OM GROUP INC
Form 10-Q/A
December 24, 2003

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

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

For the quarterly period ended June 30, 2003
Commission File Number 0-22572

OM GROUP, INC.

(exact name of registrant as specified in its charter)

Delaware (state or other jurisdiction of incorporation or organization)	52-1736882 (I.R.S., Employer Identification Number)

Tower City
50 Public Square
Suite 3500
Cleveland, Ohio 44113-2204
(Address of principal executive offices)
(zip code)

(216) 781-0083
(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 and 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 __X__ No______

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 __X__ No______

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of June 30, 2003: Common Stock, $.01 Par Value 28,354,804 shares.

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Part I Financial Information
Item 1 Financial Statements

OM GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Thousands of dollars, except share data)
(Unaudited)

	June 30, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$19,295	$11,650
Accounts receivable	113,098	99,632
Inventories	305,838	304,654
Other current assets	69,452	90,365
Total Current Assets	507,683	506,301
PROPERTY, PLANT AND EQUIPMENT		
Land	5,567	5,420
Buildings and improvements	181,049	178,373
Machinery and equipment	512,392	507,185
Furniture and fixtures	15,968	15,822

ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus, and on the information contained in any prospectus supplements. We have not, and the selling stockholders have not, authorized anyone to provide you with information different from that contained in this prospectus or such supplements. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where it is lawful to do so. The information in this prospectus is accurate only as of the date of this prospectus, and the information in any prospectus supplement is accurate only as of the date of such supplement, regardless of the time of delivery of this prospectus or any such supplement or any sale of our common stock.

FORWARD-LOOKING STATEMENTS

This prospectus, any supplements to this prospectus and other documents that are and will be incorporated into this prospectus contain statements that involve expectations, plans or intentions (such as those relating to future business or financial results, new products or services, or management strategies). These statements are forward-looking and are subject to risks and uncertainties, so actual results may vary materially. You can identify these forward-looking statements by words such as "may," "should," "expect," "anticipate," "believe," "estimate," "intend," "plan" and other sin expressions. You should consider our forward-looking statements in light of the risks discussed under the heading "Risk Factors" below and in documents incorporated herein by reference, including our consolidated financial statements, related notes and other financial information appearing in our other filings and documents incorporated herein by reference. Given these risks and uncertainties, we caution you not to place undue reliance on such forward-looking statements. The forward-looking statements contained in this prospectus speak only as of the date hereof and we assume no obligation to update such statements.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere or incorporated by reference into this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in our common stock. You should read this entire prospectus and any supplements to this prospectus carefully, including the section entitled "Risk Factors" and the documents that we incorporate by reference into this prospectus or any such supplements, before making an investment decision.

Unless the context requires otherwise, in this prospectus, a reference to "PBI," "Pressure BioSciences," "we," "us," and "our" refer to Pressure BioSciences, Inc., a Massachusetts corporation, and its subsidiaries.

About Pressure BioSciences

We are a life sciences company focused on the development and commercialization of an enabling, platform technology called pressure cycling technology or PCT. PCT uses cycles of hydrostatic pressure between low and ultra-high levels (up to 35,000 psi and greater) to control bio-molecular interactions.

Our pressure cycling technology uses our internally developed instrumentation that is capable of cycling pressure between low and ultra-high levels at controlled temperatures to rapidly and repeatedly control the interactions of bio-molecules. Our instrument, the Barocycler®, and our internally developed disposable PULSE© (Pressure Used to Lyse Samples for Extraction) Tubes, together make up the PCT Sample Preparation System.

We hold 13 United States and 6 foreign patents covering the use of PCT in the life sciences field, and these patents have claims that apply to a variety of different uses in sample preparation, nucleic acid or protein extraction and other areas. We believe our pressure cycling technology employs a unique approach that has the potential for broad applications in a number of established and emerging life sciences areas, including;

- sample preparation for genomic, proteomic, and small molecule studies;
- control of chemical (enzymatic) reactions;
- protein purification;
- pathogen inactivation;
- immunodiagnostics;
- DNA sequencing; and
- food safety.

