

DYNAMIC MATERIALS CORP
Form 8-K/A
January 28, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

AMENDMENT NO. 1 TO 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 15, 2007**

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 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)

Edgar Filing: DYNAMIC MATERIALS CORP - Form 8-K/A

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:

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 240.14a-12)

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

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 9.01. Financial Statements and Exhibits

Dynamic Materials Corporation (DMC) filed a current report on Form 8-K on November 19, 2007 to announce the Purchase, Sale and Assignment Agreement pursuant to which DMC acquired DYNAenergetics GmbH & Co. KG and DYNAenergetics Beteiligungs-GmbH (DYNAenergetics) on November 15, 2007. DMC is filing this Amendment No. 1 on Form 8-K/A to Form 8-K to include the audited financial statements of DYNAenergetics and the pro forma financial information required by Item 9.01 of Form 8-K.

	Page
(a) Financial Statements of DYNAenergetics GmbH & Co. KG and DYNAenergetics Beteiligungs-GmbH:	
<u>Report of Independent Registered Public Accounting Firm</u>	3
<u>Combined Balance Sheets as of September 30, 2007 and 2006</u>	4
<u>Combined Statements of Operations for the Years Ended September 30, 2007 and 2006</u>	6
<u>Combined Statements of Changes in Equity Attributable to the Group for the Years Ended September 30, 2007 and 2006</u>	7
<u>Combined Statements of Cash Flows for the Years Ended September 30, 2007 and 2006</u>	8
<u>Notes to Financial Statements</u>	9
(b) Pro Forma Financial Information:	
<u>Unaudited Pro Forma Financial Information</u>	29
<u>Unaudited Pro Forma Condensed Consolidated Balance Sheet as of September 30, 2007</u>	30
<u>Unaudited Pro Forma Condensed Consolidated Statement of Operations for the nine months ended September 30, 2007</u>	32
<u>Unaudited Pro Forma Condensed Consolidated Statement of Operations for the twelve months ended December 31, 2006</u>	33
<u>Notes to unaudited Pro Forma Condensed Consolidated Financial Statements</u>	34
(c) <u>Signatures</u>	37
Exhibits	

Report of Independent Registered Public Accounting Firm

To the Board of Directors of

DYNAenergetics GmbH & Co. KG and DYNAenergetics Beteiligungs-GmbH

We have audited the accompanying combined balance sheets of DYNAenergetics GmbH & Co. KG and DYNAenergetics Beteiligungs-GmbH (the Company), as of September 30, 2006 and 2007, and the related combined statements of operations, equity attributable to the group and cash flows for the years then ended. 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 combined financial position of DYNAenergetics GmbH & Co. KG and DYNAenergetics Beteiligungs-GmbH at September 30, 2006 and 2007 and the combined results of their operations and their cash flows for the years then ended, in conformity with the accounting principles generally accepted in the United States.

MAZARS GmbH

Wirtschaftsprüfungsgesellschaft

Düsseldorf/Germany

/s/ Alexander Karthaus
Alexander Karthaus
CPA

/s/ Denis Usher
Denis Usher
CPA

January 25, 2008

DYNAenergetics GmbH & Co. KG and DYNAenergetics Beteiligungs-GmbHCOMBINED BALANCE SHEETSAS OF SEPTEMBER 30, 2007 AND 2006

(Euros in Thousands)

	2007	2006
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	2,936	875
Restricted cash	250	
Accounts receivable, net of allowance for doubtful accounts of 246 and 213, respectively	4,607	7,766
Related party receivable	138	472
Inventories	8,793	9,193
Current portion of related party loan receivable	45	
Prepaid expenses and other	168	494
Current deferred tax assets	5	32
Total current assets	16,942	18,832
PROPERTY, PLANT AND EQUIPMENT	5,115	4,832
Less - Accumulated depreciation	(3,283)	(2,944)
Property, plant and equipment, net	1,832	1,888
INTANGIBLE ASSETS, net	2,564	3,066
RELATED PARTY LOAN RECEIVABLE	343	343
OTHER ASSETS, net	8	8
INVESTMENT IN JOINT VENTURES	852	476
TOTAL ASSETS	22,541	24,613

The accompanying notes are an integral part of these Combined Financial Statements.

DYNAenergetics GmbH & Co. KG and DYNAenergetics Beteiligungs-GmbHCOMBINED BALANCE SHEETSAS OF SEPTEMBER 30, 2007 AND 2006

(Euros in Thousands)

	2007	2006
<u>LIABILITIES AND EQUITY ATTRIBUTABLE TO THE GROUP</u>		
CURRENT LIABILITIES:		
Accounts payable	6,521	5,672
Accrued expenses	1,100	1,592
Accrued income taxes	320	799
Accrued employee compensation and benefits	796	736
Customer advances	570	616
Related party loans	104	67
Current maturities on long-term debt	3,401	3,978
Current portion of capital lease obligations	233	255
Total current liabilities	13,045	13,715
LONG-TERM DEBT	1,862	2,564
CAPITAL LEASE OBLIGATIONS	204	309
DEFERRED TAX LIABILITIES	379	535
OTHER LONG-TERM LIABILITIES	371	337
TOTAL LIABILITIES	15,861	17,460
EQUITY ATTRIBUTABLE TO THE GROUP:		
Equity attributable to the group	6,730	7,167
Accumulated other comprehensive loss	(50)	(14)
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP	6,680	7,153