

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended: March 31, 2000

Commission file No. 0-23336

ELECTRIC FUEL CORPORATION

Exact name of registrant as specified in its charter

Delaware
(State or other jurisdiction of
incorporation or organization)

954302784
(I.R.S. Employer
Identification No.)

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

08830
(Zip Code)

(732) 635-7100

(Registrant's telephone number, including area code)

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of the issuer's common stock as of March 31, 2000 was 18,145,809.

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ELECTRIC FUEL CORPORATION

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31, 2000	December 31, 1999
ASSETS	(Unaudited)	(Audited)
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,352,431	\$ 2,555,645
Marketable debt securities		
Accounts receivable:		
Trade	510,372	498,077
Other	1,081,358	950,390
Inventories	1,243,910	1,045,480
Total current assets	9,188,071	5,049,592
NOTES RECEIVABLE FROM STOCKHOLDERS	930,026	
FIXED ASSETS:		
Cost	8,079,211	7,676,698
Less - accumulated depreciation and amortization	3,545,679	3,510,929
	4,533,532	4,165,769
Severance Pay Fund	901,208	813,535
	\$15,552,838	\$10,028,896

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

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ELECTRIC FUEL CORPORATION

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31, 2000	December 31, 1999
	(Unaudited)	(Audited)
<S>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accruals:		
Trade	\$ 1,621,678	\$ 2,026,175
Other	1,863,259	1,400,763
Total current liabilities	3,484,937	3,426,938
LIABILITY FOR EMPLOYEE RIGHTS UPON RETIREMENT	2,488,159	2,359,599
Total Liabilities	5,973,096	5,786,537
STOCKHOLDERS' EQUITY:		
Common stock - \$0.01 par value; authorized -28,000,000 shares; issued - 15,728,387 shares and 18,151,142 shares as of December 31, 1999 and March 31, 2000 respectively; outstanding - 15,723,054 shares and 18,145,809 shares as of December 31, 1999 and March 31, 2000 respectively.	181,511	157,284 *
Preferred stock - \$0.01 par value; authorized - 1,000,000 shares, no shares outstanding		
Additional paid-in capital	65,034,942	58,678,015 *
Accumulated deficit	(53,942,462)	(51,468,715)
Treasury stock, at cost (common stock - 5,333 shares)	(37,731)	(37,731) *
Notes receivable from stockholders	(1,656,518)	(3,086,494)
Total Stockholders' Equity	9,579,742	4,242,359

 \$ 15,552,838 \$ 10,028,896
 =====

</TABLE>
 *Reclassified

The accompanying notes are an integral part of the Financial Statements.

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ELECTRIC FUEL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

<TABLE>
 <CAPTION>

	Three months ended March 31,	
	2000	1999
<S>	<C>	<C>
REVENUES	\$ 652,946	\$ 547,972
RESEARCH AND DEVELOPMENT EXPENSES AND COST OF REVENUES	2,090,221	2,136,050
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,031,912	874,328
	3,122,133	3,010,378
OPERATING LOSS	(2,469,187)	(2,462,406)
FINANCIAL INCOME (EXPENSES), NET	(4,560)	75,773
LOSS BEFORE TAXES ON INCOME	(2,473,747)	(2,386,633)
TAXES ON INCOME		8,267
LOSS FOR THE PERIOD	(2,473,747)	(2,394,900)
LOSS PER SHARE	\$ (0.14)	\$ (0.17)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	17,166,343	14,048,054

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

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ELECTRIC FUEL CORPORATION

<TABLE>
 <CAPTION>

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited)

	Common Stock			Accumulated deficit	Treasury stock	Notes receivable from shareholders	Total
	Shares	Amount	Additional paid-in capital				
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AT JANUARY 1, 2000	15,728,387 *	\$ 157,284 *	\$ 58,678,015	\$ (51,468,715)	\$ (37,731) *	\$ (3,086,494)	\$ 4,242,359
CHANGES DURING THE THREE MONTH PERIOD ENDED MARCH 31, 2000:							
Accrued Interest on notes receivable from stockholders						\$ (11,699)	\$ (11,699)
Issuance of shares, net	2,422,755	24,227	6,356,927			\$ 1,441,675	\$ 7,822,829
Loss				\$ (2,473,747)			\$ (2,473,747)
BALANCE AT MARCH 31, 2000	18,151,142	\$ 181,511	\$ 65,034,942	\$ (53,942,462)	\$ (37,731)	\$ (1,656,518)	\$ 9,579,742

* Reclassified
 </TABLE>

The accompanying notes are an integral part of the Financial Statements.

