

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
 [] Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 [X] Definitive Proxy Statement
 [] Definitive Additional Materials
 [] Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Ultralife Batteries, Inc.

(Name of Registrant as Specified In Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
- (1) Title of each class of securities to which transaction applies: _____
- (2) Aggregate number of securities to which transaction applies: _____
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule: 0-11: _____
- (4) Proposed maximum aggregate value of transaction: _____
- (5) Total fee paid: _____
- [] Fee paid previously with preliminary materials.
- [] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

ULTRALIFE BATTERIES, INC.
2000 TECHNOLOGY PARKWAY
NEWARK, NEW YORK 14513

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
DECEMBER 7, 1999

Notice is hereby given that the 1999 Annual Meeting of Stockholders (the "Meeting") of Ultralife Batteries, Inc. (the "Company") will be held Tuesday on December 7, 1999 at 10:30 A.M. at the offices of The Chase Manhattan Bank, 410 Park Avenue, 5th floor, The Board Room, New York, New York for the following purposes:

1. To elect directors for a term of one year and until their successors are duly elected and qualified.
2. To transact such other business as may properly come before the meeting and any adjournments thereof.

Only stockholders of record of common stock, par value \$.10 per share, of the Company at the close of business on October 22, 1999 are entitled to receive notice of, and to vote at and attend the Meeting. At least 10 days prior to the Meeting, a complete list of stockholders entitled to vote will be available for inspection by any stockholder, for any purpose germane to the Meeting, during ordinary business hours, at Share & Blejcek LLP 317 Madison Avenue, Suite 1421, New York, NY 10017 attn: Paul Share, Esq. If you do not expect to be present you are requested to fill in, date and sign the enclosed Proxy, which is solicited by the Board of Directors of the Company, and to promptly return it in the enclosed envelope. In the event you decide to attend the Meeting in person, you may, if you desire, revoke your proxy and vote your shares in person.

By Order of the Board of Directors
Arthur M. Lieberman

Chairman of the Board of Directors

Dated: October 25, 1999

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IMPORTANT
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Regardless of whether or not you plan to attend the meeting, you are urged to complete, sign and return the enclosed proxy in the envelope provided, which requires no postage if mailed in the United States.

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ULTRALIFE BATTERIES, INC.
2000 TECHNOLOGY PARKWAY
NEWARK, NEW YORK 14513

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
DECEMBER 7, 1999

INFORMATION CONCERNING SOLICITATION AND VOTING

This proxy statement is furnished in connection with the solicitation on behalf of the Board of Directors of Ultralife Batteries, Inc. (the "Company") for use at the 1999 Annual Meeting of Stockholders (the "Meeting") to be held on Tuesday, December 7, 1999 at 10:30 A.M. and any adjournments thereof. The Meeting will be held at the offices of The Chase Manhattan Bank, 410 Park Avenue, 5th floor, The Board Room, New York, New York.

When a proxy is returned properly signed, the shares represented thereby will be voted in accordance with the stockholder's directions. If the proxy is signed and returned without choices having been specified, the shares will be voted for the election as directors of the persons named herein. If for any reason any of the nominees for election as directors shall become unavailable for election, discretionary authority may be exercised by the proxies to vote for substitutes proposed by the Board of Directors of the Company. A stockholder giving a proxy has the right to revoke it at any time before it is voted by filing with the Secretary of the Company a written notice of revocation, or a duly executed later-dated proxy, or by requesting return of the proxy at the Meeting and voting in person.

Only stockholders of record at the close of business on October 22, 1999 are entitled to notice of, and to vote at, the annual meeting of stockholders. As of October 22, 1999, there were 11,211,536 shares of the Company's stock, par value \$.10 per share ("Common Stock"), outstanding, each entitled to one vote per share at the Meeting¹.

The cost of solicitation of proxies will be borne by the Company. In addition to the solicitation of proxies by use of the mails, some of the officers, directors and regular employees of the Company, without extra remuneration, may solicit proxies personally or by telephone, telefax or similar transmission. The Company will reimburse record holders for expenses in forwarding proxies and proxy soliciting material to the beneficial owners of the shares held by them.

The approximate date on which the enclosed form of proxy and this proxy statement are first being sent to stockholders of the Company is October 27, 1999.

PROPOSAL 1
ELECTION OF DIRECTORS

The Board of Directors currently has 7 directors, 6 of whom are running for reelection and one of whom, John D. Kavazanjian, was elected by the Board of Directors on August 25, 1999 to fill the vacancy left by Martin Rosansky who resigned from the Board of Directors on June 6, 1999. Directors are elected by a plurality of the votes cast by the stockholders of the Company at a stockholders meeting at which a quorum of shares is represented. Each director shall serve until the next annual stockholders meeting and until the successor of such directors shall have been elected and qualified. The names of, and certain information with respect to, the persons nominated for election as directors are presented on the following pages.

Name	Age	Present Principal Occupation and Employment History
Arthur Lieberman	64	Mr. Lieberman has been a director since March 1991 and Chairman of the Board since January 1999. Mr. Lieberman is a founder, and since 1981 has been the senior partner of Lieberman & Nowak, a legal firm specializing in intellectual property law which for many years has represented clients in the battery industry and related fields. Lieberman & Nowak has represented the Company in connection with certain intellectual property matters.

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¹ Prior to subtraction of 27,250 treasury shares and 322,700 shares out of 700,000 shares owned by Ultralife Taiwan, Inc., a Taiwanese venture of which the Company owns approximately 46%.

