

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)  
**February 15, 2012**

**Ultralife Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**000-20852**

(Commission File Number)

**16-1387013**

(IRS 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 (see General Instruction A.2. below):

- 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))

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## Item 2.02. Results of Operations and Financial Condition.

Ultralife Corporation (the "Company") (NASDAQ: ULBI) reported operating income from continuing operations of \$2.1 million on revenue of \$31.4 million for the quarter ended December 31, 2011. For the fourth quarter of 2010, the Company reported operating income of \$3.0 million on revenue of \$45.9 million.

Gross profit for the fourth quarter of 2011 was \$9.4 million, or 30.0% of revenue, compared to \$12.7 million, or 27.6% of revenue, for the same quarter a year ago. Operating expenses for the fourth quarter of 2011 totaled \$7.3 million compared to \$9.6 million a year ago. The Company reported net income from continuing operations of \$1.7 million, or \$0.10 per share, for the fourth quarter of 2011, compared to net income from continuing operations of \$3.4 million, or \$0.20 per share, for the same quarter in 2010. Net income from discontinued operations was \$0.1 million, or \$.00 per share, compared to a net loss of \$14.4 million, or \$.84 per share, for the same quarter last year.

For the fiscal year ended December 31, 2011 revenue from continuing operations was \$139.4 million, compared to \$166.8 million for the same period a year ago. The operating income for 2011 was \$2.5 million compared to operating income of \$11.9 million for 2010. Net income from continuing operations was \$1.6 million for 2011, or \$0.09 per share, compared to net income of \$11.2 million, or \$0.65 per share, for the same period a year ago. The net loss from discontinued operations was \$3.7 million, or \$0.21 per share, including \$2.8 million of costs related to the exit of the Energy Services business, compared to a net loss of \$17.4 million or \$1.01 per share for 2010.

Attached as Exhibit 99.1 and incorporated herein by reference is a copy of the press release issued by Ultralife Corporation on February 16, 2012 relating to our results of operations for the quarter and year ended December 31, 2011. The information set forth in this Item 2.02 and the press release are being furnished pursuant to Item 2.02 of Form 8-K and General Instruction B.2 thereunder. That information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

## Item 2.05. Costs Associated with Exit or Disposal Activities.

On February 15, 2012, senior management of the Company, as authorized by the Company's Board of Directors, decided that the Company should divest itself of the Company's RedBlack Communications business. As a result of management's ongoing review of the Company's business portfolio, management had determined that RedBlack offers limited opportunities to achieve the operating margin thresholds of the Company's new business model and decided to refocus the Company's operations on profitable growth opportunities presented in the other product lines that comprise our business segments, Battery & Energy Products and Communication Systems. Since 2008, our RedBlack Communications business has incurred significant operating losses. We are looking to sell our RedBlack subsidiary as a going concern and will be engaging appropriate professionals to assist in that effort. We anticipate that the actions taken to divest the RedBlack Communications business will result in the elimination of approximately 30 jobs and the transfer of the RedBlack facility located in Hollywood, Maryland in connection with the divestiture. We cannot predict at this time when the closing of any divestiture transaction will occur. Commencing with the first quarter of 2012 and concluding with the ultimate closing of the transaction, the results of RedBlack operations and related divestiture costs will be reported as a discontinued operation.

We cannot at this time determine an estimate or a range of estimates of the extent of the restructuring charges we will incur in connection with the RedBlack divestiture as required by paragraphs (b), (c) and (d) of Item 2.05 of Form 8-K. Accordingly, we undertake to file an amendment to this Form 8-K at such time as those estimates are available.

### Forward-Looking Statements

This report on Form 8-K 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, and disruptions related to restructuring actions and delays. The Company cautions investors not to place undue reliance on forward-looking statements, which reflect our analysis only as of the date of this filing. We undertake 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 the Company's financial results is included in our filings with the United States Securities & Exchange Commission, including our latest Annual Report on Form 10-K.

### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is being furnished as part of this Report.

