

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):

May 5, 2011

ULTRALIFE CORPORATION  
(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 14513  
(Address of principal executive offices) (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))

Revenue for the first quarter was \$30.7 million compared to \$38.5 million for the first quarter of 2010. 2011 revenue included a \$2.7 million charge to reflect a proposed settlement with the U.S. government related to exigent contracts completed between 2003 and 2004, as disclosed on April 29. Excluding the \$2.7 million charge, Battery & Energy Products revenue increased by 11.1% to \$27.0 million reflecting increased demand for commercial products from the company's China operation and chargers. Communications Systems revenue was \$4.2 million, down from \$12.2 million for the first quarter of 2010 reflecting delays in orders from the U.S. Department of Defense and the absence of orders for SATCOM systems for the first quarter of 2011. Energy Services revenue was \$2.3 million, compared to \$2.0 million for the same period last year. As disclosed on March 10, the company is exiting the Energy Services business in 2011.

Gross profit for the first quarter of 2011 was \$3.5 million, or 11.5% of revenue, compared to \$9.8 million, or 25.3% of revenue, for the same quarter a year ago. 2011 gross profit reflected the \$2.7 million charge, unfavorable product mix and deterioration in the gross margin for the Energy Services segment. Also included in gross profit for the first quarter of 2011 was \$0.7 million of costs related to exiting the Energy Services business, of which \$0.6 million was non-cash. Excluding the \$2.7 million charge and Energy Services segment gross profit for both periods, gross margin would have been 23.3% for the first quarter of 2011, compared to 27.0% for the same period last year. The reduction in gross margin was primarily caused by the completion of a low margin contract from 2009, manufacturing variances due to low U.S. government defense sales volume and the write-off of certain inventories.

Operating expenses for the first quarter of 2011 were \$9.3 million, compared to \$8.9 million a year ago. The increase over 2010 was a result of higher research & development expenses reflecting new product development activity for the Battery & Energy Products and Communications Systems segments.

As a result, the company reported an operating loss of \$5.8 million, compared to operating income of \$0.9 million for the same period last year. Net loss was \$5.7 million, or \$0.33 per share, compared to net income of \$0.3 million, or \$0.02 per share, for the first quarter of 2010.

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) Exhibits.

99.1 Press Release dated May 5, 2011.

## 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: May 5, 2011

ULTRALIFE CORPORATION

By: /s/ Philip A. Fain

Philip A. Fain

Chief Financial Officer & Treasurer

## INDEX TO EXHIBITS

(99) Additional Exhibits

99.1 Press Release dated May 5, 2011.

## Ultralife Corporation Reports First Quarter Results

NEWARK, N.Y.--(BUSINESS WIRE)--May 5, 2011--Ultralife Corporation (NASDAQ: ULBI) reported an operating loss of \$5.8 million on revenues of \$30.7 million for the first quarter ended April 3, 2011.

Revenue for the first quarter was \$30.7 million compared to \$38.5 million for the first quarter of 2010. 2011 revenue included a \$2.7 million charge to reflect a proposed settlement with the U.S. government related to exigent contracts completed between 2003 and 2004, as disclosed on April 29. Excluding the \$2.7 million charge, Battery & Energy Products revenue increased by 11.1% to \$27.0 million reflecting increased demand for commercial products from the company's China operation and chargers. Communications Systems revenue was \$4.2 million, down from \$12.2 million for the first quarter of 2010 reflecting delays in orders from the U.S. Department of Defense and the absence of orders for SATCOM systems for the first quarter of 2011. Energy Services revenue was \$2.3 million, compared to \$2.0 million for the same period last year. As disclosed on March 10, the company is exiting the Energy Services business in 2011.

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“During the first quarter, the government budget approval delays negatively impacted our financial results. We did make good progress in our Lean manufacturing implementation and cost reduction initiatives that are focused on improving operating efficiencies,” said Michael D. Popielec, Ultralife’s president and chief executive officer. “Additionally, we recognized the financial impact of commencing the closedown of our Energy Services segment, and the proposed settlement with the U.S. Government related to the three exigent business contracts. Resolution of these issues leaves us much better positioned to concentrate our efforts on developing new products for our customers and expanding our profitability. While timing of orders remains uncertain, we are pleased that the recent budget agreement is leading to increased order activity with our core U.S. government and defense customers.”

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## **Outlook**

Management has refined its guidance for 2011 revenue and operating income from continuing operations and now expects revenue of approximately \$162 million and operating income of approximately \$7.8 million. This guidance takes into account management's previously announced decision to exit the Energy Services business and, once completed, to reclassify the Energy Services segment as a discontinued operation. Management cautions that the timing of orders and shipments may cause variability in quarterly results.

