

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 8, 2007

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 February 8, 2007, Greatbatch, Inc. (the "Company") issued a press release announcing its results for the quarter and fiscal year ended December 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 February 8, 2007.

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: February 8, 2007

GREATBATCH, INC.

By: /s/ Thomas J. Mazza

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

EXHIBIT
NUMBER

DESCRIPTION

99.1

Press Release of Greatbatch, Inc. dated February 8, 2007.

Greatbatch, Inc. Reports Fourth Quarter and Full-Year 2006 Results

Sales for Year Grow by 12% to Record Level

CLARENCE, N.Y.--(BUSINESS WIRE)--Feb. 8, 2007--Greatbatch, Inc. (the "Company") (NYSE: GB) today reported its results for the fourth quarter and year ended December 29, 2006.

2006 Highlights

- Achieved record sales for:
- Total Company - sales of \$271 million, an increase of 12% compared to \$241 million in 2005
- Implantable Medical Components ("IMC") - sales of \$227 million, an increase of 9% compared to \$208 million in 2005
- Electrochem Commercial Power ("ECP") - sales of \$44 million, an increase of 33% compared to \$33 million in 2005
- Met all of the milestones for the consolidation of feedthrough manufacturing from Columbia, Maryland to Tijuana, Mexico and medical research and development into the Technology Development Center in Clarence, New York.
- Received ISO 13485 Certification for our Tijuana, Mexico facility.
- Executed a plan in November 2006 for consolidating our corporate and business unit organization structure.
- Operating Income, excluding selected charges and incremental FAS 123R expenses, increased by 24% to \$44 million compared to \$35 million in 2005 (See Table B for reconciliation to GAAP).
- Cash and short-term investments increased by \$30 million to \$143 million as of December 29, 2006.

Results for Quarter

- Total Company - sales of \$63 million, up 7% from \$59 million in the fourth quarter of 2005.
- IMC - sales of \$53 million, up 4% from \$51 million in the fourth 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 \$5 million of additional revenue related to customer field actions, primarily impacting ICD batteries and capacitors. Adjusting for this effect, sales increased by 15%.
- ECP - sales of \$10 million, up 31% from \$7.7 million in the fourth quarter of 2005, led by continued strength in the oil and gas and telematics markets.
- Diluted Earnings Per Share ("EPS") was \$0.06. Adjusted EPS, which excludes facilities move-related expenses, asset dispositions, severance costs associated with November's consolidation and incremental stock-based compensation under FAS123R, was \$0.28 (See Table A for reconciliation to GAAP), which compares to adjusted EPS of \$0.13 in the fourth quarter of 2005.

Commenting on full-year results, Thomas Hook, Chief Executive Officer, said: "I am very pleased with the improvements we are seeing in our operating and financial metrics. Despite a soft underlying ICD market, we achieved record sales results in both our medical and commercial segments. We grew faster than our markets by capturing share and we continue to introduce new product offerings that enhance our competitive market position. Looking ahead to 2007, we expect sales growth of 10%, which reflects our confidence to continue to grow faster than the underlying markets.

"With respect to our consolidation plan, we are about two-thirds of the way through our three-year planned initiatives and expect to conclude these activities in 2007. We continue to make significant progress and fully anticipate achieving the long-term cost savings targets. In addition, based on our continued success in growing our commercial business, we are launching a new initiative to expand our manufacturing capacity and capabilities for commercial power sources. We anticipate completing this expansion in early 2008," Hook concluded.

4th Quarter Sales Summary

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

Business Unit/Product Lines	2006 4th Qtr.	2005 4th Qtr.	% Change

Implantable Medical Components:			
ICD Batteries	\$10,011	\$11,020	-9%
Pacemaker & Other Batteries	4,934	4,791	+3%
ICD Capacitors	3,374	5,109	-34%
Feedthroughs	16,634	13,283	+25%
Enclosures	4,761	5,097	-7%
Other Medical	13,350	11,878	+12%
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Total Implantable Medical Components	53,064	51,178	+4%
Electrochem Commercial Power	10,079	7,679	+31%
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Total Sales	\$63,143	\$58,857	+7%
	=====	=====	

4th Quarter Profit & Loss Summary

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

	2006 4th Qtr.	2005 4th Qtr.	% Change

Cost of Sales	\$40,747	\$40,347	+1%
Cost of Sales as % of Sales	64.5%	68.6%	
SG&A Expenses	\$10,594	\$7,439	+42%
SG&A Expenses as % of Sales	16.8%	12.6%	
RD&E Expenses, net	\$6,163	\$5,543	+11%
RD&E Expenses, net as % of Sales	9.8%	9.4%	
Operating Income	\$1,132	\$1,161	-2%
Operating Margin	1.8%	2.0%	

The cost of sales percentage improved from last year as lower manufacturing costs and lower excess capacity costs more than offset the change in product mix stemming from higher sales of lower margin 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, CEO transition costs and an increased level of incentive compensation.

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 fourth quarter of last year.

The other operating expense in the current quarter consists of:

- Carson City and Columbia consolidations/relocations \$1.9 million
- Asset dispositions and other \$0.1 million
- Severance for November 2006 Consolidation \$2.5 million

Full-Year 2007 Financial Guidance

	2007 Guidance	% Change

Sales (000's)	\$295,000 - \$305,000	+9% - +13%
GAAP EPS (1)	\$1.16 - \$1.22	+59% - +67%
EPS - adjusted (2)	\$1.28 - \$1.35	+9% - +15%
Diluted weighted average shares outstanding (000's)	26,000	
Effective tax rate	less than 35%	

(1) Includes the impact of stock-based compensation under FAS123R of \$0.12 to \$0.15.