Name	Age	Present Principal Occupation and Employment History
John D. Kavazanjian	48	Mr. Kavazanjian was elected as the Company's President and Chief Executive Officer effective July 12, 1999 and as a Director on August 25, 1999. Prior to joining the Company, Mr. Kavazanjian worked for Xerox Corporation from 1994 in several capacities, most recently as Corporate Vice President, Chief Technology Officer, Document Services Group. From 1992 until 1994 he was the Senior Vice President, Operations for Kendal Square Research Corporation, a high performance computer manufacturer. From 1991 to 1992 he was the Chief Operating Officer for Network Computing, Inc. From 1982 to 1990 he worked for Data General Corporation, most recently as Vice President, PC/Peripheral Business Unit
Joseph C. Abeles	84	Mr. Abeles, a founder of the Company, has been a director and Treasurer since March 1991. Mr. Abeles, formerly a director of PCI, is a private investor and currently serves as a director of a number of companies, including Intermagnetics General Corporation ("IGC") and Bluegreen Corporation (formerly Patten Corporation). In 1951 he founded Kawecki Chemical Co. and served as Chairman and CEO of Kawecki Berylco Industries from 1969 to 1978.
Joseph N. Barrella	53	Mr. Barrella, a founder of the Company, has been a director since March 1991, was President from March 1991 through December 1998, was the Company's Chief Operating Officer from October 1992 through November 1996, and has been its Senior Vice President Business Development since December 1998. Prior thereto, Mr. Barrella spent seven years as Director of Engineering at PCI, from May 1984 to January 1991. Mr. Barrella has been involved in the development and manufacture of lithium batteries for more than 25 years. He holds a number of patents relating to lithium battery designs and has authored several publications relating to battery technology.
Richard Hansen	59	Mr. Hansen has been a director since July 1993. Mr. Hansen has been President and Chief Executive Officer of Pennsylvania Merchant Group Ltd, an investment banking and venture capital firm, since 1987 and is a director of Computone Corporation.
Bruce Jagid	59	Mr. Jagid, a founder of the Company, has been a director since March 1991. Mr. Jagid was the Company's Chairman from March 1991 until January 1999 and its Chief Executive Officer from January 1992 until January 1999. Mr. Jagid has over 25 years experience in the technical and business aspects of the energy conversion field. Mr. Jagid was a founder of Power Conversion, Inc. ("PCI") in 1970, where he was the President until January 1989. PCI was sold to Hawker Siddely PLC in 1986. Mr. Jagid is a director of several private companies and ID Systems, Inc. and THQ, Inc. Mr. Jagid holds numerous patents in the area of battery technology and has authored several publications on the subject.
Carl H. Rosner	70	Mr. Rosner, a director of the Company since January 1992, is the Chairman of IGC. Mr. Rosner has been Chairman of IGC since its formation and was President and Chief Executive Officer until May 31, 1999.

The Board of Directors has unanimously approved the above-named nominees for directors. The Board of Directors recommends a vote FOR all of these nominees.

BOARD OF DIRECTORS

The Board of Directors has met thirteen (13) times during the fiscal year ended June 30, 1999. Messrs. Abeles, Barrella, and Rosner attended all 13 meetings. Mr. Rosansky attended all 11 meetings held while he was a director. Mr. Lieberman and Mr. Jagid missed 1 meeting, and Mr. Hansen missed 3 meetings. Mr. Kavazanjian was not a director during fiscal year 1999.

Each board member receives a \$750 monthly retainer as well as \$750 for each board meeting attended, other than telephonic meetings. In addition, each director receives an option, at the end of each calendar quarter to purchase 1,500 shares of Common Stock. This option is granted to each director on the last day of the calendar quarter; it vests immediately with a term of five years from the date of grant and is granted at an exercise price equal to the closing price of the Common Stock on

the date of grant. Effective February 24, 1999, the Board revised the compensation so that the \$750 paid monthly and for each board meeting attended is not paid to Directors who are also employed by the Company. In addition, the Board agreed to pay Mr. Lieberman \$35,000 for acting as Chairman of the Board for the period from January 26, 1999 through December 7, 1999, and at the rate of \$15,000 per annum thereafter.

COMMITTEES OF THE BOARD

The Board has established three standing committees to assist it in carrying out its responsibilities: the Compensation and Stock Option Committee, the Audit Committee and the Executive Committee.

The members of the Compensation and Stock Option Committee are Joseph C. Abeles, Carl H. Rosner and Richard Hansen. The Compensation and Stock Option Committee has general responsibility for recommending to the Board remuneration for the Chairman and determining the remuneration of other officers elected by the Board; granting stock options and otherwise administering the Company's stock option plans; and approval and administration of any other compensation plans or agreements. This committee held no formal meetings, but acted after informal discussions on several occasions during the fiscal year ended June 30, 1999.

The members of the Audit Committee are Joseph C. Abeles, Carl H. Rosner and Richard Hansen. This committee has oversight responsibility for reviewing the scope and results of the independent auditors' annual examination of the Company's financial statements; meeting with the Company's financial management and the independent auditors to review matters relating to internal accounting controls, the Company's accounting practices and procedures and other matters relating to the financial condition of the Company; and recommending to the Board of Directors the appointment of the independent auditors. This committee held one formal meeting as part of a regular board meeting and had informal discussions from time to time during the fiscal year ended June 30, 1999.

