FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2005-05-02** | Period of Report: **2005-03-31**
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FILER

METALLURG HOLDINGS INC

CIK:**1067054**| IRS No.: **232967577** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-60077** | Film No.: **05789761**
SIC: **3312** Steel works, blast furnaces & rolling mills (coke ovens)

Mailing Address	Business Address
800 THE SAFEGUARD BLDG	*BLDG 400*
435 DEVON PARK DR	*435 DEVON PARK DR*
WAYNE PA 19087	*WAYNE PA 19087*

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from __________ to __________

METALLURG HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Commission file number: 333-60077

Delaware (State of organization)	23-2967577 (I.R.S. Employer Identification No.)
Building 400 435 Devon Park Drive Wayne, Pennsylvania 19087 (Address of principal executive offices)	(610) 293-0838 (Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [_] No [X]*

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes [_] No [X]

There are no common equity securities of the registrant outstanding. At May 2, 2005, the outstanding capital of Metallurg Holdings, Inc. was comprised of 5,202.335 shares of Series A Voting Convertible Preferred Stock and 4,524 shares of Series B Non-Voting Convertible Preferred Stock, $.01 par value.

*The registrant is not subject to the filing requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934. The registrant is a voluntary filer.

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In thousands)

<TABLE>
<CAPTION>

	Quarters Ended March 31, 2005	Quarters Ended March 31, 2004
<S>	<C>	<C>
Total revenue	$122,196	$75,550
Operating costs and expenses:		
Cost of sales	95,361	68,234
Selling, general and administrative expenses	9,214	6,967
Restructuring charges	--	97
Total operating costs and expenses	104,575	75,298
Operating income	17,621	252
Other income (expense):		
Other income, net	16	48
Interest expense, net	(6,104)	(4,236)
Income (loss) before income tax provision, minority interest and discontinued operations	11,533	(3,936)
Income tax provision	(2,662)	(96)
Minority interest	(18)	39
Income (loss) from continuing operations	8,853	(3,993)
Income from discontinued operations, net of tax of $171	--	338
Loss on sale of discontinued operations, net of tax of $0	--	(1,162)
Discontinued operations	--	(824)
Net income (loss)	8,853	(4,817)
Other comprehensive income (loss):		
Foreign currency translation adjustment	(88)	3,113
Deferred gain on derivatives, net	399	867
Comprehensive income (loss)	$ 9,164	$ (837)

</TABLE>

See notes to unaudited condensed consolidated financial statements.

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	March 31, 2005 (Unaudited)	December 31, 2004
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 15,674	$ 23,426
Accounts receivable, less allowance for doubtful accounts	67,549	45,944
Inventories	74,656	62,551
Prepaid expenses and other current assets	12,868	12,432
Total current assets	170,747	144,353
Property, plant and equipment, net	51,449	52,502
Other assets	21,149	22,475
Total	$ 243,345	$ 219,330
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current Liabilities:		
Short-term debt and current portion of long-term debt	$ 13,546	$ 11,870
Accounts payable	41,113	32,411
Other current liabilities	25,023	19,496
Total current liabilities	79,682	63,777
Long-term Liabilities:		
Long-term debt	186,761	186,138
Accrued pension liabilities	24,369	24,523
Environmental liabilities, net	16,917	19,202
Other liabilities	2,120	2,041
Total long-term liabilities	230,167	231,904
Total liabilities	309,849	295,681
Commitments and Contingencies		
Minority Interest	635	652
Shareholders' Deficit:		
Additional paid-in capital	60,611	59,911
Accumulated other comprehensive loss	(16,254)	(16,565)
Accumulated deficit	(111,496)	(120,349)
Total shareholders' deficit	(67,139)	(77,003)
Total	$ 243,345	$ 219,330

See notes to unaudited condensed consolidated financial statements.

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Quarters Ended March 31, 2005	Quarters Ended March 31, 2004

<S> <C> <C>

Cash Flows from Operating Activities:		
Net income (loss)	$ 8,853	$ (4,817)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	2,271	1,962
Deferred income taxes	855	(222)
Interest expense paid-in-kind	1,864	1,107
Restructuring charges	--	97
Loss on sale of discontinued operations	--	1,162
Change in operating assets and liabilities:		
Increase in accounts receivable	(21,618)	(6,262)
Increase in inventories	(12,104)	(11,472)
Increase in other current assets	(151)	(1,213)
Increase in accounts payable and other current liabilities	14,420	7,511
Environmental payments	(1,881)	(1,046)
Restructuring payments	(113)	(1,196)
Other assets and liabilities, net	(215)	523
Discontinued operations - operating activities	--	(719)
Net cash used in operating activities	(7,819)	(14,585)
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(766)	(289)
Proceeds from sale of discontinued operations	--	8,275
Other, net	474	(1,370)
Discontinued operations - investing activities	--	33
Net cash (used in) provided by investing activities	(292)	6,649
Cash Flows from Financing Activities:		
Repayment of long-term debt, net	(327)	(90)
Borrowings of short-term debt, net	761	8,441
Payment for deferred financing fees	(38)	--
Restricted cash deposited to collateralize revolving credit facility	--	(7,000)
Discontinued operations - financing activities	--	1,139
Net cash provided by financing activities	396	2,490
Effects of exchange rate changes on cash and cash equivalents	(37)	180
Net decrease in cash and cash equivalents	(7,752)	(5,266)
Cash and cash equivalents - beginning of period	23,426	18,557
Cash and cash equivalents - end of period	$ 15,674	$ 13,291

</TABLE>

See notes to unaudited condensed consolidated financial statements.