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press Release of Ultralife Corporation dated February 16, 2012

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### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### Ultralife Corporation

Date: February 16, 2012

By: /s/ PETER F. COMERFORD  
Peter F. Comerford  
*Vice President of Administration and  
General Counsel*

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### EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press Release of Ultralife Corporation dated February 16, 2012

## Ultralife Corporation Reports Fourth Quarter Results

### Fourth Quarter Gross Margin Improves to 30%

#### Company to Divest RedBlack Communications

NEWARK, N.Y., Feb. 16, 2012 (GLOBE NEWSWIRE) -- Ultralife Corporation (Nasdaq:ULBI) reported operating income from continuing operations of \$2.1 million on revenue of \$31.4 million for the quarter ended December 31, 2011. For the fourth quarter of 2010, the company reported operating income from continuing operations of \$3.0 million on revenue of \$45.9 million.

"We continued to achieve solid productivity gains and delivered an operating margin of 6.8% for the fourth quarter, despite lower revenues caused in large part by delays in government funding and the timing of certain rechargeable battery shipments which occurred in January 2012. The business-wide Lean implementation we launched earlier in the year and our strategic focus on high-margin product sales are clearly paying dividends, as demonstrated by our 240 basis point improvement in gross margin to 30.0% for the quarter. In Battery & Energy Products we posted a record gross margin of 29.1%, 340 basis points higher than last year, and in Communications Systems we increased gross margin by 40 basis points over last year," said Michael D. Popielec, Ultralife's president and chief executive officer.

"Our objective for 2011 was to exit the year better positioned to deliver consistent, profitable growth, and we met that objective," added Popielec. "Improving operational productivity, exiting businesses and products that were dilutive to earnings and more fully leveraging our China operation all contributed to an enhanced quality of earnings. We also launched a robust game plan for growth, including retooled new product development processes and expanded sales coverage to broaden customer reach and support new market opportunities. Finally, in the face of a difficult economy and continued government funding delays, we delivered a 6% sales increase in Battery & Energy Products, excluding the \$2.7 million DCAA settlement we recorded in the first quarter of the year."

#### Fourth Quarter 2011 Financial Results

During the second quarter of 2011, Ultralife completed the exit of the Energy Services business. As a result, the Energy Services segment has been reclassified as a discontinued operation. Revenue, gross margin and operating expense figures presented below represent results from continuing operations.

Revenue was \$31.4 million, compared to \$45.9 million for the fourth quarter of 2010, a 32% decline. Battery & Energy Product sales declined by \$8.9 million to \$23.9 million, primarily due to the high level of telematic sales shipped in the fourth quarter of 2010 offset in part by increased mix of rechargeable batteries and continued growth of primary batteries in the company's China operations. Communications Systems sales were \$7.5 million, compared to \$13.1 for the same period last year, a decline of \$5.6 million. Fourth quarter 2010 Communications Systems revenues included the sales of SATCOM systems and higher amplifier shipments. Excluding last year's sales of SATCOM systems, Communications Systems sales decreased by \$1.1 million or 13%, due to delays in the government funding approval for amplifier orders.

Gross profit was \$9.4 million, or 30.0% of revenue, compared to \$12.7 million, or 27.6% of revenue, for the same quarter a year ago. Battery & Energy Products' gross margin increased by 340 basis points to 29.1% from 25.7% last year reflecting the benefits of the company's ongoing Lean initiative and a greater mix of higher margin rechargeable batteries and charger systems. Gross margin for Communications Systems increased by 40 basis points to 33.0% reflecting a higher mix of AMTI amplifier sales.

Operating expenses were \$7.3 million, a decrease of \$2.3 million from \$9.6 million a year ago. The 25% reduction from 2010 resulted from continued actions to reduce general and administrative expenses while investing some of the savings in the development of new products and the expansion of the sales force to increase geographic coverage and penetrate new markets. As a percent of revenue, operating expenses were 23.2%, compared to 21.0% a year ago. Excluding sales of SATCOM systems from last year's revenue, operating expenses as a percent of revenue were 23.3%.

Despite weaker fourth quarter sales, solid gross margin and improved operating expense efficiency drove operating income of \$2.1 million representing an operating margin of 6.8%, compared to \$3.0 million for an operating margin of 6.6% last year.

Net income from continuing operations was \$1.7 million, or \$0.10 per share, compared to \$3.4 million, or \$0.20 per share, for the fourth quarter of 2010. Net income from discontinued operations was \$0.1 million, or \$0.00 per share, compared to a net loss of \$14.4 million, or \$0.84 per share, for the same quarter last year.

