SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8K/A-1

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 1, 1998

Dynamic Materials Corporation
(Exact name of registrant as specified in its charter)

Delaware	0-8328	84-0608431
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employee Identification No.)

551 Aspen Ridge Drive, Lafayette, CO	80026
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

Dynamic Materials Corporation (the "Company") filed a Form 8-K on December 8, 1998 reporting the acquisition of certain assets of Precision Machined Products, Inc ("PMP") on December 1, 1998. The financial statements required in connection with that report were omitted pursuant to the provisions of Item 7 on Form 8-K, and are being provided herewith.

(a) Financial Statements of business acquired.

Report of Independent Public Accountants

Balance Sheet as of September 30, 1998 and December 31, 1997

Statement of Operations for the Nine Months Ended September 30, 1998 and the Year Ended December 31, 1997

Statement of Shareholders' Equity for the Nine Months Ended September 30, 1998 and the Year Ended December 31, 1997

Statement of Cash Flows for the Nine Months Ended September 30, 1998 and the Year Ended December 31, 1997

Notes to Financial Statements

(b) Pro forma financial information.

Unaudited Pro Forma Condensed Balance Sheet as of September 30, 1998

Unaudited Pro Forma Condensed Statement of Operations for the Nine Months Ended September 30, 1998

Unaudited Pro Forma Condensed Statement of Operations for the Year Ended December 31, 1997

(c) Exhibits.

None.

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 hereunto duly authorized.

DYNAMIC MATERIALS CORPORATION
(Registrant)

Date February 12, 1999

By: /s/ Richard A. Santa
Name: Richard A. Santa
Title: Vice President, Finance, Chief Financial Officer and Secretary

PRECISION MACHINED PRODUCTS, INC.

FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 1998 AND DECEMBER 31, 1997
TOGETHER WITH REPORT OF INDEPENDENT
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Dynamic Materials Corporation:

We have audited the accompanying balance sheets of PRECISION MACHINED PRODUCTS, INC. (a Colorado S corporation) as of September 30, 1998 and December 31, 1997, and the related statements of operations, shareholders' equity and cash flows for the nine months ended September 30, 1998 and the year ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precision Machined Products, Inc. as of September 30, 1998 and December 31, 1997 and the results of its operations and its cash flows for the periods then ended in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Denver, Colorado,
January 19, 1999.

PRECISION MACHINED PRODUCTS, INC.

BALANCE SHEETS

ASSETS	As of September 30, 1998	As of December 31, 1997
CURRENT ASSETS:		
Cash and cash equivalents	$ 940,941	$ 387,230
Investments (Note 3)	314,478	910,676
Accounts receivable	585,239	595,591
Inventories (Note 2)	219,224	196,618
Other current assets	8,404	7,794
Total current assets	2,068,286	2,097,909
PROPERTY, PLANT AND EQUIPMENT (Note 2)	1,944,505	1,510,226
Less- Accumulated depreciation	(541,374)	(382,245)
Property, plant and equipment, net	1,403,131	1,127,981
	$ 3,471,417	$ 3,225,890

The accompanying notes to financial statements are an integral part of these balance sheets.

PRECISION MACHINED PRODUCTS, INC.

BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY	As of September 30, 1998	As of December 31, 1997
CURRENT LIABILITIES:		
Note payable- related party (Note 4)	$ -	$ 250,000
Accounts payable	64,090	59,861
Accrued payroll and benefits	94,087	72,625
Property taxes payable	33,723	45,800
Accrued equipment purchase	129,500	-
Other accrued liabilities	9,054	4,614
Total current liabilities	330,454	432,900
DEFERRED COMPENSATION (Note 6)	223,466	151,014
Total liabilities	553,920	583,914
COMMITMENTS AND CONTINGENCIES (Note 8)		
SHAREHOLDERS' EQUITY:		
Common stock; no par value; 50,000 shares authorized; 750 shares issued and outstanding	-	-
Additional paid-in capital	40,049	40,049

Other cumulative comprehensive income	(4,786)	(6,049)
Retained earnings	2,882,234	2,607,976
	2,917,497	2,641,976
	$3,471,417	$3,225,890

The accompanying notes to financial statements are an integral part of these balance sheets.