The members of the Executive Committee are Joseph Abeles, Arthur Lieberman and John Kavazanjian. Messrs. Jagid and Rosansky sat on this committee until January 1999. This committee is responsible for overseeing such matters as the Board of Directors determines from time to time. This committee held no formal meetings, but had informal discussions from time to time during the fiscal year ended June 30, 1999.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below sets forth certain information regarding the beneficial ownership of shares of the Company's Common Stock as of September 30, 1999 by (i) each person known by the Company to beneficially own more than five percent of the outstanding shares of Common Stock, (ii) each director and certain named executive officers of the Company, and (iii) all directors and executive officers of the Company as a group. Except as otherwise indicated, the persons named in this table have sole voting power with respect to all shares of Common Stock owned based upon information provided to the Company by the directors, officers and principal stockholders and their addresses are the address of the Company.

Name ----	Number of Shares Beneficially Owned -----	Percent Beneficially Owned (14) -----
State of Wisconsin Investment Board (1)	1,077,000	9.91%
Intermagnetics General Corporation ("IGC") (2)	1,015,586	9.32%
Ultralife Taiwan, Inc. (3)	700,000	6.44%
Joseph Abeles (4)	316,000	2.89%
Joseph Barrella (5)	343,000	3.11%
Bruce Jagid (6)	739,400	6.49%
Richard Hansen (7)	44,500	*
John Kavazanjian (8)	51,500	*

Name ----	Number of Shares Beneficially Owned -----	Percent Beneficially Owned (14) -----
Arthur Lieberman (9)	131,500	1.21%
Carl Rosner (10)	39,833	*
Roger O'Brien(11)	33,000	*
James Sullivan(12)	44,900	*
All directors and officers as a group (12 persons) (13)	1,765,533	14.94%

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*Less than 1%

1. With an address at 121 East Wilson Street, Madison, Wisconsin 53707. Based on amendment No. 3 to Form 13 G Filed February 2, 1999.
2. With an address at 450 Old Niskayuna Rd., Latham, NY 12210-0461. Includes 833 shares and options to purchase 39,000 shares which may be exercised within 60 days beneficially owned by Mr. Carl H. Rosner. Mr. Rosner is the Chairman of Intermagnetics General Corporation ("IGC"). Therefore, IGC may be deemed to share voting and investment power with respect to the shares and shares issuable upon the exercise of options held by Mr. Rosner. IGC disclaims beneficial ownership of the shares and shares issuable upon the exercise of options owned by Mr. Rosner.
3. With an address at 5F, 6 Li-Shin Road, Science-Based Industrial Park, Hsinchu, Taiwan, Republic of China. The Company owns approximately 46% of this venture and has the right to nominate half of the Directors.
4. Includes 36,000 shares subject to options which may be exercised within 60 days, 12,000 shares owned by Abeles Associates Inc. and 25,000 shares held by Mr. Abeles' spouse, as to which Mr. Abeles disclaims beneficial ownership. Excludes 1,014,086 shares beneficially owned by IGC. Mr. Abeles is a director of IGC and therefore may be deemed to share voting and investment power with respect to the shares held by IGC. Mr. Abeles disclaims beneficial ownership of the shares owned by IGC.
5. Includes 166,000 shares subject to options which may be exercised within 60 days.
6. Includes 529,000 shares subject to options which may be exercised within 60 days. Includes 3,000 shares held in trust for Mr. Jagid's children of which he disclaims beneficial ownership.
7. Includes 37,500 shares subject to options which may be exercised within 60 days. Includes 2,000 shares owned by minor children of Mr. Hansen which he disclaims beneficial ownership. Does not include shares held by Pennsylvania Merchant Group Ltd as a market-maker. Mr. Hansen is President and Chief Executive Officer of Pennsylvania Merchant Group Ltd and therefore may be deemed to share voting and investment power.
8. Includes options to purchase 51,500 shares by Mr. Kavazanjian.
9. Includes 39,000 shares subject to options which may be exercised within 60 days and 52,500 shares held by the Arthur M. Lieberman P.C. profit sharing plan.
10. Includes 39,000 options to purchase shares which may be exercised within 60 days. Does not include 975,753 shares owned by IGC. Mr. Rosner is the Chairman of IGC and therefore may be deemed to share voting and investment power with respect to the shares held by IGC. Mr. Rosner disclaims beneficial ownership of the shares owned by IGC.
11. Includes options to purchase 20,000 shares by Mr. O'Brien.
12. Includes options to purchase 28,000 shares by Mr. Sullivan.
13. Includes 954,000 shares subject to options which may be exercised within 60 days. Does not include 975,753 shares owned directly by IGC, of which Mr. Rosner is the Chairman and Mr. Abeles a Director, and does not include 700,000 shares owned by Ultralife Taiwan, Inc., a Taiwanese venture of which the Company owns 46%.
14. Based on 11,211,536 issued shares less 27,250 treasury share and less 322,700 shares out of 700,000 shares owned by Ultralife Taiwan, Inc., a venture of which the Company owns approximately 46% and has the right to nominate half of the Directors.

