balance, beginning of year.....	\$ 4,459	\$ 4,626
Conversion of 119,665 and 5,093 shares into Class A Stock.....	(599)	(25)
Balance, end of period.....	\$ 3,860	\$ 4,601
CLASS A STOCK		
Balance, beginning of year.....	\$ 24,817	\$ 24,685
Issuance of shares upon conversion of Preferred Stock.....	376	25
Balance, end of period.....	\$ 25,193	\$ 24,710
ADDITIONAL PAID-IN CAPITAL		
Balance, beginning of year.....	\$ 57,896	\$ 57,829
Conversion of Preferred Stock.....	239	10
Issuance of shares upon exercise of stock options.....	58	-
Balance, end of period.....	\$ 58,193	\$ 57,839
RETAINED EARNINGS		
Balance, beginning of year.....	\$118,362	\$ 90,615
Net income.....	1,162	5,552
Balance, end of period.....	\$119,524	\$ 96,167

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

THREE MONTHS ENDED MARCH 31,	2000	1999
(Dollars in thousands, except share amounts)	(Unaudited)	(Unaudited)
TREASURY STOCK		
4% PREFERRED STOCK		
Balance, end of period.....	\$ (84)	\$ -
6-1/2% PREFERRED STOCK		
Balance, end of period.....	(1,853)	-
CLASS A STOCK		
Balance, beginning of year - 6,528,181 and 605,400 shares, at cost.....	(33,615)	(3,829)
Issuance of shares upon exercise of 109,000 stock options.....	689	-
Balance, end of period - 6,419,181 and 605,400 shares, at cost.....	(32,926)	(3,829)
Balance, end of period.....	\$ (34,863)	\$ (3,829)
ACCUMULATED OTHER COMPREHENSIVE LOSS		
Balance, beginning of year.....	\$ (13,977)	\$(13,622)
Cumulative translation adjustments:		
Balance, beginning of year.....	(17,676)	(18,580)
Foreign currency translation adjustment.....	852	1,163
Balance, end of period.....	(16,824)	(17,417)
Unrealized gain on marketable securities:		
Balance, beginning of year.....	3,699	4,958
Unrealized gain, net.....	17,515	1,745
Transfer to trading securities.....	-	(1,711)
Balance, end of period.....	21,214	4,992
Balance, end of period.....	\$ 4,390	\$(12,425)

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

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

THREE MONTHS ENDED MARCH 31,	2000	1999
(Dollars in thousands)	(Unaudited)	(Unaudited)
Net income.....	\$ 1,162	\$ 5,552
Other comprehensive income, net of tax:		
Foreign currency translation adjustments.....	852	1,163
Unrealized gain on securities.....	17,515	1,745
Other comprehensive income.....	18,367	2,908
Comprehensive income.....	\$ 19,529	\$ 8,460
Related tax (expense) of other comprehensive income:		
Foreign currency translation adjustments.....	\$ (236)	\$ (178)
Unrealized gain on securities.....	\$(11,732)	\$ (940)

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

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, 1999 consolidated balance sheet presented herein was derived from the audited December 31, 1999 consolidated financial statements of the Company.

Reference should be made to the Company's consolidated financial statements for the year ended December 31, 1999 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, 1999 consolidated financial statements for additional details of the Company's consolidated financial condition, results of operations and cash flows. Certain amounts in the 1999 consolidated statements of income and cash flows have been reclassified to conform with current period's presentation. The details in those notes have not changed except as a result of normal transactions in the interim. 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. Segment information presented below results primarily from operations in Israel.

THREE MONTHS ENDED MARCH 31,	2000	1999
(Dollars in thousands)		
Revenues:		
Finance	\$ 5,409	\$ 10,916
Real estate.....	2,173	1,878
Leisure-time.....	416	390
Intercompany adjustments.....	(109)	(141)
	-----	-----
Total.....	\$ 7,889	\$ 13,043
	=====	=====
Pretax Operating (Loss) Income:		
Finance	\$ (1,043)	\$ 7,867
Real estate.....	(19)	654
Leisure-time.....	109	93
	-----	-----
Total.....	\$ (953)	\$ 8,614
	=====	=====
Total Assets:		
Finance	\$353,347*	\$272,811*
Real estate.....	82,148	36,055
Leisure-time.....	14,206	36,436
Intercompany adjustments.....	(10,629)	(9,954)
	-----	-----
Total.....	\$439,072	\$335,348
	=====	=====

Corporate office expense is principally applicable to the financing operation and has been charged to that segment above. Revenues and pretax operating income above exclude equity in earnings of affiliates and minority interests. Total assets exclude assets from discontinued operations.

