

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES ACT
OF 1934 FOR THE TRANSITION PERIOD
FROM TO .

Commission file number 0-8328

DYNAMIC MATERIALS CORPORATION
(Exact name of Registrant as Specified in its Charter)

Delaware 84-0608431
(State of Incorporation or Organization) (I.R.S. Employer Identification No.)

5405 Spine Road, Boulder, Colorado 80301
(Address of principal executive offices, including zip code)

(303) 665-5700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 under the Act). Yes No

The number of shares of Common Stock outstanding was 5,061,390 as of April 30, 2003.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. In particular, we direct your attention to Part I Item 1- Financial Statements, Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 3 - Quantitative and Qualitative Disclosures About Market Risk. We intend the forward-looking statements throughout the quarterly report on Form 10-Q and the information incorporated by reference to be covered by the safe harbor provisions for forward-looking statements. Statements which are not historical facts contained in this report are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projected results. All projections and statements regarding our expected financial position and operating results, our business strategy, our financing plans and the outcome of any contingencies are forward-looking statements. These statements can sometimes be identified by our use of forward-looking words such as "may", "believe", "plan", "will", "anticipate", "estimate", "expect", "intend" and other phrases of similar meaning. The forward-looking information is based on information available as of the date of this report on Form 10-Q and on numerous assumptions and developments that are not within our control. Although we believe that our expectations that are expressed in these forward-looking statements are reasonable, we cannot assure you that our expectations will turn out to be correct. Factors that could cause actual results to differ materially include, but are not limited to the following: the ability to obtain new contracts at attractive prices; the size and timing of customer orders; fluctuations in customer demand; competitive factors; the timely completion of contracts; any actions which may be taken by SNPE as the controlling shareholder of the Company with respect to the Company and our businesses; the timing and size of expenditures; the timely receipt of government approvals and permits; the adequacy of local labor supplies at our facilities; the availability and cost of funds; and general economic conditions,

both domestically and abroad. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. We undertake no obligation to publicly release the results of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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Part I - FINANCIAL INFORMATION

ITEM 1. Consolidated Financial Statements

DYNAMIC MATERIALS CORPORATION & SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS -----	March 31, 2003 (unaudited) -----	December 31, 2002 -----
CURRENT ASSETS:		
<S>	<C>	<C>
Cash and cash equivalents	\$ 1,636,178	\$ 1,158,234
Accounts receivable, net of allowance for doubtful accounts of \$291,442 and \$255,769, respectively	6,699,644	8,747,238
Inventories	7,187,496	5,863,261
Prepaid expenses and other	1,211,893	798,236

Current deferred tax asset	315,500	315,500
Total current assets	17,050,711	16,882,469
PROPERTY, PLANT AND EQUIPMENT	23,917,465	23,474,725
Less- Accumulated depreciation	(8,524,906)	(8,076,227)
Property, plant and equipment, net	15,392,559	15,398,498
RESTRICTED CASH AND INVESTMENTS	191,202	191,202
GOODWILL, net of accumulated amortization of \$234,299	847,076	847,076
INTANGIBLE ASSETS, net of accumulated amortization of \$677,854 and \$672,354, respectively	83,668	89,168
OTHER ASSETS, net	266,800	289,579
TOTAL ASSETS	\$ 33,832,016	\$ 33,697,992

</TABLE>

The accompanying notes to Consolidated Financial
Statements are an integral part of these
balance sheets.

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DYNAMIC MATERIALS CORPORATION & SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 2003 (unaudited)	December 31, 2002
CURRENT LIABILITIES:		
<S>	<C>	<C>
Bank overdraft	\$ --	\$ 213,979
Accounts payable	3,740,657	2,404,662
Accrued expenses	3,003,545	3,340,071
Current maturities on long-term debt	2,208,332	2,423,699
Total current liabilities	8,952,534	8,382,411
LONG-TERM DEBT	8,592,105	9,278,630
NET DEFERRED TAX LIABILITIES	312,291	334,179
DEFERRED GAIN ON SWAP TERMINATION	45,453	48,493
OTHER LONG-TERM LIABILITIES	92,211	89,539
Total liabilities	17,994,594	18,133,252
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.05 par value; 4,000,000 shares authorized; no issued and outstanding shares	--	--
Common stock, \$.05 par value; 15,000,000 shares authorized; 5,061,390 shares issued and outstanding	253,071	253,071
Additional paid-in capital	12,373,568	12,373,568
Retained earnings	2,916,732	2,763,027
Other cumulative comprehensive income	294,051	175,074
Total stockholders' equity	15,837,422	15,564,740
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$33,832,016	\$33,697,992

</TABLE>

The accompanying notes to Consolidated Financial Statements are an integral part of these balance sheets.

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DYNAMIC MATERIALS CORPORATION & SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(unaudited)

<TABLE>
<CAPTION>

	2003 ----	2002 ----
<S>	<C>	<C>
NET SALES	\$ 9,736,235	\$ 11,974,211
COST OF PRODUCTS SOLD	7,610,218	8,848,699
Gross profit	2,126,017	3,125,512
COSTS AND EXPENSES:		
General and administrative expenses	1,004,543	1,029,029
Selling expenses	728,996	635,955
Total costs and expenses	1,733,539	1,664,984
INCOME FROM OPERATIONS	392,478	1,460,528
OTHER INCOME (EXPENSE):		
Other income	3,918	7,060
Interest expense	(143,709)	(184,537)
Interest income	1,342	356
Income before income taxes and cumulative effect of a change in accounting principle	254,029	1,283,407
INCOME TAX PROVISION	100,324	496,871
INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	153,705	786,536
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX BENEFIT OF \$1,482,000	--	(2,318,108)
NET INCOME (LOSS)	\$ 153,705	\$ (1,531,572)
NET INCOME (LOSS) PER SHARE - BASIC AND DILUTED:		
Income before cumulative effect of a change in accounting principle	\$ 0.03	\$ 0.16
Cumulative effect of a change in accounting principle ...	--	(0.46)
Net Income (loss)	\$ 0.03	\$ (0.30)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING -		
Basic	5,061,390	5,042,382
Diluted	5,080,340	5,087,051

</TABLE>

The accompanying notes to Consolidated Financial Statements are an

integral part of these statements.

