

Ultralife 3Q income up

NEWARK — Ultralife Corp. reported operating income of \$4.7 million on revenue of \$53.3 million for the quarter ended Sept. 26.

For the third quarter of 2009, the company reported an operating loss of \$0.4 million on revenue of \$42.4 million.

Gross margin for the third quarter of 2010 was \$14.9 million, or 27.9 percent of revenue, compared to \$10.4 million, or 24.5 percent of revenue, for the same quarter a year ago, reflecting a favorable mix of high-margin Communications Systems revenue, including strong AMTI amplifier revenue, and Battery & Energy Products manufacturing efficiencies notably in the company's China operations. Included in gross margin for the third quarter last year was a \$1.3 million gain related to the resolution of a trade dispute.

Operating expenses for the third quarter totaled \$10.2 million compared to \$10.8 million a year ago. Net income was \$4.5 million, or \$0.26 per share, compared to a net loss of \$0.6 million, or \$0.04 per share.

Revenue was \$128.8 million compared to \$121.8 million. Operating income amounted to \$6.0 million compared to an operating loss of \$9.0 million for the first nine months of 2009. Net income was \$4.8 million, or \$0.28 per share, compared to a net loss of \$10.1 million, or \$0.59 per share, for the same period a year ago.

Visit www.ultralifecorp.com.

LNB paying 5-cent dividend

LYONS — Lyons Bancorp Inc., parent of Lyons National Bank, has declared a special cash dividend of \$.05 per share on the Company's common stock.

Shareholders of record at the close of business on Nov. 30 will be paid the dividend on Dec. 29. The Board's action was based on the Bank's recent achievement of \$500 million in assets and to reward its shareholders for their continued confidence and support in these current economic times.

The Board of Directors has also declared a quarterly cash dividend on the Company's common stock of \$.33 per share. Shareholders of record at the close of business on Dec. 31 will be paid this dividend on Jan. 15, 2011.

Including the special dividend, annualized dividends declared on the Company's common stock totaled \$1.34 in 2010, a 14 percent increase over those declared in 2009. Based on its current market value, the yield on LNB's common stock is just under 4.00 percent.

Visit BankwithLNB.com.

Hair salon opens in Newark

NEWARK — Kelly Burke has opened Hair Tease Salon, 100 S. Main St.

The salon features four styling stations and shampoo and drying stations.

Stylists will provide cuts and styles for men, women and children.

Burke is the former manager of Gentry Salon and a graduate of Shear Ego International School of Hair Design. She also has completed the Peter Webb Advanced Hair Artistic Design certification.



Tolerance is everything

Magnus Precision dispels machine shop stereotypes

PHELPS — No one can accuse Magnus Precision Manufacturing Corp. of being intolerant. The company is all about tolerance.

As in precise, exact tolerances on the many machined metal and plastic parts it makes.

By **DAVID L. SHAW**
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Located just west of the village of Phelps, Magnus Precision offers a variety of metal parts for the aerospace, medical, fiber optics, recreational and industrial worlds.

A visit to the 55,000-square-foot, state-of-the-art plant dispels the stereotypes about machine shops.

"Many people think of a machine shop as dark, dirty, hot, sweat shops," said President Thomas Shepherd. "That's not us," he said.

Visitors will see a quiet, well-lit, clean, spacious and comfortable space where large, state-of-the-art

machines convert rough metal blocks and tubes of steel, aluminum, titanium and a nickel-based metal called Inconel into machined works of art.

The mills, lathes and electric discharging machining units are capable of making precise borings and machine designs from several different angles.

"We pride ourselves on being able to work with the customers in engineering and designing their parts to exact tolerances," Shepherd said.

"There is little margin for error. No machining tolerance is perfect, but we get as close as possible," he said.

The modern lathes, some of which cost \$750,000, do more than one part at a time. The old lathes and milling machines worked on one part, finished it and then started with a new one.

These new machines start working on a part and a second one can be worked on at the same time, much like an assembly line.

Magnus has its own machine shop to make parts for the lathes, milling machines and other equipment used in its process.

There is a deburring department that uses microscopes, intense lights to locate and remove even the tiniest imperfection and burr, smoothing out the parts before they go to the quality control department for inspection.

The company spent its first 20 years in Shortsville before moving into a brand new building in Phelps in 2001.

Magnus is known for doing the most complex and precise machine parts work for the aerospace and medical industries.

Its customers range from central and western New York to all over the Northeast and Midwest, with some even out on the West Coast.

Sales executive Donald Miller proudly noted that Magnus has some of the "finest and most accurate" machinery in the world.

He's especially proud of a SP-T42 model machine device made by Hardinge Inc. of Elmira.

"We were honored to have been selected to be Hardinge's engineering test site for their new SP-T4 model," Miller said. "I say honored because there are numerous machine shops located throughout the globe, but Hardinge heard about our reputation for doing the machined parts that are truly super precise," Miller said.

Shepherd said the company employs 75 people full-time.

"Business is up this year after a down year in 2009. We've added eight



Gabrielle Plucknette photos / Finger Lakes Times

or nine employees," he said, noting that about 40 percent of its machined parts go to the aerospace or aircraft industry.

Magna also makes machined metal parts for firearms, the medical instrument business and for a variety of industrial uses. They used to make golf club heads, but no longer.

The raw metals Magnus buys fluctuate in price. The more the demand, which is up now, the harder their availability.

The raw metals are color coded and the company has a tight routing system to make sure the right metal gets to the right employee and machine.

"This equipment is very efficient and can multi-task," Shepherd said. "We have a reputation of being able to make very difficult, detailed parts," he said.

The company owns excess land around its building to allow for expansion. Shepherd said, right now, the current space is sufficient and no expansion is planned.

Clockwise from top left, tools for measurement are frequently used at Magnus Precision Manufacturing in Phelps, because each product needs to be as precise as possible.

David Rosato finishes a product in the deburring department. High-speed sanding or buffing machines are used to smooth rough edges.

Doug Krouse, a machinist, checks the height of a part using a height gage.

Inset, an internal view of the machine shop.

About Magnus Precision

Location: 1912 Route 96, Phelps.
Employees: 75.
Annual revenue: \$10 to \$20 million.
Parent company: Floturn Inc., Cincinnati, Ohio.

Business of
the Week