# 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 12, 2009

#### **ULTRALIFE CORPORATION**

(Exact name of registrant as specified in its charter)

#### <u>Delaware</u>

(State or other jurisdiction of incorporation or organization)

<u>0-20852</u> <u>16-1387013</u> (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)

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. Results of Operations and Financial Condition.

Ultralife Corporation (the "Company") reported revenue of \$49.2 million for the quarter ended December 31, 2008, an increase of \$12.4 million, or 34%, over the \$36.8 million in revenue reported for the fourth quarter of 2007. The company reported an operating loss of \$0.3 million in the fourth quarter of 2008, compared with an operating loss of \$2.7 million in the same period a year ago. The Company's press release is attached as Exhibit 99.1 to this Form 8-K.

In conjunction with its program to repurchase up to \$10 million worth of its own common stock, the company has spent approximately \$1.8 million through December 31, 2008 to acquire approximately 200,000 shares at an average price of roughly \$8.50 per share.

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.

Dated: February 12, 2009.

99.1 Press Release dated February 12, 2009.

#### **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 CORPORATION

By: /s/ Robert W. Fishback

Vice President of Finance & CFO

# INDEX TO EXHIBITS

- (99) Additional Exhibits
  - 99.1 Press Release dated February 12, 2009.

#### **Ultralife Corporation Reports Fourth Quarter Results**

NEWARK, N.Y.--(BUSINESS WIRE)--February 12, 2009--Ultralife Corporation (NASDAQ: ULBI) reported revenue of \$49.2 million for the quarter ended December 31, 2008, an increase of \$12.4 million, or 34%, over the \$36.8 million in revenue reported for the fourth quarter of 2007. The company reported an operating loss of \$0.3 million in the fourth quarter of 2008, compared with an operating loss of \$2.7 million in the same period a year ago.

The \$12.4 million increase in revenue was driven by strong sales of batteries and chargers in the Rechargeable Products segment and higher sales of BA-5390 batteries in the Non-Rechargeable Products segment. Revenue in the Communications Systems segment was lower as the company had substantially completed shipments of orders for advanced communications systems worth \$126 million that it had begun to deliver in the fourth quarter of 2007. Consolidated gross margin for the fourth quarter was 20%, compared with 16% in the same quarter a year ago.

Operating expenses for the fourth quarter of 2008 totaled \$10.0 million compared to \$8.4 million a year ago. The \$1.6 million increase in operating expenses was mainly attributable to higher selling and marketing expenses pertaining to the development of new business opportunities, as well as increased investment in product development and higher administrative costs from operating a more diverse business. As a percentage of revenue, operating expenses declined from 23% in the fourth quarter of 2007 to 20% in the fourth quarter of 2008. During the fourth quarter of 2008, the company recorded miscellaneous non-operating income of \$0.9 million, consisting primarily of a \$0.3 million non-operating gain on the completion of commitments pertaining to a state government grant, and a \$0.5 million foreign currency exchange gain related to the strength of the U.S. dollar against the British pound. Included in fourth quarter 2007 results was a \$7.6 million non-operating gain related to the negotiated purchase price settlement with the sellers of McDowell Research. Net income for the fourth quarter of 2008 was \$0.2 million, or \$0.01 per share, compared with net income of \$4.4 million, or \$0.27 per share, for the same quarter in 2007.

For the full year ended December 31, 2008, revenue totaled a record \$254.7 million compared to \$137.6 million for 2007. Operating income amounted to \$17.3 million for the full twelve months of 2008 compared to an operating loss of \$0.2 million for the prior year. The year-over-year improvement in operating income of \$17.5 million primarily resulted from strong revenue growth and higher gross margins in the Communications Systems segment, as well as improved leverage of operating expenses. Net income for the full year of 2008 was \$13.7 million, or \$0.78 per share, compared to \$5.6 million, or \$0.36 per share, for the prior year.

"During 2008 we accomplished our objective of capitalizing on high value market opportunities that leverage our superior engineering capabilities, particularly in the areas of advanced communications systems and standby power management services," said John D. Kavazanjian, president and chief executive officer. "By focusing on higher level electronics, we transformed our communications accessories business into a provider of advanced communications systems. As a result, we produced a break-out year, establishing Ultralife as the standard for Satcom-on-the-Move systems and launching the first portable tactical repeater product for hand held radios. In the standby power market, we expanded our footprint, broadened our product offerings and grew revenue. In addition to delivering record top line growth, we strengthened our financial position, generating significant cash from operations during 2008 and ending the year with minimal debt on the balance sheet."

