

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

Date of Report (Date of earliest event reported):

April 29, 2010

ULTRALIFE CORPORATION
(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)

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:

- 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))
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Item 2.02. Results of Operations and Financial Condition.

Ultralife Corporation reported operating income of \$0.9 million on revenue of \$38.5 million for the quarter ended March 28, 2010. For the first quarter of 2009, the company reported an operating loss of \$2.3 million on revenue of \$39.8 million.

Gross margin for the first quarter of 2010 was \$9.8 million, or 25.3% of revenue, compared to \$7.8 million, or 19.5% of revenue, for the same quarter a year ago, primarily reflecting improved manufacturing efficiencies in the company's Battery & Energy Products segment and improved mix of high-margin communications systems revenue partially offset by a negative gross margin in the Energy Services segment. Operating expenses for the first quarter of 2010 totaled \$8.9 million inclusive of \$0.7 million of expenses for AMTI, which was acquired on March 20, 2009, compared to \$10.0 million a year ago. Net income for the first quarter of 2010 was \$0.3 million, or \$0.02 per share, compared to a net loss of \$2.5 million, or \$0.15 per share, for the same quarter in 2009.

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 to be 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.

99.1 Press Release dated April 29, 2010.

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 CORPORATION

Dated: April 29, 2010

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

INDEX TO EXHIBITS

(99) Additional Exhibits

99.1 Press Release dated April 29, 2010.

Ultralife Corporation Reports First Quarter Results

NEWARK, N.Y.--(BUSINESS WIRE)--April 29, 2010--Ultralife Corporation (NASDAQ: ULBI) reported operating income of \$0.9 million on revenue of \$38.5 million for the quarter ended March 28, 2010. For the first quarter of 2009, the company reported an operating loss of \$2.3 million on revenue of \$39.8 million.

Gross margin for the first quarter of 2010 was \$9.8 million, or 25.3% of revenue, compared to \$7.8 million, or 19.5% of revenue, for the same quarter a year ago, primarily reflecting improved manufacturing efficiencies in the company's Battery & Energy Products segment and improved mix of high-margin communications systems revenue partially offset by a negative gross margin in the Energy Services segment. Operating expenses for the first quarter of 2010 totaled \$8.9 million inclusive of \$0.7 million of expenses for AMTI, which was acquired on March 20, 2009, compared to \$10.0 million a year ago. Net income for the first quarter of 2010 was \$0.3 million, or \$0.02 per share, compared to a net loss of \$2.5 million, or \$0.15 per share, for the same quarter in 2009.

"Improving gross margin is a key goal for the company in 2010, and for the first quarter we delivered a six percentage point gain over last year's first quarter. The investments we have made to improve manufacturing processes and move up the value chain from components to advanced batteries and communications systems with greater engineered content are yielding desired returns," said John D. Kavazanjian, Ultralife's president and chief executive officer. "While gross margin in our Energy Services segment continues to negatively impact the total company gross margin, we are starting to see evidence of a recovery in customer spending. This should alleviate project delays and pricing pressures that have weighed on the industry and the segment's financial results.

"On the strength of gross margin gains and ongoing operating expense discipline, we generated positive operating cash flow for the quarter. Increased operating cash flow combined with improved working capital management strengthened the balance sheet, and we ended the quarter with an outstanding balance under our revolving credit facility of \$8.0 million and \$4.1 million of cash and cash equivalents on our balance sheet," added Kavazanjian.

"Business conditions are steadily improving, particularly for our battery and energy products, creating more opportunities for us to further penetrate international markets. In addition, demand for our advanced communications systems remains robust," concluded Kavazanjian. "During the rest of 2010, we plan to increase research and development activities while holding quarterly operating expenses under \$10 million. Above all, we remain keenly focused on delivering incremental returns on increased revenue."

Outlook

The company's 2010 operating plan calls for the company to generate revenue of \$177 million and operating income of approximately \$4.6 million on this base business. Management cautions that the timing of orders and shipments may cause some variability in quarterly results.

