
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) February 10, 2004

WILSON GREATBATCH TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

1-16137

16-1531026

(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)

ITEM 12. Results of Operations and Financial Condition.

On February 10, 2004, Wilson Greatbatch Technologies, Inc. issued a press release announcing the Company's earnings for the fiscal quarter and full year ended January 2, 2004. A copy of the release is furnished with this report as Exhibit 99.1 and is incorporated by reference into this Item 12.

The information contained in this report 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 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 this filing.

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, thereunto duly authorized.

Dated: February 10, 2004

Wilson Greatbatch Technologies, Inc.

By /s/ Lawrence P. Reinhold

*Lawrence P. Reinhold
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)*

EXHIBIT INDEX

EXHIBIT
NUMBER

DESCRIPTION

99.1

Earnings Release of Wilson Greatbatch Technologies,
Inc. dated February 10, 2004.

Wilson Greatbatch Technologies, Inc. Reports Results for Fourth Quarter and Full Year 2003

CLARENCE, N.Y.--(BUSINESS WIRE)--Feb. 10, 2004--Wilson Greatbatch Technologies, Inc. (the "Company") (NYSE: GB) today reported its financial results for the fourth quarter and full year ended December 31, 2003.

Net sales totaled \$49.4 million during the fourth quarter of 2003, an increase of 4.3% over the fourth quarter of 2002. Net income during the quarter totaled \$4.5 million, or \$0.21 per diluted share, compared to \$5.0 million, or \$0.23 per diluted share, in the prior year's fourth quarter. Net sales totaled \$216.4 million for the full year 2003, an increase of 29.3% over the prior full year. Net income for the full year 2003 totaled \$23.3 million, or \$1.08 per diluted share, compared to \$14.4 million, or \$0.68 per diluted share, in the prior full year. The results include one-time charges totaling \$0.05 per diluted share in 2003 and \$0.12 per diluted share in 2002.

Edward F. Voboril, Chairman, President and Chief Executive Officer commented, "We are very pleased with the record performance we achieved during 2003. Our sales increase was led by our medical technology products, which grew organically by 25%. This reflects our solid market position in components sold to the major Cardiac Rhythm Management ("CRM") device manufacturers. Furthermore, we improved our operating leverage by growing operating income and net income at a faster rate than sales. Our operating margin increased to 17.7% during the full year 2003, compared to 15.5% during 2002.

Mr. Voboril continued, "As anticipated, sales to our CRM customers slowed in the fourth quarter. This was primarily due to inventory reduction initiatives by certain CRM customers. We continue to remain positive about the long-term growth prospects of the CRM market and our solid position in that market," Voboril concluded.

Sales

The following table summarizes the Company's sales by product line for the fourth quarters and full years in 2003 and 2002 (in thousands):

Product Lines	2003 4th Qtr	2002 4th Qtr	% Change	2003 Full Year	2002 Full Year	% Change
Medical Technology:						
Medical Batteries:						
ICDs	\$8,853	\$7,174	+23%	\$41,494	\$28,518	+46%
Pacemakers	4,500	4,591	-2%	22,535	20,354	+11%
Other Devices	1,209	560	+116%	3,662	3,035	+21%
Total Medical Batteries	14,562	12,325	+18%	67,691	51,907	+30%
Capacitors	8,802	7,485	+18%	31,668	24,678	+28%
Components	20,201	21,441	-6%	90,862	65,316	+39%
Total Medical Technology	43,565	41,251	+6%	190,221	141,901	+34%
Commercial Power Sources	5,806	6,064	-4%	26,144	25,395	+3%