Kavazanjian added, "The steps we have taken to diversify our customer base, broaden our product and service offerings and extend our global reach have placed Ultralife in a solid position to take advantage of attractive growth prospects in 2009. The expectation for continued spending on advanced communications and electronics systems supports our goals of increasing our share of customers' budgets both in the United States and abroad. As we participate more frequently in major systems programs, we may see fluctuations in quarterly revenue from time to time caused by either contracting delays or expedited shipments of orders. Rising demand for back-up power and energy storage justifies continued investment in the standby power services business as we advance our goal of becoming a dominant player in the market.

"Operationally, we plan to continue improving margins while managing costs conservatively. Our operational flexibility will enable us to adjust quickly should order flow not meet our expectations. Financially, we enter 2009 with a strong balance sheet and the flexibility to execute our growth plans, now enhanced by our new \$35 million credit facility," Kavazanjian concluded. "Through continued geographic expansion, further product development and new market penetration, we are building the platform for long-term growth."

#### **Outlook**

Based on current visibility, management expects revenue for the full year of 2009 to be at least \$250 million with operating income of approximately \$20 million, based on the company's outlook for order opportunities and strong demand for the company's products and services. Management expects strong 2009 revenue growth in its Rechargeable Products segment, in addition to year-over-year increases in the Non-Rechargeable Products and Design and Installation Services segments. Management expects another strong year in 2009 for Communications Systems, though it expects less revenue as the large orders for advanced communications systems that were shipped in 2008 are not expected to reoccur at the same level.

#### **About Ultralife Corporation**

Ultralife Corporation, which began as a battery company, now serves its markets with products and services ranging from portable and standby 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.

Ultralife's family of brands includes: Ultralife Batteries, Stationary Power Services, RPS Power Systems, ABLE, McDowell Research and RedBlack Communications. Ultralife's operations are in North America, Europe and Asia. For more information, visit <a href="https://www.ultralifecorp.com">www.ultralifecorp.com</a>.

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. 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**

Investors are invited to listen to a live webcast of the conference call at 10:00 a.m. ET on February 12, 2009 at <a href="http://investor.ultralifecorp.com">http://investor.ultralifecorp.com</a>. 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 4272157, during the period starting at 1:00 p.m. ET February 12 and ending at 1:00 p.m. ET February 19, 2009.