(2) Excludes plant relocation/asset dispositions of \$0.10 to \$0.13. Includes continued excess capacity costs associated with delayed closure of filtered feedthrough facility. Includes expansion of commercial power facility of approximately

(3) \$20 million.

Table A: GAAP EPS Reconciliation

	2006 4th Qtr.	2005 4th Qtr.	2006 Year	2005 Year
GAAP EPS:	\$0.06	\$0.00	\$0.73	\$0.46
Carson City facility closure/relocation	0.01	0.05	0.07	0.13
Columbia facility closure/relocation	0.06	0.03	0.13	0.03
Medical power facility closure/relocation	-	0.01	0.02	0.09
Asset dispositions and other Severance	0.01 0.09	0.02 -	0.14 0.06	0.18 0.05
Corporate development expenses	-	-	0.02	-
Tijuana start-up costs	-	0.02	-	0.04
Costs to exit a development agreement	-	-	-	0.04
Other operating expense	0.17	0.13	0.44	0.56
Incremental stock-based compensation	0.05	-	0.12	-
EPS - adjusted	\$0.28	\$0.13	\$1.29	\$1.02
Diluted weighted average shares outstanding (000's)	22,100	21,900	26,300	21,800

(Other operating expense and stock-based compensation tax-affected at: 18.4% for Q4 2006, 31.5% for full year 2006 and 34.6%, full year rate, for 2005 periods.)

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

	2006 4th Qtr.	2005 4th Qtr.	2006 Year	2005 Year
Operating Income as reported:	\$1,132	\$1,161	\$22,376	\$16,886
Carson City facility closure/relocation	288	1,713	2,743	4,440
Columbia facility closure/relocation	1,579	1,055	5,125	1,134
Medical power facility closure/relocation	56	483	623	2,806
Asset dispositions & other Severance	90 2,494	579 -	5,272 2,494	6,104 1,505
Corporate development expenses	-	-	801	-
Tijuana start-up costs	-	537	-	1,402
Costs to exit development agreement	-	-	-	1,183
Other operating expense	4,507	4,367	17,058	18,574
Incremental stock-based compensation (1)	1,445	-	4,366	-
Operating income - adjusted	\$7,084	\$5,528	\$43,800	\$35,460
Operating margin - adjusted	11.2%	9.4%	16.2%	14.7%

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

The Company will host a conference call today, Thursday, February 8, 2007 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. An audio replay will also be available beginning from 7:00 p.m. E.T. on February 8, 2007 until February 15, 2007. To access the replay, dial 888-286-8010 (U.S.) or 617-801-6888 (International) and enter the passcode 42567570.

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; 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		Year ended	
	Dec. 29, 2006	Dec. 30, 2005	Dec. 29, 2006	Dec. 30, 2005
Sales	\$ 63,143	\$ 58,857	\$271,142	\$241,097
Cost and expenses:				
Cost of sales - excluding amortization of intangible assets	39,798	39,389	164,885	151,543
Cost of sales - amortization of intangible assets	949	958	3,813	3,841
Selling, general and administrative expenses	10,594	7,439	38,785	31,528
Research, development and engineering costs, net	6,163	5,543	24,225	18,725
Other operating expense, net	4,507	4,367	17,058	18,574
Operating income	1,132	1,161	22,376	16,886
Interest expense	1,172	1,137	4,605	4,613
Interest income	(1,709)	(1,089)	(5,775)	(3,113)
Other (income) expense, net	(39)	(9)	12	(78)
Income before provision for income taxes	1,708	1,122	23,534	15,464
Provision for income taxes	314	1,054	7,408	5,357
Net income	\$ 1,394	\$ 68	\$ 16,126	\$ 10,107
Earnings per share:				
Basic	\$ 0.06	\$ -	\$ 0.74	\$ 0.47
Diluted	\$ 0.06	\$ -	\$ 0.73	\$ 0.46
Weighted average shares outstanding:				
Basic	21,900	21,700	21,800	21,600
Diluted	22,100	21,900	26,300	21,800

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

ASSETS	Dec. 29, 2006	Dec. 30, 2005
Current assets:		
Cash and cash equivalents	\$ 71,147	\$ 46,403
Short-term investments	71,416	65,746
Accounts receivable, net	31,285	29,997
Inventories	57,667	45,184
Refundable income taxes	1,569	928
Deferred income taxes	5,899	6,257
Prepaid expenses and other current assets	2,343	1,488
	-----	-----
Total current assets	241,326	196,003
Property, plant, and equipment, net	91,869	97,705
Intangible assets, net	56,330	60,143
Goodwill	155,039	155,039
Other assets	3,263	4,021
	-----	-----
Total assets	\$ 547,827	\$ 512,911
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 12,657	\$ 13,678
Accrued expenses and other current liabilities	29,618	29,903
Current portion of long-term debt	-	464
	-----	-----
Total current liabilities	42,275	44,045
Convertible subordinated notes	170,000	170,000
Deferred income taxes	35,859	30,261
	-----	-----
Total liabilities	248,134	244,306
	-----	-----
Stockholders' equity:		
Preferred stock	-	-
Common stock	22	22
Additional paid-in capital	227,187	215,614
Treasury stock	(205)	-
Retained earnings	69,165	53,039
Accumulated other comprehensive income (loss)	3,524	(70)
	-----	-----
Total stockholders' equity	299,693	268,605
	-----	-----
Total liabilities and stockholders' equity	\$ 547,827	\$ 512,911
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CONTACT: Greatbatch, Inc.
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