Total Revenues \$49,371 \$47,315 +4% \$216,365 \$167,296 +29%

During the fourth quarter of 2003, sales of Implantable Cardioverter Defibrillator ("ICD") batteries and capacitors increased by a combined 20.4% over the prior year fourth quarter. For the full year, ICD battery and capacitor sales grew by 37.5%, indicative of the strength in the CRM market and our positioning in that marketplace. Also contributing to the medical technology growth were sales of "Other Devices", driven primarily by sales of components used in Left Ventricular Assist Devices ("LVADs") and pain management therapy. The overall growth rate in the medical technology segment was impacted by reduced sales of Components (feedthroughs, enclosures and engineered components) due to the slowdown in CRM customer shipments. For the full year, sales of these medical components increased organically by 20%. In the Commercial Power Sources (non-medical) segment, the fourth quarter sales decrease was due to an inventory reduction by a major customer and softness in the oil and gas market. For the full year, total sales were within our expectations.

Profit & Loss Summary

The following table summarizes selected information derived from the condensed consolidated statement of operations for the fourth quarters and full years in 2003 and 2002 (in thousands):

	2003 4th Qtr	2002 4th Qtr	2003 Full Year	2002 Full Year
Gross Profit	\$19,838	\$20,475	\$89,828	\$70,898
Gross Margin	40.2%	43.3%	41.5%	42.4%
SG&A Expenses	\$7,257	\$7,059	\$30,384	\$24,369

SG&A Expenses as % of Sales	14.7%	14.9%	14.0%	14.6%
RD&E Expenses, net	\$3,843	\$3,926	\$16,991	\$14,440
RD&E Expenses, net as % of Sales	7.8%	8.3%	7.9%	8.6%
Operating Income	\$7,181	\$7,872	\$38,200	\$25,906
Operating Margin	14.5%	16.6%	17.7%	15.5%

Gross margin during the quarter was lower than the prior year fourth quarter, primarily due to the unfavorable effect of spreading fixed manufacturing expenses over lower production volumes. An additional impact on gross margin was the higher costs associated with the hiring of additional plant management personnel. The year over year gross margin decrease was primarily due to the costs incurred to consolidate the commercial battery plants, the hiring of additional plant management personnel and the impact of including the lower margin enclosure products for the full year of 2003. The gross margin impact of these three factors was approximately 300 basis points for the year.

SG&A expenses during the quarter remained relatively flat in absolute dollars versus the prior year. For the full year, expenses increased by 24.7% compared to last year in absolute dollars, but declined as a percent of sales due to improved operating leverage.

RD&E expenses during the quarter remained relatively flat compared to the fourth quarter of last year in absolute dollars. For the full year, expenses increased by 17.7% compared to last year in absolute dollars, but decreased as a percent of sales compared to last year as sales growth has outpaced spending.

Financial Outlook for 2004

Management expects total sales for 2004 to be in the range of \$240-\$245 million, an increase of 11-13% over last year. Medical technology sales are expected to be between \$214-\$217 million, an increase of 13-14%. Commercial power sources sales are expected to be in the range of \$26-\$28 million, an increase of 0%-7%. Based on this sales growth, management expects diluted earnings per share to be in the range of \$1.37-\$1.43, an increase of 27-32% over 2003 levels. The earnings growth is primarily due to increased sales volume, continued benefits from the Six Sigma and lean manufacturing initiatives, and improved operating leverage of the existing infrastructure. The earnings guidance also factors in changes in selling prices on selected medical components, higher insurance premiums, one-time costs for start-up of the new battery plant and increased costs for compliance with Sarbanes-Oxley requirements.

The Company expects capital spending in 2004 to be in the range of \$37-\$42 million compared to \$12.3 million in 2003. This elevated level of spending is primarily due to the build-out of the new medical battery plant and the continuing impact of the information technology system implementation.

Conference Call

Mr. Voboril and Lawrence P. Reinhold, the Company's Executive Vice President and Chief Financial Officer, will discuss fourth quarter 2003 financial results in a conference call scheduled for today, Tuesday, February 10, at 5:00 p.m. EDT. The conference call will be webcast live and is accessible through the Company's website at www.greatbatch.com or at CCBN's individual investor center at www.companyboardroom.com. The webcast will also include presentation visuals. The webcast will be archived on both websites for future on-demand replay.