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Metallurg Holdings. These financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information pursuant to Accounting Principles Board Opinion No. 28 and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, these financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The condensed consolidated balance sheet as of December 31, 2004 was derived from audited financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the interim periods presented are not necessarily indicative of the results to be expected for a full year. These financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2004.

The Company is wholly owned by a group of investors led by and including Safeguard International Fund, L.P. ("Safeguard International"), an international private equity fund that invests primarily in equity securities of companies in process industries.

Earnings per share is not presented since Metallurg Holdings is wholly owned by a group of private investors led by and including Safeguard International.

2. Stock-Based Compensation

Metallurg accounts for its stock-based compensation plan using the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations. Accordingly, no compensation cost is reflected in net income, as all options granted under this plan had an exercise price at least equal to the estimated market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income on the Company if Metallurg had applied the fair value measurement and recognition methods prescribed by Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" to record expense for stock option compensation (in thousands):

	Quarters Ended March 31, 2005	Quarters Ended March 31, 2004
Net income (loss), as reported	$8,853	$(4,817)
Less: compensation expense for option awards determined by the fair value based method, net of related tax effects	8	10
Pro forma net income (loss)	$8,845	$(4,827)

Beginning January 1, 2006, the Company will record compensation expense for all new grants in accordance with SFAS 123R.

3. Discontinued Operations

On March 8, 2004, Metallurg completed the sale of its South African sales office to a group of investors, including local management, for a total purchase price of $9,100,000 and recorded a loss of $1,162,000. In connection with the sale, Metallurg accepted a note receivable for $1,370,000 from the buyers, to be repaid in three equal installments plus interest at LIBOR plus 1% over two years. The quarter ended March 31, 2004 included $9,140,000 of revenue and $509,000 of income before income tax provision related to these discontinued operations.

4. Segments and Related Information

The Company operates in one significant industry segment, the manufacture and sale of performance-enhancing additives mainly for the metallurgical industry. The Company is organized into three reportable segments centered around its major production facilities in the U.K., the U.S. and Brazil. In addition to its own products, the Company distributes complementary products manufactured by third parties.

Reportable Segments

London & Scandinavian Metallurgical Co Limited and its subsidiaries (collectively, "LSM") - This unit consists mainly of three production facilities in the U.K. that manufacture and sell aluminum alloy grain refiners and alloying tablets for the aluminum industry, chromium metal and ferrotitanium and other specialty ferroalloys for the steel and superalloy industries and aluminum powder for various metal powder-consuming industries. On January 1, 2005, LSM changed its functional currency from U.K. pounds sterling to U.S. dollars.

Shieldalloy Metallurgical Corporation ("SMC") - This unit consists of two production facilities in the U.S. The Ohio plant manufactures and sells ferrovanadium and vanadium-based chemicals used mostly in the steel and petrochemical industries. The New Jersey plant manufactures and sells alloying tablets for the aluminum industry and metal powders for the welding industry.

Companhia Industrial Fluminense ("CIF") - This unit consists mainly of two production facilities in Brazil. The Sao Joao del Rei plant manufactures and sells aluminum alloy grain refiners and alloying tablets for the aluminum industry and metal oxides used in the telecommunications, superalloy and specialty metal industries. The Nazareno mine extracts and concentrates ores containing tantalum and niobium that are processed, along with other raw materials, into metal oxides at the Sao Joao del Rei plant.

In addition to their manufacturing operations, LSM and SMC import and distribute complementary products manufactured by affiliates and third parties.

Summarized financial information concerning the Company's reportable segments is shown in the following table (in thousands). Each segment records direct expenses related to its employees and operations. The "Other" column includes corporate-related items and results of subsidiaries not meeting the quantitative thresholds as prescribed by applicable accounting rules for determining reportable segments. The Company does not allocate general corporate overhead expenses to operating segments. The accounting policies of the segments are the same as those for the consolidated group. Transactions among segments are established based on negotiation among the parties.

4. Segments and Related Information - (Continued)

<TABLE>
<CAPTION>

<S>	LSM <C>	SMC <C>	CIF <C>	Other <C>	Intersegment Eliminations <C>	Consolidated Totals <C>
Quarter Ended March 31, 2005						
Revenue from external customers....	$52,191	$54,597	$14,345	$ 1,063		$122,196
Intergroup revenue................	6,782	541	2,857	2,041	$(12,221)	--
Net income........................	1,557	9,779	387	12,321	(15,191)	8,853
Quarter Ended March 31, 2004						
Revenue from external customers....	$35,434	$29,183	$ 6,938	$ 3,995		$ 75,550
Intergroup revenue................	7,583	1,269	2,902	2,028	$(13,782)	--
Net income (loss).................	313	(263)	214	(1,386)	(3,695)	(4,817)

</TABLE>

5. Inventories

Inventories consist of the following (in thousands):

<TABLE>
<CAPTION>

<S>	March 31, 2005 <C>	December 31, 2004 <C>
Raw materials..................	$30,646	$19,973
Work in process................	932	787
Finished goods.................	41,531	40,474
Other..........................	1,547	1,317
Total.......................	$74,656	$62,551

</TABLE>

6. Contingent Liabilities

The Company defends, from time to time, various claims and legal actions arising in the normal course of business, including those relating to environmental matters. Management believes, based on the advice of counsel, that the outcome of such matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. There can be no assurance, however, that future litigation or proceedings will not result in an adverse judgment against the Company that could have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows in the future.