PRECISION MACHINED PRODUCTS, INC.

STATEMENTS OF OPERATIONS

	Nine Months Ended September 30, 1998	Year Ended December 31, 1997
NET SALES (Note 7)	$3,395,558	$4,019,645
COST OF PRODUCTS SOLD	1,901,801	2,395,683
Gross profit	1,493,757	1,623,962
GENERAL AND ADMINISTRATIVE EXPENSES	367,222	582,520
INCOME FROM OPERATIONS	1,126,535	1,041,442
OTHER INCOME (EXPENSE):		
Other income	6,389	10,132
Investment income	44,182	47,752
Interest expense	(12,411)	(46,664)
Loss on disposal of assets	(3,212)	(7,836)
Total other income	34,948	3,384
NET INCOME BEFORE INCOME TAXES	1,161,483	1,044,826
Income tax benefit (Note 2)	-	63,280
NET INCOME	$1,161,483	$1,108,106

The accompanying notes to financial statements are an integral part of these statements.

PRECISION MACHINED PRODUCTS, INC.

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STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998

AND THE YEAR ENDED DECEMBER 31, 1997

	Common Stock		Additional Paid-In	Other Cumulative Comprehensive	Retained
	Shares	Amount	Capital	Income	Earnings

<S> <C> <C> <C> <C> <C>

BALANCES, December 31, 1996	750	$ -	$40,049	$ -	$1,532,043
Net income	-	-	-	-	1,108,106
Change in unrealized gain (loss) on investments	-	-	-	(6,049)	-
Distributions to shareholders	-	-	-	-	(32,173)
BALANCES, December 31, 1997	750	-	40,049	(6,049)	2,607,976
Net income	-	-	-	-	1,161,483
Change in unrealized gain (loss) on investments	-	-	-	1,263	-
Distributions to shareholders	-	-	-	-	(887,225)
BALANCES, September 30, 1998	750	$ -	$40,049	$(4,786)	$2,882,234

</TABLE>

The accompanying notes to financial statements are an integral part of these statements.

PRECISION MACHINED PRODUCTS, INC.

STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 1998	Year Ended December 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,161,483	$1,108,106
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation	181,966	202,636
Loss on disposal of assets	3,212	7,849
Deferred compensation	72,452	53,478
Provision for deferred income taxes	-	(63,280)
Change in-		
Accounts receivable	10,352	(69,267)
Inventories	(22,606)	20,806
Prepaid expenses	-	57,697
Other current assets	(610)	2,281
Accounts payable	4,229	9,579
Accrued payroll and benefits	21,462	(10,627)
Accrued property taxes	(12,077)	19,246
Accrued equipment purchase	129,500	-
Other accrued liabilities	4,440	(68,497)
Net cash flows from operating activities	1,553,803	1,270,007
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(454,279)	(122,253)
Net purchases of investments	-	(720,249)
Net proceeds from sale of investments	591,412	-
Net cash flows from investing activities	137,133	(842,502)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distribution to shareholders	(887,225)	(32,173)
Repayment of note payable	(250,000)	(281,147)
Net cash flows from financing activities	(1,137,225)	(313,320)
NET INCREASE IN CASH AND CASH EQUIVALENTS	553,711	114,185
CASH AND CASH EQUIVALENTS, beginning of period	387,230	273,045

CASH AND CASH EQUIVALENTS, end of period	$ 940,941	$ 387,230
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 12,411	$ 46,644
NONCASH INVESTING ACTIVITIES:		
Change in unrealized loss on investments	$ 1,263	$ (6,049)

The accompanying notes to financial statements are an integral part of these statements.