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; product obsolescence; inability to market current or future products; pricing pressure from customers; 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; 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, including Exhibit 99.2 thereto, 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 Wilson Greatbatch Technologies

Wilson Greatbatch Technologies, Inc. (NYSE: GB) is a leading developer and manufacturer of batteries, capacitors, precision components and enclosures used in implantable medical devices and other technically demanding applications. The Company has operations in New York, Maryland, Massachusetts, Nevada and Minnesota. Additional information about the Company is available at www.greatbatch.com.

(Unaudited)

(In thousands except per share amounts)

	Three months ended		Year Ended	
	December 31,		December 31,	
	2003	2002 (a)	2003	2002 (a)
Sales	\$49,371	\$47,315	\$216,365	\$167,296
Cost of sales	29,533	26,840	126,537	96,398
Gross profit	19,838	20,475	89,828	70,898
Selling, general and administrative expenses	7,257	7,059	30,384	24,369
Research, development and engineering costs, net	3,843	3,926	16,991	14,440
Amortization of intangible assets	793	893	3,217	3,702
Other operating expense	764	725	1,036	2,481
Operating income	7,181	7,872	38,200	25,906
Interest expense	1,149	1,050	4,101	3,752
Interest income	(318)	(128)	(702)	(442)
Early extinguishment of debt	-	-	1,603	-
Other expense (income), net	(5)	18	(118)	1,631
Income before income taxes	6,355	6,932	33,316	20,965
Provision for income taxes	1,832	1,973	10,028	6,604
Net income	\$4,523	\$4,959	\$23,288	\$14,361
	=====	=====	=====	=====
Diluted earnings per share	\$0.21	\$0.23	\$1.08	\$0.68
Diluted average shares outstanding	21,632	21,359	21,534	21,227

(a) Reclassified for consistency with 2003 presentation.

Wilson Greatbatch Technologies, Inc. Condensed Consolidated Balance Sheet

(Unaudited)

(In thousands)

ASSETS	December 31,	
	2003	2002
Current assets:		
Cash, cash equivalents and short-term investments	\$131,045	\$4,608
Accounts receivable, net	23,726	19,310
Inventories	28,598	34,908
Prepaid expenses and other current assets	3,591	3,339
Refundable income taxes	583	3,038
Deferred income taxes	3,163	3,349
Asset held for sale	3,658	-
Total current assets	194,364	68,552
Property, plant, and equipment, net	63,735	64,699
Intangible assets, net	51,441	55,804
Goodwill	119,521	119,407
Deferred income taxes	2,896	-
Other assets	6,286	3,789
Total assets	\$438,243	\$312,251
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$4,091	\$5,726
Accrued expenses and other current liabilities	18,968	13,872
Current portion of long-term debt	850	8,750
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Total current liabilities	23,909	28,348
Long-term debt, net of current portion	928	76,250
Long-term convertible notes	170,000	-
Deferred income taxes	7,251	136
Other long-term liabilities	815	654
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Total liabilities	202,903	105,388
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Stockholders' equity:		
Preferred stock	-	-
Common stock	21	21
Additional paid-in capital	207,969	202,279
Deferred stock-based compensation	(1,185)	-
Retained earnings	28,714	5,426
Treasury stock, at cost	(179)	(863)
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Total stockholders' equity	235,340	206,863
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Total liabilities and stockholders' equity	\$438,243	\$312,251
	=====	=====

CONTACT: Wilson Greatbatch Technologies, Inc., Clarence Lawrence P. Reinhold
Executive Vice President and Chief Financial Officer 716-759-5602
lreinhold@greatbatch.com
or
Anthony W. Borowicz
Treasurer and Director, Investor Relations 716-759-5809
tborowicz@greatbatch.com