

UNITED STATES
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 28, 2006

Dynamic Materials Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-8328
(Commission File Number)

84-0608431
(I.R.S. Employer
Identification Number)

(303) 655-5700
(Registrant's Telephone Number, Including Area Code)

5405 Spine Road, Boulder, Colorado 80301
(Address of Principal Executive Offices) (Zip Code)

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 (see General Instruction A.2. below):

- 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 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 14d-2(b) under Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.133-4(c))

ITEM 2.02 Results of Operations and Financial Condition

On February 28, 2006, Dynamic Materials Corporation, a Delaware corporation (the "Company"), issued a press release announcing its financial results for the year ended December 31, 2005. A copy of the Company's press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information provided in this Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference in any filings under the Securities Act of 1933, as amended, unless specifically stated so therein.

ITEM 9.01 Financial Statements and Exhibits

(c) Exhibits.

Exhibit 99.1 Press Release, dated February 28, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DYNAMIC MATERIALS CORPORATION

By: /s/ Richard A. Santa

Richard A. Santa
Vice President and Chief Financial
Officer

Dated: March 1, 2006

INDEX TO EXHIBITS

Number	Description
- - - - -	- - - - -
Exhibit 99.1	Press Release, dated February 28, 2006.

DYNAMIC MATERIALS REPORTS FOURTH QUARTER
AND FULL-YEAR 2005 FINANCIAL RESULTS

Selected Highlights

- * Strong fourth quarter bookings push year-end backlog in the Explosive Metalworking segment to an all-time high of \$42 million, up 23% from end of Q3
- * Fourth quarter net income advances 50% to \$3.5 million on 16% increase in revenue versus comparable 2004 period
- * Full-year net income increases 266% on 46% increase in revenue versus 2004
- * Company plans major expansion of Pennsylvania Explosive Metalworking facility
- * Board declares annual dividend of \$0.15 per share

BOULDER, Colo., Feb. 28 /PRNewswire-FirstCall/ -- Dynamic Materials Corporation (DMC) (Nasdaq: BOOM), a leading provider of explosion-welded clad metal plates and associated services, today reported financial results for its fourth quarter and full fiscal year ended December 31, 2005.

Fourth quarter sales increased 16% to \$23.2 million versus \$20.0 million in the fourth quarter last year, and increased 14% from sales of \$20.2 million in this year's third quarter. Income from operations increased 67% to \$5.2 million versus \$3.1 million in last year's fourth quarter. Operating income was up 18% versus the \$4.4 million reported in the third quarter.

Net income improved 50% to \$3.5 million, or \$0.28 per diluted share, versus net income of \$2.3 million, or \$0.20 per diluted share, in the fourth quarter last year. Sequentially, fourth quarter net income increased 10% versus net income of \$3.2 million, or \$0.26 per diluted share, in this year's third quarter. The earnings-per-share and shares outstanding figures from prior quarters have been adjusted to reflect the company's fourth quarter 2005 two-for-one stock split. Actual shares outstanding at December 31, 2005 was 11,758,920.

Explosive Metalworking

Fourth quarter sales in the company's Explosive Metalworking segment increased 17% to \$22.2 million from \$18.9 million in last year's fourth quarter, and were up 16% versus sales of \$19.2 million in the third quarter. Operating income increased 77% to \$5.1 million from \$2.9 million in the comparable period last year, and was up 23% from the \$4.1 million reported in the third quarter. The segment ended the quarter with an all-time high order backlog of \$42.0 million, up 23% from \$34.1 million reported at the end of the third quarter.

AMK Welding

The company's AMK Welding segment recorded sales of \$1.0 million, flat versus sales of \$1.0 million in last year's comparable quarter and down slightly from \$1.1 million in the prior quarter. Fourth quarter operating income at AMK was \$123,000 versus \$235,000 in the fourth quarter last year and \$258,000 in this year's third quarter. During the fourth quarter, AMK announced it had entered into a five-year supply agreement with a manufacturer of ground-based power turbines. Sales associated with the contract have been impacted by late-stage design modifications.

2005 Full-Year Results

For the full fiscal year, sales increased 46% to \$79.3 million compared with sales of \$54.2 million in 2004. Full-year net income advanced 266% to \$10.4 million, or \$0.86 per diluted share, versus net income of \$2.8 million, or \$0.27 per diluted share, during the prior year. Last year's net income was impacted by a loss from discontinued operations of \$1.6 million, or \$0.14 per diluted share, associated with the company's former Spin Forge division.

