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): February 25, 2008

GREATBATCH, INC.

(Exact name of registrant as specified in its charter)

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Delaware |  | |  | 1-16137 | |  |  | 16-1531026 | | |  |
| (State or other jurisdiction | | | | (Commission | | | | (IRS Employer | | | | |
| of incorporation) | | | | File Number) | | | | Identification No.) | | | | |
|  |  |  | 9645 Wehrle Drive, Clarence, New York | | | | | 14031 | | | |  |
|  |  |  |  | | |  | |  |  |  |  | |
|  |  |  | (Address of principal executive offices) | | |  | |  | (Zip Code) | | | |

Registrant’s telephone number, including area code: (716)-759-6901

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. Results of Operations and Financial Condition

On February 25, 2008, Greatbatch, Inc. (the "Company") issued a press release announcing its results for the quarter and fiscal year ended December 28, 2007. A copy of the release is furnished with this report as Exhibit 99.1 and is incorporated by reference into this Item 2.02.

The information contained in this report under Item 2.02 is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information contained in this report under Item 2.02 shall not be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated February 25, 2008.



**SIGNATURES**

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.

**GREATBATCH, INC.**

Date: February 25, 2008 By: /s/ Thomas J. Mazza



Thomas J. Mazza

Senior Vice President and Chief Financial

Officer



|  |  |  |  |
| --- | --- | --- | --- |
| EXHIBIT | | DESCRIPTION | |
| NUMBER | |  |  |
| 99.1 |  | Press Release of Greatbatch, Inc. dated February 25, 2008. | |

**Exhibit 99.1**

**Greatbatch, Inc. Reports Fourth Quarter and Full-Year 2007 Results**

**Significant Diversification Through Strategic Acquisitions**

CLARENCE, N.Y.--(BUSINESS WIRE)--Greatbatch, Inc. (the “Company”) (NYSE: GB) today reported its results for the fourth quarter and year ended December 28, 2007.

**Business Highlights**

Recorded sales of $84.4 million for the fourth quarter of 2007, an increase of 34% compared to $63.1 million in 2006. (4th quarter 2007 includes $14.8 million of sales from 2007 acquisitions). Excluding the 2007 acquisitions, sales totaled $69.6 million, which represents an increase of 10% over the fourth quarter of 2006.



Implantable Medical Components (“IMC”) – sales of $70.0 million, an increase of 32% compared to $53.1 million in 2006. (Includes $11.7 million of sales from Enpath Medical, Inc. (“Enpath”) and Quan Emerteq LLC (“Quan”) acquired in 2007)



Electrochem Commercial Power (“ECP”) – sales of $14.4 million, an increase of 43% compared to $10.1 million in 2006. (Includes $3.1 million of sales from Engineered Assemblies Corporation (“EAC”) acquired in the fourth quarter of 2007)



Recorded sales of $318.7 million for the year, an increase of 18% compared to $271.1 million in 2006. (Includes $26.4 million of sales from the companies acquired during 2007)



Columbia, Maryland shutdown previously scheduled to be completed in the first quarter of 2008 is now expected to be finalized in mid-2008 based on customer qualification activities.



Electrochem Commercial Power facility expansion on schedule for completion in the fourth quarter of 2008.



Earnings per share for the quarter were $0.12. Excluding charges related to other operating expenses, earnings per share were $0.21. (See Table C for reconciliation to GAAP).



Subsequent to the end of the quarter, Greatbatch announced the successful completion of the following:



The acquisition of P Medical Holding SA (“Precimed”), a leading technology-driven supplier to the orthopedic industry.



The acquisition of the DePuy Orthopaedics’ manufacturing facility in Chaumont, France.



Thomas J. Hook, President & Chief Executive Officer, stated: “Looking back at 2007, we achieved organic sales growth of 8% and adjusted net income growth of 17%, which represents solid performance given the underlying sluggish CRM and commercial markets. We also have executed on our stated strategic objective of diversifying our customer base. We have successfully completed seven acquisitions in the last ten months, which have transformed the company from reliance on primarily one market and three customers towards a more diverse customer base and expanded markets and product offerings. In addition to CRM and commercial, we have added critical mass in both the orthopedics and vascular markets and we have enhanced our commercial market reach by adding rechargeable and wireless sensing capabilities. Our 2007 sales concentration in the CRM market of over 80% is anticipated to be reduced to approximately 50% in 2008.

