

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):

November 3, 2005

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)

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))

Item 2.02. Regulation FD Disclosure.

Ultralife Batteries, Inc. (the "Company") reported results for the third quarter ended October 1, 2005. Revenues for the quarter were \$15.7 million compared to \$24.4 million for the same period last year. The Company's press release is attached as Exhibit 99.1. The information set forth in this Report on Form 8-K, including the attached exhibit, is being furnished and not filed pursuant to Item 2.02.

Item 9.01. Financial Statements, Pro Forma Financials and Exhibits.

(a) Financial Statements of Business Acquired.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

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: November 3, 2005

By: /s/ Robert W. Fishback

Robert W. Fishback
Vice President of Finance & CFO

INDEX TO EXHIBITS

(99) Additional Exhibits

99.1 Press Release dated November 3, 2005.

Ultralife Batteries Reports Third Quarter Results

NEWARK, N.Y.--(BUSINESS WIRE)--Nov. 3, 2005--Ultralife Batteries, Inc. (NASDAQ: ULBI) reported results for the third quarter ended October 1, 2005. Revenues for the quarter were \$15.7 million compared to \$24.4 million for the same period last year. Operating loss for the quarter was \$1.5 million compared with operating income of \$1.5 million for the same period last year.

The third quarter revenue reflects lower shipments of BA-5390 batteries to the U.S. military, as anticipated. Gross margins for the quarter were 15% compared to 20% in the same quarter last year, reflecting lower production volumes. Operating expenses were \$3.9 million compared with \$3.3 million last year, reflecting an increased commitment to new product development and higher administrative costs. Income taxes in the third quarter of 2005 amounted to a benefit of \$0.4 million. The net loss for the third quarter of 2005 was \$1.3 million, or \$0.09 per share, compared with net income of \$1.4 million, or \$0.09 per diluted share, for the same period a year ago.

For the nine-month period ended October 1, 2005, revenues totaled \$52.7 million compared with \$79.8 million reported for the same period last year, resulting mainly from lower shipments of BA-5390 batteries to the U.S. military, and offset in part by higher commercial revenues and other military-related sales. The company reported an operating loss of \$3.0 million for the first nine months of 2005 compared to operating income of \$8.5 million last year, reflecting the revenue decline and higher operating expenses. The net loss for the first nine months of 2005 was \$4.3 million, or \$0.30 per share, compared to net income of \$4.3 million, or \$0.28 per diluted share, for 2004.

"Ultralife's third quarter results were essentially consistent with our latest guidance, which assumed no order activity from the U.S. military for BA-5390 batteries," said John D. Kavazanjian, president and chief executive officer. "As anticipated, we did finish all testing on the new version of the BA-5390 with the state-of-charge indicator in September and the qualification process is in the final approval stage. Longer term, the U.S. military has issued new guidelines requiring a state-of-charge indicator in all new contracts for multi-cell batteries, a development which bolsters our conviction that our competitive advantages create a strong opportunity for us to continue gaining share in the military market.

"In addition, during the third quarter we continued to advance our commercial business as we started shipping to new search and rescue customers, maintained strong activity in medical applications, and began production under our new automotive telematics backup battery contract for shipments starting in the fourth quarter."

Kavazanjian concluded, "Recognizing the ongoing uncertain timing and quantity of BA-5390 orders, we took steps in the third quarter to reduce overhead costs by up to \$1 million on a quarterly basis. We expect these actions, including the implementation of tightened spending controls and greater expense scrutiny, will reduce our breakeven cost infrastructure to \$18 million in quarterly revenues, assuming a steady rate of production. With this cost structure, we still have the manufacturing flexibility necessary to ramp up quickly in response to a resumption in BA-5390 orders."

Outlook

Management expects fourth quarter revenues to be in the range of \$19 million, consistent with the most recent guidance for the company's second half revenues of approximately \$35 million, assuming no BA-5390 order activity from the U.S. military. Sales to commercial customers, particularly in the automotive telematics market, are expected to grow from the third quarter, as are sales of other battery products direct to the military and military battery assemblers. In an effort to further trim current inventory levels, production rates are projected to remain temporarily lower throughout the fourth quarter. This will likely result in under-absorbed manufacturing overheads and, as a result, management is projecting an operating loss in the range of \$0.5 million for the fourth quarter.

About Ultralife Batteries, Inc.

