

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549  
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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) - March 15, 2000

ELECTRIC FUEL CORPORATION  
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(Exact Name of Registrant as Specified in Charter)

Delaware  
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(State or Other Jurisdiction of Incorporation)

0-23336

95-4302784

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(Commission File Number)

(IRS Employer Identification No.)

120 Wood Avenue South, Suite 300, Iselin, New Jersey 08830  
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(Address of principal executive offices) (Zip Code)

(732) 635-7100  
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(Registrant's telephone number, including area code)

This is page 1 of \_\_ pages (including Exhibits)  
Exhibit Index appears on page \_\_.

ITEM 5. OTHER ITEMS

On March 15, 2000, Electric Fuel Corporation (the "Company") entered into a Share and Assets Purchase Agreement (the "MERGER AGREEMENT") with Tadiran Limited, Tadiran Batteries Limited and Tadiran Electric Industries. Pursuant to the Merger Agreement, the Company will acquire Tadiran Batteries Ltd., a subsidiary of Koor Industries Limited ("KOOR") for \$40,000,000 in the Company's Common Stock, which equals 2,335,767 shares, valued at \$17.125 per share, and was the price on March 8, 2000, when the parties reached this agreement in principle (the "PURCHASED SHARES"), subject to adjustment as set forth below.

The number of total shares of the Company's Common Stock to be issued for Tadiran Batteries Ltd. is subject to upward adjustment if the average closing price of the Company's Common Stock on the Nasdaq National Market over the 30 days immediately preceding the first anniversary of the closing date of the Merger Agreement falls below \$17.125, subject to a maximum of 583,941 shares to be issued. If less than 583,941 shares are so issued, Tadiran Limited will have an option to purchase, at a price of \$20.55 per share, up to such number of shares of Common Stock representing the difference between (a) 583,941 multiplied by a fraction, the numerator of which is 2,335,767 minus the number of all shares of Common Stock sold by Tadiran Limited until the first anniversary of the closing and the denominator of which is 2,335,767, and (b) the number of shares of Common Stock the Company is obligated to issue in satisfaction of its obligations under the acquisition adjustment provisions.

Concurrently with the Merger Agreement, the Company entered into a Stock Purchase Agreement (THE "PURCHASE AGREEMENT") with Koor pursuant to which Koor will acquire 613,139 shares of the Company's Common Stock, at \$17.125 per share, for a total cash investment of \$10,500,000. If, within the 90 days immediately following the closing date of the Purchase Agreement, the Company issues Common Stock or securities convertible into Common Stock at a price per share below \$17.125, other than to its employees and consultants under its stock option

plan, then the Company will issue to Koor in accordance with the Purchase Agreement either additional Common Stock or, at Koor's discretion, warrants to purchase two times the number of Common Stock that the Company otherwise would be obligated to so issue.

The closing of the Merger Agreement is subject to certain customary closing conditions and waiting periods, including, without limitation, the receipt of the required corporate approval of Tadiran Limited and Tadiran Batteries, the receipt of the approval of the applicable Israeli governmental authorities, the receipt of the approval of the Israeli Restrictive Trade Practices Authority, the closing of the investment by Koor under the Purchase Agreement and the receipt of a tax ruling of the Israeli Revenue Authority. The closing is expected to occur on April 15, 2000, or such later date as mutually agreed upon by the parties.

In connection with the Merger Agreement and Purchase Agreement, the Company has entered into a Registration Rights Agreement with Koor and Tadiran Limited pursuant to which it agrees to provide them certain registration rights.

The Company also has entered into a Voting Rights Agreement (the "VOTING AGREEMENT") with Robert S. Ehrlich and Yehuda Harats, respectively, the Company's chairman and chief executive officer, Koor, and Tadiran Limited. Under the Agreement, each of Robert S. Ehrlich and Yehuda Harats shall vote all Common Stock or other voting securities of the Company over which they have control, and take other necessary or desirable actions within their control, so that Jonathan Kolber shall serve as a member of the Company's Board of Directors. The Agreement also provides that each of Koor and Tadiran Limited shall take all such actions with respect to their Common Stock or other voting securities of the Company over which they have control so that each of Robert S. Ehrlich and Yehuda Harats shall serve as members of the Company's Board of Directors.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

- (c) Exhibits. A list of exhibits is given in the Exhibit Index that precedes ----- the exhibits filed with this report.

SIGNATURE

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.

