

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

February 13, 2014
(Date of Report)

ULTRALIFE CORPORATION

(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 2.02 Results of Operation and Financial Condition.

NEWARK, N.Y. – February 13, 2014 -- Ultralife Corporation (NASDAQ: ULBI) reported operating income from continuing operations of \$0.2 million on revenue of \$20.2 million for the quarter ended December 31, 2013. For the fourth quarter of 2012, the company reported operating income from continuing operations of \$2.4 million on revenue of \$29.3 million.

Revenue was \$20.2 million, compared to \$29.3 million for the fourth quarter of 2012, a 31% decline. Battery & Energy Products sales were \$15.9 million, compared to \$18.8 million last year, a 16% decline, reflecting last year's fulfillment of a large order to an allied country's department of defense and the slowdown in the government and defense order rate for rechargeable and non-rechargeable batteries. Communications Systems sales were \$4.3 million, compared to \$10.4 million for the same period last year, a decrease of \$6.1 million. Prior year Communications Systems' sales benefited from the fulfillment of several large orders for amplifiers from international defense customers.

Gross profit was \$5.6 million, or 27.7% of revenue, compared to \$9.5 million, or 32.3% of revenue, for the same quarter a year ago, a decrease of 460 basis points, primarily attributable to a lower mix of Communication Systems sales. Battery & Energy Products' gross margin was 26.1%, compared to 27.0% last year, a 90 basis point decrease reflecting lower sales volume and a less favorable product mix. Communications Systems' gross margin was 33.5%, compared to 41.9% last year, a decrease of 840 basis points also reflecting the impact of lower sales volume on production and the product mix.

Operating expenses declined \$1.7 million, or 24%, to \$5.4 million, compared to \$7.1 million a year ago, primarily due to reductions in general and administrative expense and continued focus on controlling discretionary spending. As a percent of revenue, operating expenses were 26.6%, compared to 24.3% a year ago.

Operating profit was \$0.2 million, compared to \$2.4 million for the same period in 2012, reflecting lower gross profit offset by operating expense reductions. Operating margin was 1.1%, compared to 8.0% for the year-earlier period.

Net income from continuing operations was \$0.1 million, or \$0.01 per share, compared to net income of \$2.1 million, or \$0.12 per share, for the fourth quarter of 2012.

For 2014, management expects mid-single digit organic revenue growth, despite continued constraints on global government spending. Based on this outlook for revenue growth and the improvements made to the business model in 2013, management expects to increase operating profit for the year and generate a mid-single digit operating margin.

Management cautions that the timing of orders and shipments may cause variability in quarterly results.

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 of Ultralife Corporation dated February 13, 2014

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: February 13, 2014

ULTRALIFE CORPORATION

By: /s/ Philip A. Fain
Philip A. Fain
Chief Financial Officer & Treasurer

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1 Press Release of Ultralife Corporation dated February 13, 2014

Company Contact:
Ultralife Corporation
Philip A. Fain
(315) 332-7100
pfain@ulbi.com

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Ultralife Corporation Reports Fourth Quarter Results

NEWARK, N.Y. – February 13, 2014 -- Ultralife Corporation (NASDAQ: ULBI) reported operating income from continuing operations of \$0.2 million on revenue of \$20.2 million for the quarter ended December 31, 2013. For the fourth quarter of 2012, the company reported operating income from continuing operations of \$2.4 million on revenue of \$29.3 million.

“The fourth quarter closed a year during which the slowdown in global defense-related spending and decision-making dominated our top line comparables. During 2013, we right-sized the business model and stabilized quarterly revenues for our Battery & Energy Products business which compensated for weak Communication Systems’ sales such that we delivered a modest operating loss for the year, in line with our guidance,” said Michael D. Popielec.

“As we enter 2014, we are starting to realize initial returns on the investments we made in new product development over the past two years, particularly in the areas of portable power, medical carts and integrated communications systems. With the maturation of our new products, we expect to gain further customer acceptance during the year and generate top-line growth. This growth, along with deeply-rooted productivity gains and improved liquidity, will enable us to fully leverage our highly-efficient business model,” concluded Popielec.

Fourth Quarter 2013 Financial Results

Revenue was \$20.2 million, compared to \$29.3 million for the fourth quarter of 2012, a 31% decline. Battery & Energy Products sales were \$15.9 million, compared to \$18.8 million last year, a 16% decline, reflecting last year’s fulfillment of a large order to an allied country’s department of defense and the slowdown in the government and defense order rate for rechargeable and non-rechargeable batteries. Communications Systems sales were \$4.3 million, compared to \$10.4 million for the same period last year, a decrease of \$6.1 million. Prior year Communications Systems’ sales benefited from the fulfillment of several large orders for amplifiers from international defense customers.

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Outlook

For 2014, management expects mid-single digit organic revenue growth, despite continued constraints on global government spending. Based on this outlook for revenue growth and the improvements made to the business model in 2013, management expects to increase operating profit for the year and generate a mid-single digit operating margin.

