SECURITIES AND EXCHANGE COMMISSION

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 INC

CIK:**1030992**| IRS No.: **131661467** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-42141** | Film No.: **05789766**
SIC: **3360** Nonferrous foundries (castings)

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

Commission file number: 333-42141

Delaware (State of organization)	13-1661467 (I.R.S. Employer Identification No.)
1140 Avenue of the Americas New York, New York 10036 (Address of principal executive offices)	(212) 835-0200 (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]

The number of shares of common stock, $0.01 par value, issued and outstanding as of May 2, 2005 was 5,000,000.

*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, INC. AND CONSOLIDATED SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

METALLURG, INC. AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (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	9,205	6,964
Restructuring charges	--	97
Total operating costs and expenses	104,566	75,295
Operating income	17,630	255
Other income (expense):		
Other income, net	16	48
Interest expense, net	(4,548)	(2,921)
Income (loss) before income tax provision, minority interest and discontinued operations	13,098	(2,618)
Income tax provision	(2,662)	(96)
Minority interest	(18)	39
Income (loss) from continuing operations	10,418	(2,675)
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)	10,418	(3,499)
Other comprehensive income (loss):		
Foreign currency translation adjustment	(88)	3,113
Deferred gain on derivatives, net	399	867
Comprehensive income	$ 10,729	$ 481

</TABLE>

See notes to unaudited condensed consolidated financial statements.

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METALLURG, INC. AND CONSOLIDATED SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

<TABLE>
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	March 31, 2005 (unaudited)	December 31, 2004
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 15,307	$ 23,061
Accounts receivable, net	67,629	46,024
Inventories	74,656	62,551
Prepaid expenses and other current assets	12,868	12,432
Total current assets	170,460	144,068
Property, plant and equipment, net	51,449	52,502
Other assets	20,672	21,996
Total	$242,581	$218,566
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Current Liabilities:		
Short-term debt and current portion of long-term debt	$ 13,546	$ 11,870
Accounts payable	41,066	32,364
Other current liabilities	23,585	16,781
Total current liabilities	78,197	61,015
Long-term Liabilities:		
Long-term debt	140,109	141,584
Accrued pension liabilities	24,369	24,523
Environmental liabilities, net	16,917	19,202
Other liabilities	2,120	2,041
Total long-term liabilities	183,515	187,350
Total liabilities	261,712	248,365
Commitments and Contingencies		
Minority Interest	635	652
Shareholder's Deficit:		
Common stock	50	50
Due from parent company	(2,238)	(1,494)
Additional paid-in capital	46,319	45,619
Accumulated other comprehensive loss	(16,657)	(16,968)
Accumulated deficit	(47,240)	(57,658)
Total shareholder's deficit	(19,766)	(30,451)
Total	$242,581	$218,566

</TABLE>

See notes to unaudited condensed consolidated financial statements.

METALLURG, INC. AND CONSOLIDATED SUBSIDIARIES

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

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<TABLE>
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	Quarters Ended March 31, 2005	Quarters Ended March 31, 2004
<S>	<C>	<C>
Cash Flows from Operating Activities:		
Net income (loss)	$ 10,418	$ (3,499)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	2,231	1,933
Deferred income taxes	855	(222)
Interest expense paid-in-kind	553	--
Restructuring charges	--	97
Loss on sale of discontinued operations	--	1,162
Change in operating assets and liabilities:		
Increase in accounts receivable	(21,618)	(6,331)
Increase in inventories	(12,104)	(11,472)
Increase in other current assets	(151)	(1,215)
Increase in accounts payable and other current liabilities	15,697	8,895
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	(6,328)	(13,090)
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	(1,114)	(90)
Borrowings of short-term debt, net	761	8,441
Loans to parent company	(744)	(1,494)
Restricted cash deposited to collateralize revolving credit facility	--	(7,000)
Discontinued operations - financing activities	--	1,139
Net cash (used in) provided by financing activities	(1,097)	996
Effects of exchange rate changes on cash and cash equivalents	(37)	180
Net decrease in cash and cash equivalents	(7,754)	(5,265)
Cash and cash equivalents - beginning of period	23,061	18,238
Cash and cash equivalents - end of period	$ 15,307	$ 12,973

</TABLE>

See notes to unaudited condensed consolidated financial statements.