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<TABLE>
<CAPTION>

DYNAMIC MATERIALS CORPORATION & SUBSIDIARY

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2003

(unaudited)

	Common Stock Shares -----	Amount -----	Additional Paid-In Capital -----
<S> Balances, December 31, 2002	<C> 5,061,390	<C> \$ 253,071	<C> \$12,373,568
Net income	--	--	--
Change in cumulative translation adjustment	--	--	--
Balances, March 31, 2003	----- 5,061,390 =====	----- \$ 253,071 =====	----- \$12,373,568 =====

<CAPTION>

	Retained Earnings -----	Other Cumulative Comprehensive Loss ----	Total -----	Comprehensive Income for the period -----
<S> Balances, December 31, 2002	<C> \$ 2,763,027	<C> \$ 175,074	<C> \$15,564,740	<C>
Net income	153,705	--	153,705	\$ 153,705
Change in cumulative translation adjustment	--	118,977	118,977	118,977
Balances, March 31, 2003	----- \$ 2,916,732 =====	----- \$ 294,051 =====	----- \$15,837,422 =====	----- \$ 272,682 =====

</TABLE>

The accompanying notes to Consolidated
Financial Statements are an integral part
of these statements.

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DYNAMIC MATERIALS CORPORATION & SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(unaudited)

<TABLE>
<CAPTION>

	2003	2002
	----	----
CASH FLOWS FROM OPERATING ACTIVITIES:		
<S>	<C>	<C>
Net income (loss)	\$ 153,705	\$(1,531,572)
Adjustments to reconcile net income (loss) to net cash flows provided by (used in) operating activities-		
Depreciation	424,487	423,489
Amortization	5,500	11,949
Amortization of deferred gain on swap termination	(3,040)	(3,612)
Impairment of goodwill, net of tax	--	2,318,108
Provision for deferred income taxes	(25,613)	264,705
Change in -		
Accounts receivable, net	2,113,810	(3,605,279)
Inventories	(1,247,187)	(51,825)
Prepaid expenses and other	(401,312)	77,533
Income tax receivable	--	(4,594)
Accounts payable	1,283,788	1,024,244
Accrued expenses	(374,429)	(247,218)
	-----	-----
Net cash flows provided by (used in) operating activities	1,929,709	(1,324,072)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(343,033)	(689,460)
Change in other non-current assets	22,780	37,742
	-----	-----
Net cash flows used in investing activities	(320,253)	(651,718)
	-----	-----

</TABLE>

The accompanying notes to Consolidated Financial Statements are an integral part of these statements.

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DYNAMIC MATERIALS CORPORATION & SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(unaudited)

<TABLE>
<CAPTION>

	2003	2002
	----	----
CASH FLOWS FROM FINANCING ACTIVITIES:		
<S>	<C>	<C>
Repayment on bank line of credit	(412,826)	(82,887)
Payment on SNPE, Inc. term loan	(333,333)	--
Payment on industrial development revenue bonds	(205,000)	(205,000)
Payment on debt to related party	--	(8,763)
Change in other long-term liabilities	--	33,793
Net proceeds from issuance of common stock to employees	--	3,750
Bank overdraft	--	804,937
Repayment of bank overdraft	(213,979)	--
	-----	-----
Net cash flows provided by (used in) financing activities	(1,165,138)	545,830
	-----	-----

EFFECTS OF EXCHANGE RATES ON CASH	33,626	10,793
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	477,944	(1,419,167)
CASH AND CASH EQUIVALENTS, beginning of the period	1,158,234	1,811,618
	-----	-----
CASH AND CASH EQUIVALENTS, end of the period	\$ 1,636,178	\$ 392,451
	=====	=====

SUPPLEMENTAL DISCLOSURE OF CASH FLOW
INFORMATION:

Cash paid during the period for- Interest	\$ 224,782	\$ 182,745
	=====	=====
Income taxes	\$ 324,797	\$ 178,298
	=====	=====

</TABLE>

The accompanying notes to Consolidated
Financial Statements are an integral part
of these statements.

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DYNAMIC MATERIALS CORPORATION & SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. BASIS OF PRESENTATION

The information included in the Consolidated Financial Statements is unaudited but includes all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the interim periods presented. These Consolidated Financial Statements should be read in conjunction with the financial statements that are included in the Company's Annual Report filed on Form 10-K for the year ended December 31, 2002.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of DMC and any subsidiary in which it has a greater than a 50% interest. All significant intercompany accounts, profits and transactions have been eliminated in consolidation.