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

Other income (expense):         Interest income         19         6         37         50           Interest expense         (150)         (464)         (967)         (2,234)           Gain on insurance settlement         -         -         39         -           Gain on McDowell settlement         -         7,550         -         7550           Gain on McDowell settlement         -         -         313         -           Gain on debt conversion         863         139         815         493           Income before income taxes         439         4,526         17,542         5,660           Income tax provision-current         113         -         582         -           Income tax provision-deferred         149         77         3,879         77           Total income taxes         \$         17,7         \$         1,363         \$         5,583           Earnings per share - basic         \$         0.01         \$         0.28         \$         0,79         \$         0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316			Three-Month	Periods En	ded		Twelve-Month Periods Ended			
Non-charpenhapenhapenducts         \$ 20,000         \$ 16,477         \$ 6,8076         \$ 80,802           Recharpenhapenducts         15,443         3,444         34,601         15,743           Design and installation services         4362         2,670         15,816         3,438           Total revenue         4362         2,670         15,816         3,438           Total revenues         4362         2,670         15,816         3,438           Total revenues         4362         2,670         25,470         15,758           Non-rechapshelp products solt:         16,422         13,839         5,7285         62,515           Rechapsable products         16,422         2,844         27,873         13,178           Communications systems         6,825         2,244         27,873         13,182           Communication systems         6,825         3,316         2,229         13,332         2,682           Total cord products sold:         3,946         3,105         2,977         1,882           Total cord products sold:         3,946         3,105         2,977         1,882           Total cord products sold:         3,16         2,229         3,132         2,872           Total cord p		Dec		Dec		Dec		Dec		
Rechageable products         15,443         3,414         44,691         16,736           Communications systems         9,307         14,228         26,707         15,861         3,438           Total revenues         43,622         2,670         15,861         3,438           Total revenues         43,622         2,670         15,861         3,438           Constraints systems         16,442         13,839         57,285         (2,515)           Non-schageable products         12,335         2,844         2,7873         13,178           Communications systems         6,825         12,143         99,267         30,447           Design and installation services         3,816         2,229         13,332         2,682           Total cost of products sold         39,468         31,055         197,757         108,822           Cross margin         9,754         5,734         56,943         28,774           Operating expenses         2,231         2,151         8,138         7,00           Selling, general, and administrative         2,231         2,151         8,138         7,00           Selling, general, and administrative         1,004         6,00         37         5,00           Opera										
Communications systems         9,397         14,228         15,607         37,140           Design and installation services         49,222         36,789         254,700         137,595           Cost of products solf:         Sechangeable products         16,442         13,839         57,285         62,515           Rechangeable products         16,442         13,839         57,285         62,515           Communications systems         16,422         13,839         57,285         62,515           Rechangeable products         12,385         2,944         27,973         13,142           Communications systems         6,925         12,443         29,732         13,124           Communications systems         3,946         2,229         13,332         2,602           Cost of products sold         39,468         31,055         197,77         108,022           Gross margin         9,754         5,734         56,93         2,672           Cross margin         2,231         5,135         56,93         2,700           Cross margin         2,231         5,135         5,135         2,175         108,022           Cross margin         2,231         5,135         8,135         2,233         2,233		\$	,	\$	,	\$		\$		
Design and installation services         4,362         2,670         15,861         3,438           Total revenues         49,222         36,789         25,470         137,586           Cost of products solf:         3,222         36,889         25,725         62,515         13,178         62,515         12,143         99,627         30,447         62,151         12,143         99,627         30,447         20,682         70,682         70,682         20,482	o .									
Section   Sect										
Non-rechargeable products   16,442										
Non-rechargeable products         16,442         1,339         57,285         62,515           Rechargeable products         12,385         2,844         2,7873         13,178           Communications systems         6,825         12,143         99,267         30,447           Design and installation services         39,468         31,055         197,577         108,822           Gross margin         9,754         5,734         56,943         2,874           Operating expenses:         2,231         2,151         8,138         7,000           Selling, sepensel, and administrative         7,816         6,288         31,500         21,973           Total operating expenses         10,047         8,439         39,638         28,973           Operating income (loss)         (293)         (2,705)         17,305         (199)           Other income (expenses):         19         6         37         5         (199)           Other income (expenses):         19         6         37         5         (199)           Interest income         19         6         37         5         2         2         3         1         2         2         3         1         3         1 <t< td=""><td>Iotal revenues</td><td></td><td>49,222</td><td></td><td>36,789</td><td></td><td>254,700</td><td></td><td>137,596</td></t<>	Iotal revenues		49,222		36,789		254,700		137,596	
Rechargeable products Communications systems         12,385         2,844         7,873         13,186           Communications systems         6,825         12,143         99,267         30,487           Design and installation services         3,816         2,229         13,332         2,682           Cotto sof products sold         39,468         31,055         197,757         108,822           Gross margin         9,754         5,734         56,943         28,774           Operating expenses         2,231         2,151         8,138         7,000           Seling, general, and administrative         7,816         6,288         31,500         21,973           Corporating expenses         2,231         2,151         8,138         7,000           Seling, general, and administrative         7,816         6,288         31,500         21,973           Operating expenses         2,231         2,151         8,138         2,873           Operating income (loss)         2,231         2,152         3,363         28,973           Operating expenses         1,50         4,644         9,677         2,50           Interest income (expense):         1,50         4,644         9,677         3,75         3,60         2,	•									
Comminications systems         6,825         12,143         99,676         30,436           Design and installation services         3,816         2,299         13,332         2,682           Costs margin         9,754         5,734         56,943         28,774           Operating expenses:         2         31         2,151         8,138         7,000           Selling, general, and adevelopment         2,231         2,151         8,138         7,000           Selling, general, and administrative         7,816         6,288         31,500         21,973           Operating income (loss)         (293)         (2,705)         17,305         (199)           Operating income (expense)         199         6         37         5           Interest income (expense)         199         6         37         5           Interest spense         199         6         37         5           Gain on McDowell settlement         2         7,550         2         7,550           Gain on detrowersion         8         3         3,55         433         815         433           Micente before income tax         3         4,526         17,542         5,660           Action of income tax </td <td></td> <td></td> <td>,</td> <td></td> <td>,</td> <td></td> <td></td> <td></td> <td></td>			,		,					
Design and installation services         3,816         2,229         13,332         2,682           Total cost of products odd         39,468         31,055         197,757         108,202           Gross margin         9,754         5,734         56,933         28,774           Operating expenses         3,156         6,288         3,130         7,000           Selling, speareal, and administrative         7,816         6,288         31,500         21,973           Total operating expenses         10,047         8,439         39,538         28,793           Operating income (loss)         (293)         (2,705)         17,305         18,993           Object income (expense):         3         7,505         1,505	0 1									
Section   Sect	· · · · · · · · · · · · · · · · · · ·				,					
