

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):

April 29, 2004

ULTRALIFE BATTERIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

0-20852

(Commission File Number)

16-1387013

(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)

Item 7. Financial Statements, Pro Forma Financials and Exhibits.

(a) Financial Statements of Business Acquired.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

99.1 Press Release dated April 29, 2004

Item 12. Results of Operations and Financial Condition.

On April 29, 2004, Ultralife Batteries, Inc. reported operating income of \$3.4 million on record quarterly revenues of \$27.0 million for its first quarter ended March 27, 2004. Refer to the attached Exhibit 99.1 for the entire text of the release, which Exhibit is being furnished and not filed, and which shall not be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except as expressly set forth by specific reference in any such filing.

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 BATTERIES, INC.

Dated: April 29, 2004

By: /s/ Robert W. Fishback

Robert W. Fishback
Vice President of Finance &
Chief Financial Officer

Index to Exhibits

(99) Additional Exhibits

99.1 Press Release dated April 29, 2004

Ultralife Batteries, Inc. Reports First Quarter Results;
Revenues Grow 75% to \$27.0 Million From a Year Ago;
Operating Income Reaches \$3.4 Million

NEWARK, N.Y.--(BUSINESS WIRE)--April 29, 2004--Ultralife Batteries, Inc. (NASDAQ: ULBI) today reported operating income of \$3.4 million on record quarterly revenues of \$27.0 million for its first quarter ended March 27, 2004. Net income was \$3.2 million, or \$0.22 per diluted share. In the same three-month period in 2003, the Company reported operating income and net income of \$0.6 million and \$0.3 million, respectively, and \$0.02 diluted earnings per share.

Revenues for the first quarter of 2004 increased \$11.6 million from \$15.4 million in 2003, a 75% improvement. Continued strength in military orders for HiRate(R) batteries was the primary factor for this growth, in addition to an increase in sales of rechargeable batteries to both commercial and military customers.

Gross margin nearly doubled, rising to \$6.3 million, or 23% of revenues, from \$3.2 million last year, or 20% of revenues, as a result of the higher sales and production volumes and continuing improvements in manufacturing efficiencies. Operating expenses amounted to \$3.0 million for the quarter, or 11% of revenues, reflecting an increase of \$0.4 million over last year due to higher costs necessary to support a significantly larger and growing business.

John Kavazanjian, president and chief executive officer, said, "This quarter's performance highlights our continued delivery of high quality products to the military, success in penetrating markets for rechargeable batteries, and growing activity to design and provide power solutions for a variety of commercial applications in our target markets. With the recent investments we have made in capital equipment programs that are helping us to eliminate capacity constraints, we are nearing a point where we will have the added capacity to realize even better operating efficiencies.

"Looking ahead, we are still excited about growth prospects with the military market as our favored battery chemistry continues to take market share," added Mr. Kavazanjian. "We're also experiencing extremely high levels of interest and growth in commercial markets, as evidenced by the sizable increase in rechargeable sales this quarter. We remain focused on targeting markets and applications where our products add value, and believe that our strategy will allow us to continue to achieve increasing returns to scale as we grow the business."

Outlook

For the second quarter ending June 26, 2004, management projects operating income will reach approximately \$3.5 million on revenues of approximately \$28.0 million. This compares to operating income of \$1.9 million on revenues of \$20.1 million in the comparable quarter in 2003. For the full year, management is adjusting its guidance to reflect the better than expected first quarter performance while reaffirming its outlook for the second half of the year. As a result, management now expects full year operating income of approximately \$12.5 million on total revenues of approximately \$106 million. This compares to the previous guidance for 2004 of \$12 million in operating income on \$104 million in sales.

About Ultralife Batteries, Inc.

Ultralife is a leading developer, manufacturer, and marketer of standard and customized lithium primary (non-rechargeable), lithium ion and lithium polymer rechargeable batteries. Ultralife's high-energy batteries use advanced lithium technology and are used in military, industrial and consumer portable electronic products. Through its range of standard products and ability to customize for a wide range of applications, Ultralife is able to provide the next generation of battery solutions. OEM, retail and government customers include Energizer, Kidde Safety, Philips Medical Systems, Radio Shack and the national defense agencies of the United States and United Kingdom, among others.