METALLURG, 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, Inc. and its majority-owned subsidiaries (collectively, "Metallurg"). 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

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adjustments (consisting only 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 Metallurg, Inc.'s annual report on Form 10-K for the year ended December 31, 2004.

Metallurg, Inc. is a wholly-owned subsidiary of Metallurg Holdings since the acquisition date of July 13, 1998. The financial statements do not reflect the pushdown of purchase accounting adjustments recorded by Metallurg Holdings.

Earnings per share are not presented since Metallurg, Inc. is a wholly-owned subsidiary of Metallurg Holdings.

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 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	2004
Net income (loss), as reported	$10,418	$(3,499)
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)	$10,410	$(3,509)

Beginning January 1, 2006, Metallurg 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

Metallurg operates in one significant industry segment, the manufacture and sale of performance-enhancing additives mainly for the metallurgical industry. Metallurg 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, Metallurg distributes complementary products manufactured by third parties.

Reportable Segments

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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 Metallurg'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. Metallurg 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)

	LSM	SMC	CIF	Other	Intersegment Eliminations	Consolidated Totals
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	13,886	(15,191)	10,418
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	(68)	(3,695)	(3,499)

5. Inventories

Inventories consist of the following (in thousands):

	March 31, 2005	December 31, 2004
Raw materials	$30,646	$19,973
Work in process	932	787
Finished goods	41,531	40,474

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Other	1,547	1,317
Total	$74,656	$62,551

</TABLE>

6. Contingent Liabilities

Metallurg 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 Metallurg'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 Metallurg that could have a material adverse effect on Metallurg'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>
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	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. Metallurg may elect to apply this provision to qualifying earnings repatriations in the year ending December 31, 2005. Metallurg 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 Metallurg 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, Metallurg, Inc. loaned its parent company, Metallurg Holdings, Inc. ("Metallurg Holdings"), $744,000 in order for Metallurg Holdings to make the interest payment on its 12 3/4% Senior Discount Notes due 2008 (the

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"Senior Discount Notes") to non-related parties. The loan is included in due from parent company in the consolidated balance sheet.

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.

Condensed Consolidating Statement of Operations (Unaudited)
Quarter Ended March 31, 2005
(In thousands)

<TABLE>
<CAPTION>

	Metallurg, Inc.	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>	<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)

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Condensed Consolidating Statement of Operations (Unaudited)
Quarter Ended March 31, 2004
(In thousands)

	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)

METALLURG, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

Condensed Consolidating Balance Sheet (Unaudited)
March 31, 2005
(In thousands)

	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

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	Metallurg, Inc.	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
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, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

Condensed Consolidating Balance Sheet (Unaudited)
December 31, 2004
(In thousands)

<TABLE>
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<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

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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, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

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				

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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, INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

10. Supplemental Guarantor Information - (Continued)

Condensed Consolidating Statement of Cash Flows (Unaudited)
Quarter Ended March 31, 2004
(In thousands)

<TABLE>
<CAPTION>

	Metallurg, Inc.	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Consolidated
<S>	<C>	<C>	<C>	<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

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Forward-Looking Statements

Certain matters discussed under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly 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 Metallurg'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 that may cause the actual results, performance and achievements of Metallurg to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

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

- The cyclical nature of Metallurg's business.
- Metallurg's dependence on foreign customers. Metallurg 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 Metallurg'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 Metallurg'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 Metallurg'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 Metallurg's defined benefit plans.
- The possible disruption of business or increases in the cost of doing business resulting from terrorist activities or global conflicts.

Metallurg 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 Metallurg, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations -- Critical Accounting Estimates" beginning on page 20 of Metallurg's annual report on Form 10-K for the year ended December 31, 2004. The critical accounting estimates affecting Metallurg have not changed since December 31, 2004.

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Overview

Metallurg 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, Metallurg believes that it is the low cost producer for many of the products that it sells. Metallurg operates production facilities in the U.K., the U.S. and Brazil. Metallurg'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 Metallurg'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

Metallurg operates in one significant industry segment, the manufacture and sale of performance-enhancing additives mainly for the metallurgical industry. Metallurg 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

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products, Metallurg distributes products manufactured by third parties.

