

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, 2005

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 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))

Item 2.02. Regulation FD Disclosure.

Ultralife Batteries, Inc. (the "Company") reported results for the first quarter ended April 2, 2005. Revenues for the quarter were \$15.4 million compared to \$27.0 million for the comparable quarter last year. The Company's press release is attached as Exhibit 99.1. The information set forth in this Report on Form 8-K, including the attached exhibit, is being furnished and not filed pursuant to Item 2.02.

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 May 5, 2005.

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.

ULTRALIFE BATTERIES, INC.

Dated: May 5, 2005

By: /s/ Robert W. Fishback

Robert W. Fishback
Vice President of Finance & CFO

INDEX TO EXHIBITS

(99) Additional Exhibits

99.1 Press Release dated May 5, 2005.

Ultralife Batteries Reports First Quarter Results

NEWARK, N.Y.--(BUSINESS WIRE)--May 5, 2005--Ultralife Batteries, Inc. (NASDAQ: ULBI) today reported results for the first quarter ended April 2, 2005. Revenues for the quarter were \$15.4 million compared to \$27.0 million for the comparable quarter last year. The net loss for the first quarter of 2005 was \$1.6 million, or \$0.11 per share, compared with net income of \$3.2 million, or \$0.22 per diluted share, in the same quarter in 2004.

The first quarter revenue decline reflects lower shipments of BA-5390 batteries to the U.S. military, as anticipated, mostly related to delays in contract awards resulting from a shift in procurement responsibility within the military from the U.S. Army/CECOM to the Defense Logistics Agency (DLA). This decrease was partially offset by higher sales of 9-volt, small cylindrical and rechargeable batteries.

Gross margins were 13% compared to 23% in the same quarter last year, in line with reduced production volumes. Operating expenses were \$3.7 million, a \$0.8 million increase over last year's first quarter, driven by higher costs for new product development, higher external audit fees related to requirements under the Sarbanes-Oxley Act, and added general and administrative resources needed to support the company's growth objectives. Operating loss for the quarter was \$1.7 million versus operating income of \$3.4 million for the same period last year.

"The financial results for the first quarter are in line with our guidance, and we are on track to resume top- and bottom-line growth during the rest of the year," said John D. Kavazanjian, president and chief executive officer. "Order activity is picking up as the U.S. Government restocks inventories and, building on the fourth quarter successes, we are participating in a growing number of new device projects with military contractors. Ultralife's position with the U.S. military remains strong, and we are now working on development projects for nearly all the next-generation portable device applications. On the commercial front, we are achieving design wins in key target markets while design activity continues to increase with a growing percentage of opportunities coming from prospective international customers."

Outlook

For the second quarter ending July 2, 2005, management currently projects revenues of approximately \$28.0 million and operating income of approximately \$2.5 million, assuming that the company receives additional orders from the U.S. military for delivery of BA-5390 batteries, either under the Next Gen II Phase IV contract or other urgent buy contracts.

For the full year of 2005, management continues to expect revenue growth in the range of 10% to 20% over 2004. Order activity and shipments are expected to increase throughout the year, as commercial orders take hold and the military business stabilizes. Growth in the commercial business is expected to result from continued success in key target markets, such as automotive telematics, search & rescue, and medical. This revenue growth target also assumes order activity from the U.S. military in conjunction with the award of the Next Gen II Phase IV contract and other contract activity. Operating income in 2005 is expected to show steady growth throughout the year, moving toward the company's near-term operating margin target of 15% by year-end.

About Ultralife Batteries, Inc.

Ultralife is a global provider of power solutions for diverse applications. The company develops, manufactures and markets a wide range of non-rechargeable and rechargeable batteries, charging systems and accessories for use in military, industrial and consumer portable electronic products. Through its range of standard products and engineered solutions, Ultralife is able to provide the next generation of power systems. Industrial, retail and government customers include General Dynamics, Philips Medical Systems, Energizer, Kidde Safety, Lowe's, Radio Shack and the national defense agencies of the United States and United Kingdom, among others.

Ultralife's headquarters, principal manufacturing and research facilities are in Newark, New York, near Rochester. Ultralife (UK) Ltd., a second manufacturing facility, is located in Abingdon, England. Both facilities are ISO-9001 certified. Detailed information on Ultralife is available at the Company's web site, www.ultralifebatteries.com.

This press release contains 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: loss of business with the U.S. government, worsening global economic conditions, world events, 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 May 5 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 #2041456, starting at 1:00 p.m. ET May 5 until 1:00 p.m. ET May 19.

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	
	April 2, 2005	March 27, 2004
Revenues:		
Non-rechargeable products	\$12,808	\$25,322
Rechargeable products	2,128	1,374
Technology contracts	427	292
Total revenues	15,363	26,988
Cost of products sold:		
Non-rechargeable products	10,868	18,548
Rechargeable products	2,077	1,859
Technology contracts	395	249
Total cost of products sold	13,340	20,656
Gross margin	2,023	6,332
Operating expenses:		
Research and development	846	503
Selling, general, and administrative	2,901	2,471
Total operating expenses	3,747	2,974
Operating (loss)/income	(1,724)	3,358
Other income (expense):		
Interest income	60	20
Interest expense	(193)	(125)
Miscellaneous	(3)	61
(Loss)/income before income taxes	(1,860)	3,314
Income tax (benefit)/provision-current	(17)	79
Income tax benefit-deferred	(293)	-

Total income taxes	(310)	79
	-----	-----
Net (loss)/income	\$(1,550)	\$3,235
	=====	=====
(Loss)/earnings per share - basic	\$(0.11)	\$0.23
	=====	=====
(Loss)/earnings per share - diluted	\$(0.11)	\$0.22
	=====	=====
Weighted average shares outstanding - basic	14,376	13,772
	=====	=====
Weighted average shares outstanding - diluted	14,376	14,890
	=====	=====

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

ASSETS	April 2, 2005	December 31, 2004
	-----	-----
Current assets:		
Cash and investments	\$10,711	\$11,529
Trade accounts receivable, net	9,368	8,585
Inventories	15,943	13,938
Prepaid expenses and other current assets	4,835	6,131
	-----	-----
Total current assets	40,857	40,183
Property and equipment	19,851	20,202
Other assets	21,368	20,749
	-----	-----
Total Assets	\$82,076	\$81,134
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$2,219	\$2,390
Accounts payable	5,154	3,545
Other current liabilities	4,594	3,603
	-----	-----
Total current liabilities	11,967	9,538
	-----	-----
Long-term liabilities:		
Long-term debt and capital lease obligations	6,548	7,215
Other long-term liabilities	575	756
	-----	-----
Total long-term liabilities	7,123	7,971
	-----	-----
Shareholders' equity:		
Common stock, par value \$0.10 per share	1,514	1,502
Capital in excess of par value	128,231	127,299
Accumulated other comprehensive income	(638)	(605)
Accumulated deficit	(63,743)	(62,193)
	-----	-----
Less --Treasury stock, at cost	65,364	66,003
	2,378	2,378
	-----	-----
Total shareholders' equity	62,986	63,625
	-----	-----
Total Liabilities and Shareholders' Equity	\$82,076	\$81,134
	=====	=====

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