Section 16(a) Reporting

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who own more than ten percent of the Company's Common Stock, to file with the Securities and Exchange Commission (the "SEC") initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Executive officers, directors and greater than ten-percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file. To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company during the fiscal year ended

June 30, 1999, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with, except as follows: (1) Messrs. Comerford, Dix , Fischer and O'Brien were late in filing a Form 3 regarding their status as a reporting persons (2) Mr. O'Brien was late in reporting a purchase made on March 26, 1999 and an option granted in June 1999; (3) Mr. Sullivan was late in reporting 5 purchases made on October 1, 1998, in reporting an option granted during February 1998, an option granted during June 1998 and an option granted in June 1999; (4) Mr. Rosansky was late in reporting an option granted on March 31, 1999.

EXECUTIVE COMPENSATION

The names of, and certain information with respect to the Company's executive officers who are not also directors, are presented on the following pages.

Name	Age	Present Principal Occupation and Employment History
Roger O'Brien	51	Mr. O'Brien became Chief Operating Officer of the Company on July 7, 1998. He was an independent managerial consultant based in the Rochester, New York area from 1997 to 1998 where he provided advisory and implementation services addressing marketing and sales, strategic planning and organizational development. From 1991 to 1996, Mr. O'Brien was President, Chief Executive Officer and a major shareholder of Holotek, LTD, a high technology laser system design and manufacturing company based in Rochester, New York. From 1988 to 1990, he was Vice President of Sun Microsystems, Inc., where he directed the budgeting, financial analysis and reporting, corporate tax and accounting and SEC reporting functions. Mr. O'Brien has also held executive positions with Tenneco, Bell and Howell/Columbia Partners, Exxon Corporation and Xerox Corporation.
Frederick F. Drulard	59	Mr. Drulard joined the Company in July 1996 and became Director of Corporate Planning and Administration in October of 1996. He became Vice President of Finance and Chief Financial Officer in October 1997. From January 1994 through July 1996 he was an independent consultant and a Senior Associate for Greenbush & Associates, a financial consulting company. Prior thereto starting in 1986 he worked for IGC, as Vice President and then as Vice-President Corporate Planning and Administration. Prior thereto he worked for Exxon Enterprises as Director of Finance and Administration.
James Sullivan	61	Mr. Sullivan has been the Company's Vice President-Sales, since July 1996. From March 1995 through July 1996 he was President of C.C. Communications, Inc., an advertising agency in New Jersey, and in charge of market development for Holt Lloyd International, a car care products company in the UK. Prior to that, from November 1976 through November 1994, Mr. Sullivan was Vice-President in charge of sales with additional responsibilities for engineering and product development, for PCI, a manufacturer of lithium batteries.
Peter Comerford	42	Mr. Comerford was named Vice President of Administration and General Counsel on July 1, 1999. He joined the Company in May of 1997 as Senior Corporate Counsel and was appointed Director of Administration and General Counsel in December of that year. Prior to joining the Company, Mr. Comerford was a practicing attorney for some fourteen years having worked primarily in municipal law departments including the City of Niagara Falls, New York where he served as the Corporation Counsel. Mr. Comerford has a B.A. from the State University of New York at Buffalo, an M.B.A. from Canisus College and a J.D. from the University of San Diego School of Law.
Eric Dix	41	Mr. Dix joined the Company as Vice President Technology in February 1999. Before then Mr. Dix worked for Micron Communications Corporation from October 1996, as Technical Marketing Manager and as Director, Battery Operations. From June 1995 until October 1996, Mr. Dix was Vice President, Marketing for Moltech Corporation, a lithium rechargeable battery company. From August 1993 until June 1995 Mr. Dix worked for Valence Technology, Inc., a developer of lithium rechargeable batteries. From December 1989 until July 1993 Mr. Dix was Senior Director of Technology of Tandy Magnetic Media division of Tandy Electronics (previously Memorex). From May 1983 until December 1989 Mr. Dix worked at Control Data Corporation in several positions, most recently as Director of Engineering. Mr. Dix has an MBA from Santa Clara University and a B.S. Chemistry from the University of Northern Iowa.

The individuals named in the following tables include, as of June 30, 1999, the Company's Chief Executive Officers and the three other most highly compensated executive officers of the Company ("Named Executive Officers"). All other executive officers of the Company during the fiscal year ended June 30, 1999 earned less than \$100,000 for that year.

The following table sets forth information concerning the annual and long-term compensation of the Named Executive Officers for all services in all capacities to the Company and its subsidiary during the Company's fiscal years ended June 30, 1999, 1998 and 1997:

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		Long Term Compensation					
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts		All Other Compensation (\$)
					Restricted Stock Awards (\$)	Securities Underlying Options/ SARs (#)	LTIIP Payouts (\$)		
				(1)		(#)			(2)
Bruce Jagid	1999	\$311,947	\$ 0	\$38,819	\$0	6,000	\$ 0	\$0	
Former Chief Executive Officer (2)	1998	307,692	150,000	35,373	0	93,000	0	0	
	1997	275,000	0	36,542	0	56,000	0	0	
Joseph Abeles	1999	0	0	14,250	0	6,000	0	0	
Acting Chief Executive Officer (3)	1998	0	0	14,250	0	15,000	0	0	
	1997	0	0	14,250	0	6000	0	0	
Joseph Barrella	1999	170,389	0	37,593	0	6,000	0	0	
Senior Vice President Business Development	1998	164,769	15,000	33,670	0	68,000	0	0	
	1997	155,000	0	36,288	0	6,000	0	0	
Roger O'Brien	1999	146,154	0	8,886	0	150,000	0	0	
Chief Operating Officer (4)									
James Sullivan	1999	124,500	0	8,543	0	30,000	0	0	
Vice President Sales	1998	113,578	15,000	14,018	0	10,000	0	0	
	1997	99,846	0	11,508	0	35,000	0	0	

(1) The amounts reported in this column are categorized in the following table.