Foreign Operations and Foreign Exchange Rate Risk

The functional currency for our foreign operations is the applicable local currency for each affiliate company. Assets and liabilities of foreign subsidiaries for which the functional currency is the local currency are translated at exchange rates in effect at period-end, and the statements of operations are translated at the average exchange rates during the period. Exchange rate fluctuations on translating foreign currency financial statements into U.S. Dollars that result in unrealized gains or losses are referred to as translation adjustments. Cumulative translation adjustments are recorded as a separate component of stockholders' equity and are included in other cumulative comprehensive income (loss). Transactions denominated in currencies other than the local currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses which are reflected in income as unrealized (based on period-end translations) or realized upon settlement of the transactions. Cash flows from our operations in foreign countries are translated at actual exchange rates when known, or at the average rate for the period. As a result, amounts related to assets and liabilities reported in the consolidated statements of cash flows will not agree to changes in the corresponding balances in the consolidated balance sheets. The effects of exchange rate changes on cash balances held in foreign currencies are reported as a separate line item below cash flows from financing activities.

Revenue Recognition

DMC's contracts with its customers generally require the production and

delivery of multiple units or products. The Company records revenue from the contracts using the completed contract method as products are completed and

shipped to the customer. If, as a contract proceeds toward completion, projected total cost on an individual contract indicates a potential loss, we provide currently for such anticipated loss.

Stock Based Compensation

The Company has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees ("APB 25"), and related interpretations in accounting for its employee stock options. Under APB 25, because the exercise price of the Company's employee stock options is generally equal to the market price of the underlying stock on the date of the grant, no compensation expense is recognized. Statement of Financial Accounting Standards No. 123, Accounting and Disclosure of Stock-Based Compensation ("SFAS 123"), establishes an alternative method of expense recognition for stock-based compensation awards to employees that is based on fair values. The Company elected not to adopt SFAS 123 for expense recognition purposes.

Pro-forma information regarding net income and earnings per share is required by SFAS 123, and has been determined as if the Company had accounted for its employee stock options and employees stock purchase plan under the fair value method of SFAS 123. There were no shares issued in connection with the Employee Stock Purchase Plan during the three months ended March 31, 2003 and 2002. Additionally, there were no stock options granted during the three months ended March 31, 2002. The fair value of the options granted was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	Three Months ended March 31, 2003 -----
Risk-free interest rate	2.5%
Expected lives	4.0 years
Expected volatility	101.0%
Expected dividend yield	0%

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including expected stock price characteristics significantly different from those of traded options. Because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

The weighted average fair value of options granted for the three months ended March 31, 2003 was \$2.36. For purposes of pro-forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting periods. The Company's pro-forma net income (loss) and pro-forma net income (loss) per share, as if the Company had used the fair value accounting provisions of SFAS 123, are shown below.

<TABLE>
<CAPTION>

	Three Months ended March 31, -----	
	2003 ----	2002 ----
Net income (loss):		
<S> As reported	<C> \$ 153,705	<C> \$(1,531,572)
Expense calculated under SFAS 123	(64,326)	(52,673)
	-----	-----
Pro forma	\$ 89,379 =====	\$(1,584,245) =====

Basic and diluted net income (loss) per common share:

As reported	\$ 0.03	\$ (0.30)
	=====	=====
Pro forma	\$ 0.02	\$ (0.31)
	=====	=====

</TABLE>

Impact of SFAS 142

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets, on January 1, 2002 and completed its determination of the goodwill impairment of the PMP division in the fourth quarter of 2002. The transitional impairment of \$2,318,108, net of taxes of \$1,482,000, was recorded as the cumulative effect of a change in accounting principle as of January 1, 2002 and required the restatement of net income in the consolidated statement of operations as of March 31, 2002.

Recent Accounting Pronouncements

On January 1, 2003, the Company adopted SFAS No. 143, Accounting for Asset Retirement Obligations, which establishes accounting standards for recognition and measurement of a liability for an asset retirement obligation and the associated asset retirement cost. The adoption of this pronouncement did not have a material impact on the Company.

On January 1, 2003, the Company adopted SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities, which specifies that a liability for a cost associated with an exit or disposal activity be recognized at the date of an entity's commitment to an exit plan. The adoption of this pronouncement did not have a material impact on the Company.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation--Transition and Disclosure. SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. SFAS No. 148 also requires that disclosures of the pro forma effect of using the fair value method of accounting for stock-based employee compensation be displayed more prominently and in a tabular format. The Company has implemented all required disclosures of SFAS 148. Additionally, SFAS No. 148 requires disclosure of the pro forma effect in interim financial statements. The transition requirements of SFAS No. 148 are effective for the Company's fiscal year 2003. The Company does not plan to transition to a fair value method of accounting for stock-based employee compensation.

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3. INVENTORY

The components of inventory are as follows at March 31, 2003 and December 31, 2002:

	March 31, 2003 (unaudited)	December 31, 2002
	-----	-----
Raw Materials	\$2,265,272	\$1,846,038
Work-in-Process	4,713,394	3,835,176
Supplies	208,830	182,047
	-----	-----
	\$7,187,496	\$5,863,261
	=====	=====

4. LONG-TERM DEBT

Long-term debt consists of the following at March 31, 2003 and December 31, 2002:

	March 31, 2003 (unaudited)	December 31, 2002
	-----	-----
Line of credit - SNPE S.A	\$ --	\$ 235,367
Convertible subordinated note, SNPE, Inc.	1,200,000	1,200,000
Term loan, SNPE, Inc.	3,000,001	3,333,334
Bank lines of credit	2,320,436	2,448,628
Industrial development revenue bonds	4,280,000	4,485,000
	-----	-----

Total	10,800,437	11,702,329
Less current maturities	(2,208,332)	(2,423,699)
	-----	-----
Long-term portion	\$ 8,592,105	\$ 9,278,630
	=====	=====

Loan Covenants and Restrictions

Our loan agreements include various covenants and restrictions, certain of which relate to the payment of dividends or other distributions to stockholders, redemption of capital stock, incurrence of additional indebtedness, mortgaging, pledging or disposition of major assets and maintenance of specified financial ratios. The principal financial covenants relate to minimum debt service coverage, minimum net income and minimum net worth as measured at the end of each calendar quarter. As of March 31, 2003, we are in compliance with all financial covenants and other provisions of our debt agreements.

