

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

FORM 8-K

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):

May 13, 2003

ULTRALIFE BATTERIES, INC.  
-----

(Exact name of registrant as specified in its charter)

Delaware  
-----

(State or other jurisdiction of incorporation or organization)

0-20852  
-----

16-1387013  
-----

(Commission File Number)

(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)

Item 7. 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 13, 2003

Item 9. Regulation FD Disclosure.

The following information is furnished pursuant to Item 12, Disclosure of Results of Operations and Financial Condition. It is being furnished under Item 9 of this Form 8-K in accordance with interim guidance issued by the Securities and Exchange Commission in Release No. 33-8216.

On May 13, 2003, Ultralife Batteries, Inc. (the "Company") issued a press release setting forth the Company's financial results for the first quarter of 2003. A copy of the Company's press release is attached hereto as Exhibit 99.1.

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 13, 2003

By: /s/Robert W. Fishback  
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Robert W. Fishback  
Vice President - Finance and  
Chief Financial Officer

Index to Exhibits

(99) Additional Exhibits

99.1 Press Release dated May 13, 2003

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ULTRALIFE BATTERIES, INC. REPORTS FIRST QUARTER EPS OF  
 \$0.02 ON REVENUE OF \$15.4 MILLION

- Revenues Increase 74% Over Prior Year; Operating Profit is \$0.6 Million -

Newark, NY, May 13, 2003 - Ultralife Batteries, Inc. (NASDAQ: ULBI) today is reporting operating income of \$0.6 million and net income of \$0.3 million, or \$0.02 per share, on revenues of \$15.4 million for the quarter ended March 29, 2003. These revenues represent a 74% increase over the Company's previous quarterly record of \$8.9 million reported for the same three-month period a year ago. In addition, the Company's operating cash flow, defined as operating income plus depreciation and amortization, amounted to \$1.3 million.

Revenue growth was fueled by greater demand for the Company's HiRate(R) battery products, particularly related to orders for UBI5390 batteries from the U.S. military used in a wide variety of communications and weapons applications. In addition, shipments of 9-volt batteries reached a quarterly record, and revenues from battery pack assemblies continued to increase.

Consolidated gross margin for the first quarter of 2003 was \$3.2 million, an improvement of more than \$2.2 million over the same quarter a year ago. Higher primary battery sales volumes, partially offset by ramp-up costs associated with the rapid growth in production levels, resulted in the gross margin increase.

The Company achieved operating income of \$0.6 million compared to an operating loss of \$2.1 million a year earlier. This progress resulted from the improvement in gross margins, as well as lower research and development costs attributable to the Company's rechargeable operations.

Net income for the quarter ended March 29, 2003 was \$0.3 million, or \$0.02 per share, compared to a net loss of \$2.8 million, or \$0.23 per share in the same three-month period last year.

"We are thrilled to have met our key financial goal of turning profitable on both an operating and a net basis and producing positive operating cash flow this quarter," said John D. Kavazanjian, president and chief executive officer of Ultralife Batteries. "This achievement is a major milestone for us as we have reported an operating profit for the first time in the Company's history. The sales growth in the quarter was even greater than we had been projecting because of an acceleration of shipments of UBI5390 batteries to the U.S. military. It was quite an accomplishment for our manufacturing operations to quickly increase production in such a short period of time. Going forward, we expect gross margins to improve further as our manufacturing processes mature and revenues continue to grow."

Mr. Kavazanjian continued, "Developing a broad, diversified portfolio of products is an essential part of our growth strategy, and we are continuing to see increasing demand for products in all areas of our business. We are optimistic about being able to build on our achievements this quarter as the marketplace continues to recognize the superior performance and technological advantages of our products."

