

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): November 1, 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) 665-5700
(Registrant's Telephone Number, Including Area Code)

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

80301
(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 November 1, 2006, Dynamic Materials Corporation, a Delaware corporation (the "Company"), issued a press release announcing its financial results for the three months ended September 30, 2006. 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 November 1, 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: November 1, 2006

INDEX TO EXHIBITS

Number	Description
- - - - -	- - - - -
Exhibit 99.1	Press Release, dated November 1, 2006.

FOR IMMEDIATE RELEASE
November 1, 2006

CONTACT:
Pfeiffer High Investor Relations, Inc.
Geoff High
303-393-7044

DYNAMIC MATERIALS REPORTS THIRD QUARTER FINANCIAL RESULTS

Selected Highlights

- o Explosive Metalworking backlog reaches all-time high \$68.5 million
- o Third quarter sales advance 23% to \$24.9 million versus comparable year-ago quarter
- o Income from operations increases 40% to \$6.1 million versus last year's third quarter
- o Net income increases 17% to \$3.7 million, or \$0.30 per diluted share, versus 2005 Q3

BOULDER, Colo. - November 1, 2006 - Dynamic Materials Corporation (DMC) (Nasdaq: BOOM), a leading provider of explosion-welded clad metal plates, today reported financial results for its third quarter and nine-month period ended September 30, 2006.

Sales in the third quarter increased 23% to \$24.9 million from \$20.2 million in the third quarter last year. Third quarter sales were below those in this year's second quarter, which were an all-time quarterly high \$27.8 million, and had benefited from early product deliveries by the Company's Explosive Metalworking segment on certain orders that were originally scheduled for shipment in the third quarter.

Third quarter gross margin was 33% versus 31% in the comparable year-ago quarter and 36% in this year's second quarter. Income from operations increased 40% to \$6.1 million from \$4.4 million in the third quarter last year. Second quarter income from operations was \$7.8 million.

Net income increased 17% to \$3.7 million, or \$0.30 per diluted share, from \$3.2 million, or \$0.26 per diluted share in the third quarter last year. Second quarter net income was \$5.0 million, or \$0.41 per diluted share.

Explosive Metalworking

Third quarter sales at the Company's Explosive Metalworking segment increased 23% to \$23.5 million from \$19.2 million in the third quarter last year. Second quarter sales were a record \$26.6 million, due in part to the early customer deliveries discussed above. Operating income increased 41% to \$5.8 million from \$4.1 million in the comparable year-ago quarter. Operating income in the second quarter was \$7.7 million. Order backlog at the end of the third quarter was a record \$68.5 million, up 31% from the \$52.4 million recorded at the end of the second quarter.

AMK Welding

Third quarter sales at the Company's AMK Welding segment increased 28% to \$1.3 million versus \$1.1 million in the third quarter last year and \$1.1 million in this year's second quarter. Operating income was \$391,000, up 52% from \$258,000 reported in the comparable year-ago quarter and an increase of 220% from the \$122,000 reported in this year's second quarter.

Management Commentary

"The DMC team delivered the third strongest quarterly performance in Company history," said Yvon Cariou, president and chief executive officer. "Our financial results met our internal forecasts and we achieved better-than-expected quarterly bookings. In fact, Q3 bookings established a new single-quarter record.

"Our all-time high order backlog, a deep roster of new contract opportunities and ongoing capital investments within our global target markets are all encouraging signs that our prospects for continued growth remain strong," Cariou added. "We believe our fourth quarter will be strong given our anticipated high-level of product deliveries scheduled for the period."

Cariou said the \$9.6 million expansion underway at the Company's Mt. Braddock, Pennsylvania production facility is on schedule and proceeding smoothly. "We are confident our new production capacity will be online by the end of next year's second quarter - in time to help facilitate deliveries from our mounting order backlog. The expansion of our AMK Welding operations, which are beginning to benefit from increased work on a major long-term supply agreement, is also on track."

Rick Santa, chief financial officer, said, "Given the expected strength of our

fourth fiscal quarter, we continue to believe our results during the second half of 2006 will be comparable to those reported during the first half of the year."