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5. BUSINESS SEGMENTS

DMC is organized in the following two segments: the Explosive Metalworking Group and the Aerospace Group. The Explosive Metalworking Group uses explosives to perform metal cladding and shock synthesis. The most significant product of this group is clad metal which is used in the fabrication of pressure vessels, heat exchangers and transition joints used in the hydrocarbon processing, chemical processing, power generation, petrochemical, pulp and paper, mining, shipbuilding and heat, ventilation and air conditioning industries. The Aerospace Group machines, forms and welds parts for the commercial aircraft, aerospace and defense industries.

DMC's reportable segments are strategic business units that offer different products and services and are separately managed. Each segment is marketed to different customer types and requires different manufacturing processes and technologies. Segment information is presented for the three months ended March 31, 2003 and 2002 as follows:

<TABLE>
<CAPTION>

	Explosive Manufacturing	Aerospace	Total
	-----	-----	-----
For the three months ended March 31, 2003:			
<S> Net sales	<C> \$ 7,273,031	<C> \$ 2,463,204	<C> \$ 9,736,235
	=====	=====	=====
Depreciation and amortization	\$ 254,459	\$ 175,528	\$ 429,987
	=====	=====	=====
Income (loss) from operations	\$ 676,634	\$ (284,156)	\$ 392,478
Unallocated amounts:			
Other income			3,918
Interest expense, net			(142,367)

Consolidated income before income taxes			\$ 254,029
			=====

	Explosive Manufacturing	Aerospace	Total
	-----	-----	-----
For the three months ended March 31, 2002:			
Net sales	\$ 9,620,393	\$ 2,353,818	\$11,974,211
	=====	=====	=====
Depreciation and amortization	\$ 317,373	\$ 118,065	\$ 435,438
	=====	=====	=====
Income (loss) from operations	\$ 1,950,302	\$ (489,774)	\$ 1,460,528
Unallocated amounts:			
Other income			7,060
Interest expense, net			(184,181)

Consolidated income before income taxes			\$ 1,283,407
			=====

</TABLE>

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6. COMPREHENSIVE INCOME

DMC's comprehensive income (loss) for the three months ended March 31, 2003 and 2002 was as follows:

	Three Months Ended March 31, -----	
	2003 ----	2002 ----
Net income (loss) for the period	\$ 153,705	\$(1,531,572)
Foreign currency translation adjustment	118,977	5,322
	-----	-----
Comprehensive income (loss)	\$ 272,682 =====	\$(1,526,250) =====

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ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

DMC is a worldwide leader in explosive metalworking and, through its Aerospace Group, is involved in a variety of metal forming, machining, welding, and assembly activities. The explosive metalworking business includes the use of explosives to perform metallurgical bonding (or "metal cladding") and shock synthesis of synthetic diamonds. DMC performs metal cladding using its proprietary technologies.

Explosive Metalworking. Clad metal products are used in manufacturing processes or environments that involve highly corrosive chemicals, high temperatures and/or high pressure conditions. For example, we fabricate clad metal tube sheets for heat exchangers. Heat exchangers are used in a variety of high temperature, high pressure, highly corrosive chemical processes, such as processing crude oil in the petrochemical industry and processing chemicals used in the manufacture of synthetic fibers. In addition, DMC has produced titanium clad plates used in the fabrication of metal autoclaves to replace autoclaves made of brick and lead for customers in the nickel mining industry. We believe that our clad metal products are an economical, high-performance alternative to the use of solid corrosion-resistant alloys. In addition to clad metal products, the explosive metalworking business includes shock synthesis of synthetic diamonds.

On July 3, 2001, the Company completed its acquisition of substantially all of the outstanding stock of Nobelclad Europe S.A. ("Nobelclad") from Nobel Explosifs France ("NEF"). Nobelclad and its wholly-owned subsidiary, Nitro Metall AB ("Nitro Metall") are the primary manufacturers of explosion clad products in Europe and operate cladding businesses located in Rivesaltes, France and Likenas, Sweden, respectively, along with sales offices in each country. Products manufactured by Nobelclad and Nitro Metall are similar to those produced by DMC's domestic factory in Mount Braddock, Pennsylvania. NEF is wholly owned by Groupe SNPE and is a sister company to SNPE, Inc., which owns 55% of the Company's common stock.

Aerospace Manufacturing. Products manufactured by our Aerospace Group are typically made from sheet metal and forgings that are subsequently machined or formed into precise, three-dimensional shapes that are held to tight tolerances. Metal machining and forming is accomplished through traditional technologies, including spinning, machining, rolling and hydraulic expansion. DMC also performs welding services utilizing a variety of manual and automatic welding techniques that include electron beam and gas tungsten arc welding processes. Forming and welding operations are often performed to support the manufacture of completed assemblies and sub-assemblies required by our customers. Fabrication and assembly services are performed utilizing close-tolerance machining, forming, welding, inspection and other special service capabilities. Our forming, machining, welding and assembly operations serve a variety of product

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applications in the commercial aircraft, aerospace, defense and power generation industries. Product applications include tactical missile motor cases, titanium

pressure tanks for launch vehicles, and complex, high precision component parts for satellites.