7. Retirement Plans

Metallurg maintains defined benefit plans for its employees in the U.S. and the U.K. Net pension cost for these plans consisted of the following for the quarters ended March 31, 2005 and 2004 (in thousands):

<TABLE>
<CAPTION>

	U.S. Plans Quarters ended March 31,		Non-U.S. Plans Quarters ended March 31,	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Components of net periodic benefit cost:				
Service cost............................	$ 132	$ 123	$ 758	$ 705
Interest cost...........................	332	330	1,658	1,545
Expected return on plan assets...........	(369)	(349)	(1,797)	(1,528)
Net amortization and deferral............	72	71	531	588
Total net periodic benefit cost........	$ 167	$ 175	$ 1,150	$ 1,310

</TABLE>

As of March 31, 2005, $55,000 of contributions have been made for U.S. plans and $1,379,000 of contributions have been made for non-U.S. plans. Metallurg presently anticipates contributing an additional $270,000 to fund its U.S. plans and $4,341,000 to fund its non-U.S. plans in 2005.

8. Income Taxes

The American Jobs Creation Act (the "AJCA"), which was signed into law on October 22, 2004, created a special one-time 85% tax deduction for certain repatriated foreign earnings that are reinvested in qualifying domestic activities, as defined in the AJCA. The Company may elect to apply this provision to qualifying earnings repatriations in the year ending December 31, 2005. The Company is in the process of evaluating the effects of the repatriation provision and expects to complete its evaluation after its assessment of clarifying guidance published by Congress or the Treasury Department. As of December 31, 2004, the maximum amount the Company is eligible to repatriate under the AJCA is approximately $44,700,000. The estimated tax provision that would be required on this amount would be approximately $2,400,000. If any amount is repatriated, it would likely be less than the maximum, with a proportional reduction in the estimated provision for income taxes.

9. Related Party Transactions

On January 15, 2005, a related party bought a $1,077,000 note from Metallurg Holdings with the proceeds of the interest payment due to them as a holder of Senior Discount Notes. These notes are classified as long-term debt and are payable on July 15, 2008 along with interest accrued at 12 3/4% per annum.

10. Supplemental Guarantor Information

In November 1997, Metallurg, Inc. issued $100 million principal amount of its 11% Senior Notes due 2007. Under the terms of the Senior Notes, SMC, Metallurg Holdings Corporation, Metallurg Services, Inc., Metallurg International Resources, LLC ("MIR, LLC") and MIR (China), Inc. (collectively, the "Guarantors"), wholly owned subsidiaries of Metallurg, Inc., have fully and unconditionally guaranteed on a joint and several basis Metallurg, Inc.'s obligations to pay principal, premium and interest relative to the Senior Notes. Management has determined that separate, full financial statements of the Guarantors would not be material to potential investors and, accordingly, such financial statements are not provided. Supplemental financial information of the Guarantors is presented below.

Metallurg, Inc. and its Consolidated Subsidiaries
Condensed Consolidating Statement of Operations (Unaudited)
Quarter Ended March 31, 2005
(In thousands)

<TABLE>
<CAPTION>

<S>	Metallurg, Inc. <C>	Combined Guarantor Subsidiaries <C>	Combined Non-Guarantor Subsidiaries <C>	Eliminations <C>	Consolidated <C>
Total revenue		$55,138	$78,627	$(11,569)	$122,196
Operating costs and expenses:					
Cost of sales		36,380	70,241	(11,260)	95,361
Selling, general and administrative expenses	$ 1,777	3,376	4,052	--	9,205
Total operating costs and expenses	1,777	39,756	74,293	(11,260)	104,566
Operating (loss) income	(1,777)	15,382	4,334	(309)	17,630
Other:					
Other income, net	--	--	16	--	16
Interest expense, net	(3,387)	(212)	(949)	--	(4,548)
Equity in earnings of subsidiaries	11,477	1,461	1,944	(14,882)	--
Income before income tax benefit (provision) and minority interest	6,313	16,631	5,345	(15,191)	13,098
Income tax benefit (provision)	4,105	(5,140)	(1,627)	--	(2,662)
Minority interest	--	--	(18)	--	(18)
Net income	$10,418	$11,491	$ 3,700	$(15,191)	$ 10,418

</TABLE>

10. Supplemental Guarantor Information - (Continued)

Metallurg, Inc. and its Consolidated Subsidiaries
Condensed Consolidating Statement of Operations (Unaudited)
Quarter Ended March 31, 2004
(In thousands)

<TABLE>
<CAPTION>

	Metallurg, Inc.	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
Total revenue		$32,734	$55,636	$(12,820)	$75,550
Operating costs and expenses:					
Cost of sales		30,229	50,406	(12,401)	68,234
Selling, general and administrative expenses	$ 1,293	1,827	3,844	--	6,964
Restructuring charges	--	--	97	--	97
Total operating costs and expenses	1,293	32,056	54,347	(12,401)	75,295
Operating (loss) income	(1,293)	678	1,289	(419)	255
Other:					
Other income, net	--	--	48	--	48
Interest expense, net	(2,193)	134	(862)	--	(2,921)
Equity in earnings of subsidiaries	(441)	2,852	865	(3,276)	--
(Loss) income before income tax benefit (provision), minority interest and discontinued operations	(3,927)	3,664	1,340	(3,695)	(2,618)
Income tax benefit (provision)	458	(496)	(58)	--	(96)
Minority interest	--	--	39	--	39
(Loss) income from continuing operations	(3,469)	3,168	1,321	(3,695)	(2,675)
Discontinued operations	(30)	(3,577)	2,783	--	(824)
Net (loss) income	$(3,499)	$(409)	$ 4,104	$ (3,695)	$(3,499)

