

U.S. 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) October 25, 2006

GREATBATCH, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-16137	16-1531026
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

9645 Wehrle Drive, Clarence, New York 14031
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (716) 759-5600

Not Applicable

(Former name or former address, if changed since last report)

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 October 25, 2006, Greatbatch, Inc. (the "Company") issued a press release announcing its results for the fiscal quarter ended September 29, 2006. 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 October 25, 2006.

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, thereunto duly authorized.

Dated: October 25, 2006

GREATBATCH, INC.

By: /s/ Thomas J. Mazza

*Thomas J. Mazza
Senior Vice President and
Chief Financial Officer*

EXHIBIT
NUMBER

99.1

DESCRIPTION

Press Release of Greatbatch, Inc. dated October 25, 2006.

Greatbatch, Inc. Reports Third Quarter Sales and Earnings

CLARENCE, N.Y.--(BUSINESS WIRE)--Oct. 25, 2006--Greatbatch, Inc. (the "Company") (NYSE: GB) today reported results for the third quarter ended September 29, 2006.

Business Highlights

- Total Company - sales of \$69.3 million, up 11% from \$62.4 million in the third quarter of 2005.
- Implantable Medical Components - sales of \$57.0 million, up 5% from \$54.1 million in the third quarter of 2005.
- The increase was primarily due to sales of new assembly products and continued growth in coated electrodes and molded components.
- 2005 sales included approximately \$3 to \$5 million of additional revenue related to customer field actions, primarily impacting ICD batteries and capacitors. Adjusting for this effect, sales increased by approximately 14%.
- Electrochem Commercial Power - record sales of \$12.3 million, up 49% from \$8.3 million in the third quarter of 2005, led by continued strength in the oil and gas and seismic markets. Approximately \$2 million of the increase was due to customer inventory stocking and seasonality in the seismic market.
- Diluted Earnings Per Share (EPS) under U.S. Generally Accepted Accounting Principles (GAAP) were \$0.15. Adjusted EPS, excluding facilities move-related expenses, asset dispositions and stock-based compensation under FAS123R, were \$0.39 (See Table A for reconciliation to GAAP), which compares to \$0.28 in the third quarter of 2005.
- Facilities update
 - The final closure of the Carson City facility was delayed to accommodate pending customer regulatory approval.
 - The move of the Columbia facility is on-going. The construction of the class 10,000 clean room is complete and validated; manufacturing equipment for the first manufacturing line is installed and going through installation qualification. This move is scheduled for completion in mid-2007, as originally planned.
 - The Tijuana facility has been recommended for ISO 13485:2003 certification. This is the internationally recognized standard for medical device development and manufacturing, which acknowledges that the facility meets medical device quality standards.
- Maintaining 2006 Guidance as follows:
 - Full year 2006 projected sales range of \$270 - \$280 million
 - Full year 2006 Adjusted EPS estimates range of \$1.18 - \$1.30

Thomas Hook, President and Chief Executive Officer commented, "I am very pleased with our third quarter results. We have delivered six consecutive quarters of double-digit top-line growth, during a period which can be characterized as uncertain in terms of the ICD marketplace. Our growth demonstrates the multiple levers we have to drive our performance. These growth catalysts include market share penetration, new product introductions, international expansion, a robust commercial business and an emerging neurostimulation market opportunity. Our multi-faceted strategy continues to position the Company to achieve our long-term goal of growing faster than the markets we participate in. Looking to 2007, our early indications suggest our top-line growth should be approximately 10%," Hook concluded.