About Ultralife Corporation

Ultralife Corporation, which began as a battery company, serves its markets with products and services ranging from portable and standby 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.

Ultralife's family of brands includes: Ultralife Batteries, Stationary Power Services, RPS Power Systems, ABLE, McDowell Research, RedBlack Communications and AMTI. Ultralife's operations are in North America, Europe and Asia. For more information, visit www.ultralifecorp.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, and the possibility of intangible asset impairment charges that may be taken should management decide to retire one or more of the brands of acquired companies. 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.

Conference Call Information

Ultralife will hold its first quarter earnings conference call today at 10:00 AM ET. To participate, please call (800) 915-4836, identify yourself and ask for the Ultralife call. The conference call will also be broadcast live over the Internet at <http://investor.ultralifecorp.com>. To listen to the 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 webcast, a replay of the webcast will be available shortly after the call at the same location.

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

	Three-Month Periods Ended	
	March 28, <u>2010</u>	March 29, <u>2009</u>
Revenues:		
Battery & energy products	\$ 23,403	\$ 22,992
Communications systems	13,066	11,265
Energy services	2,038	5,546
Total revenues	<u>38,507</u>	<u>39,803</u>
Cost of products sold:		
Battery & energy products	18,467	19,192
Communications systems	8,163	7,649
Energy services	2,119	5,181
Total cost of products sold	<u>28,749</u>	<u>32,022</u>
Gross margin	9,758	7,781
Operating expenses:		
Research and development	1,728	1,980
Selling, general, and administrative	7,176	8,058
Total operating expenses	<u>8,904</u>	<u>10,038</u>
Operating income (loss)	854	(2,257)
Other income (expense):		
Interest income	3	3
Interest expense	(497)	(182)
Miscellaneous	41	11
Income (loss) before income taxes	<u>401</u>	<u>(2,425)</u>
Income tax provision-current	24	2
Income tax provision-deferred	81	89
Total income taxes	<u>105</u>	<u>91</u>
Net income (loss)	296	(2,516)
Net (income) loss attributable to noncontrolling interest	<u>(9)</u>	<u>4</u>
Net income (loss) attributable to Ultralife	<u>\$ 287</u>	<u>\$ (2,512)</u>
Net income (loss) attributable to Ultralife common shareholders - basic	<u>\$ 0.02</u>	<u>\$ (0.15)</u>
Net income (loss) attributable to Ultralife common shareholders - diluted	<u>\$ 0.02</u>	<u>\$ (0.15)</u>
Weighted average shares outstanding - basic	<u>16,995</u>	<u>17,115</u>
Weighted average shares outstanding - diluted	<u>16,999</u>	<u>17,115</u>

ULTRALIFE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Per Share Amounts)
(unaudited)

ASSETS	March 28, <u>2010</u>	December 31, <u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 4,147	\$ 6,094
Trade accounts receivable, net	26,264	32,449
Inventories	34,009	35,503
Prepaid expenses and other current assets	2,136	1,912
Total current assets	66,556	75,958
Property and equipment	15,879	16,648
Other assets		
Goodwill, intangible and other assets	38,251	38,560
Total Assets	\$ 120,686	\$ 131,166
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 11,502	\$ 19,082
Accounts payable	14,622	19,177
Other current liabilities	11,218	9,875
Total current liabilities	37,342	48,134
Long-term liabilities:		
Long-term debt and capital lease obligations	225	267
Other long-term liabilities	4,722	4,651
Total long-term liabilities	4,947	4,918
Shareholders' equity:		
Ultralife equity:		
Common stock, par value \$0.10 per share	1,839	1,831
Capital in excess of par value	169,377	169,064
Accumulated other comprehensive loss	(1,590)	(1,256)
Accumulated deficit	(83,734)	(84,021)
Total Ultralife equity	85,892	85,618
Less -- Treasury stock, at cost	7,558	7,558
Total Ultralife equity	78,334	78,060
Noncontrolling interest	63	54
Total shareholders' equity	78,397	78,114
Total Liabilities and Shareholders' Equity	\$ 120,686	\$ 131,166

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