</TABLE>

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

Metallurg, Inc. and its Consolidated Subsidiaries
Condensed Consolidating Balance Sheet (Unaudited)
March 31, 2005
(In thousands)

<TABLE>
<CAPTION>

	Metallurg, Inc.	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 12,872	$ 263	$ 2,172		$ 15,307
Accounts receivable, net	25,575	31,086	55,172	$ (44,204)	67,629
Inventories	--	42,615	33,118	(1,077)	74,656
Prepaid expenses and other current assets	512	6,603	11,529	(5,776)	12,868
Total current assets	38,959	80,567	101,991	(51,057)	170,460
Investments - intergroup	70,174	12,971	43,348	(126,493)	-
Property, plant and equipment, net	119	19,021	32,309	--	51,449
Other assets	12,334	32,203	8,660	(32,525)	20,672
Total	$121,586	$144,762	$186,308	$(210,075)	$242,581

LIABILITIES AND SHAREHOLDER'S (DEFICIT) EQUITY

Current Liabilities:					
Short-term debt and current portion of long-term debt	$ 2,000		$ 11,546		$ 13,546
Accounts payable	4,657	$ 44,504	36,109	$ (44,204)	41,066
Other current liabilities	6,439	15,345	7,577	(5,776)	23,585
Total current liabilities	13,096	59,849	55,232	(49,980)	78,197
Long-term Liabilities:					
Long-term debt	122,345	--	17,764	--	140,109
Accrued pension liabilities	5,211	709	18,449	--	24,369
Environmental liabilities, net	--	16,917	--	--	16,917
Other liabilities	700	--	33,945	(32,525)	2,120
Total long-term liabilities	128,256	17,626	70,158	(32,525)	183,515
Total liabilities	141,352	77,475	125,390	(82,505)	261,712
Minority interest	--	--	635	--	635
Shareholder's (Deficit) Equity:					
Common stock	50	1,217	109,133	(110,350)	50
Due from parent company	(2,238)	--	--	--	(2,238)
Additional paid-in capital	46,319	123,864	7,076	(130,940)	46,319
Accumulated other comprehensive loss	(16,657)	(13,572)	(24,407)	37,979	(16,657)
Accumulated deficit	(47,240)	(44,222)	(31,519)	75,741	(47,240)
Total shareholder's (deficit) equity	(19,766)	67,287	60,283	(127,570)	(19,766)
Total	$121,586	$144,762	$186,308	$(210,075)	$242,581

</TABLE>

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

Metallurg, Inc. and its Consolidated Subsidiaries
Condensed Consolidating Balance Sheet (Unaudited)
December 31, 2004
(In thousands)

<TABLE>
<CAPTION>

<S>	Metallurg, Inc. <C>	Combined Guarantor Subsidiaries <C>	Combined Non-Guarantor Subsidiaries <C>	Eliminations <C>	Consolidated <C>
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 19,384	$ 1,498	$ 2,179		$ 23,061
Accounts receivable, net	22,169	20,357	45,934	$ (42,436)	46,024
Inventories	--	31,708	31,611	(768)	62,551
Prepaid expenses and other current assets	2,372	5,850	11,095	(6,885)	12,432
Total current assets	43,925	59,413	90,819	(50,089)	144,068
Investments - intergroup	58,161	11,199	41,058	(110,418)	--
Property, plant and equipment, net	128	19,438	32,936	--	52,502
Other assets	12,635	39,885	9,732	(40,256)	21,996
Total	$114,849	$129,935	$174,545	$(200,763)	$218,566

LIABILITIES AND SHAREHOLDER'S (DEFICIT)
EQUITY

Current Liabilities:
Short-term debt and current portion of

long-term debt	$ 1,000		$ 10,870		$ 11,870
Accounts payable	4,939	$ 41,525	28,336	$ (42,436)	32,364
Accrued expenses	3,151	4,479	5,368	--	12,998
Other current liabilities	--	8,785	1,883	(6,885)	3,783
Total current liabilities	9,090	54,789	46,457	(49,321)	61,015
Long-term Liabilities:					
Long-term debt	122,792	--	18,792	--	141,584
Accrued pension liabilities	5,118	684	18,721	--	24,523
Environmental liabilities, net	--	19,202	--	--	19,202
Other liabilities	8,300	--	33,997	(40,256)	2,041
Total long-term liabilities	136,210	19,886	71,510	(40,256)	187,350
Total liabilities	145,300	74,675	117,967	(89,577)	248,365
Minority interest	--	--	652	--	652
Shareholder's (Deficit) Equity:					
Common stock	50	1,217	109,133	(110,350)	50
Due from parent company	(1,494)	--	--	--	(1,494)
Additional paid-in capital	45,619	127,457	7,076	(134,533)	45,619
Accumulated other comprehensive loss	(16,968)	(13,883)	(25,064)	38,947	(16,968)
Accumulated deficit	(57,658)	(59,531)	(35,219)	94,750	(57,658)
Total shareholder's (deficit) equity	(30,451)	55,260	55,926	(111,186)	(30,451)
Total	$114,849	$129,935	$174,545	$(200,763)	$218,566

</TABLE>

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

Metallurg, Inc. and its Consolidated Subsidiaries
Condensed Consolidating Statement of Cash Flows (Unaudited)
Quarter Ended March 31, 2005
(In thousands)