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ELECTRIC FUEL CORPORATION
 CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

<TABLE>
<CAPTION>

	Three months ended March 31,	
	2000	1999
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the period	\$ (2,473,747)	\$ (2,394,900)
Adjustments required to reconcile loss to net cash used in operating activities:		
Depreciation and amortization	34,750	224,918
Expenses due to options granted to suppliers	107,000	
Interest accrued on notes from stockholders	(20,069)	(9,733)
Liability for employee rights upon retirement, net	40,887	16,606
Changes in operating asset and liability items:		
(Increase) Decrease in accounts receivable	(143,263)	415,343
(Increase) Decrease in inventories	(198,430)	(32,622)
Increase (Decrease) in accounts payable and accruals	57,999	(16,289)
Decrease in advances from customers		(87,964)
Net cash used in operating activities	\$ (2,594,873)	\$ (1,884,641)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(402,513)	(460,662)
Loans granted to shareholders	(921,656)	
Sale of marketable debt securities, net		2,145,571
Net cash (used in) provided by investing activities	\$ (1,324,169)	\$ 1,684,909
FORWARD	\$ (3,919,043)	\$ (199,732)

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

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ELECTRIC FUEL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

<TABLE>
<CAPTION>

	Three months ended March 31,	
	2000	1999
<S>	<C>	<C>
FORWARD	\$ (3,919,043)	\$ (199,732)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital, net	3,062,500	
Proceeds from exercise of options and warrants	4,653,329	
Net cash provided by financing activities	7,715,829	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,796,787	(199,732)
BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,555,645	5,242,555
BALANCE OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 6,352,432	\$ 5,042,823
SUPPLEMENTARY INFORMATION ON ACTIVITIES NOT INVOLVING CASH FLOW:		
Issuance of share capital (including additional paid-in capital) upon notes receivable	\$ 658,325	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION - CASH (PAID) RECEIVED DURING THE PERIOD FOR:		
Interest	\$ 56,636	\$ (548)
Advances to income tax authorities	\$ (20,176)	\$ (10,040)

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

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GENERAL

The interim financial statements of Electric Fuel Corporation ("the Company") reflect all adjustments, consisting only of normal recurring accruals, which are, in the opinion of the Company's management, necessary for a fair statement of results for the periods presented. Operating revenue and expenses for any interim period are not necessarily indicative of results for a full year.

For the purpose of these interim financial statements, certain information and disclosures normally included in financial statements have been condensed or omitted. These unaudited statements should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 1999.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this Quarterly Report. Amounts reported here have been rounded to the nearest thousand, unless such amounts are more than 1.0 million, in which event such amounts have been rounded to the nearest hundred thousand.

General

The Company has experienced significant fluctuations in the sources and amounts of its revenues and expenses, and the Company believes that the following comparisons of results of operations for the periods presented do not provide a meaningful indication of the development of the Company. During these periods, the Company has received periodic lump-sum payments relating to licensing and other revenues from its strategic partners; these payments have been based on the achievement of certain milestones, rather than ratably over time. The Company's expenses have been based upon meeting the contractual requirements under its agreements with various strategic partners and, therefore, have also varied according to the timing of activities, such as the need to provide prototype products and to establish and engineer refueling and regeneration facilities. The Company's research and development expenses have been offset, to a limited extent, by the periodic receipt of research grants from the Israeli Chief Scientist. The Company expects that, because of these and other factors, including general economic conditions and delays due to legislation and regulatory and other processes and the development of competing technologies, future results of operations may not be meaningfully compared with those of current and prior periods. Thus, the Company believes that period-to-period comparisons with its past results of operations should not be relied upon as indications of future performance.

The Company incurred significant operating losses for the years ended December 31, 1999, 1998 and 1997. While the Company expects to derive revenues from the sale of batteries for portable electronic devices, components of the Electric Fuel Electric Vehicle System, including refueling and Electric Fuel services and defense and safety products manufactured by the Company, as well as from licensing rights to the Electric Fuel technology to third parties, there can be no assurance that the Company will ever derive such revenues or achieve profitability.