PRECISION MACHINED PRODUCTS, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1998 AND DECEMBER 31, 1997

(1) ORGANIZATION AND BUSINESS

Precision Machined Products, Inc. ("the Company") was established in 1977 and was incorporated August 1984, as a Colorado corporation. Effective January 1, 1997, the Company, with the consent of its shareholders, elected to be taxed as an S Corporation under the Internal Revenue Code. In lieu of corporate income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. The Company, located in Fort Collins, Colorado, is a contract machining shop specializing in high precision, high quality, complex machined parts used in the aerospace, satellite, medical equipment and high technology industries.

Subsequent to September 30, 1998, the Company sold substantially all of its assets to Dynamic Materials Corporation ("DMC") (Note 9).

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out) or market, computed on an actual cost basis. Cost elements included in inventory are material, labor, subcontract costs and manufacturing overhead. Manufacturing overhead included in inventory at September 30, 1998 and December 31, 1997 totaled approximately $68,000 and $56,000, respectively.

Inventories consisted of the following at September 30, 1998 and December 31, 1997:

	1998	1997
Raw materials	$ 11,715	$ 15,547
Work in process	207,509	181,071
	$ 219,224	$ 196,618

Accounts Receivable

The Company sells its products throughout the U.S. primarily to entities in manufacturing environments. Major customers are in satellite communication, high technology manufacturing and defense related businesses. The Company has not recorded an allowance for uncollectible amounts at September 30, 1998 and December 31, 1997, based on historical experience. Bad debts are written off when they are determined to be uncollectible.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Additions, improvements and betterments are capitalized when incurred. Maintenance and repairs are charged to operations as the costs are incurred. Depreciation is computed using the straight-line method over the estimated useful life of the related asset as follows:

Vehicle	3 years
Office equipment	5 years
Production equipment	5-10 years
Inspection equipment	5-10 years
Leasehold improvements	7-15 years

Depreciation expense for the nine months ending September 30, 1998 and the year ended December 31, 1997 was $181,966 and $202,636, respectively.

Property, plant and equipment consists of the following at September 30, 1998 and December 31, 1997:

	1998	1997
Office equipment	$ 45,799	$ 45,799
Production equipment	1,402,116	968,038
Inspection equipment	57,660	60,667
Leasehold improvements	434,775	434,775
Vehicle	4,155	947
	1,944,505	1,510,226
Less accumulated depreciation	(541,374)	(382,245)
	$ 1,403,131	$ 1,127,981

Income Taxes

The change in tax status of the Company to a Subchapter S corporation effective January 1, 1997, generally results in the Company no longer being a taxable entity; federal and state income taxes related to S corporation income are the responsibility of the shareholders . While any "built-in gain" (net excess of fair value of assets over their tax basis) realized within ten years of electing S corporation status would be taxable to the Company at normal corporate rates, the Company has determined there was not net "built-in-gain" existing at the date of electing S corporation status. Consequently, net deferred tax liabilities of $63,280 existing at that date were eliminated from the balance sheet and reflected as a credit to the income tax provision in the accompanying statements of operations for the year ended December 31, 1997. However, any distributions to the shareholders in excess of the S corporation accumulated adjustments account subsequent to January 1, 1997, will be taxable to the shareholders, except to the extent deemed a return of capital.

Consideration of Credit Risk

The Company maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits.

Cash, Cash Equivalents and Investments

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The investments which are classified as available for sale in accordance with the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"), are accounted for at fair market value and includes those investments with original maturities of more than three months.

Revenue Recognition

The Company's contracts with its customers generally require the production and delivery of multiple units or products. The Company measures progress to completion and records revenue from its contracts as completed units are 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Principles

The Financial Accounting Standards Board ("FASB") recently issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"), which is required to be adopted by affected companies for fiscal years beginning after December 15, 1997. SFAS 130 requires that an enterprise (i) classify items of other comprehensive income by their nature in a financial statement and (ii) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position.

The FASB also recently issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"), which requires that a public business enterprise report certain financial and descriptive information about its reportable segments. The Company adopted SFAS 131 for the year ended December 31, 1997 and has only one reporting segment. See Note 7 for other required SFAS 131 disclosures.