#### Year Ended December 31, 2011 Financial Results

For the year ended December 31, 2011, revenue from continuing operations was \$139.4 million, compared to \$166.8 million for the same period a year ago. Battery & Energy Products' sales increased by 3% to \$108.2 million and Communications Systems' sales decreased by 49% to \$31.2 million. Included in Battery & Energy Products' 2011 sales was a \$2.7 million charge recorded in the first quarter to reflect the settlement with the U.S. Government related to exigent contracts completed between 2003 and 2004. Excluding this charge, Battery & Energy Products' sales increased by 6%. Included in Communications Systems' sales for both periods were sales of SATCOM systems that amounted to \$7.5 million in 2011 and \$30.9 million in 2010.

Operating income was \$2.5 million for 2011 representing an operating margin of 1.8%, compared to \$11.9 million for an operating margin of 7.1% last year. 2011 operating income was negatively impacted by the \$2.7 million above-mentioned charge and by a \$1.1 million charge to write-off discontinued inventory recorded in the third quarter. Excluding these one time items, the 2011 operating margin would have been 4.4%. Net income from continuing operations was \$1.6 million, or \$0.09 per share, compared to net income of \$11.2 million, or \$0.65 per share, for the same period a year ago. The net loss from discontinued operations was \$3.7 million, or \$0.21 per share, including \$2.8 million of costs related to the exit of the Energy Services business, compared to a net loss of \$17.4 million, or \$1.01 per share, for 2010.

### Company to Divest RedBlack Communications

Senior management, as authorized by the Board of Directors, will divest the company's RedBlack Communications business in 2012. As a result of management's ongoing review of the company's business portfolio, management has determined that RedBlack offers limited opportunities to achieve the operating margin thresholds of the company's new business model. Commencing in the first quarter of 2012 through the date of sale, the results and related divestiture costs will be reported as a discontinued operation. RedBlack is presently included in the Communications Systems segment.

### Outlook

Management expects year-over-year percentage revenue growth approaching double digits. Operating income growth is expected to outpace revenue growth and generate an operating margin of approximately 7% to 7.5%. Management cautions that the timing of orders and shipments may cause variability in quarterly results.

"Our opportunity funnels for both large government defense and mid-sized commercial projects are expanding as a result of new feet on the street and several new product developments. However, as experienced with fourth quarter revenue, our goal of minimizing the variability in shipments and orders still has a way to go. The operating model we developed in 2011 supports high single digit revenue growth rates and positions us to deliver leveraged operating profit growth as we scale up the business," concluded Popielec.

### About Ultralife Corporation

Ultralife Corporation 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 fourth 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.

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

	Three-Month Periods Ended		Twelve-Month Periods Ended	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	2011	2010	2011	2010
<b>Revenues:</b>				
Battery & energy products	\$ 23,882	\$ 32,767	\$ 108,203	\$ 105,126
Communications systems	7,487	13,124	31,183	61,693



Cash and cash equivalents	\$ 5,486	\$ 5,105
Trade accounts receivable, net	19,903	34,270
Inventories	34,967	33,122
Prepaid expenses and other current assets	<u>3,877</u>	<u>3,157</u>
Total current assets	64,233	75,654

**Property and equipment** 12,588 14,485

**Other assets**

Goodwill, intangible and other assets 23,994 24,696

Total Assets \$ 100,815 \$ 114,835

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current liabilities:**

Short-term debt and current portion of long-term debt	\$ --	\$ 8,717
Accounts payable	13,766	16,338
Other current liabilities	<u>9,392</u>	<u>11,290</u>
Total current liabilities	<u>23,158</u>	<u>36,345</u>

**Long-term liabilities:**

Long-term debt and capital lease obligations	--	251
Other long-term liabilities	<u>4,431</u>	<u>4,444</u>
Total long-term liabilities	<u>4,431</u>	<u>4,695</u>

**Shareholders' equity:**

Ultralife equity:

Common stock, par value \$0.10 per share	1,874	1,865
Capital in excess of par value	172,309	171,020
Accumulated other comprehensive loss	(985)	(1,262)
Accumulated deficit	<u>(92,280)</u>	<u>(90,200)</u>
	80,918	81,423
Less -- Treasury stock, at cost	<u>7,658</u>	<u>7,652</u>
Total Ultralife equity	73,260	73,771
Noncontrolling interest	<u>(34)</u>	<u>24</u>
Total shareholders' equity	<u>73,226</u>	<u>73,795</u>

Total Liabilities and Shareholders' Equity \$ 100,815 \$ 114,835

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