

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.

Dated: May 3, 2007

ULTRALIFE BATTERIES, INC.

By: /s/ Robert W. Fishback

Robert W. Fishback

Vice President of Finance and CFO

INDEX TO EXHIBITS

(99) Additional Exhibits

99.1 Press Release dated May 3, 2007.

Ultralife Batteries Reports First Quarter Results

Revenues Rise 76% Over Same Period Last Year

NEWARK, N.Y.--(BUSINESS WIRE)--May 3, 2007--Ultralife Batteries, Inc. (NASDAQ: ULBI) reported record quarterly revenues of \$32.3 million, an increase of 76% over the \$18.3 million reported in the same three-month period in 2006. Operating income for the first quarter of 2007 was \$0.6 million compared with \$0.2 million a year ago.

Revenues in the first quarter of 2007 rose \$14.0 million over the first quarter of 2006, primarily due to sales growth across most product lines, in addition to the contribution of businesses acquired last year. As a percentage of revenues, gross margins for the first quarter of 2007 were 23%. Operating expenses totaled \$6.9 million and included \$1.7 million of additional expenses related to last year's acquisitions, and \$0.5 million of intangible asset amortization. Excluding these items, operating expenses rose \$1.0 million over the \$3.7 million reported in the first quarter last year due to increased corporate costs required to operate a larger, more diverse business. Net interest expense was \$0.6 million in the first quarter of 2007, up from \$0.2 million reported in the prior year due to higher outstanding debt resulting from acquisition activity. Net loss for the first quarter of 2007 was \$36,000, or \$0.00 per common share, compared to net income of \$140,000, or \$0.01 per common share, for the same quarter in 2006.

"Ultralife executed well in the first quarter, delivering strong year-over-year revenue growth across all areas of our business," said John D. Kavazanjian, Ultralife's president and chief executive officer. "As further evidence of our reduced dependence on the U.S. Department of Defense, sales of standard military batteries under contract accounted for 9% of total revenue. In addition, we are succeeding in our efforts to aggressively drive sales of communications accessories, with revenues reaching \$8.5 million, nearly double the level reported in the fourth quarter.

"Operationally, we returned to planned efficiencies in our 9-volt operations and utilized a significant portion of premium cost inventory thanks to strong sales of communications accessories," Kavazanjian continued. "Although these actions improved our cost structure somewhat, we have more work ahead to lower our cost base. We are continuing to identify areas where we can boost productivity, increase gross margins through cost-effective sourcing of materials for manufacturing communications accessories, and further leverage engineering and sales resources."

Kavazanjian concluded, "The first quarter's solid sales reinforce our conviction that the prospects for growth have never been better. We intend to continue to capitalize on the many opportunities in the government/defense and commercial markets, leveraging our broad product portfolio, global distribution network and growing reputation for engineering skill among prime contractors. Through these efforts, coupled with our operational improvements, we are optimistic that we will post top- and bottom-line growth in 2007."

Outlook

Management is projecting revenue between \$32 million and \$34 million for its second quarter ending June 30, 2007, largely based on a strong backlog of orders and the company's anticipated delivery schedules. Based on this revenue estimate, management anticipates reporting operating income in the range of \$0.8 million to \$1.2 million, inclusive of approximately \$1.1 million of non-cash expenses related to stock-based compensation and intangible asset amortization.

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 including power supplies, amplifiers, amplified speakers, equipment mounts, case equipment and integrated communication systems 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.

Ultralife's headquarters, principal manufacturing and research facilities are in Newark, New York, near Rochester. Ultralife's three other operating units are: Ultralife Batteries (UK) Ltd., in Abingdon, England; McDowell Research in Waco, Texas; and ABLE New Energy in Shenzhen, China. Detailed information on Ultralife is available at: 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.

Conference Call Information

Investors are invited to listen to a live webcast of the conference call at 10:00 a.m. ET on May 3, 2007 at <http://investor.ultralifebatteries.com>. 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 1789441, during the period starting at 1:00 p.m. ET May 3 and ending at 1:00 p.m. ET May 10, 2007.

Ultralife(R) is a registered trademark of Ultralife Batteries, Inc.