(3) INVESTMENTS

Cost and fair value of mutual fund investments at September 30, 1998 and December 31, 1997 are as follows:

	As of September 30, 1998		
	Cost	Unrealized Gain (Loss)	Fair Value
Available-for-sale securities:			
Mutual funds	$319,264	$(4,786)	$314,478

	As of December 31, 1997		
	Cost	Unrealized Gain (Loss)	Fair Value
Available-for-sale securities:			
Mutual funds	$309,934	$(6,049)	$303,885
Treasury Bills	606,791	-	606,791
	$916,725	$(6,049)	$910,676

(4) NOTE PAYABLE

The Company had a $250,000 subordinated promissory note due to the shareholders as of December 31, 1997. Interest only payments at 12% were to be paid monthly up until maturity (which was December 31, 1998) or until early payment of entire principal balance. The note was paid in its entirety during the first half of 1998.

(5) RETIREMENT PLAN

The Company has a 401(k) profit sharing plan (the "Plan"). The Plan was established August 30, 1993 and covers all employees upon attaining age 21 and completing two months of service. The Plan includes both an employer matching contribution of 50% of employee contributions, up to 6% of employee's salary and a discretionary portion. Employees vest in employer contributions to their accounts over a period of five years.

The Company's contributions to the Plan for the period ended September 30, 1998 and the year ended December 31, 1997 were $21,705 and $28,634, respectively.

(6) DEFERRED COMPENSATION

The Company has entered into a stock appreciation rights plan ("SAR Plan") with one of its employees. The SAR Plan provides for deferred compensation to be accumulated for the employee based on the appreciation in the Company's net book value. The SAR Plan does not give the employee any right whatsoever with respect to shares of common stock of the Company.

Upon termination of the SAR Plan (including the sale of substantially all of the assets or Common Stock of the Company), an additional calculation shall be performed revising the amounts due to the employee based on the Adjusted Net Proceeds of the Sale, as defined.

Subsequent to September 30, 1998, the Company sold substantially all of its assets to DMC (Note 9). This sale resulted in a total liability due to the employee of $418,400 to be paid based on the benefit payment terms under the SAR plan.

(7) MAJOR CUSTOMERS

During the nine months ended September 30, 1998, three customers accounted for approximately $1,080,000 (32%), $908,000 (27%) and $686,000 (20%) of net sales, respectively. During the year ended December 31, 1997, the same three customers accounted for approximately $1,150,000 (29%), $876,000 (22%) and $460,000 (11%) of net sales, respectively. Due to the fact that a significant portion of the Company's sales are derived from a relatively small number of customers, the failure to perform existing contracts on a timely basis, 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. Additionally, the Company has no significant sales or other activities with customers in foreign countries.

(8) COMMITMENTS AND CONTINGENCIES

Effective August 1, 1996, the Company leases the facility it occupies from an entity that is majority owned by the Company's shareholders. The lease is classified as an operating lease with minimum rental commitments at September 30, 1998 as follows:

Year Ending	Amount
1998	$ 32,045
1999	128,180
2000	128,180
2001	74,772
	$363,177

Rent expense was approximately $99,000 and $129,000 for the period ended September 30, 1998 and the year ended December 31, 1997, respectively.

(9) SUBSEQUENT EVENT

On December 1, 1998, the Company closed on the sale of substantially all of its assets to DMC of Lafayette, Colorado. DMC, a publicly traded company, is involved in the high energy metal working business. The high energy metal working business includes the use of explosives to perform both metallurgical bonding or metal "cladding," and forming. The assets sold to DMC were used by the Company in the manufacturing, selling and marketing of extremely high precision, complex machined parts used in the aerospace, satellite, medical equipment and high technology industries (the "Business"). DMC anticipates using the assets acquired for similar purposes. The assets acquired consisted principally of inventory, accounts receivable, machinery, equipment (including computer equipment), and certain trade names used in the Business, as well as a lease of the facilities at which the Business is conducted.

