

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):

August 2, 2007

ULTRALIFE BATTERIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

0-20852

(Commission File Number)

16-1387013

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

2000 Technology Parkway, Newark, New York

(Address of principal executive offices)

14513

(Zip Code)

(315) 332-7100

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

Ultralife Batteries reported record revenues of \$35.2 million for its second quarter of 2007, an increase of 65% compared with \$21.4 million reported in the same three-month period in 2006. Operating income rose more than three-fold to \$1.7 million compared with \$0.5 million a year ago.

The Company's press release is attached as Exhibit 99.1 to this Form 8-K. The information set forth in this Form 8-K and the attached exhibit is being furnished to and not filed with the Securities and Exchange Commission and shall not be deemed to be incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except to the extent specifically provided in any such filing.

Item 9.01. Financial Statements, Pro Forma Financials and Exhibits.

(a) Financial Statements of Business Acquired.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

99.1 Press Release dated August 2, 2007.

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.

Dated: August 2, 2007

ULTRALIFE BATTERIES, INC.

By: /s/ Robert W. Fishback

Robert W. Fishback

Vice President of Finance and CFO

INDEX TO EXHIBITS

(99) Additional Exhibits

99.1 Press Release dated August 2, 2007.

Ultralife Batteries Reports Second Quarter Results

Revenues Increase 65% to \$35.2 Million

NEWARK, N.Y.--(BUSINESS WIRE)--Aug. 2, 2007--Ultralife Batteries, Inc. (NASDAQ: ULBI) reported record revenues of \$35.2 million for its second quarter of 2007, an increase of 65% compared with \$21.4 million reported in the same three-month period in 2006. Operating income rose more than three-fold to \$1.7 million compared with \$0.5 million a year ago.

Second quarter revenues grew \$13.8 million year-over-year due in part to higher sales to international governments and defense organizations, as well as the addition of communications accessories sales from the McDowell acquisition which the company completed in mid-2006. As a percentage of revenues, gross margin for the second quarter of 2007 was 24%, up from 20% a year ago due to higher sales and production volumes and a shift toward more highly engineered products. Operating expenses totaled \$6.9 million, which included \$1.4 million of additional expenses and \$0.6 million of intangible asset amortization connected with last year's acquisitions. Excluding these items, operating expenses rose \$1.0 million over the \$3.9 million reported in the comparable quarter last year due to increased corporate costs required to operate a larger, more diverse business. Net interest expense was \$0.6 million in the second quarter of 2007, up from \$0.2 million reported in the prior year due to the increased debt to finance last year's acquisitions. Net income for the second quarter of 2007 was \$1.3 million, or \$0.08 per diluted share, compared with net income of \$109,000, or \$0.01 per share, for the same quarter in 2006.

For the six-month period ended June 30, 2007, revenues totaled \$67.5 million compared to \$39.7 million for the same period a year ago. Operating income amounted to \$2.3 million for the first half of 2007, an increase of \$1.6 million over 2006. Net income for the first half of 2007 was \$1.3 million, or \$0.08 per diluted share, compared to \$249,000, or \$0.02 per share, for the same period last year.

"Second quarter results offer solid evidence of the success we have achieved in diversifying the company's government/defense revenue mix and in broadening the range of our product offering, coupled with our commitment to improving operational efficiencies," said John D. Kavazanjian, Ultralife's president and chief executive officer. "Second quarter revenue marked the fourth consecutive quarter of year-over-year growth and surpassed last quarter's record level. In addition, we continued to drive gross margin expansion as we increased the contribution of higher engineered products and improved manufacturing efficiencies. Asset utilization also improved with inventory levels and revolver borrowings down from the first quarter."

"To build on these positive trends in margins and asset utilization, we are continuing to push for margin improvement in our communications accessories business and for even better operational efficiencies across the organization," continued Kavazanjian. "At the same time, we are addressing an ever-widening set of growth opportunities as demand for portable power in new and existing applications is proliferating in both government/defense and commercial markets. With an expanding portfolio of high performance products, supported by our unrivaled product development capability and engineering expertise, and an established global distribution network, we are in an excellent position to translate these opportunities into continued profitable revenue growth."

Outlook

Management is projecting revenue between \$33 million and \$36 million for its third quarter ending September 29, 2007, based on current backlog, anticipated orders and anticipated delivery schedules. Based on this revenue estimate, management anticipates reporting operating income in the range of \$1.2 million to \$1.8 million, inclusive of approximately \$1.0 million of non-cash expenses related to stock-based compensation and intangible asset amortization.

About Ultralife Batteries, Inc.

Ultralife is a global provider of high-energy power solutions and communications accessories for diverse applications. The company develops, manufactures and markets a wide range of non-rechargeable

and rechargeable batteries, charging systems and accessories including power supplies, amplifiers, amplified speakers, equipment mounts, case equipment and integrated communication systems for markets including defense, commercial and consumer portable electronics. Through its portfolio of standard products and engineered solutions, Ultralife is at the forefront of providing the next generation of power systems and accessories. Defense, commercial and retail customers include: General Dynamics, Philips Medical Systems, General Motors, Energizer, Kidde Safety, Lowe's, Radio Shack and the national defense agencies of the United States, United Kingdom, Germany, Australia and New Zealand, among others.