Functional Currency

The Company's management considers the United States dollar to be the currency of the primary economic environment in which the Company's Israeli subsidiary, Electric Fuel (E.F.L.) Limited ("EFL"), operates. EFL has therefore adopted and is using the United States dollar as its functional currency. Further, the Company believes that the operations of EFL's subsidiaries are an integral part of the Israeli operations. Transactions and balances originally denominated in U.S. dollars are presented at the original amounts. Gains and losses arising from non-dollar transactions and balances are included in net income.

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Forward-Looking Statements

When used in this discussion, the words "believes," "anticipated," "expects" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected. See "Important Factors Regarding Forward-Looking Statements" attached as Exhibit 99 to the Company's Annual Report for the year ended December 31, 1999 on Form 10-K and incorporated herein by reference. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Results of Operations

Three months ended March 31, 2000, compared to the three months ended March 31, 1999.

Revenues. Revenues for the first quarter of 2000 totaled \$653,000 compared

with \$548,000 in the comparable period in 1999, an increase of \$105,000. During the first quarter of 2000, the Company recognized revenues from the sale of Survivor Locator Lights and sale of consumer batteries.

During the first quarter of 2000, revenues were \$286,000 for the Defense and Safety division (compared to \$256,000 in 1999), \$0 for the Electric Vehicle division (compared to \$287,000 for 1999) and \$363,000 for the Consumer Battery division (there were no revenues for this division in 1999).

Research and development expenses and cost of revenues. Research and development expenses and cost of revenues for the first quarter of 2000 were \$2.1 million compared with \$2.1 million for the first quarter of 1999. The Company believes that, given the Company's stage of development, it is not, at this time, meaningful to distinguish between R&D expenses and cost of revenues. With regard to the Company's R&D program, since the Company's 2000 grant applications have not yet been approved by the Research Committee of the Office of the Chief Scientist of the Ministry of Industry and Trade, the Chief Scientist royalty-bearing grants have not been recognized in the first quarter of 2000. During the first quarter of 1999, no royalty-bearing grants were recognized, as the 1999 Chief Scientist application was not approved until later in the year. R&D expenses and cost of operations related to Consumer Battery and Defense and Safety applications are expected to continue to increase for 2000, as the Company intensifies its efforts in these new areas.

Direct expenses for the Company's three divisions for the first quarter of 2000 were \$0.21 million (1998: \$0.36 million), \$0.16 million (1998: \$0.62 million), and \$1.93 million (1998: \$1.40 million) in the Defense and Safety, Electric Vehicle and Consumer Battery divisions, respectively.

Selling, general and administrative expenses. Selling, general and administrative expenses for the first quarter of 2000 were \$1,032,000 compared with \$874,000 in the first quarter of 1999. The Company expects further increases in selling, general and administrative expenses, particularly with respect to marketing expenses, as the Company expands the applications for its technology.

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Financial expenses. Financial expenses, net of interest income and exchange differentials, totaled approximately \$5,000 in the first quarter of 2000 compared to \$76,000 financial income in the same quarter in 1999.

Net losses. Due to the factors cited above, the Company reported a net loss of \$2.5 million in the first quarter of 2000 compared with a net loss of \$2.4 million in the first quarter of 1999.

Liquidity and Capital Resources

As of March 31, 2000, the Company had cash, cash equivalents and financial investments of approximately \$6.4 million compared with \$2.6 million as of December 31, 1999.

The Company used available funds in the first quarter of 2000 primarily for continued research and development expenditures, and other working capital needs. The Company increased its investment in fixed assets by \$403,000, primarily in the consumer battery division, during the quarter ended March 31, 2000.

On May 15, 2000 the Company announced that the Company and Koor Industries Ltd. ("Koor") had entered into an agreement pursuant to which Koor will acquire 1 million shares of the Company's common stock at a price of \$10 per share, for a total cash investment of \$10 million (with the number of shares being subject to possible upwards adjustment based on sales of the Company's stock at less than \$10/share during the six months following the investment). The parties have agreed that upon completion of this financing, the above transaction replaces the agreements previously announced by the Company and Koor on March 15, 2000 and the Company will not proceed with the acquisition of Koor's subsidiary Tadiran Batteries Ltd., as had been previously announced.