In January 1998, the Company completed its acquisition of the assets of AMK Welding ("AMK"), a supplier of commercial aircraft engine, ground-based turbine and aerospace-related welding services that include the use of automatic and manual gas tungsten, electron beam and arc welding techniques. The Company completed its acquisition of the assets of Spin Forge, LLC ("Spin Forge"), a manufacturer of tactical missile motor cases and titanium pressure vessels for commercial aerospace and defense industries, in March 1998. In December 1998, the Company completed its acquisition of the assets of Precision Machined Products, Inc. ("PMP"), a contract machining shop specializing in high precision, high quality, complex machined parts used in the aerospace, satellite, medical equipment and high technology industries.

Impact of SFAS No. 142. In June 2001, the FASB authorized the issuance of Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets. Under SFAS No. 142, goodwill will no longer be amortized on a straight-line basis over its estimated useful life, but will be tested for impairment on an annual basis and whenever indicators of impairment arise. The goodwill impairment test, which is based on fair value, is to be performed on a reporting unit level. A reporting unit is defined as a SFAS No. 131 operating segment or one level lower. Goodwill will no longer be allocated to other long-lived assets for impairment testing under SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be disposed of. Under SFAS No. 142, intangible assets with indefinite lives will not be amortized. Instead they will be carried at the lower cost or market value and tested for impairment at least annually. All other recognized intangible assets will continue to be amortized over their estimated useful lives.

SFAS No. 142 was effective for fiscal years beginning after December 15, 2001. DMC adopted SFAS No. 142 as of January 1, 2002 and in early 2002 disclosed that up to the full amount of the remaining goodwill associated with the Company's 1998 acquisition of PMP could be impaired. In the fourth quarter of 2002, DMC completed its evaluation of goodwill impairment at PMP and determined that the remaining goodwill in the amount of \$3,800,108 was impaired. Accordingly, we wrote off all of the remaining PMP goodwill, less associated tax benefits of \$1,482,000, and reported the resultant after tax loss of \$2,318,108, or \$.46 per diluted share, as a cumulative effect of a change in accounting principle. The accompanying March 31, 2002 financial statements have been restated to reflect the cumulative effect of this accounting principle change.

DMC generated significant operating income in 2001 and 2002 due to the strong financial performance of its Explosive Metalworking Group, which had earned a small operating profit in 2000 after incurring significant operating losses in 1999. DMC has also experienced, and expects to continue to experience, quarterly fluctuations in operating results caused by various factors, including the timing and size of orders from major customers, customer inventory levels, shifts in product mix, the occurrence of acquisition and divestiture-related costs, and general economic conditions. Additionally, the aftermath of the Iraqi war, the threat of terrorism and other geopolitical uncertainty could have a negative impact on the global economy, the industries served by DMC and DMC's operating results. We typically do not obtain long-term volume purchase contracts from our customers. Quarterly sales and operating results therefore depend on the volume and timing of backlog as well as bookings received during the quarter. A significant portion of our operating expenses is fixed, and planned expenditures are based primarily on sales forecasts and product

development programs. If sales do not meet our expectations in any given period, the adverse impact on operating results may be magnified by our inability to adjust operating expenses sufficiently or quickly enough to compensate for such a shortfall. In addition, DMC uses numerous suppliers of alloys, steels and other materials for its operations. We typically bear the short-term risk of alloy, steel and other component price increases, which could adversely affect our gross profit margins. Although DMC will work with customers and suppliers to minimize the impact of any component shortages, component shortages have had, and are expected from time to time to have, short-term adverse effects on the our business. Results of operations in any period should not be considered indicative of the results to be expected for any future period. Fluctuations in operating results may also result in fluctuations in the price of our common stock.

Three Months Ended March 31, 2003 Compared to Three Months Ended March 31, 2002

The following table sets forth for the periods indicated the percentage relationship to net sales of certain income statement data:

Percentage of Net Sales

Three Months Ended March 31,

	2003	2002
	----	----
Net sales	100.0%	100.0%
Cost of products sold	78.2%	73.9%
	----	----
Gross margin	21.8%	26.1%
General & administrative	10.3%	8.6%
Selling expenses	7.5%	5.3%
	----	----
Income from operations	4.0%	12.2%
Interest expense, net	1.4%	1.5%
Income tax provision	1.0%	4.1%
Cumulative effect of a change in accounting principle	0.0%	19.4%
	----	----
Net income	1.6%	(12.8%)
	====	=====

Net Sales. Net sales for the quarter ended March 31, 2003 decreased by 18.7% to \$9,736,235 from \$11,974,211 in the first quarter of 2002. Sales by the Explosive Metalworking Group, which includes explosion bonding of clad metal and shock

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synthesis of synthetic diamonds, decreased by 24.4% to \$7,273,031 in the first quarter of 2003 from \$9,620,393 in the first quarter of 2002. The Aerospace Group contributed sales of \$2,463,204 (25.3% of total sales) in the first quarter of 2003 versus \$2,353,818 (19.7% of total sales) in the first quarter of 2002. The 4.6% quarter-to-quarter improvement in Aerospace Group sales is principally due to a 12% sales increase at the Group's Precision Machined Products Division along with sales increases of 2% and 3% at AMK Welding and Spin Forge, respectively.