(2) Mr. Jagid resigned as Chief Executive Officer of the Company on January 26, 1999

(3) Mr. Abeles served as Acting Chief Executive Officer of the Company from the resignation of Mr. Jagid on January 26, 1999 until Mr. John Kavazanjian joined the Company in that position on July 12, 1999. Mr. Abeles received no compensation for so acting. During that period Mr. Abeles received only the compensation received by all directors described above.

(4) Mr. O'Brien joined the Company on July 8, 1998

	Bruce Jagid	Joseph Abeles (1)	Joseph Barrella	Roger O'Brien (2)	James Sullivan
Insurance 1999	\$8,502	\$0	\$8,509	\$2,886	\$2,543
Insurance 1998	8,018	0	8,018	0	8,018
Insurance 1997	7,513	0	7,513	0	7,008
Automobile 1999	9,190	0	8,517	6,000	6,000
Automobile 1998	11,029	0	8,068	0	6,000
Automobile 1997	11,029	0	8,500	0	4,500
Directors Fees 1999	14,250	14,250	10,125	0	0
Directors Fees 1998	14,250	14,250	14,250	0	0
Directors Fees 1997	15,750	15,750	15,750	0	0
401(k) Plan 1999(3)	6,877	0	5,942	0	0
401(k) Plan 1998	2,076	0	3,334	0	0
401(k) Plan 1997	2,250	0	2,250	0	0

(1) Mr. Abeles served as Acting Chief Executive Officer of the Company from the resignation of Mr. Jagid on January 26, 1999 until Mr. John Kavazanjian joined the Company in that position on July 12, 1999. Mr. Abeles received no compensation for so acting. During that period Mr. Abeles received only the compensation received by all directors described above.

(2) Mr. O'Brien joined the Company on July 8, 1998.

(3) Represents the Company's matching grants to the employees' 401(k) Plan accounts for fiscal years ended June 30, 1999, 1998 and 1997.

The following table sets forth information concerning options granted to the Named Executive Officers during the Company's fiscal year ended June 30, 1999:

Option/SAR Grants in Last Fiscal Year					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (1)				
Individual Grants									
	Shares	%	Price	Exp Date	0% Stock	5% Stock	5%	10% Stock	10%
		(16)	(17)		Price	Price	Dollar Gain(18)	Price	Dollar Gain (18)
Bruce Jagid	1,500 (2)	0.4%	\$6.00	9/30/03	\$6.00	\$7.66	\$2,490	\$9.66	\$5,490
Former Chief	1,500 (3)	0.4%	5.19	12/31/03	5.19	6.62	2,149	8.36	4,759
Executive Officer	1,500 (4)	0.4%	5.06	3/31/04	5.06	6.46	2,096	8.15	4,631
	1,500 (5)	0.4%	5.50	6/30/04	5.50	7.02	2,280	8.86	5,040
Joseph C. Abeles	1,500 (2)	0.4%	6.00	9/30/03	6.00	7.66	2,490	9.66	5,490
Former Acting Chief	1,500 (3)	0.4%	5.19	12/31/03	5.19	6.62	2,149	8.36	4,759
Executive Officer	1,500 (4)	0.4%	5.06	3/31/04	5.06	6.46	2,096	8.15	4,631
	1,500 (5)	0.4%	5.50	6/30/04	5.50	7.02	2,280	8.86	5,040
Joseph N. Barrella	1,500 (2)	0.4%	6.00	9/30/03	6.00	7.66	2,490	9.66	5,490
Vice President	1,500 (3)	0.4%	5.19	12/31/03	5.19	6.62	2,149	8.36	4,759
Business Development	1,500 (4)	0.4%	5.06	3/31/04	5.06	6.46	2,096	8.15	4,631
	1,500 (5)	0.4%	5.50	6/30/04	5.50	7.02	2,280	8.86	5,040
Roger O'Brien	20,000 (6)	5.8%	8.38	7/7/04	8.38	11.23	57,100	14.85	129,500
Chief Operating Officer	20,000 (7)	5.8%	8.38	7/7/04	8.38	11.23	57,100	14.85	129,500
	20,000 (8)	5.8%	8.38	7/7/04	8.38	11.23	57,100	14.85	129,500
	20,000 (9)	5.8%	8.38	7/7/04	8.38	11.23	57,100	14.85	129,500
	20,000 (10)	5.8%	8.38	7/7/04	8.38	11.23	57,100	14.85	129,500
	10,000 (11)	2.9%	5.50	6/30/05	5.50	7.37	18,700	9.74	42,400
	10,000 (12)	2.9%	5.50	6/30/05	5.50	7.37	18,700	9.74	42,400
	10,000 (13)	2.9%	5.50	6/30/05	5.50	7.37	18,700	9.74	42,400
	10,000 (14)	2.9%	5.50	6/30/05	5.50	7.37	18,700	9.74	42,400
	10,000 (15)	2.9%	5.50	6/30/05	5.50	7.37	18,700	9.74	42,400
James Sullivan	6,000 (11)	1.7%	5.50	6/30/05	5.50	7.37	11,220	9.74	25,440
Vice President	6,000 (12)	1.7%	5.50	6/30/05	5.50	7.37	11,220	9.74	25,440
Sales	6,000 (13)	1.7%	5.50	6/30/05	5.50	7.37	11,220	9.74	25,440
	6,000 (14)	1.7%	5.50	6/30/05	5.50	7.37	11,220	9.74	25,440
	6,000 (15)	1.7%	5.50	6/30/05	5.50	7.37	11,220	9.74	25,440

1. There is no assurance that the value realized by an employee will be at or near the amount estimated using this model. These amounts rely on assumed future stock price movements that cannot be predicted accurately.