EFL presently has a line of credit ("the Credit Facility") with the First International Bank of Israel Ltd. ("FIBI"). Borrowings under the Credit Facility bear interest at FIBI's prime rate + 2% per annum, are unconditionally guaranteed by the Company and are secured by a pledge of foreign currency deposits in the amount of NIS 3.8 million (approximately \$944,000). Additionally, the Credit Facility imposes financial and other covenants on EFC and EFL. The agreement establishing the Credit Facility expired on January 20, 2000, and the Company is currently negotiating the renewal by FIBI. The Credit Facility provides EFL with a line of credit in the maximum principal amount of NIS 3.8 million (approximately \$944,000), which can be used as credit support for various obligations of EFL. The Company has an additional credit line of up to \$750,000 guaranteed by the Company's receivables (up to 75% of the receivables total amount as determined from time to time). As of March 31, 2000, FIBI had issued letters of credit and bank guarantees totaling approximately \$210,000.

The Company has no long term debt outstanding, and is using its cash reserves and revenues from operations primarily to continue development of batteries for consumer electronic devices, as well as to participate in the BIRD and FTA Electric Vehicle programs. Furthermore, the Company plans to establish in 2000 a commercial production line and prepare for market penetration of its new Zinc-Air battery for cellular telephones.

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The Company believes that its present cash position and cash flows from operations will be sufficient to satisfy the Company's estimated cash

requirements for at least 12 months. However, the Company will seek additional funding in order to accelerate its future plans.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is exposed to the impact of interest rate changes and foreign currency fluctuations due to its international sales, production and funding requirements.

The Company's research, development and production activities are primarily carried out by the Company's Israeli subsidiary EFL at the Company's facility in Beit Shemesh, and accordingly the Company has sales and expenses in new Israeli shekels. However, the majority of the Company's sales are made outside Israel in U.S dollars, and a substantial portion of the Company's costs are incurred in U.S. dollars. Therefore, the Company's functional currency is the U.S. dollar.

Although the Company has a line of credit that may be affected by interest rate changes, given the Company's level of borrowing, the Company does not believe the market risk from interest rate changes is material.

PART II - OTHER INFORMATION

Item 2. Changes in Securities.

In March 2000, the Company issued 3,268 and 3,914 shares of the Company's common stock to Dov B. Ben Meir and G. S. Schwartz & Co. Inc. (the "Consultants"), respectively, in payment of fees (totaling approximately \$15,327) for consulting services rendered by the Consultants to the Company in 1998 and 1999. The number of shares issued to the Consultants was calculated based on the trading price of the Company's common stock at the time the services were rendered. The shares were not registered under the Securities Act of 1933, as amended (the "Act"), and were issued in reliance on the exemption from registration provided by Section 4(2) of the Act as transactions by an issuer not involving a public offering.

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

The Company held its 1999 Annual Meeting of Stockholders on February 16, 2000. The following matters were voted upon at the meeting with the accompanying results:

1. Election of Class II directors:

<TABLE>
<CAPTION>

	Votes for -----	Votes withheld -----
<S>	<C>	<C>
Jack E. Rosenfeld	12,043,441	9,170
Lawrence M. Miller	12,043,441	9,170

</TABLE>

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2. Fixing the number of Class II directors at two.

	Votes for ---	Votes withheld -----	Votes abstaining -----
	12,000,044	27,325	25,242

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits filed herewith: Exhibit 27 - Financial Data Schedule

(b) The following reports on Form 8-K were filed during the first quarter of 2000:

<TABLE>
<CAPTION>

Date ----	Items Reported -----
<S>	<C>
March 24, 2000	Announcement of the proposed acquisition of Tadiran Batteries Ltd. by the Company and the proposed investment in the Company by Koor Industries Limited.
January 24, 2000	January 2000 private placement of 385,000 shares of the Company's common stock.
January 18, 2000 (as amended on January 21, 2000)	Change in the Company's Independent Accountants.
January 7, 2000	December 1999 private placement of 1,425,000 shares of the Company's common stock and

warrants to purchase an additional 1,425,000
shares of the Company's common stock.

</TABLE>

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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.

ELECTRIC FUEL CORPORATION

(Registrant)

/s/ Robert S. Ehrlich

By: _____

Name: Robert S. Ehrlich

Title: Chairman of the Board and
Chief Financial Officer

Dated: May 15, 2000

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<FN>

<F1>TOTAL COSTS INCLUDES RESEARCH AND DEVELOPMENT EXPENSES AND COST OF REVENUES. BECAUSE OF THE NATURE OF THE COMPANY'S OPERATIONS, MANAGEMENT IS OF THE OPINION THAT IT IS NOT MEANINGFUL TO SEGREGATE THESE COSTS. </FN>

</TABLE>