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Second Quarter and Full Year Outlook

The Company projects that it will achieve revenues of approximately \$18.0 million for the quarter ending June 28, 2003. The Company now estimates that

revenues for the full year of 2003 will exceed \$65.0 million, an increase from the previous guidance of at least \$50.0 million. Basic earnings per share are projected to be in the range of \$0.11 to \$0.15 for the June 2003 quarter, compared with a loss of \$1.28 per share in the same quarter last year. For the full year, basic earnings per share are expected to be between \$0.35 and \$0.45, compared with a loss of \$1.75 per share in 2002. The losses per share for the June quarter and full year of 2002 include a charge of \$1.11 and \$1.12 per share, respectively, related to the impairment of certain fixed assets reflected in the June quarter.

#### About Ultralife

Ultralife is a leading developer, manufacturer, and marketer of customized and standard lithium primary, lithium ion and lithium polymer rechargeable batteries. Ultralife manufactures high-energy batteries utilizing advanced lithium technology. Our Primary (non-rechargeable), lithium ion and lithium polymer rechargeable batteries are used in military, industrial and consumer portable electronic products. OEM, retail and government customers include Energizer, Kidde Safety, Philips Medical Systems, Radio Shack and the national defense agencies of the United States, United Kingdom and Germany.

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, 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.

Detailed information on Ultralife is available at the Company's web site, [www.ultralifebatteries.com](http://www.ultralifebatteries.com).

#### Conference Call Information

Investors are invited to listen to a live webcast of the conference call at 10:00 a.m. ET on May 13 at [www.ultralifebatteries.com/invest.asp](http://www.ultralifebatteries.com/invest.asp). 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 800-428-6051, Reservation #291285, starting at 12:00 p.m. ET May 13 until 12:00 p.m. ET May 20.

Ultralife and HiRate are registered trademarks of Ultralife Batteries, Inc.

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

	Three Month Period Ended	
	March 29, 2003	March 31, 2002
	----	----
Revenues:		
Battery sales	\$15,012	\$ 8,827
Technology contracts	416	35
	-----	-----
Total revenues	15,428	8,862
Cost of products sold:		
Battery costs	12,055	7,907
Technology contracts	214	33
	-----	-----
Total cost of products sold	12,269	7,940
Gross margin	3,159	922
Operating expenses:		
Research and development	585	1,038
Selling, general, and administrative	1,962	1,981
	-----	-----
Total operating expenses	2,547	3,019
Operating income (loss)	612	(2,097)
Other income (expense):		
Interest, net	(91)	(98)
Equity loss in UTI	--	(501)
Miscellaneous	(210)	(97)
	-----	-----
Income (loss) before income taxes	311	(2,793)
Income taxes	--	--
	-----	-----
Net income (loss)	\$ 311	\$(2,793)
	=====	=====
Earnings (loss) per share - basic	\$ 0.02	\$ (0.23)
	=====	=====
Earnings (loss) per share - diluted	\$ 0.02	\$ (0.23)
	=====	=====
Average shares outstanding - basic	12,852	12,319
	=====	=====
Average shares outstanding - diluted	12,938	12,319
	=====	=====

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

ASSETS	March 29, 2003 (Unaudited)	December 31, 2002
-----		
Current assets:		
Cash and investments	\$ 446	\$ 1,374
Trade accounts receivable, net	9,696	6,200
Inventories	5,744	5,813
Prepaid expenses and other current assets	851	968
Total current assets	----- 16,737	----- 14,355
Property and equipment	15,897	15,336
Other assets	1,658	1,683
Total Assets	----- \$ 34,292 =====	----- \$ 31,374 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,922	\$ 4,283
Other current liabilities	3,825	2,861
Total current liabilities	----- 9,747	----- 7,144
Long-term debt and capital lease obligations	1,904	1,987
Shareholders' equity:		
Common stock, par value \$0.10 per share	1,358	1,358
Capital in excess of par value	115,279	115,251
Accumulated other comprehensive loss	(957)	(1,016)
Accumulated deficit	(90,661)	(90,972)
Total shareholders' equity	----- 25,019	----- 24,621
Less --Treasury stock, at cost	2,378	2,378
Total shareholders' equity	----- 22,641	----- 22,243
Total Liabilities and Shareholders' Equity	----- \$ 34,292 =====	----- \$ 31,374 =====

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