Gross Profit. Gross profit for the quarter ended March 31, 2003 decreased by 32% to \$2,126,017 from \$3,125,512 in the first quarter of 2002. The gross profit margin for the first quarter of 2003 was 21.8%, a 16.5% decrease from the gross profit margin of 26.1% for the first quarter of 2002. The gross profit margin for the Explosive Metalworking Group decreased to 28.4% in the first quarter of 2003 from 33.1% in the 2002 first quarter. The decrease in the gross profit margin for the Explosive Metalworking Group is attributable to the 24.4% decrease in sales discussed above and the resultant less favorable absorption of fixed manufacturing overhead expenses. The gross profit margin for the Aerospace Group was a positive 2.5% for the quarter ended March 31, 2003 as compared to a negative gross margin of 2.7% in the first quarter of 2002. The slight increase in the Aerospace Group gross margin reflects modest improvements in gross margins at all three divisions. However, Precision Machined Products continued to deflate the overall gross margins of the Aerospace Group by reporting a negative gross margin of 34.5% in the first quarter of 2003 as compared to a negative gross margin of approximately 50% in the 2002 first quarter. In both the first quarter of 2003 and 2002, PMP's sales volume was insufficient to cover direct cost of sales and fixed manufacturing expenses.

General and Administrative. General and administrative expenses for the quarter ended March 31, 2003 were \$1,004,543 as compared to \$1,029,029 in the first quarter of 2002. As a percentage of net sales, general and administrative expenses increased from 8.6% in the first quarter of 2002 to 10.3% in the first quarter of 2003 as a result of the 18.7% decrease in first quarter 2003 sales.

Selling Expense. Selling expenses increased by 14.6% to \$728,996 for the quarter ended March 31, 2003 from \$635,955 in the first quarter of 2002. This increase is attributable to an increase in outside selling commissions associated with a large Russian order that Nobelclad Europe shipped during the first quarter of 2003. As a percentage of net sales, selling expenses increased from 5.3% in the first quarter of 2002 to 7.5% for the quarter ended March 31, 2003 as a result of the increase in outside sales commissions and the decrease in first quarter 2003 sales.

Income from Operations. For the quarter ended March 31, 2003, we reported income from operations of \$392,478, a decrease of 73.1% from the \$1,460,528 of operating income reported for the first quarter of 2002. Our Explosive Metalworking Group reported income from operations of \$676,634 in the first quarter of 2003 as compared to operating income of \$1,950,302 for the comparable period of 2002. This significant decrease reflects a sales decrease of \$2,347,362, or 24.4%, and a decrease in the Group's gross margin rate from 33.1% in 2002 to 28.4% in 2003. Our Aerospace Group reported an operating loss of \$284,156 in the first quarter of 2003 as compared to an operating loss of \$489,774 in the prior year first quarter. The Group's decreased first quarter 2003 operating loss is attributable to decreased operating losses at both the Precision Machined Products and Spin Forge divisions. AMK Welding reported first quarter 2003 operating income that was slightly ahead of its 2002 first quarter operating income.

Interest Expense. Interest expense decreased to \$143,709 for the quarter ended March 31, 2003 from \$184,537 in the first quarter of 2002. This decrease reflects a combination of lower outstanding borrowings and lower average interest rates in 2003.

Income Tax Provision. For the three months ended March 31, 2003, we recorded a consolidated income tax provision of \$100,324 on income before income taxes and cumulative effect of a change in accounting principle as compared to a consolidated income tax provision of \$496,871 for the first quarter of 2002. The effective tax rate increased slightly to 39.5% in 2003 from 38.7% in 2002.

Cumulative Effect of a Change in Accounting Principle. On January 1, 2002, DMC adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, and in early 2002 disclosed that up to the full amount of the remaining goodwill associated with the Company's 1998 acquisition of PMP could be impaired. In the fourth quarter of 2002, we completed our evaluation of goodwill impairment at PMP and determined that the remaining goodwill in the amount of \$3,800,108 was impaired. Accordingly, we wrote off all of the remaining PMP goodwill, less associated tax benefits of \$1,482,000, and reported the resultant after tax loss of \$2,318,108 as a cumulative effect of a change in accounting principle. The financial statements for the three months ended March 31, 2002 have been restated to reflect the cumulative effect of this change in accounting principle.

Net Income. We recorded net income of \$153,705 in the first quarter of 2003 compared to a net loss of \$1,531,572 in the first quarter of 2002. The 2002 first quarter net loss is entirely attributable to the \$2,318,108 goodwill impairment charge discussed above.

Liquidity and Capital Resources

Historically, we have obtained most of our operational financing from a combination of operating activities and an asset-backed revolving credit facility. In December 2001, we obtained a \$6,000,000 revolving line of credit with an U.S. bank that replaced the \$4,500,000 credit facility between DMC and SNPE, Inc. This bank line of credit is being used to finance ongoing working capital requirements of our U.S. operations. Initial proceeds from the bank line were used to repay \$3,650,000 of borrowings that were outstanding under the credit facility with SNPE, Inc. The bank line, which expires on December 4, 2004, carried an interest rate equal to the bank's prime rate plus 1.0% through February 28, 2002, which was reduced to the bank's prime rate plus 0.5% thereafter. Borrowings under the line of credit are limited to a calculated borrowing base that is a function of inventory and accounts receivable balances and are secured by accounts receivable and inventory of our U.S. operations and by new investments in property, plant and equipment that are made during the term of the agreement. As of March 31, 2003, borrowing availability under the line of credit was approximately \$3.1 million greater than the \$756,309 in outstanding borrowings as of that date.