2. Vested on the date of grant, September 30, 1998.

3. Vested on the date of grant, December 31, 1998.

4. Vested on the date of grant, March 31, 1999.

5. Vested on the date of grant, June 30, 1999.

6. Granted July 7, 1998, vests July 7, 1999.

7. Granted July 7, 1998, vests July 7, 2000.

8. Granted July 7, 1998, vests July 7, 2001.

9. Granted July 7, 1998, vests July 7, 2002.

10. Granted July 7, 1998, vests July 7, 2003.

11. Granted June 30, 1999, vests June 30, 2000.

12. Granted June 30, 1999, vests June 30, 2001.

13. Granted June 30, 1999, vests June 30, 2002.

14. Granted June 30, 1999, vests June 30, 2003.

15. Granted June 30, 1999, vests June 30, 2004.

16. 346,000 total number of options were granted to employees.

17. Fair market value of stock at date of grant.

18. Fair market value of stock at end of actual option term assuming annual compounding at the stated rate, less the option price.

The following table sets forth certain information concerning the number of shares of Common Stock acquired upon the exercise of stock options during the Company's fiscal year ended June 30, 1999 and the number and value at June 30, 1999 of unsecured stock options to purchase shares of Common Stock held by the Named Executive Officers.

Aggregated Option/SAR Exercises in Last Fiscal Year
and FY-End Option/SAR Values

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in the Money Options/SARs at FY-End (\$) Exercisable/Unexercisable(1)
----	-----	----	-----	-----
Bruce Jagid	0	\$0	527,000/110,000	\$0/\$0
Joseph Abeles	0	\$0	34,500/0	\$0/\$0
Joseph Barrella	0	\$0	152,500/35,000	\$0/\$0
Roger O'Brien	0	\$0	20,000/130,000	\$0/\$0
James Sullivan	0	\$0	28,000/72,000	\$0/\$0

(1) Market value of Company's common stock at exercise or year-end, minus the exercise price.

The Company has no long-term incentive plan. Consequently, there have been no qualifying awards during the fiscal year ended June 30, 1999. Also, the Company has no employee pension plans to which it makes contributions, except as described below under "401(k) Plan".

Employment Arrangements

Effective March 1, 1994, the Company and Mr. Bruce Jagid entered into an employment agreement ("1994 Agreement"), under which, Mr. Jagid's base salary was \$200,000 per year. By an amendment, effective August 24, 1995 ("1995 Amendment"), Mr. Jagid's base salary was increased to \$250,000 per year, effective retroactively to March 1, 1995. In accordance with the terms of the 1994 Agreement, the Company paid Mr. Jagid a bonus in the amount of \$111,200 during the year ended June 30, 1995. Effective March 1, 1996, Mr. Jagid's salary was increased to \$275,000 per year. Effective March 1, 1997 Mr. Jagid's salary was increased to \$300,000 and the Company agreed that Mr. Jagid will receive one-year's salary as severance should his employment terminate after a change in control of the Company.

Pursuant to the 1994 Agreement, the Company granted to Mr. Jagid an option to purchase 150,000 shares of Common Stock at a price of \$11.00 per share. This option expires on March 1, 2000 and vests with respect to 30,000 shares on March 1, 1995, 1996, 1997, 1998 and 1999. Pursuant to the 1994 Agreement such options will vest on each of such dates even if Mr. Jagid is no longer an employee of the Company, since, Mr. Jagid remained employed by the Company through March 1, 1997. Such option was ratified by the stockholders of the Company at the 1996 Annual Meeting of Stockholders.

As of March 1, 1995, the Company agreed, contingent on shareholder approval, to grant Mr. Bruce Jagid an additional option to purchase 100,000 shares of Ultralife common stock at \$14.25 per share. This option vests in 20,000 share increments on March 1, 1996, 1997, 1998, 1999 and 2000 respectively and will expire on March 1, 2001. Such options, once vested, will remain exercisable until expiration, notwithstanding the subsequent termination of Mr. Jagid's employment. Such option was ratified at the Company's December 7, 1995 annual stockholders' meeting.

The original term of Mr. Jagid's 1994 Agreement was three years expiring on February 28, 1997. The 1995 Amendment extended the term by three years, so as to terminate on February 28, 2000.

On February 28, 1997, Mr. Jagid was granted an option under the Company's 1992 Stock Option Plan to purchase 50,000 shares at \$8 7/8 per share, the closing price on such date. Such Option expires on February 27, 2007, and will vest with respect to 10,000 shares on February 28, of each of 1998, 1999, 2000, 2001 and 2002. On June 25, 1998, Mr. Jagid was granted an option under the Company's 1992 Stock Option Plan to purchase 75,000 shares at \$8.25 per share, the closing price on such date. Such Option expires on June 25, 2004, and will vest with respect to 15,000 shares on June 25, of each of 1999, 2000, 2001, 2002 and 2003.