“Looking forward to 2008, we believe that this will put us in an excellent position to grow our business with our expanded customer base. In addition, we plan to utilize the integration and lean manufacturing expertise that we have developed over the past three years to drive operational efficiencies and synergies throughout our expanded operations. We remain steadfast in our mission of being a leader in the comprehensive design and manufacturing of custom product technologies for the implantable medical and commercial markets.”



**4th Quarter Sales Summary**

The following table summarizes the Company’s sales by business unit and major product line for the fourth quarters of 2007 and

2006 (in thousands):

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Business Unit/Product Lines | | **2007** | **2006** | |  | **%** |
|  |  | **4th Qtr.** |  | **4th Qtr.** | | **Change** |
|  | Implantable Medical Components (“IMC”): |  |  |  |  |  |
|  | ICD Batteries | $11,289 | $10,011 | | | 13% |
|  | Pacemaker & Other Batteries | 4,515 | 4,934 | | | -8% |
|  | ICD Capacitors | 4,278 | 3,374 | | | 27% |
|  | Feedthroughs | 15,148 | 16,634 | | | -9% |
|  | Introducers, Catheters and Leads | 11,655 | - | | | N/A |
|  | Enclosures | 4,493 | 4,761 | | | -6% |
|  | Other Medical | 18,653 | 13,350 | | | 40% |
| Total Implantable Medical Components | | 70,031 |  | 53,064 |  | 32% |
| Electrochem Commercial Power (“ECP”) | | 14,384 | 10,079 | | | 43% |
|  | Total Sales | $84,415 |  | $63,143 |  | 34% |
|  |  |  |  |  |  |  |

**4th Quarter Profit & Loss Summary**

The following table summarizes selected information derived from the condensed consolidated statements of operations for the fourth quarters of 2007 and 2006 (in thousands):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2007** | | **2006** |  | **%** |  |
|  | **4th Qtr.** | **4th Qtr.** |  | **Change** | |
|  | Cost of Sales | $57,860 | $40,747 | 42% |  |
| Cost of Sales as % of Sales | | 68.5% | 64.5% |  |  |
| SG&A Expenses | | $12,544 | $10,594 | 18% | |
| SG&A Expenses as % of Sales | | 14.9% | 16.8% |  |  |
| RD&E Expenses, net | | $8,058 | $6,163 | 31% | |
| RD&E Expenses, net as % of Sales | | 9.5% | 9.8% |  |  |
| Operating Income | | $5,425 | $1,132 | 379% | |
| Operating Margin | | 6.4% | 1.8% |  |  |
| Effective Tax Rate | | 45.4% | 18.4% |  |  |

The cost of sales as a percentage of sales increased from last year primarily because of the companies acquired during 2007.

Excluding the acquired companies, our cost of sales percentage was slightly above the 2006 rate.

The decrease in the SG&A percentage is due to cost reductions partially offset by a higher run rate on the acquired businesses. SG&A costs for the businesses acquired in 2007 include amortization costs related to acquired customer lists and non-compete contracts.

The net RD&E expenses percentage is approximately the same as last year’s percentage. The effect of the increase in cost on new development projects was offset by the impact of higher reimbursements.



The other operating expense in the fourth quarter consists of:

|  |  |
| --- | --- |
| -- Columbia closure/relocations | $0.7 million |
| -- ECP building expansion | $0.1 million |
| -- Carson City closure/relocation and other | ($0.3 million) |

As a result of $13.8 million of the acquired in-process research and development write-off not being deductible for tax purposes, the effective tax rate for 2007 was 47.5%.