Ultralife is a global provider of power solutions for diverse applications. The company develops, manufactures and markets a wide range of non-rechargeable and rechargeable batteries, charging systems and accessories for use in military, industrial and consumer portable electronic products. Through its range of standard products and engineered solutions, Ultralife is able to provide the next generation of power systems. Industrial, retail and government customers include

General Dynamics, Philips Medical Systems, General Motors, Energizer, Kidde Safety, Lowe's, Radio Shack and the national defense agencies of the United States, United Kingdom and Germany, among others.

Ultralife's headquarters, principal manufacturing and research facilities are in Newark, New York, near Rochester. Ultralife (UK) Ltd., a second manufacturing facility, is located in Abingdon, England. Both facilities are ISO-9001 certified. Detailed information about Ultralife is available at the Company's web site, www.ultralifebatteries.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, 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.

Conference Call Information

Investors are invited to listen to a live webcast of the conference call at 10:00 a.m. ET on November 3, 2005 at <http://investor.ultralifebatteries.com>. 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 888-203-1112, Reservation #4404901, during the period starting at 1:00 p.m. ET November 3 and ending at 1:00 p.m. ET November 10, 2005.

Ultralife(R) is a registered trademark of Ultralife Batteries, Inc.

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

	Three-Month Periods Ended		Nine-Month Periods Ended	
	October 1, 2005	September 25, 2004	October 1, 2005	September 25, 2004
Revenues:				
Non-rechargeable products	\$ 12,805	\$ 21,343	\$43,305	\$ 72,986
Rechargeable products	2,286	2,588	7,676	5,653
Technology contracts	601	462	1,677	1,181
Total revenues	15,692	24,393	52,658	79,820
Cost of products sold:				
Non-rechargeable products	10,994	16,570	35,845	54,391
Rechargeable products	1,830	2,608	6,730	6,240
Technology contracts	508	339	1,495	933
Total cost of products sold	13,332	19,517	44,070	61,564
Gross margin	2,360	4,876	8,588	18,256
Operating expenses:				
Research and development	969	692	2,874	1,755
Selling, general, and administrative	2,902	2,653	8,745	7,982
Total operating expenses	3,871	3,345	11,619	9,737
Operating (loss)/income	(1,511)	1,531	(3,031)	8,519
Other income (expense):				
Interest income	44	20	162	67

Interest expense	(220)	(174)	(593)	(409)
Write-off of UTI investment and note receivable	-	-	-	(3,951)
Miscellaneous	(9)	(61)	(203)	32
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(Loss)/income before income taxes	(1,696)	1,316	(3,665)	4,258
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Income tax provision/(benefit)- current	5	(101)	3	(22)
Income tax (benefit)/provision- deferred	(385)	-	637	-
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Total income taxes	(380)	(101)	640	(22)
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Net (loss)/income	\$ (1,316)	\$ 1,417	\$(4,305)	\$ 4,280
	=====	=====	=====	=====
(Loss)/earnings per share - basic	\$ (0.09)	\$ 0.10	\$ (0.30)	\$ 0.31
	=====	=====	=====	=====
(Loss)/earnings per share - diluted	\$ (0.09)	\$ 0.09	\$ (0.30)	\$ 0.28
	=====	=====	=====	=====
Weighted average shares outstanding - basic	14,642	14,238	14,497	14,026
	=====	=====	=====	=====
Weighted average shares outstanding - diluted	14,642	15,121	14,497	15,104
	=====	=====	=====	=====

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

ASSETS	October 1, 2005	December 31, 2004
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Current assets:		
Cash and investments	\$ 3,006	\$ 11,529
Trade accounts receivable, net	10,897	8,585
Inventories	19,679	13,938
Prepaid expenses and other current assets	4,545	6,131
	-----	-----
Total current assets	38,127	40,183
Property and equipment	20,729	20,202
Other assets	21,906	20,749
	-----	-----
Total Assets	\$ 80,762	\$ 81,134
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 8,094	\$ 2,390
Accounts payable	5,993	3,545
Other current liabilities	4,353	3,603
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Total current liabilities	18,440	9,538
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Long-term liabilities:		
Long-term debt and capital lease obligations	48	7,215
Other long-term liabilities	349	756
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Total long-term liabilities	397	7,971
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Shareholders' equity:		
Common stock, par value \$0.10 per share	1,544	1,502
Capital in excess of par value	130,192	127,299
Accumulated other comprehensive income	(935)	(605)
Accumulated deficit	(66,498)	(62,193)
	-----	-----
	64,303	66,003
Less --Treasury stock, at cost	2,378	2,378
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Total shareholders' equity	61,925	63,625
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Total Liabilities and Shareholders' Equity	\$ 80,762	\$ 81,134
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