

ULTRALIFE BATTERIES INC
Form SC 13G/A
January 20, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 1)
Ultralife Batteries, Inc.

(Name of Issuer)
Common Stock, \$.10 par value

(Title of Class Securities)
903899102

(CUSIP Number)

December 31, 2003

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to
which this Schedule is filed:

/X/ Rule 13d-1(b)
/ / Rule 13d-1(c)
/ / Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a
reporting person's initial filing on this form with respect
to the subject class of securities, and for any subsequent
amendment containing information which would alter
disclosures provided in a prior cover page.

The information required on the remainder of this cover
page shall not be deemed to be "filed" for the purpose of
Section 18 of the Securities Exchange Act of 1934 ("Act")
or otherwise subject to the liabilities of that section of
the Act but shall be subject to all other provisions of the
Act (however, see the Notes).

SCHEDULE 13G/A
CUSIP NO. 903899102 PAGE 2 OF 5 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NOs. OF ABOVE PERSONS
(ENTITIES ONLY).
Grace Brothers, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See
Instructions)
(a) / /
(b) / /

3 SEC USE ONLY

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4 CITIZENSHIP OR PLACE OF ORGANIZATION
Illinois Limited Partnership

NUMBER OF SHARES	5 SOLE VOTING POWER	983,418 SHARES
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6 SHARED VOTING POWER	0
	7 SOLE DISPOSITIVE POWER	983,418 SHARES
	8 SHARED DISPOSITIVE POWER	0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
983,418 SHARES

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES / /

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
7.3%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
BD,PN

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Item 1.

(a) Name of Issuer
Ultralife Batteries, Inc.

(b) Address of Issuer's Principal Executive Offices
2000 Technology Parkway, Newark, New Jersey 14513

Item 2.

(a) Name of Person Filing
Grace Brothers, Ltd.

(b) Address of Principal Business Office or, if none, Residence
1560 Sherman Avenue, Suite 900, Evanston, IL 60201

(c) Citizenship
Illinois Limited Partnership

(d) Title of Class of Securities
Common Stock, \$.10 par value

(e) CUSIP Number
903899102

Item 3. If this statement is filed pursuant to Sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);

(b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);

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(c) () Insurance company as defined in section 3 (a) (19) of the Act (15 U.S.C. 78c);

(d) () Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);

(e) () An investment adviser in accordance with Section 240.13d-1(b) (1) (ii) (E);

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(f) () An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b) (1) (ii) (F);

(g) () A parent holding company or control person in accordance with Section 240.13d-1(b) (1) (ii) (G);

(h) () A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i) () A church plan that is excluded from the definition of an investment company under section 3(c) (14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) () Group, in accordance with Section 240.13d-1(b) (1) (ii) (J).

Item 4. Ownership

(a) Amount beneficially owned

(b) Percent of class

7.3%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

983,418

(ii) Shared power to vote or to direct the vote

(iii) Sole power to dispose or to direct the disposition

of

983,418

(iv) Shared power to dispose or to direct the disposition

of

Item 5. Ownership of Five Percent or Less of a Class

Not applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

No other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities.

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Item 7. Identification and Classification of the

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Subsidiary Which Acquired the Security Being Reported on
By the Parent Holding Company

Reporting person is not a parent holding company.

Item 8. Identification and Classification of Members of
the Group

Reporting person is not a member of a group.

Item 9. Notice of Dissolution of Group

Reporting person is not filing notice of dissolution of
a group.

Item 10. Certification

By signing below Grace Brothers, Ltd. certifies that, to
the best of my knowledge and belief, the securities
referred to above were acquired and are held in the
ordinary course of business and were not acquired and are
not held for the purpose of or with the effect of changing
or influencing the control of the issuer of the securities
and were not acquired and are not held in connection with
or as a participant in any transaction having that purpose
or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge
and Belief, I certify that the information set forth in
this Statement is true, complete and correct.

January 19, 2004

Date

Grace Brothers, Ltd.

by: /s/ Bradford T. Whitmore

Signature

General Partner

Title