Gross margin         9,754         5,734         56,943         28,774           Operating expenses:         Research and development         2,231         2,151         8,138         7,000           Selling, general, and administrative         7,816         6,288         31,500         21,973           Total operating expenses         10,047         8,439         39,638         28,973           Operating income (loss)         (293)         (2,705)         17,305         (199)           Other income (expense):         9         6         37         50           Interest income         19         6         37         50           Interest expense         (150)         (464)         (967)         (2,234)           Gain on insurance settlement         1         6         37         5           Gain on ofboowell settlement         2         7,550         2         7,550           Gain on debt conversion         863         133         3         1           Miscellaneous         863         139         815         493           Income tax provision-current         113         -         582         -           Income tax provision-deferred         149         77 <t< td=""><td>9</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	9									
Research and development   2,231   2,151   8,138   7,000   5,000   7,816   6,288   31,500   21,973   7,000   7,816   6,288   31,500   21,973   7,000   7,816   6,288   31,500   21,973   7,000   7,816   6,288   31,500   21,973   7,000   7,816   7,816   6,288   31,500   21,973   7,000   7,816	Total cost of products sold		39,468		31,055		197,757		108,822	
Research and development   2,231   2,151   8,138   7,000   1,000   7,816   6,288   31,500   21,973   1,000	Gross margin		9,754		5,734		56,943		28,774	
Selling, general, and administrative         7,816         6,288         31,500         21,973           Total operating expenses         10,047         8,439         39,638         28,973           Operating income (loss)         (293)         (2,705)         17,305         (199)           Other income (expense):         9         6         37         5,500           Interest income         19         6         37         5,234           Gain of insurance settlement         19         6         37         2,234           Gain on McDowell settlement         2         7,550         33         2,234           Gain on McDowell settlement         863         139         815         4,93           Income texpense         863         139         815         493           Income texpense         4,526         17,542         5,660           Income tax provision-current         113         -         582         -           Income tax provision-deferred         2         77         3,297         77           Total income taxes         \$         177         \$         4,449         \$         13,663         \$         5,583           Earnings per share - basic         \$	Operating expenses:									
10,047	Research and development		2,231		2,151		8,138		7,000	
Operating income (loss)         (293)         (2,705)         17,305         (199)           Other income (expenses):         19         6         37         50           Interest income         19         6         37         50           Gain on insurance settlement         -         -         39         -           Gain on McDowell settlement         -         -         339         -         -           Gain on McDowell settlement         -         -         313         -         -         7,550         -         7,550         -         7,550         -         7,550         -         7,550         -         7,550         -         7,550         -         7,550         -         3,550         -         7,550         -         3,550         -         7,550         -         3,550         -         3,550         -         3,550         -         3,550         -         3,550         -         3,650         -         4,933         -         -         3,660         -         -         -         1,560         -         -         -         -         -         -         -         -         -         -         -         -         - <td>Selling, general, and administrative</td> <td></td> <td>7,816</td> <td></td> <td>6,288</td> <td></td> <td>31,500</td> <td></td> <td>21,973</td>	Selling, general, and administrative		7,816		6,288		31,500		21,973	
Other income (expense):           Interest income         19         6         37         50           Interest expense         (150)         (464)         (967)         (2,234)           Gain on insurance settlement         -         -         39         -           Gain on McDowell settlement         -         7,550         -         7550           Gain on debt conversion         -         -         313         -           Miscellaneous         863         139         815         493           Income taxes         439         4,526         17,542         5,660           Income tax provision-current         113         -         582         -           Income tax provision-deferred         149         77         3,297         77           Total income taxes         262         77         3,879         77           Net income         \$ 177         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293	Total operating expenses		10,047		8,439		39,638		28,973	
Interest income   19   6   37   50     Interest expense   (150)   (464)   (967)   (2,234)     Gain on insurance settlement   -                       Gain on insurance settlement   -                       Gain on McDowell settlement   -                               Gain on debt conversion   -	Operating income (loss)		(293)		(2,705)		17,305		(199)	
Interest expense   (150)   (464)   (967)   (2,234)     Gain on insurance settlement   -	Other income (expense):									
Gain on insurance settlement         -         -         39         -           Gain on McDowell settlement         -         7,550         -         7,550           Gain on debt conversion         -         -         313         -           Miscellaneous         863         139         815         493           Income before income taxes         439         4,526         17,542         5,660           Income tax provision-current         113         -         582         -           Income tax provision-deferred         149         77         3,297         77           Total income taxes         262         77         3,879         77           Net income         \$ 17,7         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316										
Gain on McDowell settlement         -         7,550         -         7,550           Gain on debt conversion         -         -         -         313         -           Miscellaneous         863         139         815         493           Income before income taxes         439         4,526         17,542         5,660           Income tax provision-current         113         -         582         -           Income tax provision-deferred         149         77         3,297         77           Total income taxes         \$ 177         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316	•		(150)		(464)				(2,234)	
Gain on debt conversion Miscellaneous         -         -         313 (198)         -         313 (198)         493           Income before income taxes         439 (198)         4,526 (198)         17,542 (198)         5,660           Income tax provision-current Income tax provision-deferred Income tax provision-deferred Income taxes         113 (198)         -         582 (198)         -         -         77 (198)         77 (198)         77 (198)         77 (198)         77 (198)         77 (198)         77 (198)         77 (198)         77 (198)         77 (198)         78 (198)         8 (198)         8 (198)         8 (198)         8 (198)         9 (1			-		-		39		-	
Miscellaneous         863         139         815         493           Income before income taxes         439         4,526         17,542         5,660           Income tax provision-current Income tax provision-deferred         113         -         582         -           Total income taxes         149         77         3,297         77           Net income         \$ 177         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316			-		7,550		-		7,550	
Income before income taxes         439         4,526         17,542         5,660           Income tax provision-current Income tax provision-deferred Income tax provision-deferred Income taxes         113         -         582         -           Total income taxes         262         77         3,297         77           Net income         \$ 177         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316			-		120				- 402	
Income tax provision-current   113   -   582   -   115   177   3,297   77   77   77   77   77   77   77										
Income tax provision-deferred         149         77         3,297         77           Total income taxes         262         77         3,879         77           Net income         \$ 177         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316	income before income taxes		439		4,526		17,542		5,660	
Total income taxes         262         77         3,879         77           Net income         \$ 177         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316					-				-	
Net income         \$ 177         \$ 4,449         \$ 13,663         \$ 5,583           Earnings per share - basic         \$ 0.01         \$ 0.28         \$ 0.79         \$ 0.36           Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316	•									
Earnings per share - basic   \$ 0.01   \$ 0.28   \$ 0.79   \$ 0.36	Total income taxes		262		77		3,879		77	
Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316	Net income	\$	177	\$	4,449	\$	13,663	\$	5,583	
Earnings per share - diluted         \$ 0.01         \$ 0.27         \$ 0.78         \$ 0.36           Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316	Farnings ner share - basic	¢	0.01	\$	0.28	\$	0.79	\$	0.36	
Weighted average shares outstanding - basic         17,293         15,771         17,230         15,316										
	æarnings per snare - unuteu		0.01	<b>3</b>	0.27	<b>D</b>	υ./8	Ф	0.36	
	Weighted average shares outstanding - basic		17,293		15,771		17,230		15,316	
	Weighted average shares outstanding - diluted		17,364		17,278		17,705		15,557	