Sales Summary

The following table summarizes the Company's sales by business unit and major product line for the third quarters of 2006 and 2005 (dollars in thousands):

Business Unit/Product Lines	2006 3rd Qtr.	2005 3rd Qtr.	% Change
Implantable Medical Components ("IMC"):			
ICD Batteries	\$11,456	\$11,345	+1%
Pacemaker & Other Batteries	4,439	5,424	-18%
ICD Capacitors	4,499	5,349	-16%
Feedthroughs	17,355	16,386	+6%

Enclosures	5,698	6,203	-8%
Other Medical	13,560	9,378	+45%
	-----	-----	
Total Implantable Medical Components	57,007	54,085	+5%
Electrochem Commercial Power ("ECP")	12,287	8,273	+49%
	-----	-----	
Total Sales	\$69,294	\$62,358	+11%
	=====	=====	=====

Profit & Loss Summary

The following table summarizes selected information derived from the condensed consolidated statement of operations for the third quarters in 2006 and 2005 (dollars in thousands):

	2006	2005	%
	3rd Qtr.	3rd Qtr.	Change
	-----	-----	-----
Cost of Sales(1)	\$43,657	\$39,145	+12%
Cost of Sales as % of Sales	63.0%	62.8%	
SG&A Expenses	\$9,311	\$8,842	+5%
SG&A Expenses as % of Sales	13.4%	14.2%	
RD&E Expenses, net	\$6,022	\$5,124	+18%
RD&E Expenses, net as % of Sales	8.7%	8.2%	
Operating Income	\$4,065	\$1,429	+184%
Operating Margin	5.9%	2.3%	
Effective Tax Rate	24.3%	30.0%	

(1) Cost of sales in 2005 has been revised to include the effect of amortization of intangible assets of \$1.0 million, which was previously included in operating expenses.

The cost of sales percentage remained relatively unchanged from last year as lower manufacturing costs offset unfavorable product mix stemming from higher sales of assembly products and lower medical battery sales volume.

The increase in SG&A expenses is primarily due to the expensing of stock options under FAS123R.

The increase in net RD&E expenses is primarily due to a planned increase in spending on new development programs, coupled with lower customer reimbursements for development charges in the current quarter compared to the third quarter last year.

The increase in the operating margin is primarily due to lower costs associated with the facility moves and higher sales volume.

The decrease in the effective tax rate from 30.0% to 24.3% is a result of adjusting the income accounts to reflect the filing of the 2005 income tax returns. The year-to-date, expected fourth quarter and full year effective tax rate is 32.5%.

Outlook

Considering the performance of the first three quarters, the Company is updating its full year guidance as follows (dollars in millions, except per share amounts):

	Current	Previous
	-----	-----
Sales: Medical	\$228 - \$236	\$231 - \$239
Commercial	42 - 44	39 - 41
	-----	-----
Total Sales	\$270 - \$280	\$270 - \$280
GAAP EPS	\$0.71 - \$0.77	\$0.70 - \$0.83
Adjusted EPS (excluding move & FAS123R)	\$1.18 - \$1.30	\$1.18 - \$1.30
Effective tax rate	32.5%	34.0%
Capital expenditures	\$16 - \$20	\$22 - \$27

Table A: GAAP EPS Reconciliation

2006 2005 2006

	3rd Qtr.	3rd Qtr.	Full Yr. Guidance
GAAP EPS:	\$0.15	\$0.03	\$0.71 - \$0.77
Carson City facility closure/relocation	0.01	0.05	0.07 - 0.08
Columbia facility closure/relocation	0.04	-	0.11 - 0.13
Medical power facility closure/relocation	-	0.05	0.01
Corporate development expenses	-	-	0.02
Asset dispositions and other	0.16	0.15	0.16
Other operating expense	0.21	0.25	0.37 - 0.40
Incremental stock-based compensation	0.03	-	0.10 - 0.13
EPS - adjusted	\$0.39	\$0.28	\$1.18 - \$1.30
Diluted weighted average shares outstanding (000's)	22,000	22,000	26,200

(Other operating expense and stock-based compensation tax-affected at: 24.3%; 30.0% and 32.5% for Q3 2006, Q3 2005 and full year guidance respectively).