## **About Ultralife Corporation**

Ultralife Corporation, which began as a battery company, serves its markets with products and services ranging from portable power solutions to communications and electronics systems. Through its engineering and collaborative approach to problem solving, Ultralife serves government, defense and commercial customers across the globe.

Headquartered in Newark, New York, the company's business segments include: Battery & Energy Products and Communications Systems. Ultralife has operations in North America, Europe and Asia. For more information, visit [www.ultralifecorp.com](http://www.ultralifecorp.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: uncertain global economic conditions, increased competitive environment and pricing pressures, disruptions related to restructuring actions and delays. The Company cautions investors not to place undue reliance on forward-looking statements, which reflect the Company's analysis only as of today's date. The Company undertakes no obligation to publicly update forward-looking statements to reflect subsequent events or circumstances. 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**

Ultralife will hold its first quarter earnings conference call today at 10:00 AM ET. To participate, please call (800) 915-4836, identify yourself and ask for the Ultralife call. The conference call will also be broadcast live over the Internet at <http://investor.ultralifecorp.com>. To listen to the 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 webcast, a replay of the webcast will be available shortly after the call at the same location.

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ULTRALIFE CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In Thousands, Except Per Share Amounts)  
(Unaudited)

	Three-Month Periods Ended	
	April 3, 2011	March 28, 2010
<b>Revenues:</b>		
Battery & energy products	\$ 24,248	\$ 24,290
Communications systems	4,208	12,179
Energy services	2,288	2,038
<b>Total revenues</b>	<u>30,744</u>	<u>38,507</u>
<b>Cost of products sold:</b>		
Battery & energy products	21,207	19,088
Communications systems	2,711	7,542
Energy services	3,296	2,119
<b>Total cost of products sold</b>	<u>27,214</u>	<u>28,749</u>
<b>Gross margin</b>	3,530	9,758
<b>Operating expenses:</b>		
Research and development	2,507	1,728
Selling, general, and administrative	6,824	7,176
<b>Total operating expenses</b>	<u>9,331</u>	<u>8,904</u>
<b>Operating income (loss)</b>	(5,801)	854
<b>Other income (expense):</b>		
Interest income	1	3
Interest expense	(164)	(497)
Miscellaneous	331	41
<b>Income (loss) before income taxes</b>	<u>(5,633)</u>	<u>401</u>
Income tax provision-current	4	24
Income tax provision-deferred	66	81
<b>Total income taxes</b>	<u>70</u>	<u>105</u>
<b>Net income (loss)</b>	(5,703)	296
<b>Net (income) loss attributable to noncontrolling interest</b>	<u>13</u>	<u>(9)</u>
<b>Net income (loss) attributable to Ultralife</b>	<u>\$ (5,690)</u>	<u>\$ 287</u>
<b>Net income (loss) attributable to Ultralife common shareholders - basic</b>	<u>\$ (0.33)</u>	<u>\$ 0.02</u>
<b>Net income (loss) attributable to Ultralife common shareholders - diluted</b>	<u>\$ (0.33)</u>	<u>\$ 0.02</u>
<b>Weighted average shares outstanding - basic</b>	<u>17,276</u>	<u>16,995</u>
<b>Weighted average shares outstanding - diluted</b>	<u>17,276</u>	<u>16,999</u>

ULTRALIFE CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(In Thousands, Except Per Share Amounts)  
(unaudited)

	April 3, 2011	December 31, 2010
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 8,630	\$ 5,105
Trade accounts receivable, net	21,111	34,270
Inventories	41,965	33,122
Prepaid expenses and other current assets	2,195	3,157
Total current assets	73,901	75,654
<b>Property and equipment</b>	13,982	14,485
<b>Other assets</b>		
Goodwill, intangible and other assets	24,508	24,696
Total Assets	\$ 112,391	\$ 114,835
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Short-term debt and current portion of long-term debt	\$ 10,580	\$ 8,717
Accounts payable	17,105	16,409
Other current liabilities	11,532	11,219
Total current liabilities	39,217	36,345
<b>Long-term liabilities:</b>		
Long-term debt and capital lease obligations	-	251
Other long-term liabilities	4,524	4,444
Total long-term liabilities	4,524	4,695
<b>Shareholders' equity:</b>		
Ultralife equity:		
Common stock, par value \$0.10 per share	1,869	1,865
Capital in excess of par value	171,353	171,020
Accumulated other comprehensive loss	(1,035)	(1,262)
Accumulated deficit	(95,890)	(90,200)
Less -- Treasury stock, at cost	76,297	81,423
Total Ultralife equity	7,658	7,652
Noncontrolling interest	68,639	73,771
Total shareholders' equity	11	24
Total shareholders' equity	68,650	73,795
Total Liabilities and Shareholders' Equity	\$ 112,391	\$ 114,835

**CONTACT:**

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