On January 26, 1999 Mr. Jagid retired as Chief Executive Officer of the Company. Mr. Jagid will continue to receive salary under Mr. Jagid's 1994 Agreement as amended until June 30, 2000.

Since January 20, 1994, Mr. Barrella has been an "at-will" employee. Effective July 1, 1997 Mr. Barrella's salary was increased to \$165,000 per annum. On June 25, 1998, Mr. Barrella was granted an option under the Company's 1992 Stock Option Plan to purchase 25,000 shares at \$8.25 per share, the closing price on such date. Such Option expires on June 25, 2004, and will vest with respect to 5,000 shares on June 25, of each of 1999, 2000, 2001, 2002 and 2003. Effective February 1999, the Company increased Mr. Barrella's compensation to offset the fact that as an employee/director he was no longer receiving monetary compensation provided to outside directors.

In connection with the Company hiring Mr. John D. Kavazanjian as the Company's President and Chief Executive Officer effective July 12, 1999, the Company agreed to pay him \$300,000 per annum. Additionally the Company granted Mr. Kavazanjian an option to purchase 500,000 shares of its common stock for \$5 3/16 per share until July 12, 2005. The option vests 50,000 shares at issue and 90,000 shares on July 12, 2000, 2001, 2002, 2003 and 2004. The Company agreed that if it terminated Mr. Kavazanjian during the first three years of employment, except for cause, he will be entitled to one year's severance and any options which otherwise would vest at the next annual date will vest.

In addition to the above compensation, each board member receives a \$750 monthly retainer as well as \$750 for each board meeting attended. In addition, commencing June 30, 1993, each director receives an option, at the end of each calendar quarter to purchase 1,500 shares of the Company's common stock. This option is granted to each director on the last day of the calendar quarter; it vests immediately with a term of five years from the date of grant and is granted at a purchase price equal to the closing price of the Common Stock on the date of grant.

401(K) PLAN

The Company established a profit sharing plan under Sections 401(a) and 401(k) of the Code (the "401(k) Plan"), effective as of June 1, 1992 which was amended effective as of January 1, 1994. All employees in active service which have completed 1,000 hours of service or were participating in the 401(k) Plan as of January 1, 1994, not otherwise covered by a collective bargaining agreement (unless such agreement expressly provides that those employees are to be included in the 401(k) Plan), are eligible to participate in the 401(k) Plan. Eligible employees may direct that a portion of their compensation, up to a maximum of 17% (in accordance with all IRS limitations in effect on January 1, 1998) be withheld by the Company and contributed to their account under the 401(k) Plan.

In April, 1996 the Board of Directors authorized a Company matching contribution up to a maximum of 1 1/2% of an employee's annual salary for the calendar year ended December 31, 1996 and 3% for subsequent calendar years. The Company made a contribution of \$30,742 for calendar year 1996, \$89,422 for calendar year 1997 and \$120,164 for calendar year 1998.

All 401(k) contributions are placed in a trust fund to be invested at the trustee's discretion, except that the Company may designate that the funds be placed and held in specific investment accounts managed by an investment manager other than the trustee. Amounts contributed to employee accounts by the Company or as compensation reduction payments, and any earnings or interest accrued on employee accounts, are not subject to federal income tax until distributed to the employee, and may not be withdrawn (absent financial hardship) until death, retirement or termination of employment.

REPORT OF COMPENSATION AND STOCK OPTION COMMITTEE CONCERNING EXECUTIVE COMPENSATION

OVERVIEW

Compensation determinations are made by the Company's Compensation and Stock Option Committee. The Company seeks to provide executive compensation that will support the achievement of the Company's financial goals while attracting and retaining talented executives and rewarding superior performance.

The Company seeks to provide an overall level of compensation to the Company's executives that is competitive within the Company's industry and with other companies of comparable size and complexity. Compensation in any particular case may vary from the industry average on the basis of annual and long-term Company performance as well as individual performance. The Compensation and Stock Option Committee will exercise its discretion to set compensation where, in its judgment, external, internal or individual circumstances warrant it.

In general, the Company compensates its executive officers through a combination of salary and stock option awards. Additionally, the Company's executives are eligible to participate in or receive benefits under an employee benefit plan made available by the Company to its executives and/or employees.

SALARY

Of the primary elements of executive compensation set forth above, salary is the least affected by the Company's performance; although it is very much dependent on individual performance. The Company believes that salaries paid to its executives are competitive with industry norms. The salary levels and annual increases of all executive officers of the Company must be approved by the Compensation and Stock Option Committee. Salary levels for executives are determined by progress made in the operational and functional areas for which they are responsible as well as the overall profitability of the Company.

Executives' salaries are reviewed annually. The timing and amount of any increase to executives are both dependent upon (i) the performance of the individual and, to a lesser extent, (ii) the financial performance of the Company.

STOCK OPTIONS

Stock options are designed to provide long-term incentives and rewards, tied to the price of the Company's Common Stock. Given the vagaries of the stock market, stock price performance and financial performance are not always consistent. The Compensation and Stock Option Committee believes that stock options, which provide value to the participants only when the Company's stockholders benefit from stock price appreciation, are an appropriate complement to the Company's overall compensation policies. Plan as well as non-plan awards are made to executive officers of the Company. The decision to award stock options to an executive is based upon such considerations as the executive's position with the Company and is designed to be competitive for individuals at that level. The Compensation and Stock Option Committee administers the Company's stock option plans and non-plan stock options to executives of the Company.