**Full-Year 2008 Financial Guidance**

Since we are in the process of preparing our initial purchase accounting valuations for the companies acquired in 2008 and the valuations performed on the companies acquired in the fourth quarter of 2007 are not considered final, we will not issue US GAAP EPS guidance until later in the year. The guidance amounts shown below are subject to change based on the final outcome of the above mentioned valuations as well as changes to the underlying market assumptions. The changes in the sales number below from our preliminary estimates is primarily due to the timing of the completion of the DePuy acquisition.

Sales (000’s)

Adjusted Operating Income(1)(2)(3)

Adjusted EBITDA Margin(1)(2)(3)

Interest Expense (000’s)

EPS – adjusted (1)(2)(3)

Diluted weighted average shares outstanding (000’s)

Effective tax rate

Capital spending (000’s)(4)

$490,000 - $530,000

11% - 13%

21% - 23%

~$15,000

$1.20 - $1.50

24,000

35%

$50,000 - $55,000

1. Excludes plant relocation/asset dispositions of $4.7 million to $5.5 million dollars (per share $0.13 to $0.15.)
2. Excludes write-off of in-process research and development costs as well as other non-recurring charges associated with the 2008 acquisitions.
3. Excludes non-recurring costs associated with integrations of the acquisitions.
4. Includes expansion of Electrochem Commercial Power facility of approximately $20 million and the expansion of the Research Center of approximately $8 million.