The purchase price of $7,015,680 was paid by the delivery of $6,800,000 in cash and the delivery of 40,000 shares of DMC's Common Stock valued at $5.392 per share. The purchase price was subject to a post-closing adjustment based upon subsequent accounting adjustments for inventory, accounts receivable and assumed liabilities. This adjustment was determined to be approximately $12,800 which effectively decreased the overall purchase price. DMC also incurred approximately $70,000 of transaction related costs. In addition, DMC paid $2,000 at the closing for an exclusive option to purchase the real property at which the operations of the Business are conducted at a purchase price equal to the fair market value at the date the option is exercised (subject to certain adjustments), which option may be exercised under certain conditions until December 1, 2000, during which time the real property may not be sold, transferred or conveyed without DMC's consent.

UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

On December 1, 1998 Precision Machined Products, Inc. ("PMP") entered into an agreement to sell Dynamic Materials Corporation ("DMC" or the "Company") substantially all of its assets for approximately $7,073,000. The purchase price was paid by $6,800,000 in cash (drawn under the Company's bank line of credit facility) and the delivery of 40,000 shares of DMC's stock valued at $5.392 per share. The purchase price above reflects the addition of approximately $70,000 in transaction costs incurred as well as a reduction of $12,821 for post-closing adjustments.

The Unaudited Pro Forma Condensed Balance Sheet is presented as of September 30, 1998 and illustrates the effects of the acquisition of the PMP assets and the related financing as if they had occurred on September 30, 1998.

The Unaudited Pro Forma Condensed Statements of Operations is presented for the nine months ended September 30, 1998 and for the year ended December 31, 1997, and illustrates the effects of the acquisition of the PMP assets and the related financing as if they had occurred on January 1, 1997.

The Unaudited Pro Forma Condensed Balance Sheet and Statements of Operations should be read in conjunction with the historical financial statements of DMC included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 1997, DMC's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998 and the historical financial statements of PMP included elsewhere herein. The pro forma adjustments are based on preliminary information about PMP's assets acquired and results of operations. Final purchase price allocations will be based on a more complete evaluation and may differ from those shown herein. However, management of DMC believes that the assumptions utilized provide a reasonable basis for presenting the significant effects of the acquisition and the related financing and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the accompanying pro forma financial information. The Unaudited Pro Forma Condensed Balance Sheet and Statements of Operations may not be indicative of DMC's actual financial position or operating results had the transactions occurred as of the dates indicated above, nor do they purport to indicate the financial position or operating results which may be attained in the future.

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DYNAMIC MATERIALS CORPORATION
UNAUDITED PRO FORMA CONDENSED BALANCE SHEET
AS OF SEPTEMBER 30, 1998

	Dynamic Materials	PMP	Pro Forma Adjustments		Pro Forma Balance
ASSETS					
<S>	<C>	<C>	<C>		<C>
CURRENT ASSETS:					
Cash and cash equivelents	$ -	$ 940,941	$ (940,941)	1	$ -
Investments	-	314,478	(314,478)	1	-
Accounts receivable	6,073,261	585,239	-		6,658,500
Inventories	3,587,387	219,224	-		3,806,611
Prepaids and other current assets	536,468	8,404	-		544,872
Total current assets	10,197,116	2,068,286	(1,255,419)		11,009,983
PROPERTY, PLANT AND EQUIPMENT, net	6,925,449	1,403,131	678,745	2	9,007,325
RESTRICTED CASH AND SHORT TERM INVESTMENTS	6,461,015	-	-		6,461,015
INTANGIBLE ASSETS, net	1,228,379	-	4,429,705	3	5,658,084