<TABLE>
<CAPTION>

<S>	Metallurg, Inc. <C>	Combined Guarantor Subsidiaries <C>	Combined Non-Guarantor Subsidiaries <C>	Consolidated <C>
Cash Flows from Operating Activities	$(3,112)	$(3,955)	$ 739	$(6,328)
Cash Flows from Investing Activities:				
Additions to property, plant and equipment	(4)	(19)	(743)	(766)
Other, net	--	--	474	474
Net cash used in investing activities	(4)	(19)	(269)	(292)
Cash Flows from Financing Activities:				
Intergroup (repayments) borrowings	(3,127)	3,214	(87)	--
Repayment of long-term debt	--	--	(1,114)	(1,114)
Net short-term borrowings	--	--	761	761
Loan to parent company	(744)	--	--	(744)
Intergroup dividends received (paid)	475	(475)	--	--
Net cash (used in) provided by financing activities	(3,396)	2,739	(440)	(1,097)
Effects of exchange rate changes on				

cash and cash equivalents	--	--	(37)	(37)
Net decrease in cash and cash equivalents ..	(6,512)	(1,235)	(7)	(7,754)
Cash and cash equivalents - beginning of period	19,384	1,498	2,179	23,061
Cash and cash equivalents - end of period ..	$12,872	$ 263	$ 2,172	$15,307

</TABLE>

METALLURG HOLDINGS, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

Metallurg, Inc. and its Consolidated Subsidiaries
Condensed Consolidating Statement of Cash Flows (Unaudited)
Quarter Ended March 31, 2004
(In thousands)

<TABLE>
<CAPTION>

<S>	Metallurg, Inc. <C>	Combined Guarantor Subsidiaries <C>	Combined Non-Guarantor Subsidiaries <C>	Consolidated <C>
Cash Flows from Operating Activities	$ (601)	$(11,053)	$(1,436)	$(13,090)
Cash Flows from Investing Activities:				
Additions to property, plant and equipment	(2)	(97)	(190)	(289)
Other, net	--	--	6,938	6,938
Net cash used in investing activities ...	(2)	(97)	6,748	6,649
Cash Flows from Financing Activities:				
Intergroup (repayments) borrowings	(8,312)	18,199	(9,887)	--
Repayment of long-term debt	--	--	(90)	(90)
Net short-term borrowings	8,000	--	441	8,441
Loan to parent company	(1,494)	--	--	(1,494)
Restricted cash deposited to collateralize revolving credit facility	(7,000)	--	--	(7,000)
Other, net	--	--	1,139	1,139
Intergroup dividends received (paid)	7,819	(7,730)	(89)	--
Net cash (used in) provided by financing activities	(987)	10,469	(8,486)	996
Effects of exchange rate changes on cash and cash equivalents	--	--	180	180
Net decrease in cash and cash equivalents ..	(1,590)	(681)	(2,994)	(5,265)
Cash and cash equivalents - beginning of period	6,409	745	11,084	18,238
Cash and cash equivalents - end of period ..	$ 4,819	$ 64	$ 8,909	$ 12,973

</TABLE>

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain matters discussed under the caption "Management's Discussion and

Analysis of Financial Condition and Results of Operations" and elsewhere in this Annual Report on Form 10-Q may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of words such as "plan", "expect", "believe", "should", "could", "anticipate", "intend" and other expressions that indicate future events or trends. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

Factors that may cause the Company's results to be materially different include:

- The cyclical nature of the Company's business.
- The Company's dependence on foreign customers. The Company operates throughout the world and derives a significant amount of its revenues from outside of the U.S.
- The impact of changes of the prices of raw materials and our products.
- The impact of changes in foreign exchange rates and foreign trade regulations on the Company's competitive standing. Revenues and earnings from outside the U.S. could be materially affected by exchange rate fluctuations.
- The ability to complete a refinancing of the financing agreement with MHR on favorable terms, if at all.
- The ability to meet debt service requirements.
- The availability of raw materials.
- The impact of worldwide competition.
- The economic strength of the Company's markets generally and particularly the strength of the demand for aluminum, iron, steel, superalloys and titanium alloys in those markets.
- The impact of changes in the business of our end users.
- The impact of changes in technology and methods of marketing.
- The accuracy of the Company's estimates of the costs of environmental remediation.
- The extension or expiration of existing anti-dumping duties.
- The performance of world financial markets and its effect on the pension expense of the Company's defined benefit plans.
- The possible disruption of business or increases in the cost of doing business resulting from terrorist activities or global conflicts.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Critical Accounting Estimates

For a discussion of the critical accounting estimates affecting the Company, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations -- Critical Accounting Estimates" beginning on page 22 of the Company's annual report on Form 10-K for the year ended December 31, 2004. The critical accounting estimates affecting the Company have not changed since December 31, 2004.

Overview

The Company is one of the world's leading developers, manufacturers and marketers of highly engineered and technologically advanced metal alloying additives. Its products are essential to the production of high performance aluminum and titanium alloys, superalloys, and specialty steels that are used in mission critical applications across a range of end markets, including the electronics, aerospace, automotive, chemical processing, energy and construction industries. Through its focus on manufacturing and sourcing efficiencies, the Company believes that it is the low cost producer for many of the products that it sells. The Company operates production facilities in the U.K., the U.S. and Brazil. The Company's products are primarily sold to one of three major market sectors: the aluminum industry, the steel industry and the superalloy industry.

Overall operating conditions in each of these sectors have improved over the last year due to a rebound in general economic conditions worldwide and important changes in consumption patterns in China. The improved market conditions have contributed, along with certain production capacity reductions, to a tighter supply and demand balance for several of the Company's products. Additionally, a declining U.S. dollar caused prices for some of our products to rise as foreign competitors increased prices to offset the negative effect of the declining U.S. dollar. While we cannot predict demand or prices in the markets we serve, this discussion presents a general overview of each of our major market sectors.