The real estate segment consists of rental property owned in Israel and the United States leased to related and unrelated parties and of the operations of Am-Hal Ltd. (in 2000 only), the Company's wholly-owned subsidiary which owns and operates a chain of senior citizens facilities located in Israel. The leisure-time segment consists primarily of Moriah Hotels Ltd. (hotel chain in Israel, 1999 only), Coral World International Limited (marine parks located

around the world) and Country Club Kfar Saba (the company's 51%-owned subsidiary located in Israel).

*Includes an investment in MIRS Communications Ltd. of \$111 million.

4. The following table summarizes securities that were outstanding as of March 31, 2000 and 1999, but not included in the calculations of diluted earnings per Class A share because such shares are antidilutive.

(Shares in thousands)	March 31,	
	2000	1999
Options and Rights	-	1,100

5. On April 18, 2000, the Company completed the sale of its indirect holdings in Combox Ltd. ("Combox"), through its 42.5%-owned affiliate, Ophir Holdings Ltd. ("Ophir"), to Terayon Communications Systems, Inc. ("Terayon"), a leading supplier of broadband network systems. Ophir exchanged its 19.7% interest in Combox for approximately 150,000 shares (subsequently split 2 shares for 1 share) of Terayon. Ophir acquired Combox for approximately \$2.3 million. The market price of Terayon's shares as of the market close on April 18, 2000, was \$75-1/2 per share. During the first quarter of 2000, Ophir sold short approximately 60,000 Terayon shares at \$140 per share.

6. On March 23, 2000, the Company's investee, BreezeCOM Ltd. ("BreezeCOM"), a developer and manufacturer of wireless access products, completed an initial public offering of 5 million shares in the United States and raised \$100 million (at \$20 per share). The Company holds approximately 815,000 shares of BreezeCOM which were acquired for \$1.1 million. At March 31, 2000, the Company recorded an unrealized gain on its investment in BreezeCOM in the amount of \$29.3 million (\$18.8 million net of income taxes) in accumulated other comprehensive income on its consolidated balance sheet.

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Consolidated income from continuing operations decreased to \$1.2 million for the three-month period ended March 31, 2000, from \$6 million for the same period in 1999. The decrease in income is primarily attributable to lower unrealized gains on investments, a loss from impairment of investment in 2000, and a translation loss in 2000 as compared to a translation gain in 1999. These decreases were partially offset by the increase in equity in earnings of affiliates.

Ampal-American Israel Corporation ("Ampal") and its subsidiaries (the "Company") recorded \$1.7 million of unrealized gains on investments which are classified as trading securities in the three-month period ended March 31, 2000, as compared to \$8.5 million in the same period in 1999. The unrealized gains recorded in 2000 are primarily attributable to the Company's investment in Bank Leumi Le'Israel B.M. ("Leumi"), and in 1999 the gains were attributable to the investments in the shares of Leumi (pre-tax gain of \$4.5 million) and Fundtech Ltd. (pre-tax gain of \$3.6 million). At March 31, 2000 and December 31, 1999, the aggregate fair value of trading securities amounted to approximately \$47.7 million and \$40.4 million, respectively.

In the quarter ended March 31, 2000, the Company recorded \$1.5 million of gains on the sale of various marketable securities. In the quarter ended March 31, 1999, the Company recorded \$.6 million of gains on the sale of investments, which were primarily attributable to its investment in Fundtech Ltd.

Equity in earnings of affiliates increased to \$2.9 million for the three months ended March 31, 2000, from \$.8 million for the same period in 1999. The increase is primarily attributable to the increased earnings of the Company's 50%-owned affiliate, Trinet Venture Capital Ltd., which recorded unrealized gains on its investments in Netformx Ltd. ("Netformx") and Sim-Player.com Ltd., and to the absence of losses from Moriah Hotels Ltd. ("Moriah") in the first quarter of 2000, which were included in this category in the same period in 1999. The Company sold its investment in Moriah on April 14, 1999.

The increase in real estate income and expenses in the first quarter of 2000 as compared to the same period in 1999 is attributable to the operations of Am-Hal Ltd. ("Am-Hal"), the Company's wholly-owned subsidiary, which owns and operates a chain of senior citizens facilities in Israel. The Company acquired an additional 50% interest in Am-Hal on December 31, 1999. As a result, Am-Hal's statement of income was consolidated with the Company's consolidated statement of income in the first quarter of 2000, while in the same period in 1999, Am-Hal's results were recorded in equity in earnings of affiliates.

The increase in other income in the three months ended March 31, 2000, as compared to the same period in 1999, is attributable to a larger dividend received from MIRS Communications Ltd. ("MIRS").

The Company recorded higher interest expense in the three months ended March 31, 2000, as compared to the same period in 1999, as a result of increased borrowings in connection with the acquisition of its shares from Bank Hapoalim B.M. in July, 1999.