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

| | Three-Month Periods Ended | |
|--------------------------------------|---------------------------|------------------|
| | March 31, 2007 | April 1, 2006 |
| | ----- | ----- |
| Revenues: | | |
| Non-rechargeable products | \$ 18,158 | \$ 15,645 |
| Rechargeable products | 5,529 | 2,565 |
| Communications accessories | 8,491 | - |
| Technology contracts | 142 | 109 |
| | ----- | ----- |
| Total revenues | 32,320 | 18,319 |
| Cost of products sold: | | |
| Non-rechargeable products | 13,610 | 12,323 |
| Rechargeable products | 4,167 | 1,869 |
| Communications accessories | 6,971 | - |
| Technology contracts | 71 | 157 |
| | ----- | ----- |
| Total cost of products sold | 24,819 | 14,349 |
| | ----- | ----- |
| Gross margin | 7,501 | 3,970 |
| Operating expenses: | | |
| Research and development | 1,614 | 960 |
| Selling, general, and administrative | 5,296 | 2,782 |
| | ----- | ----- |
| Total operating expenses | 6,910 | 3,742 |
| | ----- | ----- |
| Operating income/(loss) | 591 | 228 |

| | | |
|---|-----------|---------|
| Other income (expense): | | |
| Interest income | 14 | 45 |
| Interest expense | (657) | (205) |
| Gain on insurance settlement | - | 148 |
| Miscellaneous | 16 | 8 |
| | ----- | ----- |
| Income (loss) before income taxes | (36) | 224 |
| | ----- | ----- |
| Income tax provision (benefit)-current | - | 4 |
| Income tax provision (benefit)-deferred | - | 80 |
| | ----- | ----- |
| Total income taxes | - | 84 |
| | ----- | ----- |
| Net income (loss) | \$ (36) | \$ 140 |
| | ===== | ===== |
| Earnings (loss) per share - basic | \$ (0.00) | \$ 0.01 |
| | ===== | ===== |
| Earnings (loss) per share - diluted | \$ (0.00) | \$ 0.01 |
| | ===== | ===== |
| Weighted average shares outstanding - basic | 15,078 | 14,756 |
| | ===== | ===== |
| Weighted average shares outstanding - diluted | 15,078 | 15,130 |
| | ===== | ===== |

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

| ASSETS | March 31, 2007 | December 31, 2006 |
|---|-------------------|----------------------|
| | ----- | ----- |
| Current assets: | | |
| Cash and investments | \$ 952 | \$ 720 |
| Trade accounts receivable, net | 22,478 | 24,197 |
| Inventories | 34,011 | 27,360 |
| Prepaid expenses and other current assets | 3,530 | 3,603 |
| | ----- | ----- |
| Total current assets | 60,971 | 55,880 |
| Property and equipment | 19,069 | 19,396 |
| Other assets | | |
| Goodwill, intangible and other assets | 22,056 | 22,482 |
| | ----- | ----- |
| Total Assets | \$102,096 | \$ 97,758 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term debt and current portion of long-term debt | \$ 16,241 | \$ 12,246 |
| Accounts payable | 17,573 | 15,925 |
| Other current liabilities | 7,456 | 9,639 |
| | ----- | ----- |
| Total current liabilities | 41,270 | 37,810 |
| | ----- | ----- |
| Long-term liabilities: | | |
| Long-term debt and capital lease obligations | 20,035 | 20,043 |
| Other long-term liabilities | 359 | 316 |
| | ----- | ----- |
| Total long-term liabilities | 20,394 | 20,359 |
| | ----- | ----- |
| Shareholders' equity: | | |
| Common stock, par value \$0.10 per share | 1,583 | 1,578 |
| Capital in excess of par value | 135,495 | 134,736 |

| | | |
|--|-----------|-----------|
| Accumulated other comprehensive income | (206) | (321) |
| Accumulated deficit | (94,062) | (94,026) |
| | ----- | ----- |
| | 42,810 | 41,967 |
| Less -- Treasury stock, at cost | 2,378 | 2,378 |
| | ----- | ----- |
| Total shareholders' equity | 40,432 | 39,589 |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | \$102,096 | \$ 97,758 |
| | ===== | ===== |

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