Full-year sales in the Explosive Metalworking segment were \$75.6 million, up 47% versus \$51.4 million in 2004. Operating income increased 129% to \$15.2 million compared with \$6.6 million during the prior year.

AMK Welding's full-year sales increased 33% to \$3.7 million compared with \$2.8 million during 2004. Operating income improved 118% to \$608,000 compared with \$279,000 in the prior year.

Cash, cash equivalents and marketable securities at December 31, 2005, increased to \$7.7 million from \$2.4 million at the end of 2004. Stockholders' equity increased 74% during the same period to \$34.9 million from \$20.1 million. Outstanding bank lines of credit and term debt were reduced to \$2.8 million from \$9.3 million at the end of the prior year.

Management Commentary

Yvon Cariou, president and CEO, said, "The fourth quarter represented a strong finish to what was a very solid year for Dynamic Materials. Robust order volume during the month of December pushed our year-end order backlog for explosion-welded plates to \$42.0 million. This backlog exceeds our previous all-time high by a wide margin and is a clear indication of the demand we are seeing from within our global target markets."

Rick Santa, chief financial officer, said the fourth quarter was positively impacted by shipments associated with a \$5.3 million order for a nickel hydrometallurgy project in New Caledonia and initial deliveries on the \$6.0 million Kuwait Olefins contract announced in August of last year. "Shipments for the New Caledonia project are largely complete, and we expect most of the \$1.1 million remaining on the Kuwait order to ship in the first quarter. Deliveries on the recent \$7.5 million North American refinery order commenced during January and will continue through the first half of 2006."

Capital Expansion

The company intends to make significant investments in additional production capacity at both of its divisions in anticipation of continued growth. Cariou said, "Our original 2006 capital expenditures budget of \$4.5 million represents a more than 50% increase from what we spent in 2005 and has been augmented by recent board approval to spend up to an additional \$8 million on the expansion of our explosion welding facility in Mount Braddock, Pennsylvania. We invested approximately \$7.1 million in the original construction of this plant in 1999, so this clearly represents a major expansion initiative. We hope to complete this expansion project during the first half of 2007."

Santa said the capital expenditures will be funded with cash flow from operations. "Our strong cash flow performance is allowing us to invest in new capacity while we simultaneously reinforce our balance sheet and increase our annual dividend by 50%."

Annual Dividend

DMC's board of directors has declared a cash dividend of \$0.15 per share. This represents a 50% increase from the dividend paid last year. The dividend will be paid on March 22, 2006 to stockholders of record as of March 10, 2006.

About Dynamic Materials Corporation

Based in Boulder, Colorado, Dynamic Materials Corporation is a leading international metalworking company. Its products include explosion-welded clad metal plates and other metal fabrications for use in a variety of industries, including petrochemicals, refining, hydrometallurgy, aluminum smelting and shipbuilding. The company operates two business segments: Explosive Metalworking, which uses proprietary explosive processes to fuse dissimilar metals and alloys, and AMK Welding, which utilizes various technologies to weld components for use in power-generation turbines, as well as commercial and military jet engines. For more information, visit the company's website at www.dynamickmaterials.com.

Except for the historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties including, but 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; the timing and size of expenditures; the timely receipt of government approvals and permits; the adequacy of local labor supplies at the company's

facilities; the availability and cost of funds; and general economic conditions, both domestically and abroad; as well as the other risks detailed from time to time in the company's SEC reports, including the report on Form 10-K for the year ended December 31, 2004.