In the three-month period ended March 31, 2000, the Company recorded an additional \$1.5 million loss from impairment of its investment in M.D.F. Industries Ltd., which continues to experience operational problems.

The Company recorded a translation loss of \$1.1 million in the quarter ended March 31, 2000, as compared to a translation gain of \$.1 million in the same period in 1999. The translation loss in 2000 is attributable to the foreign exchange forward contracts executed by the Company, which were outstanding during the first quarter of 2000.

Liquidity and Capital Resources

At March 31, 2000, cash and cash equivalents were \$8.7 million as compared with \$7.4 million at December 31, 1999. The increase in cash is primarily attributable to the dividend received from MIRS in the first quarter of 2000. The decrease in deposits, notes and loans receivable and debentures is primarily attributable to scheduled repayments. The decrease in other assets and the increase in accounts payable is primarily attributable to the increase in the deferred tax provision with respect to the unrealized gains on the available-for-sale securities. The increase in notes and loans payable is attributable to the increased borrowings with respect to the operations of Am-Hal, and in connection with the new investments made by the Company.

During the first quarter of 2000, the Company made the following investments, aggregating \$17.4 million, notably: (1) a \$6.2 million investment to acquire a 4.9% interest in Arel Communications and Software Ltd., a leading provider of interactive distance learning systems; (2) an additional \$2.75 million investment in Netformx (net equity interest - 20.2%), a developer of network design tools; (3) a \$2 million investment to acquire a 0.4% interest in Sonic Foundry Inc., a developer of digital media and Internet software tools, services and systems; (4) an additional \$1.8 million investment in PowerDsine Ltd. (total equity interest - 10.8%), a leading developer of power supply devices for the telecommunications industry; (5) a \$1 million investment to acquire a 2.9% interest in BridgeWave Communications Inc., a developer of wireless solutions for cable companies; (6) a \$1 million investment in preferred stock of APA Optics Inc., a manufacturer of fiber optics communications equipment; (7) a \$1 million investment to acquire a 0.5% interest in SeraNova, Inc., a provider of E-business services; (8) a \$.75 million investment to acquire a 20% interest in Xpert Integrated Systems Ltd., a software and systems integrator specializing in systems security; (9) a \$.5 million investment to acquire a 13% interest in Geometry-On-Line Inc., a developer and marketer of a 3D browser that enables fast viewing, compression and streaming of 3D models and (10) an additional \$.4 million investment in ShellCase Ltd., (total equity interest - 17.6%), a developer of the smallest packages for semiconductor chips.

Other Developments

On April 18, 2000, the Company completed the sale of its indirect holdings in Combox Ltd. ("Combox"), through its 42.5%-owned affiliate, Ophir Holdings Ltd. ("Ophir"), to Terayon Communications Systems, Inc. ("Terayon"), a leading supplier of broadband network systems. Ophir exchanged its 19.7% interest in Combox for approximately 150,000 shares (subsequently split 2 shares for 1 share) of Terayon. Ophir acquired Combox for approximately \$2.3 million. The market price of Terayon's shares as of the market close on April 18, 2000, was \$75-1/2 per share. During the first quarter of 2000, Ophir sold short approximately 60,000 Terayon shares at \$140 per share.

On March 23, 2000, the Company's investee, BreezeCOM Ltd. ("BreezeCOM"), a developer and manufacturer of wireless access products, completed an initial public offering of 5 million shares in the United States and raised \$100 million (at \$20 per share). The Company holds approximately 815,000 shares of BreezeCOM which were acquired for \$1.1 million. At March 31, 2000, the Company recorded an unrealized gain on its investment in BreezeCOM in the amount of \$29.3 million (\$18.8 million net of income taxes) in accumulated other comprehensive income on its consolidated balance sheet.

MARKET RISKS AND SENSITIVITY ANALYSIS

The Company is exposed to various market risks, including changes in interest rates, foreign currency rates and equity price changes. The following analysis presents the hypothetical loss in earnings, cash flows and fair values of the financial

instruments which were held by the Company at March 31, 2000, and are sensitive to the above market risks.

Interest Rate Risks

At March 31, 2000, the Company had financial assets totalling \$21.2 million and financial liabilities totalling \$181.4 million. For fixed rate financial instruments, interest rate changes affect the fair market value but do not impact earnings or cash flows. Conversely, for variable rate financial instruments, interest rate changes generally do not affect the fair market value but do impact future earnings and cash flows, assuming other factors held constant.

At March 31, 2000, the Company had fixed rate financial assets of \$14.9 million and variable rate financial assets of \$6.3 million. Holding other variables constant, a ten percent increase in interest rates would decrease the unrealized fair value of the fixed financial assets by approximately \$.1 million.

At March 31, 2000, the Company had fixed rate debt of \$48.7 million and variable rate debt of \$132.7 million. A ten percent decrease in interest rates would increase the unrealized fair value of the fixed rate debt by approximately \$.5 million.