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table A: Operating Income Reconciliation (in thousands):** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | **2007** | |  |  |  | **2006** | |  |  | **2007** | |  |  | **2006** | |  |  |
|  |  |  | **4th Qtr.** | | | |  | **4th Qtr.** | | |  | **YTD** | | |  | **YTD** | |  |
|  | Operating income as reported: | $5,425 | | |  |  | $1,132 | |  |  | $20,020 | | |  | $22,376 | |  |  |
| In-process research and development | | - | | |  |  | - | |  |  | 16,093 | | |  | - | | |  |
| Acquisition charges | | 950 | | |  |  | - | |  |  | 2,276 | | |  | - | | |  |
| Sub-total | | 6,375 | | |  |  | 1,132 | |  |  | 38,389 | |  |  | 22,376 | |  |  |
| Adjustments: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Carson City facility closure/relocation | | (253) | | |  |  | 293 | |  |  | 331 | |  |  | 2,743 | | |  |
| Columbia facility closure/relocation | | 661 | | |  |  | 1,579 | | |  | 4,366 | | |  | 5,125 | | |  |
| Medical power facility closure/relocation | | - | | |  |  | 56 | |  |  | - | |  |  | 623 | | |  |
| ECP building expansion | | 123 | | |  |  | - | |  |  | 531 | |  |  | - | | |  |
| Asset dispositions & other | | (3) | | |  |  | 85 | |  |  | 96 | |  |  | 5,272 | | |  |
| Severance | | - | | |  |  | 2,494 | | |  | - | |  |  | 2,494 | | |  |
| Corporate development expenses | | - | | |  |  | - | |  |  | - | |  |  | 801 | | |  |
|  | Operating Income – adjusted | $ 6,903 | | |  |  | $ 5,639 | |  |  | $ 43,713 | |  |  | $ 39,434 | |  |  |
|  | Operating margin – adjusted |  |  | |  |  |  |  | |  |  |  | |  |  |  | |  |
|  | 8.2% | |  |  |  | 8.9% | |  |  | 13.7% | |  |  | 14.5% | |  |  |
| **Table B: Net Income Reconciliation (in thousands):** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | **2007** | |  |  |  | **2006** | |  |  | **2007** | |  |  | **2006** | |  |  |
|  |  |  | **4th Qtr.** | | | |  | **4th Qtr.** | | |  | **YTD** | | |  | **YTD** | |  |
|  | Net income as reported: | $2,780 | | | |  | $1,394 | | |  |  | $15,050 | | | $16,126 | |  |  |
| In-process research and development | | - | | | |  | - | | | | 15,361 | | | | - | | |  |
| Tax cost for IPR&D | | 841 | | | |  | - | | | | - | | | | - | | |  |
| Acquisition charges | | 641 | | | |  | - | | | | 1,536 | | | | - | | |  |
| Sub-total | |  | 4,262 | | |  |  | 1,394 | |  |  | 31,947 | |  |  | 16,126 |  |  |
| Adjustments: | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Carson City facility closure/relocation | | (171) | | | |  | 239 | | |  | 223 | | | | 1,879 | | |  |
| Columbia facility closure/relocation | | 446 | | | |  | 1,288 | | | | 2,947 | | | | 3,511 | | |  |
| Medical power facility closure/relocation | | - | | | |  | 46 | | |  | - | | | | 427 | | |  |
| ECP building expansion | | 83 | | | |  | - | | | | 358 | | | | - | | |  |
| Asset dispositions & other | | (2) | | | |  | 69 | | |  | 65 | | | | 3,611 | | |  |
| Severance | | - | | | |  | 2,035 | | | | - | | | | 1,708 | | |  |
| Corporate development expenses | | - | | | |  | - | | | | - | | | | 549 | | |  |
|  | Sub-total |  | 4,618 | | |  |  | 5,071 | |  |  | 35,540 | |  |  | 27,811 |  |  |
| Gain on extinguishment of debt | |  | - | | |  |  | - | |  |  | (3,019) | |  |  | - |  |  |
|  | Net income adjusted |  | $ 4,618 | | |  |  | $ 5,071 | |  |  | $ 32,521 | |  |  | $ 27,811 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table C: GAAP EPS Reconciliation:** | | |  |  |  |  |  |  |  |  |  |
| **2007** | | | **2006** | | |  |  | **2007** |  | **2006** |  |
|  |  | **4th Qtr.** |  |  | **4th Qtr.** |  |  | **YTD** | | **YTD** | |
|  | EPS as reported: | | $ 0.12 |  |  | $ 0.06 |  | $ 0.67 | | $ 0.73 |  |
| In-process research and development | | | - |  |  | - |  | 0.69 | | - | |
| Tax cost for IPR&D | | | 0.04 |  |  | - |  | - | | - | |
| Acquisition charges | | | 0.03 |  |  | - |  | 0.07 | | - | |
| Sub-total | |  | 0.19 |  |  | 0.06 |  | 1.43 |  | 0.73 |  |
| Adjustments: | |  |  |  |  |  |  |  |  |  |  |
| Carson City facility closure/relocation | | | (0.01) |  |  | 0.01 | | 0.01 | | 0.07 | |
| Columbia facility closure/relocation | | | 0.02 |  |  | 0.06 | | 0.13 | | 0.13 | |
| Medical power facility closure/relocation | | | - |  |  | - |  | - | | 0.02 | |
| ECP building expansion | | | 0.01 |  |  | - |  | 0.02 | | - | |
| Asset dispositions & other | | | - |  |  | 0.01 | | - | | 0.14 | |
| Severance | | | - |  |  | 0.09 | | - | | 0.06 | |
| Corporate development expenses | | | - |  |  | - |  | - | | 0.02 | |
|  | Sub-total |  | 0.21 |  |  | 0.23 |  | 1.59 |  | 1.17 |  |
| Gain on extinguishment of debt | |  | - |  |  | - |  | (0.13) |  | - |  |
|  | Net income adjusted |  | $ 0.21 |  |  | $ 0.23 |  | $ 1.46 |  | $ 1.17 |  |
|  | |  |  |  |  |  |  |  |  |  |  |
| Shares Outstanding (000's) | | | 22,400 |  |  | 22,100 | | 22,400 | | 26,300 | |
|  |  |  |  |  |  |  |  |  |  |  |  |

The 2007 net income and EPS calculations above assume an effective tax rate of 32.5% except for the IPR&D write-off. The fourth quarter acquisitions were slightly dilutive due to the overall operating results.

**Conference Call**

The Company will host a conference call on Monday February 25, 2008 at 5:00 p.m. E.T. to discuss these results. The scheduled conference call will be webcast live and is accessible through the Company’s website at www.greatbatch.com. An audio replay will also be available beginning from 8:00 p.m. E.T. on February 25, 2008 until March 3, 2008. To access the replay, dial 888-286-8010 (U.S.) or 617-801-6888 (International) and enter the passcode 53494909.