OTHER ASSETS	663,905	-	-		663,905
TOTAL ASSETS	$ 25,475,864	$ 3,471,417	$ 3,853,031		$ 32,800,312

See the accompanying Notes to Unaudited Pro Forma Condensed Financial Statements

DYNAMIC MATERIALS CORPORATION
UNAUDITED PRO FORMA CONDENSED BALANCE SHEET
AS OF SEPTEMBER 30, 1998

LIABILITIES AND STOCKHOLDERS' EQUITY	Dynamic Materials	PMP	Pro Forma Adjustments		Pro Forma Balance
CURRENT LIABILITIES:					
Bank overdraft	$ 82,536	$ -	$ -		$ 82,536
Accounts payable	1,838,162	64,090	-		1,902,252
Accrued expenses	1,450,132	266,364	(21,686)	4	1,694,810
Current maturities of long-term debt and capital lease obligations	38,330	-	-		38,330
Total current liabilities	3,409,160	330,454	(21,686)		3,717,928
LINE OF CREDIT	2,785,000	-	6,800,000	5	9,585,000
INDUSTRIAL DEVELOPMENT REVENUE BONDS	6,850,000	-	-		6,850,000
OTHER LONG-TERM OBLIGATIONS	76,530	223,466	(223,466)	4	76,530
Total liabilities	13,120,690	553,920	6,554,848		20,229,458
STOCKHOLDERS' EQUITY					
Common stock	136,184	-	2,000	6	138,184
Additional paid-in capital	6,686,940	40,049	213,680	6	6,900,620
			(40,049)	7	
Deferred compensation	(59,062)	-	-		(59,062)
Other comprehensive income - Unrealized loss on investments	-	(4,786)	4,786	7	-
Retained earnings	5,591,112	2,882,234	(2,882,234)	7	5,591,112
Total stockholder's equity	12,355,174	2,917,497	(2,701,817)		

				12,570,854
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 25,475,864	$ 3,471,417	$ 3,853,031	$ 32,800,312
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See the accompanying Notes to Unaudited Pro Forma Condensed Financial Statements

DYNAMIC MATERIALS CORPORATION
UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998

<TABLE>
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	Dynamic Materials	PMP	Pro Forma Adjustments		Pro Forma Results
<S>	<C>	<C>	<C>		<C>
NET SALES	$ 30,543,872	$ 3,395,558	$ -		$ 33,939,430
COST OF PRODUCTS SOLD	24,042,453	1,901,801	(181,966)	8	25,948,980
			156,150	9	
			(98,842)	10	
			73,134	11	
			56,250	17	
Gross profit	6,501,419	1,493,757	(4,726)		7,990,450
EXPENSES:					
General and administrative	2,401,618	367,222	148,644	14	2,827,484
			(90,000)	16	
Selling expense	1,387,822	-	-		1,387,822
New facility start up costs	114,437	-	-		114,437
Research and development costs	28,963	-	-		28,963
	3,932,840	367,222	58,644		4,358,706
INCOME FROM OPERATIONS	2,568,579	1,126,535	(63,370)		3,631,744
Other income	16,714	47,359	-		64,073
Interest expense	(198,811)	(12,411)	12,411	12	(581,811)
			(383,000)	13	
Income before income tax provision	2,386,482	1,161,483	(433,959)		3,114,006
INCOME TAX PROVISION	(931,000)	-	(269,184)	15	(1,200,184)

	Dynamic Materials	PMP	Pro Forma Adjustments		Pro Forma Results
NET INCOME	$ 1,455,482	$ 1,161,483	$ (703,143)		$ 1,913,822
EARNINGS PER SHARE - BASIC	$ $ 0.52				$ 0.68
EARNINGS PER SHARE - DILUTED	$ 0.50				$ 0.65
WEIGHTED AVERAGE SHARES OUTSTANDING:					
BASIC	2,780,238		40,000	6	2,820,238
DILUTED	2,889,732		40,000	6	2,929,732

</TABLE>

See the accompanying Notes to Unaudited Pro Forma Condensed Financial Statements

DYNAMIC MATERIALS CORPORATION
UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1997

