

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

October 27, 2016

(Date of Report)

ULTRALIFE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

000-20852

(Commission File Number)

16-1387013

(IRS Employer Identification No.)

2000 Technology Parkway, Newark, New York

(Address of principal executive offices)

14513

(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 (see General Instruction A.2. below):

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

NEWARK, N.Y. – October 27, 2016 -- Ultralife Corporation (NASDAQ: ULBI) reported operating income of \$1.1 million on revenue of \$19.6 million for the third quarter ended September 25, 2016. For the quarter ended September 27, 2015, the Company reported operating income of \$1.2 million on revenue of \$19.0 million.

“Successful execution of the strategy to diversify beyond our core U.S. government/defense business while abiding by our business model parameters produced solid third quarter results,” said Michael D. Popielec, President and Chief Executive Officer. “Although weak economic conditions continued to constrain revenue growth, we delivered operating income for the third quarter that was more than double the second quarter, and profitability for the eighth consecutive quarter. We also remain poised to achieve profitable growth for 2016. Finally, we continue to build resources to support investments in organic and inorganic growth opportunities through greater operating leverage and inventory reductions.”

Revenue was \$19.6 million, an increase of \$0.6 million, or 3.1%, compared to \$19.0 million for the third quarter of 2015 reflecting the addition of Accutronics and higher Communications Systems sales partially offset by lower core Battery & Energy sales. Battery & Energy Products sales declined to \$14.9 million compared to \$16.4 million last year due primarily to lower sales to a large U.S. government/defense OEM and lower 9-Volt sales, partially offset by higher medical sales, the contribution of Accutronics, and a large shipment to a non-U.S. government/defense customer. Communications Systems sales grew 76.6% to \$4.7 million compared to \$2.7 million for the same period last year reflecting shipments under the Vehicle Installed Power Enhanced Riflemen Appliqué (“VIPER”) Program.

Gross profit was \$6.0 million, or 30.5% of revenue, compared to \$5.9 million, or 31.0% of revenue, for the same quarter a year ago. Battery & Energy Products’ gross margin was 30.3%, compared to 29.1% last year, an increase of 120 basis points reflecting favorable product mix including the contribution of Accutronics. Communications Systems’ gross margin declined to 31.4% compared to 42.4% for the prior year primarily due to sales mix.

Operating expenses were \$4.9 million compared to \$4.7 million last year reflecting the addition of Accutronics, partially offset by certain cost reduction actions along with continued tight control over discretionary spending. Operating expenses were 24.8% of revenue equal to 24.8% of revenue for the year earlier period.

Operating income was \$1.1 million compared to \$1.2 million last year for an operating margin of 5.8% compared to 6.2% last year.

Net income was \$1.0 million, or \$0.07 per share, equal to net income of \$1.0 million, or \$0.07 per share, for the third quarter of 2015.

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 as 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.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of Ultralife Corporation dated October 27, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 27, 2016

ULTRALIFE CORPORATION

By: /s/ Philip A. Fain
Philip A. Fain
Chief Financial Officer and Treasurer

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1 Press Release of Ultralife Corporation dated October 27, 2016.

Company Contact:Ultralife Corporation**Philip A. Fain****(315) 210-6110**pfain@ulbi.com**Investor Relations Contact:**LHA**Jody Burfening****(212) 838-3777**jburfening@lhai.com

Ultralife Corporation Reports Third Quarter Results

NEWARK, N.Y. – October 27, 2016 -- Ultralife Corporation (NASDAQ: ULBI) reported operating income of \$1.1 million on revenue of \$19.6 million for the third quarter ended September 25, 2016. For the quarter ended September 27, 2015, the Company reported operating income of \$1.2 million on revenue of \$19.0 million.

“Successful execution of the strategy to diversify beyond our core U.S. government/defense business while abiding by our business model parameters produced solid third quarter results,” said Michael D. Popielec, President and Chief Executive Officer. “Although weak economic conditions continued to constrain revenue growth, we delivered operating income for the third quarter that was more than double the second quarter, and profitability for the eighth consecutive quarter. We also remain poised to achieve profitable growth for 2016. Finally, we continue to build resources to support investments in organic and inorganic growth opportunities through greater operating leverage and inventory reductions.”

Third Quarter 2016 Financial Results

Revenue was \$19.6 million, an increase of \$0.6 million, or 3.1%, compared to \$19.0 million for the third quarter of 2015 reflecting the addition of Accutronics and higher Communications Systems sales partially offset by lower core Battery & Energy sales. Battery & Energy Products sales declined to \$14.9 million compared to \$16.4 million last year due primarily to lower sales to a large U.S. government/defense OEM and lower 9-Volt sales, partially offset by higher medical sales, the contribution of Accutronics, and a large shipment to a non-U.S. government/defense customer. Communications Systems sales grew 76.6% to \$4.7 million compared to \$2.7 million for the same period last year reflecting shipments under the Vehicle Installed Power Enhanced Riflemen Appliqué (“VIPER”) Program.

Gross profit was \$6.0 million, or 30.5% of revenue, compared to \$5.9 million, or 31.0% of revenue, for the same quarter a year ago. Battery & Energy Products’ gross margin was 30.3%, compared to 29.1% last year, an increase of 120 basis points reflecting favorable product mix including the contribution of Accutronics. Communications Systems’ gross margin declined to 31.4% compared to 42.4% for the prior year primarily due to sales mix.