**Forward-Looking Statements**

Some of the statements in this press release and other written and oral statements made from time to time by the Company and its representatives are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended, and involve a number of risks and uncertainties. These statements can be identified by terminology such as “may,” “will,” “should,” “could,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” or the negative of these terms or other comparable terminology. These statements are based on the Company’s current expectations. The Company’s actual results could differ materially from those stated or implied in such forward-looking statements. Risks and uncertainties that could cause actual results to differ materially from those stated or implied by such forward-looking statements include, among others, the following matters affecting the Company: dependence upon a limited number of customers; customer ordering patterns; product obsolescence; inability to market current or future products; pricing pressure from customers; our ability to timely and successfully implement our cost reduction and plant consolidation initiatives; reliance on third party suppliers for raw materials, products and subcomponents; fluctuating operating results; inability to maintain high quality standards for our products; challenges to our intellectual property rights; product liability claims; inability to successfully consummate and integrate acquisitions including the recent Precimed and DePuy Chaumont acquisitions and to realize synergies and to operate these acquired businesses in accordance with expectations; unsuccessful expansion into new markets including our expansion into the orthopedics market resulting from the Precimed acquisition; competition; inability to obtain licenses to key technology; regulatory changes or consolidation in the healthcare industry; global economic factors including currency exchange rates and interest rates; and other risks and uncertainties described in the Company’s Annual Report on Form 10-K and in other periodic filings with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this press release whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

**About Greatbatch, Inc.**

Greatbatch, Inc. (NYSE: GB) is a leading developer and manufacturer of critical products used in medical devices for the cardiac rhythm management, neurostimulation, vascular, orthopedic and interventional radiology markets. Additionally, Electrochem Commercial Power, a subsidiary of Greatbatch, is a world leader in the design and manufacture of electrochemical cells, primary and rechargeable battery packs and wireless sensors for demanding applications such as oil and gas exploration, pipeline inspection, military, asset tracking, oceanography, external medical and seismic surveying. Additional information about the Company is available at www.greatbatch.com.



**GREATBATCH, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - Unaudited**

**(In thousands except per share amounts)**



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three months ended** | | | | |  | **Year ended** | | |  |  |  |
|  |  | **Dec. 28,** |  |  | **Dec. 29,** | |  | **Dec. 28,** | |  | **Dec. 29,** | |  |
|  |  | **2007** |  |  | **2006** |  |  | **2007** |  |  | **2006** |  |  |
| Sales | $ | 84,415 | $ | | 63,143 | | $ | 318,746 | | $ | 271,142 |  |  |
| Cost and expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cost of sales - excluding amortization |  |  |  |  |  |  |  |  |  |  |  |  |  |
| of intangible assets |  | 56,487 |  |  | 39,798 | |  | 198,184 | |  | 164,885 |  |  |
| Cost of sales - amortization of intangible assets |  | 1,373 |  |  | 949 | |  | 4,537 | |  | 3,813 |  |  |
| Selling, general and administrative expenses |  | 12,544 |  |  | 10,594 | |  | 44,674 | |  | 38,785 |  |  |
| Research, development and engineering costs, net |  | 8,058 |  |  | 6,163 | |  | 29,914 | |  | 24,225 |  |  |
| Acquired in-process research and development |  | - |  |  | - | |  | 16,093 | |  | - |  |  |
| Other operating expense, net |  | 528 |  |  | 4,507 | |  | 5,324 | |  | 17,058 |  |  |
| Operating income |  | 5,425 |  |  | 1,132 |  |  | 20,020 |  |  | 22,376 |  |  |
| Interest expense |  | 1,958 |  |  | 1,172 | |  | 7,303 | |  | 4,605 |  |  |
| Interest income |  | (1,022) |  |  | (1,709) | |  | (7,050) | |  | (5,775) | |  |
| Gain on sale of investment security |  | - |  |  | - | |  | (4,001) | |  | - |  |  |
| Gain on extinguishment of debt |  | - |  |  | - | |  | (4,473) | |  | - |  |  |
| Other (income) expense, net |  | (603) |  |  | (39) | |  | (447) | |  | 12 |  |  |
| Income before provision for income taxes |  | 5,092 |  |  | 1,708 |  |  | 28,688 |  |  | 23,534 |  |  |
| Provision for income taxes |  | 2,312 |  |  | 314 | |  | 13,638 | |  | 7,408 |  |  |
| Net income | $ | 2,780 |  | $ | 1,394 |  | $ | 15,050 |  | $ | 16,126 |  |  |
| Earnings per share: |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic | $ | 0.13 | $ | | 0.06 | | $ | 0.68 | | $ | 0.74 |  |  |
| Diluted | $ | 0.12 | $ | | 0.06 | | $ | 0.67 | | $ | 0.73 |  |  |
| Weighted average shares outstanding: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic |  | 22,200 |  |  | 21,900 | |  | 22,150 | |  | 21,800 |  |  |
| Diluted |  | 22,400 |  |  | 22,100 | |  | 22,400 | |  | 26,300 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |



**GREATBATCH, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS - Unaudited**

**(In thousands)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ASSETS** | **Dec. 28,** |  |  |  | **Dec. 29,** | |  |
| Current assets: | **2007** |  |  |  | **2006** |  |  |
|  |  |  |  |  |  |  |
| Cash and cash equivalents | $ | 33,473 | $ | | 71,147 | |  |
| Short-term investments available for sale |  | 7,017 |  |  | 71,416 | |  |
| Accounts receivable, net |  | 56,962 |  |  | 31,285 | |  |
| Inventories, net |  | 71,882 |  |  | 57,667 | |  |
| Refundable income taxes |  | 377 |  |  | 1,569 | |  |
| Deferred income taxes |  | 6,469 |  |  | 5,899 | |  |
| Prepaid expenses and other current assets |  | 5,044 |  |  | 2,343 | |  |
| Total current assets |  | 181,224 |  |  | 241,326 |  |  |
| Property, plant, and equipment, net |  | 114,946 |  |  | 91,869 | |  |
| Intangible assets, net |  | 103,850 |  |  | 56,330 | |  |
| Goodwill |  | 248,540 |  |  | 155,039 | |  |
| Other assets |  | 15,291 |  |  | 3,263 | |  |
| Total assets | $ | 663,851 |  | $ | 547,827 |  |  |
| **LIABILITIES AND STOCKHOLDERS’ EQUITY** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Current liabilities: |  |  |  |  |  |  |  |
| Accounts payable | $ | 33,433 | $ | | 12,657 | |  |
| Accrued expenses and other current liabilities |  | 30,975 |  |  | 29,618 | |  |
| Current portion of long-term debt |  | - |  |  | - | |  |
| Total current liabilities |  | 64,408 |  |  | 42,275 |  |  |
| Convertible subordinated notes |  | 241,198 |  |  | 170,000 | |  |
| Deferred income taxes |  | 35,346 |  |  | 35,859 | |  |
| Other long term liabilities |  | 228 |  |  | - | |  |
| Total liabilities |  | 341,180 |  |  | 248,134 |  |  |
| Stockholders' equity: |  |  |  |  |  |  |  |
| Preferred stock |  | - |  |  | - | |  |
| Common stock |  | 22 |  |  | 22 | |  |
| Additional paid-in capital |  | 238,574 |  |  | 227,187 | |  |
| Treasury stock |  | (140) |  |  | (205) | |  |
| Retained earnings |  | 84,215 |  |  | 69,165 | |  |
| Accumulated other comprehensive income |  | - |  |  | 3,524 | |  |
| Total stockholders’ equity |  | 322,671 |  |  | 299,693 |  |  |
| Total liabilities and stockholders' equity | $ | 663,851 |  | $ | 547,827 |  |  |
|  |  |  |  |  |  |  |  |

CONTACT:

Greatbatch, Inc.

Tony Borowicz, 716-759-5609

Treasurer & Director of Investor Relations

tborowicz@greatbatch.com