Table B: Operating Income Reconciliation (dollars in thousands):

	2006 3rd Qtr.	2005 3rd Qtr.	2006 Full Yr. Guidance
Operating Income as reported:	\$4,065	\$1,429	\$22,000 - \$25,000
Carson City facility closure/relocation	411	1,595	2,700 - 3,100
Columbia facility closure/relocation	1,225	-	4,100 - 4,900
Medical power facility closure/relocation	-	1,428	500
Asset dispositions & other	4,603	4,795	6,200
Corporate development expenses	-	-	800
Other operating expense	6,239	7,818	14,300 - 15,500
Incremental stock-based compensation (1)	1,061	-	4,000 - 5,000
Operating Income - adjusted	\$11,365	\$9,247	\$40,000 - \$45,000
Operating margin - adjusted	16.4%	14.8%	14.8% - 16.1%

(1) Approximately 80% in SG&A 12% RD&E 8% Cost of Sales

Conference Call

The Company will host a conference call today, Wednesday, October 25, 2006 at 4:30 p.m. E.T. to discuss its quarterly results. The scheduled conference call will be webcast live and is accessible through the Company's website at www.greatbatch.com. The webcast will also include presentation visuals. The webcast will be archived on the Company's website for future on-demand replay. An audio replay will also be available beginning from 6:30 p.m. E.T. on October 25, 2006 until November 1, 2006. To access the replay, dial 888-286-8010 (U.S.) or 617-801-6888 (International) and enter the passcode 30421839.

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, integrate and protect against liabilities arising from acquisitions; unsuccessful expansion into new markets; competition; inability to obtain licenses to key technology; regulatory changes or consolidation in the healthcare industry; 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 components used in implantable medical devices and other technically demanding applications. 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		Nine months ended	
	Sept. 29, 2006	Sept. 30, 2005	Sept. 29, 2006	Sept. 30, 2005
Sales	\$ 69,294	\$62,358	\$207,999	\$182,240
Cost and expenses:				
Cost of sales - excluding amortization of intangible assets	42,709	38,178	125,087	112,154
Cost of sales - amortization of intangible assets	948	967	2,864	2,883
Selling, general and administrative expenses	9,311	8,842	28,191	24,089
Research, development and engineering costs, net	6,022	5,124	18,062	13,182
Other operating expense, net	6,239	7,818	12,551	14,207
Operating income	4,065	1,429	21,244	15,725
Interest expense	1,135	1,154	3,433	3,476
Interest income	(1,521)	(796)	(4,066)	(2,024)
Other (income) expense, net	171	(9)	51	(69)
Income before provision for income taxes	4,280	1,080	21,826	14,342
Provision for income taxes	1,041	324	7,094	4,303
Net income	\$ 3,239	\$ 756	\$ 14,732	\$ 10,039
Earnings per share:				
Basic	\$ 0.15	\$ 0.03	\$ 0.68	\$ 0.47
Diluted	\$ 0.15	\$ 0.03	\$ 0.65	\$ 0.46
Weighted average shares outstanding:				
Basic	21,800	21,600	21,800	21,600
Diluted	22,000	21,900	26,200	21,700

GREATBATCH, INC. CONDENSED CONSOLIDATED BALANCE SHEETS - Unaudited (In thousands)

ASSETS	Sept. 29, 2006	Dec. 30, 2005
Current assets:		
Cash and cash equivalents	\$ 55,792	\$ 46,403
Short-term investments	72,426	65,746
Accounts receivable, net	35,856	29,997
Inventories	54,657	45,184
Refundable income taxes	-	928
Deferred income taxes	5,635	6,257
Prepaid expenses and other current assets	3,074	1,488
Total current assets	227,440	196,003
Property, plant, and equipment, net	92,090	97,705

Intangible assets, net	57,279	60,143
Goodwill	155,039	155,039
Other assets	3,449	4,021
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Total assets	\$535,297	\$512,911
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 13,697	\$ 13,678
Accrued expenses and other current liabilities	23,649	29,903
Current portion of long-term debt	-	464
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Total current liabilities	37,346	44,045
Convertible subordinated notes	170,000	170,000
Deferred income taxes	34,468	30,261
	-----	-----
Total liabilities	241,814	244,306
	-----	-----
Stockholders' equity:		
Preferred stock	-	-
Common stock	22	22
Additional paid-in capital	223,034	215,614
Retained earnings	67,771	53,039
Accumulated other comprehensive income (loss)	2,656	(70)
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Total stockholders' equity	293,483	268,605
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Total liabilities and stockholders' equity	\$535,297	\$512,911
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CONTACT: Greatbatch, Inc.

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