

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): JANUARY 14, 1999

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 (IRS Employee Identification No.)
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551 ASPEN RIDGE DRIVE, LAFAYETTE, CO (Address of principal executive offices)	80026 (Zip Code)
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Registrant's telephone number, including area code: (303) 665-5700

(Former name or former address, if changed since last report)

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ITEM 5. OTHER EVENTS

On January 8, 1999, the Board of Directors of Dynamic Materials Corporation (the "COMPANY") declared a dividend of one preferred stock purchase right (a "RIGHT") for each outstanding share of common stock, par value \$.05 per share, of the Company (the "COMMON SHARES"). The Board of Directors of the Company established that the dividend is payable on January 15, 1999 (the "RECORD DATE") to the stockholders of record on that date. Prior to the Distribution Date (as defined below), the Rights will also be attached to all future issuances of Common Shares. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value \$.05 per share (the "PREFERRED SHARES"), of the Company at a price of \$22.50 per one one-hundredth of a Preferred Share (the "PURCHASE PRICE"), subject to adjustment. The description and terms of the Rights are set forth in a Rights Agreement dated as of January 8, 1999 (the "RIGHTS AGREEMENT") between the Company and Harris Trust and Savings Bank, as Rights Agent (the "RIGHTS AGENT"). The following description of the Rights and the Rights Agreement does not purport to be complete and is qualified in its entirety by the Rights Agreement attached as Exhibit 4.1, which is hereby incorporated herein by reference.

The Rights will become exercisable on the date (the "DISTRIBUTION DATE") that is the earlier of (i) 10 business days following a public announcement that a person or group of affiliated or associated persons (an "ACQUIRING PERSON") have acquired beneficial ownership of 15% or more of the outstanding Common Shares or (ii) 10 business days (or such later date as may be determined by action of the Board of Directors prior to such time as any person or group of affiliated persons becomes an Acquiring Person) following the commencement or announcement of an intention to make a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 15% or more of the outstanding Common Shares. The Rights will be evidenced, with respect to any of the Common Share certificates outstanding as of the Record Date, by such Common Share certificate.

The Rights Agreement provides that, until the Distribution Date (or earlier redemption or expiration of the Rights), the Rights will be transferred

with and only with the Common Shares. Until the Distribution Date (or earlier redemption or expiration of the Rights), new Common Share certificates issued after the Record Date upon transfer or new issuances of Common Shares will contain a notation incorporating the Rights Agreement by reference. Until the Distribution Date (or earlier redemption or expiration of the Rights), the surrender for transfer of any certificates for Common Shares outstanding as of the Record Date, even without such notation, will also constitute the transfer of the Rights associated with the Common Shares represented by such certificate. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights ("RIGHT CERTIFICATES") will be mailed to holders of record of the Common Shares as of the close of business on the Distribution Date and thereafter such separate Right Certificates alone will evidence the Rights. The Rights Agreement provides that anything therein or in the Rights to the contrary notwithstanding, Rights may be issued subsequent to the Distribution Date under certain circumstances as set forth in the Rights Agreement.

The Rights are not exercisable until the Distribution Date. The Rights will expire on January 8, 2009 (the "FINAL EXPIRATION DATE"), unless the Final Expiration Date is extended or unless the Rights are earlier redeemed or exchanged by the Company, in each case as described below.

The Purchase Price payable, and the number of Preferred Shares or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Shares, (ii) upon the grant to holders of the Preferred Shares of certain rights or warrants to subscribe for or purchase Preferred Shares at a price, or securities convertible into Preferred Shares with a conversion price, less than the then-current market price of the Preferred Shares or (iii) upon the distribution to holders of the Preferred Shares of evidence of indebtedness or assets (excluding regular periodic cash dividends paid out of earnings or retained earnings or dividends payable in Preferred shares) or of subscription rights or warrants (other than those referred to above).

The number of outstanding Rights are also subject to adjustment in the event of a stock split of the Common Shares or a stock dividend on the Common Shares payable in Common Shares or subdivisions, consolidations or combinations of the Common Shares occurring, in any such case, prior to the Distribution Date.

Preferred Shares purchasable upon exercise of the Rights will not be redeemable. Each Preferred Share will be entitled to a preferential semi-annual dividend payment of the greater of \$1.00 per share or 100 times the dividend declared per Common Share. In the event of liquidation, the holders of the Preferred Shares will be entitled to a preferential liquidation payment of the greater of \$1.00 per share or 100 times the payment made per Common Share. Each Preferred Share will have 100 votes, voting together with the Common Shares. These rights are protected by customary antidilution provisions.

Because of the nature of the Preferred Shares' dividend, liquidation and voting rights, the value of the one one-hundredth interest in a Preferred Share purchasable upon exercise of each Right should approximate the value of one Common Share.

In the event that any person or group of affiliated or associated persons becomes an Acquiring Person, each holder of a Right (other than Rights beneficially owned by the Acquiring Person, which will become void), will thereafter have the right to receive upon exercise that number of shares of Common Stock (or that number of one-hundredths of a Preferred Share or of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges) having a market value of two times the exercise price of the Right.

