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**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**

**September 12, 2007**  
(Date of Report)

**ULTRALIFE BATTERIES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State 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 1.01 Entry into a Material Definitive Agreement**

On September 12, 2007, the Registrant entered into a stock purchase agreement with Innovative Solutions Consulting, Inc., a Maryland corporation (“ISC”), Michele A. Aloisio, Marc DeLaVergne, Thomas R. Knowlton, Kenneth J. Wood, and W. Michael Cooper (the “Sellers”). Together, the Sellers own all of the outstanding shares of common stock in ISC. There are no material relationships between the Registrant or its affiliates and ISC or Sellers, other than in respect of the stock purchase agreement, which is described below.

ISC is engaged in the business of providing engineering and technical services for communication electronic systems to government agencies. ISC specializes in the design, integration, and fielding of mobile, modular, and fixed-site communication electronic systems. Pursuant to the terms and conditions of the stock purchase agreement, at the closing of the transaction, which is expected to occur during the third quarter of the Registrant’s current fiscal year, the Registrant will acquire all of the outstanding shares of ISC’s common stock.

Pursuant to the terms and conditions of the stock purchase agreement, at the closing of the transaction, the Registrant will pay Sellers a purchase price of \$1,000,000 and in exchange the Registrant will receive all of the outstanding shares of ISC’s common stock. In addition, if certain sales milestones are met by ISC following its acquisition by the Registrant, the Registrant will pay Sellers, in up to three annual installments, an additional aggregate amount of up to \$2,000,000.

Prior to the closing of the transaction, the stock purchase agreement may be terminated under a number of circumstances. Termination can occur upon the mutual consent of the Registrant and Sellers holding a majority interest of ISC’s outstanding shares (“Requisite Number of Sellers”). In addition, the Registrant may terminate the stock purchase agreement prior to the closing date by providing written notice to the Requisite Number of Sellers on or before the 15<sup>th</sup> day following the signing of the stock purchase agreement (or such shorter time if the closing date occurs within such 15-day period) if the Registrant is not satisfied with the results of its continuing business, legal, environmental, and accounting due diligence regarding ISC. The Registrant may also terminate the stock purchase agreement by providing written notice to a Requisite Number of Sellers at any time prior to the closing date if the Sellers have breached any material representation, warranty, or covenant contained in the stock purchase agreement in any material respect and the Sellers have not remedied the breach within 15 days after being provided with written notice of the breach by the Registrant. The Registrant may also terminate the stock purchase agreement if the closing date has not occurred on or before September 28, 2007 because the Sellers have failed to satisfy any condition precedent to closing under the stock purchase agreement.

Similarly, a Requisite Number of Sellers can terminate the stock purchase agreement by providing written notice to the Registrant at any time prior to closing if the Registrant has breached any material representation, warranty, or covenant contained in the stock purchase agreement in any material respect and the Registrant has not remedied the breach within 15 days of being provided with written notice of the breach by Sellers. A Requisite Number of Sellers can also terminate the stock purchase agreement if the closing date has not occurred on or before

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September 28, 2007 because the Registrant has failed to satisfy any condition precedent under the stock purchase agreement.

The stock purchase agreement contains customary representations, warranties and covenants for a transaction of this type. The completion of the transaction is subject to the satisfaction of a number of closing conditions, including conditions relating to the Registrant's financing for the transaction and the parties securing all necessary approvals for the transaction. The stock purchase agreement also contains an exclusivity provision that provides the Registrant with the exclusive right to purchase Sellers' shares of ISC common stock.

The Registrant expects to file the stock purchase agreement as an exhibit to its quarterly report on Form 10-Q for the quarter ended September 29, 2007. A copy of the press release issued by the Registrant in connection with the transaction is attached as Exhibit 99.1 to this current report.

#### **Item 8.01 Other Events**

On September 17, 2007, the Registrant issued a press release announcing that it was awarded a contract valued at approximately \$24 million from Raytheon Company to produce and supply SATCOM-On-The-Move satellite communications systems for installation on Mine Resistant Ambush Protected armored vehicles. Deliveries are expected to begin during the third quarter of fiscal year 2007 and be completed in the second quarter of fiscal year 2008. A copy of the press release is attached as Exhibit 99.2 to this current report.