Ultralife's headquarters, principal manufacturing and research facilities are in Newark, New York, near Rochester. Ultralife's three other operating units are: Ultralife Batteries (UK) Ltd., in Abingdon, England; McDowell Research in Waco, Texas; and ABLE New Energy in Shenzhen, China. Detailed information on Ultralife is available at: www.ultralifebatteries.com.

This press release may contain forward-looking statements based on current expectations that involve a number of risks and uncertainties. The potential risks and uncertainties that could cause actual results to differ materially include: Worsening global economic conditions, increased competitive environment and pricing pressures, disruptions related to restructuring actions and delays. Further information on these factors and other factors that could affect Ultralife's financial results is included in Ultralife's Securities and Exchange Commission (SEC) filings, including the latest Annual Report on Form 10-K.

Conference Call Information

Investors are invited to listen to a live webcast of the conference call at 10:00 a.m. ET on August 2, 2007 at <http://investor.ultralifebatteries.com>. To listen to the live call, please go to the web site at least fifteen minutes early to download and install any necessary audio software. For those who cannot listen to the live broadcast, a replay of the webcast will be available shortly after the call at the same location for 90 days. Investors may also listen to a telephone replay of the conference call by dialing 888-203-1112, Reservation 2728461, during the period starting at 1:00 p.m. ET August 2 and ending at 1:00 p.m. ET August 9, 2007.

Ultralife(R) is a registered trademark of Ultralife Batteries, Inc.

ULTRALIFE BATTERIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three-Month Periods Ended		Six-Month Periods Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Revenues:				
Non-rechargeable products	\$ 22,808	\$ 18,458	\$ 40,966	\$ 34,103
Rechargeable products	4,561	2,648	10,090	5,213
Communications accessories	7,688	-	16,179	-
Technology contracts	139	287	281	396
Total revenues	35,196	21,393	67,516	39,712
Cost of products sold:				
Non-rechargeable products	16,607	14,900	30,217	27,223
Rechargeable products	3,618	1,859	7,785	3,728
Communications accessories	6,237	-	13,208	-
Technology				

contracts	117	257	188	414
Total cost of products sold	26,579	17,016	51,398	31,365
Gross margin	8,617	4,377	16,118	8,347
Operating expenses:				
Research and development	1,688	884	3,302	1,844
Selling, general, and administrative	5,212	3,032	10,508	5,814
Total operating expenses	6,900	3,916	13,810	7,658
Operating income	1,717	461	2,308	689
Other income (expense):				
Interest income	18	40	32	85
Interest expense	(604)	(207)	(1,261)	(412)
Gain on insurance settlement	-	43	-	191
Miscellaneous	167	139	183	147
Income before income taxes	1,298	476	1,262	700
Income tax provision-current	-	20	-	24
Income tax provision-deferred	-	347	-	427
Total income taxes	-	367	-	451
Net income	\$ 1,298	\$ 109	\$ 1,262	\$ 249
Earnings per share - basic	\$ 0.09	\$ 0.01	\$ 0.08	\$ 0.02
Earnings per share - diluted	\$ 0.08	\$ 0.01	\$ 0.08	\$ 0.02
Weighted average shares outstanding - basic	15,123	14,851	15,100	14,807
Weighted average shares outstanding - diluted	15,331	15,165	15,320	15,150

ULTRALIFE BATTERIES, INC.
 CONSOLIDATED BALANCE SHEETS
 (In Thousands, Except Per Share Amounts)
 (unaudited)

ASSETS	June 30, 2007	December 31, 2006
Current assets:		
Cash and investments	\$553	\$720
Trade accounts receivable, net	23,190	24,197
Inventories	30,554	27,360
Prepaid expenses and other current assets	2,897	3,603
Total current assets	57,194	55,880

Property and equipment	19,396	19,396
Other assets		
Goodwill, intangible and other assets	22,832	22,482
	-----	-----
Total Assets	\$99,422	\$97,758
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Short-term debt and current portion of long-term debt	\$13,110	\$12,246
Accounts payable	14,480	15,925
Other current liabilities	8,479	9,639
	-----	-----
Total current liabilities	36,069	37,810
	-----	-----
Long-term liabilities:		
Long-term debt and capital lease obligations	20,350	20,043
Other long-term liabilities	482	316
	-----	-----
Total long-term liabilities	20,832	20,359
	-----	-----
Shareholders' equity:		
Common stock, par value \$0.10 per share	1,586	1,578
Capital in excess of par value	136,071	134,736
Accumulated other comprehensive income	6	(321)
Accumulated deficit	(92,764)	(94,026)
	-----	-----
44,899	44,899	41,967
Less -- Treasury stock, at cost	2,378	2,378
	-----	-----
Total shareholders' equity	42,521	39,589
	-----	-----
Total Liabilities and Shareholders' Equity	\$99,422	\$97,758
	=====	=====

CONTACT: Ultralife Batteries, Inc.
Robert W. Fishback, (315) 332-7100
bfishback@ulbi.com
or
Investor Relations:
Lippert/Heilshorn & Associates, Inc.
Jody Burfening, (212) 838-3777
jburfening@lhai.com