The net decrease in earnings for the next year resulting from a ten percent interest rate increase would be approximately \$.8 million, holding other variables constant.

Exchange Rate Sensitivity Analysis

The Company's exchange rate exposure on its financial instruments results from its investments and ongoing operations in Israel. To partially hedge this exposure, the Company enters into various foreign exchange forward purchase contracts. At March 31, 2000, the open foreign exchange forward purchase contracts totalled \$17 million. Holding other variables constant, if there were a ten percent adverse change in foreign currency exchange rates, the Company's cumulative translation loss (reflected in accumulated other comprehensive income (loss)) would increase by \$.6 million.

Equity Price Risk

The Company's investments at March 31, 2000 included marketable securities (trading and available-for-sale) which are recorded at fair value of \$97 million, including net unrealized gains of \$37 million. Those securities have exposure to price risk. The estimated potential loss in fair value resulting from a hypothetical 10% decrease in prices quoted by stock exchanges is approximately \$9.7 million.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings - None.

Item 2. Changes in Securities and Use of Proceeds - None.

Item 3. Defaults upon Senior Securities - None.

Item 4. Submission of Matters to a Vote of Security Holders - None.

Item 5. Other Information - None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

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

Exhibit 27 - Financial Data Schedule.

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

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/ Raz Steinmetz

*Raz Steinmetz
President and
Chief Executive Officer
(Principal Executive Officer)*

By:/s/ Shlomo Meichor

*Shlomo Meichor
Vice President - Finance
and Treasurer
(Principal Financial Officer)*

By:/s/ Alla Kanter

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

Dated: May 15, 2000

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

Exhibit Index

Exhibit No.	Description	Page*
11	Schedule Setting Forth Computation of Earnings Per Share of Class A Stock.....	Page*
27	Financial Data Schedule.	
*	These exhibits were included in the copy of this report filed with the Securities and Exchange Commission and are available upon request from Ampal.	

Exhibit 11

AMPAL-AMERICAN ISRAEL CORPORATION AND SUBSIDIARIES

SCHEDULE SETTING FORTH COMPUTATION OF EARNINGS PER SHARE OF CLASS A STOCK

THREE MONTHS ENDED MARCH 31,	2000	1999
(Amounts in thousands, except per share data)	(Unaudited)	(Unaudited)
BASIC EPS		
Income from continuing operations.....	\$ 1,091(1)	\$ 5,893(1)
Loss from discontinued operations.....	-	(425)
	-----	-----
Net income.....	\$ 1,091	\$ 5,468
	=====	=====
Earnings per Class A share:		
Earnings from continuing operations.....	\$.06	\$.25
Loss from discontinued operations.....	-	(.02)
	-----	-----
Earnings per Class A share.....	\$.06	\$.23
	=====	=====
Weighted average number of Class A Shares outstanding.....		
	18,520	24,094
DILUTED EPS		
Income from continuing operations.....	\$ 1,162	\$ 5,977
Loss from discontinued operations.....	-	(425)
	-----	-----
Net income.....	\$ 1,162	\$ 5,552
	=====	=====
Earnings per Class A share:		
Earnings from continuing operations.....	\$.05	\$.22
Loss from discontinued operations.....	-	(.02)
	-----	-----
Earnings per Class A share.....	\$.05	\$.20
	=====	=====
Weighted average number of Class A Shares outstanding assuming Conversion of preferred stock into Class A shares and the exercise of stock options.....		
	21,723	27,716

(1) After deduction of accrued preferred stock dividends of \$71 and \$84, respectively

ARTICLE 5

This schedule contains summary financial information extracted from unaudited consolidated financial statements for the three months ended March 31, 2000 and is qualified in its entirety by reference to such financial statements.

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	JAN 01 2000
PERIOD END	MAR 31 2000
CASH	8,685
SECURITIES	321,474
RECEIVABLES	15,140
ALLOWANCES	0
INVENTORY	0
CURRENT ASSETS	14,647
PP&E	86,950
DEPRECIATION	7,824
TOTAL ASSETS	439,072
CURRENT LIABILITIES	80,563
BONDS	181,399
PREFERRED MANDATORY	0
PREFERRED COMMON	4,673
OTHER SE	25,193
TOTAL LIABILITY ANDEQUITY	147,244
SALES	439,072
TOTAL REVENUES	0
CGS	10,755
TOTAL COSTS	0
OTHER EXPENSES	6,377
LOSS PROVISION	0
INTEREST EXPENSE	2,537
INCOME PRETAX	1,841
INCOME TAX	679
INCOME CONTINUING	1,162
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	1,162
EPS BASIC	.06
EPS DILUTED	.05

End of Filing