

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

	Year Ended 12/31/2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Year Ended 12/31/2010
Revenues:						
Battery & energy products	\$ 107,165	\$ 24,290	\$ 25,387	\$ 22,682	\$ 32,258	\$ 104,617
Communications systems	47,130	12,179	8,260	28,130	13,633	62,202
Total revenues	<u>154,295</u>	<u>36,469</u>	<u>33,647</u>	<u>50,812</u>	<u>45,891</u>	<u>166,819</u>
Cost of products sold:						
Battery & energy products	85,786	19,088	19,382	17,456	23,894	79,820
Communications systems	33,200	7,542	5,259	18,231	9,311	40,343
Total cost of products sold	<u>118,986</u>	<u>26,630</u>	<u>24,641</u>	<u>35,687</u>	<u>33,205</u>	<u>120,163</u>
Gross margin	35,309	9,839	9,006	15,125	12,686	46,656
Operating expenses:						
Research and development	9,451	1,707	1,883	2,590	2,575	8,755
Selling, general, and administrative	29,407	6,344	6,137	6,484	7,074	26,039
Total operating expenses	<u>38,858</u>	<u>8,051</u>	<u>8,020</u>	<u>9,074</u>	<u>9,649</u>	<u>34,794</u>
Operating income (loss)	(3,549)	1,788	986	6,051	3,037	11,862
Other income (expense):						
Interest income	21	-	-	-	-	-
Interest expense	(1,452)	(495)	(215)	(242)	(186)	(1,138)
Miscellaneous	(23)	41	(124)	436	(208)	145
Income (loss) from continuing operations before income taxes	<u>(5,003)</u>	<u>1,334</u>	<u>647</u>	<u>6,245</u>	<u>2,643</u>	<u>10,869</u>
Income tax provision-current	31	38	28	130	(719)	(523)
Income tax provision-deferred	360	55	39	284	-	378
Total income taxes	<u>391</u>	<u>93</u>	<u>67</u>	<u>414</u>	<u>(719)</u>	<u>(145)</u>
Net income (loss) from continuing operations	(5,394)	1,241	580	5,831	3,362	11,014
Discontinued operations:						
Loss from discontinued operations, net of tax	(3,837)	(945)	(563)	(1,333)	(14,382)	(17,223)
Net income (loss)	(9,231)	296	17	4,498	(11,020)	(6,209)
Net (income) loss attributable to noncontrolling interest	(10)	(9)	3	28	8	30
Net income (loss) attributable to Ultralife	<u>\$ (9,241)</u>	<u>\$ 287</u>	<u>\$ 20</u>	<u>\$ 4,526</u>	<u>\$ (11,012)</u>	<u>\$ (6,179)</u>

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

	Year Ended 12/31/2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Year Ended 12/31/2010
Net income (loss) attributable to Ultralife common shareholders - basic						
Continuing operations	\$ (0.32)	\$ 0.07	\$ 0.03	\$ 0.34	\$ 0.20	\$ 0.64
Discontinued operations	\$ (0.23)	\$ (0.06)	\$ (0.03)	\$ (0.08)	\$ (0.83)	\$ (1.00)
Total	<u>\$ (0.55)</u>	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.26</u>	<u>\$ (0.63)</u>	<u>\$ (0.36)</u>
Net income (loss) attributable to Ultralife common shareholders - diluted						
Continuing operations	\$ (0.32)	\$ 0.07	\$ 0.03	\$ 0.34	\$ 0.19	\$ 0.64
Discontinued operations	\$ (0.23)	\$ (0.06)	\$ (0.03)	\$ (0.08)	\$ (0.83)	\$ (1.00)
Total	<u>\$ (0.55)</u>	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.26</u>	<u>\$ (0.64)</u>	<u>\$ (0.36)</u>
Weighted average shares outstanding - basic	<u>16,989</u>	<u>16,995</u>	<u>17,164</u>	<u>17,225</u>	<u>17,242</u>	<u>17,157</u>
Weighted average shares outstanding - diluted	<u>16,989</u>	<u>16,999</u>	<u>17,169</u>	<u>17,449</u>	<u>17,417</u>	<u>17,166</u>