In connection with its July 3, 2001 acquisition of Nobelclad, the Company entered into a \$4,000,000 term loan agreement with SNPE. The term loan bears interest at the Federal Funds Rate plus 3.0%, payable quarterly. Commencing September 30, 2002 and on the last day of each calendar quarter thereafter, principal payments of \$333,333 are due, with a final principal payment of \$333,337 being due on June 30, 2005. The term loan is secured by a pledge of 65% of the capital stock of Nobelclad held by the Company. In anticipation of its

acquisition by the Company, Nobelclad acquired the stock of Nitro Metall and financed this acquisition with proceeds obtained from a revolving credit facility with a French bank that provides for maximum borrowings of 1,448,266 Euros (\$1,564,127 based upon the March 31, 2003 exchange rate). This bank line of credit, which had outstanding borrowings of \$1,564,127 on March 31, 2003, carries interest at the Euro Interbank Offered Rate ("EURIBOR") plus 0.4%. Beginning on June 21, 2004 and on each anniversary date thereafter until final maturity on June 21, 2008, maximum borrowings available under the line become permanently reduced by 289,653 Euros. The bank has the option of demanding early repayment of any outstanding loans if Groupe SNPE's indirect ownership of Nobelclad falls below 50%. Nobelclad also maintains a 2 million Euro (\$2,160,000 based upon the March 31, 2003 exchange rate) intercompany working capital line with Groupe SNPE under which no borrowings were outstanding as of March 31, 2002. This intercompany line bears interest at EURIBOR plus 1.5%.

The Company believes that its cash flow from operations and funds available under its credit facilities will be sufficient to fund working capital, debt service obligations and capital expenditure requirements of its current business operations for the foreseeable future. However, a significant portion of the Company's sales is derived from a relatively small number of customers; therefore, the failure to perform existing contracts on a timely basis, and to receive payment for such services in a timely manner, or to enter into future contracts at projected volumes and profitability levels could adversely affect

the Company's ability to meet its cash requirements exclusively through operating activities. Consequently, any restriction on the availability of borrowing under the Company's credit facilities could negatively affect the Company's ability to meet its future cash requirements. DMC attempts to minimize its risk of losing customers or specific contracts by continually improving product quality, delivering product on time and competing favorably on the basis of price. Risks associated with the availability of funds is minimized by borrowing from multiple lenders. The nature of DMC's business is largely insulated from the negative effects of inflation on sales and operating income because the pricing on custom orders reflects current raw material and other manufacturing costs.

The table below presents principal cash flows and related weighted-average interest rates by expected maturity dates for the Company's debt obligations.

<TABLE>
<CAPTION>

	As of March 31, 2003				
	Year 1	Year 2	Year 3	Year 4	Year 5 and Thereafter
Total					
<S>	<C>	<C>	<C>	<C>	<C>
Bank lines of credit	-	\$1,069,134	\$312,825	\$312,825	\$625,652
\$2,320,436					
Weighted average interest rate	3.56%	3.56%	3.56%	3.56%	3.56%
3.56%					
Subordinated note with SNPE, Inc.	-	-	\$1,200,000	-	-
\$1,200,000					
5.00%	5.00%	5.00%	5.00%	-	-
Term Loan with SNPE, Inc.	\$1,333,332	\$1,333,332	\$333,337	-	-
\$3,000,001					
Weighted average interest rate	4.38%	4.38%	4.38%	-	-
4.38%					
Industrial development					
revenue bonds	\$875,000	\$945,000	\$595,000	\$190,000	\$1,675,000
\$4,280,000					
Interest rate	1.35%	1.35%	1.35%	1.35%	1.35%
1.35%					
Operating Leases	\$857,851	\$755,795	\$622,820	\$412,299	\$1,774,973
\$4,423,738					

</TABLE>

Highlights from the Statement of Cash Flows for the Quarter Ended March 31, 2003

Net cash flows from operating activities for the three months ended March 31, 2003 totaled \$1,929,709. Significant sources of operating cash flow included net income of \$153,705, depreciation and amortization of \$429,987 and positive net changes of \$1,374,670 in various components of working capital, including a \$2,113,810 decrease in accounts receivable.

Cash used in investing activities totaled \$320,253 and was comprised primarily of capital expenditures in the amount of \$343,033.

Net cash flows used in financing activities totaled \$1,165,138. Significant uses of cash for financing activities included repayments on bank lines of credit and bank overdrafts aggregating \$626,805, a \$333,333 principal payment on the SNPE, Inc. term loan and an industrial development revenue bond principal payment of \$205,000.

Highlights from the Statement of Cash Flows for the Quarter Ended March 31, 2002

Net cash flows used in operating activities for the three months ended March 31, 2002 totaled \$1,324,072. Significant uses of operating cash flow included a net loss of \$1,531,572 and net negative changes in various components of working capital in the amount of \$2,807,139. These uses of operating cash flow were largely offset by non-cash depreciation and amortization expense of \$435,438, a non-cash goodwill impairment charge of \$2,318,108 (net of related

deferred tax benefits) and a \$264,705 provision for deferred income taxes. Net changes in working capital included a \$3,605,279 increase in accounts receivable that resulted from the high level of sales we experienced in March 2002.

Cash used in investing activities totaled \$651,718 and was comprised primarily of capital expenditures in the amount of \$689,460.

Net cash flows from financing activities totaled \$545,830. The primary source of cash flow from financing activities was a bank overdraft of \$804,937 that was partially offset by principal payments on industrial development revenue bonds in the amount of \$205,000 and an \$82,887 decrease in bank line of credit borrowings.

Future Capital Needs and Resources

We anticipate that, for the foreseeable future, significant amounts of available cash flows will be utilized for:

- operating expenses to support our domestic and foreign manufacturing operations;
- capital expenditures;
- debt service requirements; and
- other general corporate expenditures.