Demand from the aluminum market continued to improve from the low levels experienced in recent years, coinciding with increased global economic activity. On the supply side, a significant amount of excess and idle capacity exists in the aluminum master alloy industry. In the third quarter of 2004, Metallurg closed its master alloy facility in Norway to reduce excess capacity in the industry. Customers continue to be served from our facilities in the U.K. and Brazil. As a result of this closure and higher demand within the aluminum industry, pricing for our products have shown some improvement. Metallurg continues to seek higher prices for its major products and to implement cost reduction initiatives to enhance operating performance.

The domestic steel industry continues to operate at moderately high levels of production and world steel production continues to grow at levels in excess of world GDP growth. Demand for ferrovanadium improved during 2004 and continues to be strong in 2005, driven by increasing world specialty steel production and increasing use of vanadium-bearing specialty steels in China, particularly for use in construction. The global supply/demand outlook for ferrovanadium has changed over the last few years, with Asia becoming a net importer of material instead of a net exporter. In the first quarter of 2004, we were successful in securing a significant long-term source of vanadium to improve capacity utilization and profitability. In April 2004, a labor strike affecting the ferrovanadium production facility in Cambridge, Ohio was settled with the ratification of a new three-year contract. The effects of securing new long-term raw materials arrangements, settling the labor strike and increased demand and pricing for ferrovanadium have improved profitability throughout 2004 and into 2005. During the fourth quarter of 2004 and the first quarter of 2005, market prices have moved significantly higher. We expect demand for ferrovanadium to remain strong and prices to remain well above long-term historical trend levels throughout 2005. We expect that raw material costs, for the production of ferrovanadium, to rise in 2006, as some of our raw material contracts are referenced to historical market prices.

The superalloy industry has rebounded from the low production levels of recent years. This increase is driven by higher military spending, increased applications for energy related projects and improving commercial airliner production build rates. Titanium prices have increased significantly throughout 2004 and into 2005 due to higher demand, primarily in aerospace applications. We expect these strong market fundamentals to continue throughout 2005.

Results of Operations - The Quarter Ended March 31, 2005 Compared to the Quarter Ended March 31, 2004

The Company operates in one significant industry segment, the manufacture and sale of performance-enhancing additives mainly for the metallurgical industry. The Company is organized into three reportable segments centered around its major production facilities in the U.K., the U.S. and Brazil. In addition to its own products, the Company distributes products manufactured by third parties.

Summarized financial information concerning the Company's reportable segments is shown in the following table (in thousands). Each segment records direct expenses related to its employees and operations. The "Other" column includes corporate related items and results of subsidiaries not meeting the quantitative thresholds as prescribed by applicable accounting rules for determining reportable segments. The Company does not allocate general corporate overhead expenses to operating segments. The accounting policies of the segments are the same as those of the consolidated group. Transactions among segments are established based on negotiation among the parties. There have been no material changes in the financial statement presentation nor in segment assets from the amounts disclosed in the last annual report.

(In thousands)	LSM	SMC	CIF	Other	Intersegment Eliminations	Consolidated
Quarter Ended March 31, 2005						
Total revenue	$58,973	$55,138	$17,202	$ 3,104	$(12,221)	$122,196
Gross profit	5,717	18,758	2,183	486	(309)	26,835
SG&A	2,895	3,393	750	2,176	--	9,214
Operating income (loss)	2,822	15,365	1,433	(1,690)	(309)	17,621
Interest expense, net	(323)	(576)	(310)	(4,895)	--	(6,104)
Income tax provision (benefit)	940	5,010	736	(4,024)	--	2,662
Net income	1,557	9,779	387	12,321	(15,191)	8,853

(In thousands)	LSM	SMC	CIF	Other	Intersegment Eliminations	Consolidated
Quarter Ended March 31, 2004						
Total revenue	$43,017	$30,452	$9,840	$ 6,023	$(13,782)	$75,550
Gross profit	3,650	2,178	980	927	(419)	7,316
SG&A	2,883	1,804	526	1,754	--	6,967
Operating income (loss)	670	374	454	(827)	(419)	252
Interest expense, net	(355)	(235)	(205)	(3,441)	--	(4,236)
Income tax provision (benefit)	89	402	35	(430)	--	96
Net income (loss)	313	(263)	214	(1,386)	(3,695)	(4,817)

Total Revenue

Consolidated total revenue increased by $46.6 million (62%) in the quarter ended March 31, 2005.

LSM revenue for the quarter ended March 31, 2005 was $16.0 million (37%) higher than the quarter ended March 31, 2004. Sales of aluminum master alloys and compacted products increased by $4.5 million as a result of a 29% increase in selling prices. Sales of aluminum powder increased by $3.6 million as a result of a 39% increase in sales volume and a 19% increase in selling prices. Sales of chrome products increased by $1.0 million as a result of a 4% increase in sales volume and a 9% increase in selling prices. Sales of ferrotitanium were $5.5 million higher, due to a 102% increase in average unit selling prices. The remaining increase in revenues of $1.4 million relates to other products.

SMC revenue for the quarter ended March 31, 2005 was $24.7 million (81%) higher than the quarter ended March 31, 2004. Sales of vanadium products, produced in SMC's Ohio plant, increased by $22.0 million as a result of a 64% increase in sales volume and a 129% increase in selling prices. Sales of third party produced products increased by $1.6 million as a result of an increase in the selling price of chrome products. The remaining increase in revenues of $1.1 million relates to other products.