Operating expenses were \$4.9 million compared to \$4.7 million last year reflecting the addition of Accutronics, partially offset by certain cost reduction actions along with continued tight control over discretionary spending. Operating expenses were 24.8% of revenue equal to 24.8% of revenue for the year earlier period.

Operating income was \$1.1 million compared to \$1.2 million last year for an operating margin of 5.8% compared to 6.2% last year.

Net income was \$1.0 million, or \$0.07 per share, equal to net income of \$1.0 million, or \$0.07 per share, for the third quarter of 2015.

About Ultralife Corporation

Ultralife Corporation serves its markets with products and services ranging from 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.

Headquartered in Newark, New York, the Company's business segments include Battery & Energy Products and Communications Systems. Ultralife has operations in North America, Europe and Asia. For more information, visit www.ultralifecorp.com.

Conference Call Information

Ultralife will hold its third quarter earnings conference call today at 10:00 AM ET. To participate in the live call, please dial (800) 915-4836 at least ten minutes before the scheduled start time, identify yourself and ask for the Ultralife call. A live webcast of the conference call will be available to investors in the Events & Presentations section of the Company's website at <http://investor.ultralifecorporation.com>. 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.

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: potential reductions in U.S. military spending, uncertain global economic conditions and acceptance of our new products on a global basis. 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.

ULTRALIFE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

	September 25, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 6,732	\$ 14,533
Trade Accounts Receivable, Net	12,888	11,430
Inventories	24,877	23,814
Prepaid Expenses and Other Current Assets	2,692	2,169
Total Current Assets	<u>47,189</u>	<u>51,946</u>
Property, Equipment and Improvements, Net	8,551	9,038
Goodwill, Intangibles and Other Assets	27,817	20,538
Total Assets	<u>\$ 83,557</u>	<u>\$ 81,522</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 6,323	\$ 6,494
Accrued Compensation and Related Benefits	1,264	2,377
Accrued Expenses and Other Current Liabilities	3,889	1,976
Current Portion of Debt	-	-
Total Current Liabilities	<u>11,476</u>	<u>10,847</u>
Deferred Income Taxes and Other Non-Current Liabilities	5,528	4,659
Total Liabilities	<u>17,004</u>	<u>15,506</u>
Shareholders' Equity:		
Common Stock	1,925	1,918
Capital in Excess of Par Value	177,737	177,007
Accumulated Deficit	(92,287)	(94,051)
Accumulated Other Comprehensive Loss	(2,221)	(907)
Treasury Stock	(18,433)	(17,808)
Total Ultralife Equity	<u>66,721</u>	<u>66,159</u>
Non-Controlling Interest	(168)	(143)
Total Shareholders' Equity	<u>66,553</u>	<u>66,016</u>
Total Liabilities and Shareholders' Equity	<u>\$ 83,557</u>	<u>\$ 81,522</u>

ULTRALIFE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three Month Periods Ended		Nine Month Periods Ended	
	September 25, 2016	September 27, 2015	September 25, 2016	September 27, 2015
Revenues:				
Battery & Energy Products	\$ 14,943	\$ 16,390	\$ 47,142	\$ 48,638
Communication Systems	4,688	2,654	13,693	8,538
Total Revenues	<u>19,631</u>	<u>19,044</u>	<u>\$ 60,835</u>	<u>\$ 57,176</u>
Cost of Products Sold:				
Battery & Energy Products	10,420	11,616	32,738	34,538
Communication Systems	3,214	1,528	9,795	4,872
Total Cost of Products Sold	<u>13,634</u>	<u>13,144</u>	<u>42,533</u>	<u>39,410</u>
Gross Profit	<u>5,997</u>	<u>5,900</u>	<u>18,302</u>	<u>17,766</u>
Operating Expenses:				
Research and Development	1,357	1,224	4,438	3,917
Selling, General and Administrative	3,502	3,503	11,745	11,037
Total Operating Expenses	<u>4,859</u>	<u>4,727</u>	<u>16,183</u>	<u>14,954</u>
Operating Income	1,138	1,173	2,119	2,812
Other Income (Expense)	(30)	5	(167)	(156)
Income Before Income Taxes	<u>1,108</u>	<u>1,178</u>	<u>1,952</u>	<u>2,656</u>
Income Tax Provision	92	130	213	312
Net Income	1,016	1,048	1,739	2,344
Net Loss (Income) Attributable to Non-Controlling Interest	3	(1)	25	23
Net Income Attributable to Ultralife Corporation	<u>\$ 1,019</u>	<u>\$ 1,047</u>	<u>\$ 1,764</u>	<u>\$ 2,367</u>
Net Income Per Share Attributable to Ultralife Common Shareholders – Basic				
	<u>\$.07</u>	<u>\$.07</u>	<u>\$.12</u>	<u>\$.14</u>
Net Income Per Share Attributable to Ultralife Common Shareholders – Diluted				
	<u>\$.07</u>	<u>\$.07</u>	<u>\$.11</u>	<u>\$.14</u>
Weighted Average Shares Outstanding – Basic	<u>15,207</u>	<u>15,633</u>	<u>15,262</u>	<u>16,503</u>
Weighted Average Shares Outstanding – Diluted	<u>15,298</u>	<u>15,740</u>	<u>15,446</u>	<u>16,550</u>