EMPLOYEE BENEFIT PLANS

Executives of the Company are each entitled to participate in or receive benefits under any pension plan, profit-sharing plan, life insurance plan, health insurance plan or other employee benefit plan made available by the Company to its executives and employees. Currently, the Company provides medical insurance for its executive officers and has established the 401(k) Plan. All executive officers and employees are eligible to participate in the 401(k) Plan.

CHIEF EXECUTIVE OFFICER

In reviewing the performance of the Chief Executive Officer, the Compensation and Stock Option Committee considers the scope and complexity of his job during the past year, progress made in planning for the future development and growth and return on assets of the Company.

Compensation and Stock Option Committee

Joseph C. Abeles
Carl H. Rosner
Richard Hansen

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Company's Compensation and Stock Option Committee, consisting of Messrs. Abeles, Rosner and Hansen, deliberate on issues concerning executive compensation. Mr. Abeles acts as the Company's Treasurer. Mr. Abeles is a director of IGC and a member of IGC's Compensation Committee. Mr. Rosner is the Chairman of IGC and is a member of the Company's Compensation and Stock Option Committee. Mr. Hansen is President and Chief Executive Officer of Pennsylvania Merchants Group Ltd.

PERFORMANCE GRAPH

The following graph compares the cumulative return to holders of the Company's Common Stock for the period commencing December 23, 1992 (the date of the Company's initial public offering) through the fiscal year ended June 30, 1999 with the NASDAQ National Market Index and the NASDAQ Electrical Components Index for the same period. The comparison assumes \$100 was invested on December 23, 1992 in the Company's Common Stock and in each of the comparison groups, and assumes reinvestment of dividends. The Company paid no dividends during the comparison period.

[Graph depicted as a Bar Chart]

	12/30/94	6/30/95	12/29/95	6/28/96	12/31/96	6/30/97	12/31/97	6/30/98	12/31/98	6/30/99
ULBI	100	114	150	89	54	73	106	53	32	34
US NASDAQ	100	125	141	160	174	195	213	256	300	367
Elect. Components	100	178	166	188	286	309	300	307	464	551

Other Matters

The Board of Directors does not intend to present, and has not been informed that any other person intends to present, any matters for action at the Meeting other than those specifically referred to in this proxy statement. If any other matters properly come before the Meeting, it is intended that the holders of the proxies will act in respect thereof in accordance with their best judgment.

In order to be eligible for inclusion in the Company's proxy materials for the next year's annual meeting of stockholders, any stockholder proposal (other than the submission of nominees for directors) must be received by the Company at its principal offices not later than the close of business on July 18, 2000.

A representative of Arthur Andersen LLP, the Company's principal accountant, plans to be present at the Meeting, will have the opportunity to make a statement, and is expected to be available to respond to questions.

Copies of the Company's Annual Report on Form 10-K for the year ended June 30, 1999, as filed with the SEC, will be furnished without charge to beneficial stockholders or stockholders of record on October 22, 1999, upon request. Please contact: Corporate Secretary, Ultralife Batteries, Inc., 2000 Technology Parkway, Newark, New York, 14513, Telephone (315) 332-7100.

October 25, 1999

By Order of the Board of Directors

Arthur M. Lieberman
Chairman of the Board of Directors

PROXY

ULTRALIFE BATTERIES, INC.
Annual Meeting of Shareholders o December 7, 1999

Proxy solicited on behalf of the Board of Directors

The undersigned hereby appoints each of Arthur Lieberman and John Kavazanjian as the undersigned's proxy, with full power of substitution, to vote all the undersigned's shares of common stock in Ultralife Batteries, Inc. (the "Company") at the Annual Meeting of Stockholders of the Company to be held on December 7, 1999 at 10:30 A.M. local time, at the offices of the Chase Manhattan Bank, 410 Park Avenue, New York, New York, or at any adjournment, on the matters described in the Notice of Annual Meeting and Proxy Statement and upon such other business as may properly come before such meeting or any adjournments thereof, hereby revoking any proxies heretofore given.

(Continued and to be signed on the reverse side)

[X] Please mark your votes as in this example using dark ink only.

	FOR	WITHHOLD
	all nominees	AUTHORITY
	listed at right	to vote for all nominees
	_	listed at right.
1. ELECTION OF DIRECTORS	_	_

(INSTRUCTION: To withhold authority to vote for any individual nominee, check the box to vote "FOR" all nominees and strike a line through the nominee's name in the list at right.)

Each properly executed proxy will be voted in accordance with specifications made on the reverse side hereof. If no specifications are made, the shares represented by this proxy will be voted FOR the listed nominees.

Nominees: Joseph Abeles
Joseph Barrella
Richard Hansen
Bruce Jagid
John D. Kavazanjian
Arthur Lieberman
Carl H. Rosner

_____ Date: _____, 1999
SIGNATURE

_____ Date: _____, 1999
SIGNATURE IF HELD JOINTLY

Sign exactly as set forth herein. If signed as executor, administrator, trustee or guardian, indicate the capacity in which you are acting. Proxies by corporations should be signed by a duly authorized officer and bear corporate seal. Please sign and return the proxy card promptly in enclosed envelope.