Ultralife's headquarters, principal manufacturing and research facilities are in Newark, New York, near Rochester. Ultralife (UK) Ltd., a second manufacturing and research facility, is located in Abingdon, U.K. Both facilities are ISO-9001 certified.

This press release contains 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: loss of business with the U.S. government, worsening global economic conditions, world events,

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.

Detailed information on Ultralife is available at the Company's web site, www.ultralifebatteries.com.

Conference Call Information

Investors are invited to listen to a live webcast of the conference call at 10:00 a.m. ET on April 29 at www.ultralifebatteries.com/invest.asp. 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 800-428-6051, Reservation #346894, starting at 12:00 p.m. ET April 29 until 12:00 p.m. ET May 6.

Ultralife and HiRate are registered trademarks of Ultralife Batteries, Inc.

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

| | Three Month Period Ended | |
|--------------------------------------|-----------------------------|----------------------|
| | March 27, 2004 | March 29, 2003 |
| Revenues: | | |
| Battery sales | \$26,696 | \$15,012 |
| Technology contracts | 292 | 416 |
| Total revenues | 26,988 | 15,428 |
| Cost of products sold: | | |
| Battery costs | 20,407 | 12,055 |
| Technology contracts | 249 | 214 |
| Total cost of products sold | 20,656 | 12,269 |
| Gross margin | 6,332 | 3,159 |
| Operating expenses: | | |
| Research and development | 503 | 585 |
| Selling, general, and administrative | 2,471 | 1,962 |
| Total operating expenses | 2,974 | 2,547 |
| Operating income | 3,358 | 612 |
| Other income (expense): | | |
| Interest, net | (105) | (91) |
| Miscellaneous | 61 | (210) |
| Income before income taxes | 3,314 | 311 |
| Income taxes | 79 | - |
| Net income | \$3,235 | \$311 |
| Earnings per share - basic | \$0.23 | \$0.02 |
| Earnings per share - diluted | \$0.22 | \$0.02 |

| | | |
|--------------------------------------|--------|--------|
| Average shares outstanding - basic | 13,772 | 12,852 |
| | ===== | ===== |
| Average shares outstanding - diluted | 14,890 | 12,938 |
| | ===== | ===== |

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

| ASSETS | March 27, 2004 | December 31, 2003 |
|---|----------------------|-------------------------|
| | ----- | ----- |
| Current assets: | | |
| Cash and investments | \$1,187 | \$880 |
| Trade accounts receivable, net | 20,487 | 17,803 |
| Inventories | 13,970 | 10,209 |
| Prepaid expenses and other current assets | 3,382 | 3,664 |
| | ----- | ----- |
| Total current assets | 39,026 | 32,556 |
| Property and equipment | 17,976 | 18,213 |
| Other assets | 1,558 | 1,583 |
| | ----- | ----- |
| Total Assets | \$58,560 | \$52,352 |
| | ===== | ===== |
| | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term debt and current portion of long-term debt | \$5,940 | \$8,295 |
| Accounts payable | 8,730 | 6,385 |
| Other current liabilities | 3,328 | 3,174 |
| | ----- | ----- |
| Total current liabilities | 17,998 | 17,854 |
| Long-term debt and capital lease obligations | 68 | 68 |
| Shareholders' equity: | | |
| Common stock, par value \$0.10 per share | 1,477 | 1,430 |
| Capital in excess of par value | 123,338 | 120,626 |
| Accumulated other comprehensive loss | (653) | (723) |
| Accumulated deficit | (81,290) | (84,525) |
| | ----- | ----- |
| Less --Treasury stock, at cost | 42,872 | 36,808 |
| | 2,378 | 2,378 |
| | ----- | ----- |
| Total shareholders' equity | 40,494 | 34,430 |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | \$58,560 | \$52,352 |
| | ===== | ===== |

CONTACT: Ultralife Batteries, Inc.
Robert W. Fishback, 315-332-7100
bfishback@ulbi.com
or
Lippert/Heilshorn & Associates, Inc.
Investor Relations Contact:
Jody Burfening, 212-838-3777
jburfening@lhai.com
or
Lippert/Heilshorn & Associates, Inc.
Media Contact:
Chenoa Taitt, 212-201-6635
ctaitt@lhai.com