# ULTRALIFE CORPORATION CONSOLIDATED BALANCE SHEETS (In Thousands, Except Per Share Amounts) (unaudited)

	De	cember 31,	December 31,			
ASSETS	2008			2007		
Current assets:						
Cash and investments	\$	1,878	\$	2,245		
Trade accounts receivable, net	•	30,588	•	26,540		
Inventories		40,465		35,098		
Prepaid expenses and other current assets		2,242		4,410		
Total current assets		75,173		68,293		
Property and equipment		18,465		19,365		
Other assets						
Goodwill, intangible and other assets		35,949		34,390		
Total Assets	\$	129,587	\$	122,048		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities:						
Short-term debt and current portion of long-term debt	\$	1,425	\$	13,423		
Accounts payable	•	20,255	•	18,326		
Other current liabilities		10,556		10,083		
Total current liabilities		32,236		41,832		
Long-term liabilities:						
Long-term debt and capital lease obligations		4,670		16,224		
Other long-term liabilities		4,528		985		
Total long-term liabilities		9,198		17,209		
Minority interest in equity of subsidiaries		21		-		
Shareholders' equity:						
Common stock, par value \$0.10 per share		1,815		1,712		
Capital in excess of par value		167,259		152,070		
Accumulated other comprehensive income (loss)		(1,930)		69		
Accumulated deficit		(74,780)		(88,443)		
		92,364		65,408		
Less Treasury stock, at cost		4,232		2,401		
Total shareholders' equity		88,132		63,007		
Total Liabilities and Shareholders' Equity	\$	129,587	\$	122,048		

# CONTACT:

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