"Our balance sheet also showed increased strength at the end of the third quarter, and included cash and cash equivalents of \$19.2 million," Santa added. "Working capital has grown by 49% since the beginning of the year, and stood at \$32.4 million on September 30. We are obviously very encouraged by the growing financial strength of DMC."

Nine-Month Results

Through nine months, sales increased 39% to \$77.8 million compared with sales of \$56.1 million at the nine-month mark last year. Gross margin improved to 35% from 29% in the same period last year, thanks largely to the strong year-to-date sales increases and a more favorable absorption of fixed manufacturing and overhead expenses within the Explosive Metalworking segment, which generates approximately 95% of DMC's total revenue. Income from operations increased 93% to \$20.4 million compared with \$10.6 million through nine months last year. Net income advanced 105% to \$14.2 million, or \$1.16 per diluted share, versus net income of \$6.9 million, or \$0.58 per diluted share, during the same period a year ago. This year's nine-month net income figure included a first quarter gain from discontinued operations of \$1.4 million, or \$0.11 per share, net of tax, which was attributable to the sale of a real estate purchase option associated with the Company's former Spin Forge division.

DMC's Explosive Metalworking segment reported year-to-date sales of \$74.3 million, up 39% versus sales of \$53.4 million at the nine-month mark last year. Operating income increased 100% to \$20.2 million compared with \$10.1 million during the same period last year.

Nine-month sales at AMK Welding increased 27% to \$3.4 million compared with \$2.7 million during the comparable period last year. AMK's operating income increased 28% \$621,000 compared with \$485,000 through nine months last year.

Conference call information

Management will hold a conference call to discuss third quarter results today at 5:00 p.m. Eastern (3:00 p.m. Mountain). Investors are invited to listen to the call live via the Internet at www.dynamicmaterials.com, or by dialing into the teleconference at 800-299-8538 (617-786-2902 for international callers) and entering the passcode 19653209. Participants should access the website at least 15 minutes early to register and download any necessary audio software. A replay of the webcast will be available for 30 days and an audio replay will be available through November 3, 2006, by calling 888-286-8010 (617-801-6888 for international callers) and entering the passcode 31704541.

About Dynamic Materials Corporation

Based in Boulder, Colorado, Dynamic Materials Corporation is a leading international metalworking company. Its products, which are typically used in industrial capital projects, include explosion-welded clad metal plates and other metal fabrications for use in a variety of industries, including upstream oil and gas, oil refinery, petrochemicals, hydrometallurgy, aluminum production, shipbuilding, power generation, industrial refrigeration and similar industries. The company operates two business segments: Explosive Metalworking, which uses proprietary explosive processes to fuse different 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 dynamicmaterials.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: our ability to obtain new contracts at attractive prices; the size and timing of customer orders and shipment; fluctuations in customer demand; changes to customer orders; the cyclicity of our business; 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 our facilities; current or future limits on manufacturing capacity at our various operations; the availability and cost of funds; and general economic conditions, both domestic and foreign, impacting our business and the business of the end-market users we serve; 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, 2005.

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FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Dollars in Thousands, Except Share Data)
(unaudited)

<TABLE>
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	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
NET SALES	\$ 24,852	\$ 20,238	\$ 77,781	\$
56,124				
COST OF PRODUCTS SOLD	16,542	13,970	50,270	
39,990				
Gross profit	8,310	6,268	27,511	
16,134				
COSTS AND EXPENSES:				
General and administrative expenses	1,267	1,020	3,948	
2,726				
Selling expenses	904	849	3,174	
2,845				
Total costs and expenses	2,171	1,869	7,122	
5,571				
INCOME FROM OPERATIONS OF CONTINUING OPERATIONS	6,139	4,399	20,389	
10,563				
OTHER INCOME (EXPENSE):				
Other income (expense), net	(23)	(8)	(40)	
9				
Interest expense	(42)	(65)	(108)	
(233)				
Interest income	163	2	455	
22				
INCOME BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	6,237	4,328	20,696	
10,361				
INCOME TAX PROVISION	2,547	1,176	7,865	
3,445				
INCOME FROM CONTINUING OPERATIONS	3,690	3,152	12,831	
6,916				
DISCONTINUED OPERATIONS:				
Income from discontinued operations, net of tax	-	-	1,357	
-				
Income from discontinued operations	-	-	1,357	
-				
NET INCOME	\$ 3,690	\$ 3,152	\$ 14,188	\$
6,916				
INCOME PER SHARE - BASIC:				
Continuing operations	\$ 0.31	\$ 0.27	\$ 1.09	\$
0.62				
Discontinued operations	-	-	0.11	
-				
Net income	\$ 0.31	\$ 0.27	\$ 1.20	\$
0.62				
INCOME PER SHARE - DILUTED:				
Continuing operations	\$ 0.30	\$ 0.26	\$ 1.05	\$
0.58				