In the event that, after a person or group has become an Acquiring Person, the Company is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold, proper provision will be made so that each holder of a Right (other than Rights beneficially owned by an Acquiring Person which will have become void) will thereafter

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have the right to receive, upon the exercise thereof at the then current exercise price, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the Right.

With certain exceptions, no adjustment in the Purchase Price will be

required until cumulative adjustments require an adjustment of at least 1% in such Purchase Price. No fractional Preferred Shares will be issued (other than fractions which are integral multiples of one one-hundredth of a Preferred Share, which may, at the election of the Company, be evidenced by depositary receipts) and in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Shares on the last trading day prior to the date of exercise.

At any time prior to the time any person becomes an Acquiring Person, the Board of Directors of the Company may redeem the Rights in whole, but not in part, at a price of \$.001 per Right (the "REDEMPTION PRICE"). The redemption of the Rights may be made effective at such time, on such basis as with such conditions as the Board of Directors in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

At any time after any person or group becomes an Acquiring Person and prior to the acquisition by such person or group of 50% or more of the outstanding Common Shares, the Board of Directors of the Company may exchange the Rights (other than Rights owned by such person or group which will have become void), in whole or in part, at an exchange ratio of one share of Common Stock, or one one-hundredth of a Preferred Share (or of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges), per Right (subject to adjustment).

For so long as Rights are then redeemable, the Company may, except with respect to the redemption price, amend the Rights in any manner. After the Rights are no longer redeemable the Company may amend the Rights in any manner that does not adversely affect the interests of holders of the Rights or cause the Rights again to become redeemable.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

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ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(C) EXHIBITS

4.1 Rights Agreement, dated as of January 8, 1999, between the Company and Harris Trust and Savings Bank which includes the Certificate of Designations for the Series A Junior Participating Preferred Stock as Exhibit A and the form of Right Certificate as Exhibit B.

99.1 Press Release dated January 14, 1999.

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SIGNATURE

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, thereto duly authorized.

DYNAMIC MATERIALS COMPANY

Dated: January 14, 1999

By: /S/ JOSEPH P. ALLWEIN

Joseph P. Allwein
President and Chief Executive Officer

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EXHIBIT INDEX

EXHIBIT NO. DESCRIPTION

4.1 Rights Agreement, dated as of January 8, 1999, between the Company and Harris Trust and Savings Bank which includes the Certificate of Designations for the Series A Junior Participating Preferred Stock as Exhibit A and the form of Right Certificate as Exhibit B. (Incorporated by reference on Form 8-A as filed with Commission as of January 21, 1999.)

99.1 Press Release dated January 14, 1999.

PRESS RELEASE

DYNAMIC MATERIALS CORPORATION DECLARES DIVIDEND
DISTRIBUTION OF PREFERRED STOCK PURCHASE RIGHTS

Denver, Colorado, January 14, 1999 -- The Board of Directors of DYNAMIC MATERIALS CORPORATION ("DMC") today announced that it declared a dividend distribution of one Preferred Stock Purchase Right on each outstanding share of DMC Common Stock effective as of January 8, 1999.

Joseph P. Allwein, President and Chief Executive Officer of DMC, stated: "The Rights are designed to assure that all of DMC's stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against partial tender offers, squeeze-outs, open market accumulations and other abusive tactics to gain control of DMC without paying all stockholders a control premium."

The Rights will be exercisable only if a person or group acquires 15% or more of DMC's Common Stock or announces a tender offer the consummation of which would result in ownership by a person or group of 15% or more of the Common Stock. If prior to the redemption, exchange or termination of the Rights, a person or group acquires 15% or more of DMC's outstanding Common Stock, each Right will entitle its holder (other than such person or members of such group) to purchase, at the Right's then current exercise price, a number of DMC's Preferred Shares having a market value of twice such price. In addition, if, prior to the redemption, exchange or termination of the Rights, DMC is acquired in a merger or other business combination transaction after a person has acquired 15% or more of the Company's outstanding Common Stock, each Right (other than the Rights beneficially owned by the Acquiring Person) will entitle its holder to purchase, at the Right's then-current exercise price, a number of the acquiring company's common shares having a market value of twice such price.

Following the acquisition by a person or group of beneficial ownership or 15% or more of the Company's Common Stock and prior to an acquisition of 50% or more of the Common Stock, the Board of Directors may exchange the Rights (other than Rights owned by such person or group), in whole or in part, at an exchange ratio of one share of Common Stock per Right.

The Rights are intended to enable all DMC stockholders to realize the long-term value of their investment in the Company. The Rights will not prevent a takeover, but should encourage anyone seeking to acquire the Company to negotiate with the Board prior to attempting takeover.

The dividend distribution will be made on January 15, 1999, payable to stockholders of record on that date. The Rights will expire on January 9, 2009. The Rights distribution is not taxable to stockholders and DMC's Board of Directors may redeem the Rights at any time prior to the acquisition of beneficial ownership of 15% or more of the Company's Common Stock.

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[Summary description of DYNAMIC MATERIALS CORPORATION and its business]