Summarized financial information concerning Metallurg'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. Metallurg 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) Quarter Ended March 31, 2005	LSM	SMC	CIF	Other	Intersegment Eliminations	Consolidated
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	2,167	--	9,205
Operating income (loss)	2,822	15,365	1,433	(1,681)	(309)	17,630
Interest expense, net	(323)	(576)	(310)	(3,339)	--	(4,548)
Income tax provision (benefit)	940	5,010	736	(4,024)	--	2,662
Net income	1,557	9,779	387	13,886	(15,191)	10,418

(In thousands) Quarter Ended March 31, 2004	LSM	SMC	CIF	Other	Intersegment Eliminations	Consolidated
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	1,751	--	6,964
Operating income (loss)	670	374	454	(824)	(419)	255
Interest expense, net	(355)	(235)	(205)	(2,126)	--	(2,921)
Income tax provision (benefit)	89	402	35	(430)	--	96
Net income (loss)	313	(263)	214	(68)	(3,695)	(3,499)

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

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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	2004
<S>	<C>	<C>
Interest income	$ 275	$ 621
Interest expense	(4,823)	(3,542)
Interest expense, net	$(4,548)	$(2,921)

</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

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

<TABLE>
<CAPTION>

<S>	Quarters Ended March 31, 2005 <C>	Quarters Ended March 31, 2004 <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 Metallurg'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)

Metallurg had net income of $10.4 million for the quarter ended March 31, 2005 compared to a net loss of $3.5 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 Metallurg's Consolidated Financial Statements.

Liquidity and Financial Resources

General

Metallurg's sources of liquidity include cash and cash equivalents, cash from operations and amounts available under credit facilities. At March 31, 2005, Metallurg had $15.3 million in cash and cash equivalents and working capital of $92.3 million as compared to $23.1 million and $83.1 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. As all of Metallurg, Inc.'s outstanding common stock has been pledged as collateral for Metallurg Holdings' obligations under the Senior Discount Notes, if Metallurg Holdings were unable to make interest payments when due, it could lead to a foreclosure on its assets, principally the equity of Metallurg, Inc. Such foreclosure would create a default in accordance with the indenture terms of the Senior Notes and result in an acceleration of $100 million of Senior Note indebtedness. 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 $6.3 million for the quarter ended March 31, 2005 compared to $13.1 million for the quarter ended March 31, 2004. The improvement in net income of $10.4 million in 2005 vs. a loss of $3.5 million in 2004 was offset by an increase in components of working capital of $18.2 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.

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Cash Flows from Financing Activities - Cash used in financing activities was $1.1 million for the quarter ended March 31, 2005, compared to cash provided by financing activities of $1.0 million for the quarter ended March 31, 2004. In 2004, Metallurg 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 Notes - Metallurg 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. In January 2005, Metallurg, Inc. loaned Metallurg Holdings, its parent company, $744,000 to pay interest on Metallurg Holdings' Senior Discount Notes held by non-related parties. This restricted payment was necessary, as Metallurg Holdings did not have sufficient cash on hand to make its required interest payments and reduced Metallurg, Inc.'s ability to make restricted payments under its Senior Note indenture to $114,000.

MHR Credit Facility - Metallurg 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

Metallurg invested $0.8 million in capital projects during the quarter ended March 31, 2005. Metallurg's capital expenditures include projects related to improving Metallurg'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. Metallurg 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 Metallurg has projected these items in the periods noted above, Metallurg 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. Metallurg 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

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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, Metallurg 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 Metallurg's consolidated balance sheet liabilities.

While its remediation obligations and other environmental costs, in the aggregate, will reduce its liquidity, Metallurg 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 Metallurg'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

Metallurg 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, Metallurg'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 Metallurg'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, Metallurg's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 5 - OTHER INFORMATION

Metallurg 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

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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, INC.

By: /s/ Barry C. Nuss

Barry C. Nuss
Senior Vice President and Chief
Financial Officer

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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, 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):

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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

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EXHIBIT 31.2

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

I, Barry C. Nuss, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Metallurg, 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):

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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/ Barry C. Nuss

Barry C. Nuss
Senior Vice President and Chief
Financial Officer

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