ELECTRIC FUEL CORPORATION  
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(Registrant)

Date: March 24, 2000

By: /s/ Robert S. Ehrlich  
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Robert S. Ehrlich  
Chairman of the Board and  
Chief Financial Officer

EXHIBIT INDEX  
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The following exhibit is filed with the Current Report on Form 8-K.

Exhibit No. -----	Description -----
99.1	Press Release dated March 15, 2000 of Electric Fuel Corporation.

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Koor Industries to Make a Strategic Investment in Electric Fuel

Electric Fuel to Acquire Koor's Tadiran Batteries Unit for \$40m in Stock  
Koor to Invest \$10.5 million in Electric Fuel

March 15, 2000 - Koor Industries Ltd. and Electric Fuel Corporation jointly announced today an agreement that will allow Electric Fuel to acquire the Tadiran Batteries subsidiary of Koor Industries Inc., and for Koor Industries to invest \$10.5 million in Electric Fuel.

The companies said that a key purpose of the investment is to speed the delivery of advanced power sources for the wireless market, including new internet and handheld devices.

According to the terms of the agreement, Electric Fuel will acquire Tadiran Batteries from Koor for \$40,000,000 in Electric Fuel's common stock, based on Electric Fuel's closing price of \$17.125 per share on March 8, the date on which the two companies reached agreement in principle. Koor will receive 2,335,767 shares, reflecting a total transaction value of \$41.6 million based on the closing price of \$17.8125 on March 14, 2000. The transaction is subject to the approval of the Israeli restrictive trade practice controller.

Koor Industries will acquire additional 613,139 shares of Electric Fuel's stock at \$17.125 per share, for a total cash investment of \$10,500,000. After the transaction is complete, which is expected to be in April, Koor's total holdings in Electric Fuel will amount to about 14% of common stock. Koor will obtain one seat on the Electric Fuel board.

Tadiran Batteries Ltd., headquartered in Rehovot, Israel, is a world leader in the manufacture and development of high energy lithium thionyl chloride batteries for critical applications in remote locations and severe climates.

The acquisition of Tadiran Batteries gives Electric Fuel the production infrastructure to accelerate production capacity, as well as the distribution network to reach the global market for its zinc air batteries.

Koor Vice Chairman and CEO, Jonathan Kolber said, "the sale of Tadiran Batteries to Electric Fuel is an excellent transaction for both sides, granting Koor a valuable stake in a high growth company traded on Nasdaq."

Electric Fuel President and CEO, Yehuda Harats said, "The acquisition of Tadiran Batteries is significant to us for a number of reasons. First, based on Tadiran's 1999 trailing EBITDA figures, the acquisition will generate cash flow of approximately \$6 million for Electric Fuel. Second, the acquisition will give Electric Fuel access to skilled human resources in all aspects of battery development, production, quality assurance and marketing. Furthermore, Tadiran has existing

production infrastructure, including systems and expertise, that will be extremely valuable as our ZincAir production line goes into high gear; and third, Tadiran has developed extensive marketing channels for its batteries in the U.S., Europe and Asia, especially in the area of sales to OEM's. Lastly, the Tadiran brand name on primary lithium batteries also is an important asset that is recognized worldwide."

Koor Industries, headquartered in Tel Aviv, leverages Israeli excellence in sciences and technology into industrial sectors and businesses with broad export and earnings potential. Its primary assets include telecommunications and electronics companies and an agrochemicals company.

For the 9 months ended 9/99, revenues were NIS8.25 billion (over \$2 billion).

Electric Fuel, with corporate offices in New York and manufacturing and R&D facilities in Israel and Alabama, is a world leader in the application of primary and refuelable zinc-air battery technology to innovative energy solutions. The company recently introduced its line of ZincAir disposable batteries for cellular telephones in the US, Europe, South America and Israel, and is developing additional primary battery products for consumer and industrial markets.

"Safe Harbor" Statement under the Private Securities Litigating Reform Act of 1995: Statements in this press release regarding Koor Industries Ltd.'s business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.

NOTE: This press release contains forward-looking statements regarding Electric Fuel Corporation. There are certain important factors that could cause results to differ materially from those anticipated by the statements made above as set forth in Electric Fuel's annual report on Form 10-K for the fiscal year ended December 31, 1999. Among, but not limited to these factors, are the stage of development of the Electric Fuel's products, the uncertainty of the market for disposable cellular telephone batteries, and significant future capital requirements.