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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.

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.ultralifecorporation.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 BALANCE SHEETS
(In Thousands, Except Per Share Amounts)
(unaudited)

ASSETS	December 31, 2013	December 31, 2012
Current assets:		
Cash and cash equivalents	\$ 16,489	\$ 10,078
Trade accounts receivable, net	14,238	20,913
Inventories	26,053	30,370
Prepaid expenses and other current assets	2,031	2,461
Total current assets	<u>58,811</u>	<u>63,822</u>
Property and equipment	10,202	12,415
Other assets:		
Goodwill, intangible and other assets	21,203	21,481
Total Assets	<u>\$ 90,216</u>	<u>\$ 97,718</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ -	\$ -
Accounts payable	7,053	11,357
Other current liabilities	4,971	8,535
Total current liabilities	<u>12,024</u>	<u>19,892</u>
Long-term liabilities:		
Other long-term liabilities	4,547	4,370
Shareholders' equity:		
Ultralife equity:		
Common stock, par value \$0.10 per share	1,888	1,886
Capital in excess of par value	174,932	173,791
Accumulated other comprehensive loss	(614)	(620)
Accumulated deficit	<u>(94,804)</u>	<u>(93,878)</u>
	81,402	81,179
Less -- Treasury stock, at cost	<u>7,658</u>	<u>7,658</u>
Total Ultralife equity	73,744	73,521
Noncontrolling interest	<u>(99)</u>	<u>(65)</u>
Total shareholders' equity	<u>73,645</u>	<u>73,456</u>
Total Liabilities and Shareholders' Equity	<u>\$ 90,216</u>	<u>\$ 97,718</u>

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

	Three Month Periods Ended		Twelve Month Periods Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenues:				
Battery & energy products	\$ 15,861	\$ 18,846	\$ 57,077	\$ 71,084
Communications systems	4,315	10,423	21,758	30,573
Total revenues	<u>20,176</u>	<u>29,269</u>	<u>78,835</u>	<u>101,657</u>
Cost of products sold:				
Battery & energy products	11,714	13,760	42,739	53,522
Communications systems	2,869	6,058	13,475	19,405
Total cost of products sold	<u>14,583</u>	<u>19,818</u>	<u>56,214</u>	<u>72,927</u>
Gross profit	5,593	9,451	22,621	28,730
Operating expenses:				
Research and development	1,403	1,511	5,859	7,216
Selling, general, and administrative	3,967	5,587	17,386	21,628
Total operating expenses	<u>5,370</u>	<u>7,098</u>	<u>23,245</u>	<u>28,844</u>
Operating income (loss)	223	2,353	(624)	(114)
Other income (expense):				
Interest income	12	-	39	4
Interest expense	(39)	(124)	(238)	(440)
Miscellaneous	5	(41)	(26)	(24)
Income (loss) from continuing operations before income taxes	<u>201</u>	<u>2,188</u>	<u>(849)</u>	<u>(574)</u>
Income tax provision - current	52	152	94	539
Income tax provision (benefit) -deferred	52	(35)	145	15
Total income taxes	<u>104</u>	<u>117</u>	<u>239</u>	<u>554</u>
Net income (loss) from continuing operations	97	2,071	(1,088)	(1,128)
Discontinued operations:				
Income (loss) from discontinued operations, net of tax	(31)	(680)	128	(501)
Net income (loss)	66	1,391	(960)	(1,629)
Net loss attributable to noncontrolling interest	3	-	34	31
Net income (loss) attributable to Ultralife	<u>\$ 69</u>	<u>\$ 1,391</u>	<u>\$ (926)</u>	<u>\$ (1,598)</u>
Other comprehensive income (loss):				
Foreign currency translation adjustments	(47)	446	6	365
Comprehensive income (loss) loss attributable to Ultralife	<u>\$ 22</u>	<u>\$ 1,837</u>	<u>\$ (920)</u>	<u>\$ (1,233)</u>
Net income (loss) attributable to Ultralife common shareholders - basic				
Continuing operations	\$ 0.01	\$ 0.12	\$ (0.06)	\$ (0.06)
Discontinued operations	\$ 0.00	\$ (0.04)	\$ 0.01	\$ (0.03)
Total	<u>\$ 0.00</u>	<u>\$ 0.08</u>	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>
Net income (loss) attributable to Ultralife common shareholders - diluted				
Continuing operations	\$ 0.01	\$ 0.12	\$ (0.06)	\$ (0.06)
Discontinued operations	\$ 0.00	\$ (0.04)	\$ 0.01	\$ (0.03)
Total	<u>\$ 0.00</u>	<u>\$ 0.08</u>	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>
Weighted average shares outstanding - basic	<u>17,477</u>	<u>17,443</u>	<u>17,465</u>	<u>17,403</u>
Weighted average shares outstanding - diluted	<u>17,572</u>	<u>17,443</u>	<u>17,465</u>	<u>17,403</u>