#### **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

99.1 Press Release, dated September 14, 2007, announcing the agreement to acquire ISC.

99.2 Press Release, dated September 17, 2007, announcing the \$24 million contract with Raytheon Company.

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**SIGNATURES**

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.

Date: September 18, 2007

**ULTRALIFE BATTERIES, INC.**

*/s/Robert W. Fishback* \_\_\_\_\_

Robert W. Fishback  
Vice President — Finance and Chief  
Financial Officer

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## Ultralife Batteries to Acquire Innovative Solutions Consulting, Inc. for \$3 Million

Newark, New York — September 14, 2007 — Ultralife Batteries, Inc. (NASDAQ: ULBI) has entered into a definitive agreement to acquire all of the outstanding shares of Innovative Solutions Consulting, Inc. (ISC), an engineering and technical services company located in Hollywood, Maryland, for approximately \$3 million, subject to customary closing conditions. The acquisition is expected to close by the end of September.

Established in 1999, ISC is an engineering and technical services firm specializing in the design, integration, and fielding of mobile, modular, and fixed-site communication and electronic systems. The company's systems clients include: the U.S. military, U.S. Army Special Operations Command, National Security Agency, Office of Naval Research and such prime contractors as BAE Systems and Titan Systems. Products in development include ISC's recently introduced Rapid Response Vehicle, which is designed to provide critical communications to support emergency management, surveillance and disaster relief situations. In 2006, ISC generated approximately \$4 million in revenue.

Under the terms of the agreement, the purchase price will consist of \$1 million in cash and an earn-out totaling up to \$2 million to be paid over three years based on exceeding certain agreed-upon annual sales measures. The company plans to finance the transaction with operating cash and available credit. Management anticipates that the transaction will be accretive in 2008.

"With its established reputation for high-quality technical capabilities and engineering skills in designing communication and electronic systems, ISC offers a natural extension to our communications accessories business and augments Ultralife's engineering expertise. In addition, through ISC's strong relationships with a diverse group of U.S. governmental agencies, we will be able to open another channel of distribution for our broad portfolio of communications accessories and portable power products," said John D. Kavazanjian, Ultralife's president and chief executive officer. "Once acquired, we will include ISC in our Government/Defense business, and ISC will continue to operate out of its Maryland facility under the leadership of Jim Evans, Ultralife vice president and general manager."

**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 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.

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

Ultralife® and McDowell Research® are registered trademarks of Ultralife Batteries, Inc.

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***Ultralife Batteries Receives \$24 Million Contract from Raytheon for SATCOM-On-The-Move Systems***

Newark, New York — September 17, 2007 — Ultralife Batteries, Inc. (NASDAQ: ULBI) has been awarded a contract valued at approximately \$24 million from Raytheon Company to produce and supply SATCOM-On-The-Move (SOTM) satellite communications systems for installation on Mine Resistant Ambush Protected (MRAP) armored vehicles. Deliveries are expected to begin this quarter and be completed in the second quarter of 2008. In October 2006, Ultralife announced the award of a \$9 million contract to supply the same system.

“We are extremely pleased that Ultralife has been chosen as the exclusive supplier of our McDowell Research brand SOTM system because of both the industry-leading performance of our products and our ability to be exceedingly responsive to the needs of our customers,” said John D. Kavazanjian, Ultralife’s president and chief executive officer. “Our strategy of deepening our relationships with prime defense contractors is clearly working and we look forward to continuing to work closely with Raytheon in support of other programs.”

The SOTM system consists of a combination of the McDowell MIK-21-75 Vehicle Kit and MRC-195 Communication Case. The MIK-21-75 is designed as a permanent installation on military vehicles, while the MRC-195 is a transportable case system to allow for the movement of the system to areas of interest. The system, which is compatible with the PSC-5D radio and other radios, will enable the U.S. Military to conduct secure satellite communications from MRAP program vehicles.

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