CIF revenue for the quarter ended March 31, 2005 was $7.4 million (75%) higher than the quarter ended March 31, 2004. Sales of aluminum master alloys and compacted products increased by $3.5 million (50%), as a result of a 23% increase in sales volume and a 22% increase in selling prices. Sales of tantalum products rose by $2.0 million (246%), due to a 94% increase in sales volume and a 78% increase in selling prices. Sales of niobium products rose by $1.0 million (54%), despite lower selling prices, due to a 99% increase in sales volume. The remaining increase in revenues of $0.9 million relates to other products.

Gross Profit

Consolidated gross profit increased to $26.8 million (22.0% of total revenue) for the quarter ended March 31, 2005 from $7.3 million (9.7% of total revenue) for the quarter ended March 31, 2004.

LSM gross profit for the quarter ended March 31, 2005 was $2.1 million (57%) higher than the quarter ended March 31, 2004. Gross profit from aluminum products increased by $2.3 million, due to higher selling prices partially offset by increased unit costs. Gross profit from chrome products decreased by $0.4 million due to higher unit costs, despite higher selling prices. Gross profit from ferrotitanium improved by $0.1 million as a result of higher prices that were mostly offset by higher unit costs.

SMC gross profit for the quarter ended March 31, 2005 was $16.6 million (761%) higher than the quarter ended March 31, 2004. Gross profit from vanadium products improved by $16.8 million as a result of an increase in average selling prices, partially offset by an increase in unit costs.

CIF gross profit for the quarter ended March 31, 2005 increased by $1.2 million (123%) from the quarter ended March 31, 2004. Gross profit from tantalum products improved by $0.7 million as a result of an increase in average selling prices, partially offset by an increase in unit costs.

Selling, General and Administrative Expenses ("SG&A")

SG&A increased to $9.2 million (7.5% of total revenue) for the quarter ended March 31, 2005 compared to $7.0 million (9.2% of total revenue) for the quarter ended March 31, 2004. The dollar increase was due to higher bank charges of $0.5 million primarily associated with the MHR financing agreement, higher professional fees of $1.1 million primarily for compliance with the Sarbanes-Oxley Act of 2002 and additional incentive compensation costs of $1.0 million associated with improved results. The percentage decrease was due primarily to an increase in total revenue.

Operating Income (Loss)

Operating income was $17.6 million for the quarter ended March 31, 2005 compared to $0.3 million for the quarter ended March 31, 2004 primarily due to the increase in gross profit offset by the increase in SG&A as discussed above.

Interest Expense, Net

Interest expense, net, was as follows (in thousands):

<TABLE>
<CAPTION>

	Quarters Ended March 31, 2005	Quarters Ended March 31, 2004
<S>	<C>	<C>
Interest income	$ 277	$ 621
Interest expense	(6,381)	(4,857)
Interest expense, net	$(6,104)	$(4,236)

</TABLE>

The increase in interest expense, net for the quarter ended March 31, 2005 is due to the higher debt levels, higher effective interest rates and the amortization of debt issue costs associated with the MHR financing.

Income Tax Provision, Net

Income tax provision, net of tax benefits, was as follows (in thousands):

<TABLE>
<CAPTION>

	Quarters Ended March 31,

	2005	2004
<S>	<C>	<C>
Total current	$1,807	$ 318
Total deferred	855	(222)
Income tax provision, net	$2,662	$ 96

</TABLE>

The difference between the statutory federal income tax rate and the Company's effective rate for the quarters ended March 31, 2005 and 2004, is principally due to: (i) certain deductible temporary differences, principally domestic net operating losses, which in other circumstances would have generated a deferred tax benefit, have been fully provided for in a valuation allowance and (ii) the excess of foreign tax rates over the statutory federal income tax rate.

Net Income (Loss)

The Company had net income of $8.9 million for the quarter ended March 31, 2005 compared to a net loss of $4.8 million for the quarter ended March 31, 2004 due to the higher operating income discussed above, offset by higher interest expense, net and higher provision for income taxes. Net income for the quarter ended March 31, 2004 also included a net loss from discontinued operations of $0.8 million. See "Note 3. Discontinued Operations" to the Company's Consolidated Financial Statements.

Liquidity and Financial Resources

General

The Company's sources of liquidity include cash and cash equivalents, cash from operations and amounts available under credit facilities. At March 31, 2005, the Company had $15.7 million in cash and cash equivalents and working capital of $91.1 million as compared to $23.4 million and $80.6 million, respectively, at December 31, 2004.

Metallurg Holdings currently does not have sufficient cash on hand to make the interest payments due on the Senior Discount Notes. Metallurg, Inc. does not have the capacity to provide money to Metallurg Holdings to pay the interest on the Senior Discount Notes. Metallurg Holdings' next interest payment to non-related parties is due July 15, 2005 in the amount of $1.5 million. In March 2005, Metallurg Holdings received a letter of support from Safeguard International assuring support to Metallurg Holdings in meeting its cash flow needs through at least May 31, 2006.

Cash Flow Information

Cash Flows from Operating Activities - Cash used in operating activities was $7.8 million for the quarter ended March 31, 2005 compared to $14.6 million for the quarter ended March 31, 2004. The improvement in net income of $8.9 million in 2005 vs. a loss of $4.8 million in 2004 was offset by an increase in components of working capital of $19.5 million due to improved operations and higher metal prices.

Cash Flows from Investing Activities - Cash used in investing activities was $0.3 million for the quarter ended March 31, 2005 compared to net cash provided by investing activities of $6.6 million for the quarter ended March 31, 2004. In 2004, the sale of the South African sales office was partially offset by a loan provided to the buyer of that sales office.