Discontinued operations	-	-	0.11	
-				

Net income	\$ 0.30	\$ 0.26	\$ 1.16	\$
0.58				
=====				
WEIGHTED AVERAGE NUMBER OF SHARES				
OUTSTANDING -				
Basic	11,865,336	11,648,502	11,813,371	
11,141,394				
=====				
Diluted	12,210,791	12,135,142	12,216,283	
12,028,562				
=====				
ANNUAL DIVIDENDS DECLARED PER COMMON SHARE	\$ -	\$ 0.10	\$ 0.15	\$
0.10				
=====				

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DYNAMIC MATERIALS CORPORATION & SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)
(unaudited)

<TABLE>
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ASSETS	September 30, 2006 (unaudited)	December 31, 2005

<S>	<C>	<C>
Cash and cash equivalents	\$ 19,161	\$ 5,763
Marketable securities	-	1,950
Accounts receivable, net	19,884	15,576
Inventories	14,025	11,869
Other current assets	2,131	1,394

Total current assets	55,201	36,552
Property, plant and equipment, net	16,932	12,572
Other long-term assets	1,562	6,187

Total assets	\$ 73,695	\$ 55,311
=====		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 8,182	\$ 7,278
Customer advances	8,026	1,885
Other current liabilities	6,243	5,102
Current portion of long-term debt	368	573

Total current liabilities	22,819	14,838
Long-term debt	368	2,221
Other long-term liabilities	565	3,297
Stockholders' equity	49,943	34,955

Total liabilities and stockholders' equity	\$ 73,695	\$ 55,311
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DYNAMIC MATERIALS CORPORATION & SUBSIDIARY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Dollars in Thousands)
(unaudited)

<TABLE>
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	2006	2005

<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		

Net income	\$ 14,188	\$ 6,916
Adjustments to reconcile net income to net cash provided by operating activities -		
Income from discontinued operations, net of tax	(1,357)	-
Depreciation	1,020	1,132
Amortization of capitalized debt issuance costs	50	33
Stock-based compensation	436	-
Provision for deferred income taxes	923	(171)
Tax benefit related to stock options	-	2,477
Change in working capital, net	997	(5,843)
	-----	-----
Net cash flows provided by operating activities	16,257	4,544
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of marketable securities	1,950	-
Acquisition of property, plant and equipment	(5,154)	(1,966)
Loan to related party	(1,206)	-
Repayment on loan to related party	1,206	-
Change in other non-current assets	219	218
Payment received on other receivables related to discontinued operations	3	1,016
Cash flows provided by investing activities of discontinued operations	2,197	-
	-----	-----
Net cash flows used in investing activities	(785)	(732)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on lines of credit, net	(47)	(3,302)
Payments on long-term debt	(2,081)	(1,778)
Payment of dividends	(1,766)	(1,155)
Net proceeds from issuance of common stock	523	1,481
Tax benefit related to stock options	948	-
Other cash flows from financing activities	22	23
	-----	-----
Net cash flows used in financing activities	(2,401)	(4,731)
	-----	-----
EFFECTS OF EXCHANGE RATES ON CASH	327	(117)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,398	(1,036)
	-----	-----
CASH AND CASH EQUIVALENTS, beginning of the period	5,763	2,404
	-----	-----
CASH AND CASH EQUIVALENTS, end of the period	\$ 19,161	\$ 1,368
	=====	=====

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