<TABLE>
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	Dynamic Materials	PMP	Pro Forma Adjustments		Pro Forma Results
<S>	<C>	<C>	<C>		<C>
NET SALES	$ 32,119,585	$ 4,019,645	$ -		$ 36,139,230
COST OF PRODUCTS SOLD	24,459,168	2,395,683	(202,636)	8	26,851,572
			208,200	9	
			(129,355)	10	
			97,512	11	
			75,000	17	
			(52,000)	16	
Gross profit	7,660,417	1,623,962	3,279		9,287,658
EXPENSES:					
General and administrative	2,338,355	582,520	198,192	14	2,911,067
			(208,000)	16	
Selling expense	1,963,707	-	-		1,963,707
Research and development costs	68,029	-	-		68,029
	4,370,091	582,520	(9,808)		4,942,803
INCOME FROM OPERATIONS	3,290,326	1,041,442	13,087		4,344,855
Other income	55,959	50,048	-		106,007
Interest expense	(117,372)	(46,664)	46,664	12	(627,372)
			(510,000)	13	

Income before income tax provision	3,228,913	1,044,826	(450,249)		3,823,490
INCOME TAX PROVISION	(1,221,000)	63,280	(219,993)	15	(1,377,713)
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NET INCOME	$ 2,007,913	$ 1,108,106	$ (670,242)		$ 2,445,777
	===========	==========	===========		===========
EARNINGS PER SHARE - BASIC	$ 0.75				$ 0.90
EARNINGS PER SHARE - DILUTED	$ 0.70				$ 0.84
WEIGHTED AVERAGE SHARES OUTSTANDING:					
BASIC	2,681,943		40,000	6	2,721,943
DILUTED	2,875,703		40,000	6	2,915,703

</TABLE>

See the accompanying Notes to Unaudited Pro Forma Condensed Financial Statements

DYNAMIC MATERIALS CORPORATION
NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

1. Represents assets not acquired by DMC in the acquisition transaction.

2. Represents the adjustment of the PMP fixed assets to fair market value in in conjuction with the acquisition transaction. The allocation of the purchase price to machinery and equipment was based on an appraisal of those assets. DMC intends to depreciate those assets over 5 to 15 years.

3. Represents goodwill of $4,329,705 and covenant not to compete of $100,000 recorded in conjunction with the acquisition of PMP assets.

4. Represents liabilities not assumed by DMC as part of the acquisition transaction including $21,686 in miscellaneous accrued liabilities and $223,466 in deferred compensation to a PMP employee.

5. Represents borrowings under DMC's revolving credit facility that were used to finance the acquisition transaction.

6. Represents the issuance of 40,000 shares of DMC stock (valued at $5.392 per share) as part of the consideration paid in connection with the purchase of the assets of PMP.

7. Represents the elimination of the historical balance of PMP's shareholders equity.

8. Represents the elimination of historical PMP depreciation expense.

9. Represents the pro forma depreciation expense resulting from the DMC acquisition transaction.

10. Represents the elimination of historical PMP facility rent expense.

11. Represents the pro forma rent expense that DMC is obligated to pay in connection with the lease of the facility real property.

12. Represents the elimination of historical PMP interest expense.

13. Represents the pro forma interest expense at current rates related to DMC's borrowings on its acquisition line of credit that was used to finance the acquisition transaction.

14. Represents the pro forma amortization of goodwill and covenant not to compete that resulted from the acquisition transaction. DMC intends to amortize the goodwill and the covenant not to compete over 25 and 4 years, respectively.

15. Represents income tax on the pro forma adjustments and the historical pretax income of PMP based on an estimated combined effective federal and state income tax rate of 37%.

16. Represents the historical salaries and bonuses of the former officers of PMP. DMC does not intend on replacing those positions. Note that in 1997 PMP allocated a portion of these salaries to cost of products sold wheras, in 1998 the entire amount of these costs were reflected in general and administrative expenses due to changes in the Officers focused efforts in 1998.

17. Represents amounts that DMC is obligated to pay under a two-year consulting engagement with a former owner of PMP. The consulting is expected to be directly attributable to PMP production and, as such, is reflected as an adjustment to cost of products sold.