We expect cash inflows from operating activities to exceed outflows for the full year 2003. However, our success depends on the execution of our strategies, including our ability to:

- secure an adequate level of new customer orders at all operating divisions; and
- continue to implement the most cost-effective internal processes.

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Based on available cash resources, anticipated capital expenditures and projected operating cash flow, we believe that we will be able to fully fund our operations through 2003. In making this assessment, we have considered:

- presently scheduled debt service requirements during the remainder of 2003 as well as the availability of funding related to our line of credit with SNPE and our bank lines of credit;
- the anticipated level of capital expenditures during the remainder of 2003;
- our expectation of realizing positive cash flow from operations during the three remaining quarters of 2003.

If our business plans change, or if economic conditions change materially, our cash flow, profitability and anticipated cash needs could change significantly. In particular, any acquisition or new business opportunity could involve significant additional funding needs in excess of the identified currently available sources, and could require us to raise additional equity or debt funding to meet those needs.

Significant Accounting Policies

In response to the SEC's Release No. 33-8040, Cautionary Advice Regarding Disclosure About Critical Accounting Policies, we identified the most critical accounting principles upon which our financial status depends. We determined the critical principles by considering accounting policies that involve the most complex or subjective decisions or assessments. We identified our most critical accounting policies to be those related to revenue recognition, inventory valuation and impact of foreign currency exchange rate risks.

Revenue Recognition. The Company's contracts with its customers generally require the production and delivery of multiple units or products. The Company records revenue from its contracts using the completed contract method as products are completed and shipped to the customer. If, as a contract proceeds toward completion, projected total cost on an individual contract indicates a potential loss, the Company provides currently for such anticipated loss.

Inventory Valuation. Inventories are stated at the lower-of-cost (first-in, first-out) or market value. Cost elements included in inventory are material, labor, subcontract costs and factory overhead.

Impact of Foreign Currency Exchange Rate Risks. The functional currency for the Company's foreign operations is the applicable local currency for each affiliate company. Assets and liabilities of foreign subsidiaries for which the functional currency is the local currency are translated at exchange rates in effect at period-end, and the statements of operations are translated at the average exchange rates during the period. Exchange rate fluctuations on translating foreign currency financial statements into U.S. dollars that result in unrealized gains or losses are referred to as translation adjustments.

Cumulative translation adjustments are recorded as a separate component of stockholders' equity and are included in other cumulative comprehensive income. Transactions denominated in currencies other than the local currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses which are reflected in income as unrealized (based on period-end translations) or realized

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upon settlement of the transactions. Cash flows from the Company's operations in foreign countries are translated at actual exchange rates when known, or at the average rate for the period. As a result, amounts related to assets and liabilities reported in the consolidated statements of cash flows will not agree to changes in the corresponding balances in the consolidated balance sheets. The effects of exchange rate changes on cash balances held in foreign currencies are reported as a separate line item below cash flows from financing activities.

Recent Accounting Pronouncements

On January 1, 2003, the Company adopted SFAS No. 143, Accounting for Asset Retirement Obligations, which establishes accounting standards for recognition and measurement of a liability for an asset retirement obligation and the associated asset retirement cost. The adoption of this pronouncement did not have a material impact on the Company.

On January 1, 2003, the Company adopted SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities, which specifies that a liability for a cost associated with an exit or disposal activity be recognized at the date of an entity's commitment to an exit plan. The adoption of this pronouncement did not have a material impact on the Company.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure. SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. SFAS No. 148 also requires that disclosures of the pro forma effect of using the fair value method of accounting for stock-based employee compensation be displayed more prominently and in a tabular format. The Company has implemented all required disclosures of SFAS 148. Additionally, SFAS No. 148 requires disclosure of the pro forma effect in interim financial statements. The transition requirements of SFAS No. 148 are effective for the Company's fiscal year 2003. The Company does not plan to transition to a fair value method of accounting for stock-based employee compensation.

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ITEM 3. Quantitative and Qualitative Disclosure about Market Risk

There have been no events that materially affect our quantitative and qualitative disclosure about market risk as reported in our Annual Report on Form 10-K for the year ended December 31, 2002.

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ITEM 4. Controls and Procedures

As of March 31, 2003, an evaluation was performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of March 31, 2003. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to March 31, 2003.

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Part II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6.

(a) Reports on Form 8-K

None.

(b) Exhibits

99.1 - Certification of the President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 - Certification of the Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DYNAMIC MATERIALS CORPORATION
(Registrant)

Date: May 9, 2003

/s/ Richard A. Santa

Richard A. Santa, Vice President and Chief
Financial Officer (Duly Authorized Officer and
Principal Financial and Accounting Officer)

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CERTIFICATIONS

I, Yvon Pierre Cariou, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dynamic Materials Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant

and have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: May 9, 2003

/s/ Yvon Pierre Cariou

Yvon Pierre Cariou
President and Chief Executive Officer
of Dynamic Materials Corporation

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CERTIFICATIONS

I, Richard A. Santa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dynamic Materials Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

- a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: May 9, 2003

/s/ Richard A. Santa

Richard A. Santa
Vice President and Chief Financial Officer
of Dynamic Materials Corporation

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CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dynamic Materials Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yvon Pierre Cariou, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Yvon Pierre Cariou

Yvon Pierre Cariou
President and Chief Executive Officer
of Dynamic Materials Corporation

May 9, 2003

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dynamic Materials Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard A. Santa, Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard A. Santa

Richard A. Santa
Vice President and Chief Financial Officer
of Dynamic Materials Corporation

May 9, 2003