Cash Flows from Financing Activities - Cash provided by financing activities was $0.4 million for the quarter ended March 31, 2005, compared to $2.5 million for the quarter ended March 31, 2004. In 2004, the Company received an $8.0 million loan from related parties to facilitate the purchase of raw material for the vanadium plant and had to deposit $7.0 million as cash collateral for its revolving credit facility.

Credit Facilities and Other Financing Arrangements

Senior Discount Notes - The Company has not made any changes to the terms of its Senior Discount Notes described in its Annual Report on Form 10-K as of December 31, 2004.

Senior Notes - The Company has not made any changes to the terms of its Senior Notes described in its Annual Report on Form 10-K as of December 31, 2004.

MHR Credit Facility - The Company has not made any changes to the terms of this facility described in its Annual Report on Form 10-K as of December 31, 2004. The total amount outstanding under this agreement is $15.9 million in loans and $20.8 million in letters of credit at March 31, 2005.

LSM Revolving Credit Facilities - LSM has not made any changes to the terms of these facilities described in Metallurg's Annual Report on Form 10-K as of December 31, 2004. At March 31, 2005, there were $1.1 million of borrowings outstanding under these facilities at an interest rate of 3.9% and included in short-term debt on the consolidated balance sheet.

LSM Term Loans - In January 2005, these loans were amended to denominate them in U.S. dollars on similar terms and conditions. The loan with Barclays Bank plc is for $10.5 million for a term of two years and three months and bears interest at 3-month U.S. dollar LIBOR plus 1.75%. LSM makes quarterly principal repayments of $0.3 million plus interest. At March 31, 2005, $10.2 million remains outstanding under this loan. The loan with HSBC Bank plc is for $10.5 million for a term of four and one-half years and bears interest at 3-month U.S. dollar LIBOR plus 1.65%. LSM makes quarterly principal repayments of $0.4 million plus interest. At March 31, 2005, $10.1 million remains outstanding under this loan. These term loan facilities are collateralized by the assets of LSM and require LSM to comply with various covenants, including the maintenance of minimum tangible net worth and interest coverage.

Other - CIF maintains short-term secured and unsecured borrowing arrangements with various banks totaling $10.7 million. Borrowings under these arrangements aggregated $7.7 million at March 31, 2005 at a weighted-average interest rate of 9.6%.

Capital Expenditures

The Company invested $0.8 million in capital projects during the quarter ended March 31, 2005. The Company's capital expenditures include projects related to improving the Company's operations, productivity improvements, replacement projects and ongoing environmental requirements (which are in addition to expenditures discussed in "Environmental Remediation Costs" below). Capital expenditures are projected to total approximately $5.3 million for the year ended December 31, 2005. The Company believes approximately half of these capital expenditures will result in decreased costs of production, improved efficiency and expanded production capacities. The remaining planned capital expenditures are primarily for replacement and repairs of existing facilities. Although the Company has projected these items in the periods noted above, the Company has not committed purchases to vendors for all of these projects, as some projects remain contingent on final approvals and other conditions and the actual timing of expenditures may extend into future periods. The Company believes that these projects will be funded through existing and future internally generated cash and credit lines.

Environmental Remediation Costs

Losses associated with environmental remediation obligations are accrued when such losses are deemed probable and reasonably estimable. Such accruals generally are recognized no later than the completion of the remedial feasibility study and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are generally not discounted to their present value. During the quarter ended March 31, 2005, Metallurg paid $1.9 million for environmental remediation.

In 1997, SMC entered into settlement agreements with various environmental regulatory authorities with regard to all of the significant environmental remediation liabilities of which it was aware. Pursuant to these agreements, SMC has agreed to perform environmental remediation, which, as of March 31, 2005, had an estimated net cost of completion of $19.2 million. Of this amount, the Company expects to spend $1.4 million in the remaining three quarters of 2005 (not including the settlement by SMC of certain environmental remediation obligations at its Newfield facility) and $3.3 million in 2006. These amounts have been accrued for in prior years and are reflected in the Company's consolidated balance sheet liabilities.

While its remediation obligations and other environmental costs, in the aggregate, will reduce its liquidity, the Company believes its cash balances, cash from operations and cash available under its credit facilities are sufficient to fund its current and anticipated future requirements for environmental expenditures.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

Refer to the Market Risk section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's annual report on Form 10-K for the year ended December 31, 2004, which is incorporated by reference herein.

ITEM 4 - CONTROLS AND PROCEDURES

The Company carried out an evaluation, under the supervision of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities and Exchange Act of 1934 (the "Exchange Act")) were effective.

There have been no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter covered by this report that have materially affected, or are reasonable likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 5 - OTHER INFORMATION

The Company is not required to file reports with the Securities and Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, but is filing this Quarterly Report on Form 10-Q on a voluntary basis. Accordingly, it is not an "issuer" as defined in Section 2(a)(7) of the Sarbanes-Oxley Act of 2002.

ITEM 6 - EXHIBITS

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on May 2, 2005 on its behalf by the undersigned thereunto duly authorized.

METALLURG HOLDINGS, INC.

By: /s/ Arthur R. Spector

Arthur R. Spector
Executive Vice President
(Principal Financial Officer and
Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Heinz C. Schimmelbusch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Metallurg Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2005

/s/ Heinz C. Schimmelbusch

Heinz C. Schimmelbusch
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Arthur R. Spector, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Metallurg Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2005

/s/ Arthur R. Spector

Arthur R. Spector
Executive Vice President
(Principal Financial Officer and
Principal Accounting Officer)