DYNAMIC MATERIALS CORPORATION & SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Thousands, Except Per Share Data)
(unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2005	2004	2005	2004
NET SALES	\$23,167	\$19,950	\$79,291	\$54,165
COST OF PRODUCTS SOLD	15,865	14,696	55,856	40,559
Gross profit	7,302	5,254	23,435	13,606
COSTS AND EXPENSES:				
General and administrative expenses	1,325	1,233	4,051	3,335
Selling expenses	772	912	3,616	3,383
Total costs and expenses	2,097	2,145	7,667	6,718
INCOME FROM OPERATIONS OF CONTINUING OPERATIONS	5,205	3,109	15,768	6,888
OTHER INCOME (EXPENSE):				
Other income (expense), net	(15)	6	(7)	7
Interest expense, net	55	(198)	(156)	(531)
INCOME BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	5,245	2,917	15,605	6,364
INCOME TAX PROVISION	1,788	619	5,233	1,961
INCOME FROM CONTINUING OPERATIONS BEFORE DISCONTINUED OPERATIONS	3,457	2,298	10,372	4,403
DISCONTINUED OPERATIONS:				
Loss from operations of discontinued operations, net of tax	--	--	--	(783)
Loss on sale of discontinued operations, net of tax	--	--	--	(787)
Loss from discontinued operations	--	--	--	(1,570)
NET INCOME	\$3,457	\$2,298	\$10,372	\$2,833
INCOME PER SHARE - BASIC:				
Continuing operations	\$0.29	\$0.22	\$0.92	\$0.43
Discontinued operations	--	--	--	(0.15)
Net Income	\$0.29	\$0.22	\$0.92	\$0.28
INCOME PER SHARE - DILUTED:				
Continuing operations	\$0.28	\$0.20	\$0.86	\$0.41
Discontinued operations	--	--	--	(0.14)
Net Income	\$0.28	\$0.20	\$0.86	\$0.27
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING -				
Basic	11,731,186	10,415,530	11,290,053	10,269,080

Diluted	12,186,659	11,378,990	12,086,884	10,968,090
DIVIDENDS DECLARED PER COMMON SHARE	\$--	\$--	\$0.10	\$--

DYNAMIC MATERIALS CORPORATION & SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2005 AND 2004
(Dollars in Thousands)
(unaudited)

ASSETS	2005	2004
Cash and cash equivalents	\$5,763	\$2,404
Marketable securities	1,950	--
Accounts receivable, net	15,576	13,936
Inventories	11,869	8,000
Other current assets	1,394	1,906
Total current assets	36,552	26,246
Property, plant and equipment, net	12,572	11,844
Deferred tax asset	2,049	--
Other long-term assets	5,367	5,663
Total assets	\$56,540	\$43,753
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$7,278	\$6,041
Other current liabilities	6,987	4,519
Bank lines of credit	--	3,216
Current portion of long-term debt	573	3,186
Total current liabilities	14,838	16,962
Long-term debt	2,221	2,906
Other long-term liabilities	4,526	3,815
Stockholders' equity	34,955	20,070
Total liabilities and stockholders' equity	\$56,540	\$43,753

DYNAMIC MATERIALS CORPORATION & SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Dollars in Thousands)
(unaudited)

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$10,372	\$2,833
Adjustments to reconcile net income to net cash provided by operating activities -		
Loss from discontinued operations	--	1,570
Depreciation and amortization	1,527	1,387
Amortization of capitalized debt issuance costs	41	79
Provision for deferred income taxes	(1,431)	1,181
Tax benefit related to stock options	3,728	311
Change in working capital, net	(2,599)	(2,817)
Net cash flows provided by continuing operations	11,638	4,544
Net cash flows used in discontinued operations	--	(1,434)
Net cash flows provided by operating activities	11,638	3,110
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment received on other receivable	1,016	580
Release of restricted cash from bond proceeds	--	190
Acquisition of property, plant and equipment	(2,848)	(1,138)
Change in other non-current assets	288	(6)
Investment in marketable securities	(1,950)	--
Investing activities of discontinued operations	--	(45)

Net cash flows used in investing activities	(3,494)	(419)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings / (repayments) on lines of credit, net	(3,291)	1,291
Payments on long-term debt	(1,818)	(2,813)
Payment of dividends	(1,155)	--
Net proceeds from issuance of common stock	1,555	889
Other cash flows from financing activities	47	(264)
Net cash flows used in financing activities	(4,662)	(897)
EFFECTS OF EXCHANGE RATES ON CASH	(123)	88
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,359	1,882
CASH AND CASH EQUIVALENTS, beginning of the period	2,404	522
CASH AND CASH EQUIVALENTS, end of the period	\$5,763	\$2,404

SOURCE Dynamic Materials Corporation
-0- 02/28/2006
/CONTACT: Geoff High of Pfeiffer High Investor Relations, Inc.,
+1-303-393-7044, for Dynamic Materials Corporation/
/Web site: <http://www.dynamicmaterials.com/>
(BOOM)