We were incorporated in the Commonwealth of Massachusetts in August 1978 as Boston Biomedica, Inc. In September 2004 we completed the sale of the Boston Biomedica core business units and began to focus exclusively on the further development and commercialization of our pressure cycling technology. Following this change in business strategy, we changed our name from Boston Biomedica, Inc. to Pressure BioSciences, Inc., and commenced significant operations as Pressure BioSciences, Inc. (PBI) in February 2005. Our web address is www.pressurebiosciences.com. We make available free of charge through the investor relations section of our website all reports that we file with the Securities and Exchange Commission. We do not incorporate the information on our website into this prospectus, and you should not consider it part of this prospectus or any accompanying prospectus supplement.

The Offering

On November 21, 2007, we sold and issued to the selling stockholders named on page 9 in a private placement an aggregate of 126,750 shares of our common stock. As part of the agreement relating to this private placement, we agreed to register for resale all of the shares of common stock issued to the selling stockholders.

Common stock to be offered by the selling stockholders	126,750 shares
Selling stockholders	All of the common stock covered by this prospectus is being offered by the selling stockholders named under the heading, "Selling Stockholders" beginning of page 9
Use of Proceeds	We will not receive any proceeds from the sale of the shares of common stock covered by this prospectus
Trading	Our common stock is listed on the NASDAQ Capital Market under the symbol "PBIO"
Plan of Distribution	The selling stockholders may dispose of the shares of common stock covered by this prospectus from time to time as described under the heading "Plan of Distribution" beginning on page 10
Common stock outstanding as of January 22, 2008	2,192,175 shares

RISK FACTORS

Investing in our common stock involves a high degree of risk. Prior to making a decision about investing in our common stock, you should carefully consider the risks and uncertainties described below, together with all of the other information contained in or incorporated by reference in this prospectus. In particular, you should carefully consider the risks described in the sections entitled "Risk Factors" contained in our latest Annual Report on Form 10-KSB and any subsequent Quarterly Reports on Form 10-QSB, which have been filed with the SEC and are incorporated herein by reference, as well as other information in this prospectus and any accompanying prospectus supplement before purchasing any of our common stock. Our actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include those discussed below, as well as those discussed elsewhere in this prospectus.

We expect that we will require additional capital to further develop our pressure cycling technology products and services and cannot ensure that additional capital will be available on acceptable terms or at all.

We have experienced negative cash flows from operations with respect to our pressure cycling technology business since its inception. As of September 30, 2007, we had available cash of approximately $6.0 million. Based on our current projections, our current cash resources are sufficient to fund our normal operations through 2008.

We will need additional capital sooner than we currently expect if we experience unforeseen costs or expenses, unanticipated liabilities or delays in implementing our business plan, developing our products and achieving commercial sales. We also believe that we will need substantial capital to accelerate the growth and development of our pressure cycling technology products and services. Our capital requirements will depend on many factors, including but not limited to:

- the problems, delays, expenses, and complications frequently encountered by early-stage companies;
- market acceptance of our pressure cycling technology products and services;
- the success of our sales and marketing programs; and
- changes in economic, regulatory, or competitive conditions of our planned business.

To satisfy our potential capital requirements to cover the cost of the development and commercialization of our pressure cycling technology products and services, we may need to raise additional funds in the public or private capital markets. Additional financing may not be available to us on a timely basis, if at all, or on terms acceptable to us. If adequate funds are not available or if we fail to obtain acceptable additional financing, we may be required to:

- obtain financing with terms that may have the effect of diluting or adversely affecting the holdings or the rights of the holders of our common stock;
- obtain funds through arrangements with future collaboration partners or others that may require us to relinquish rights to some or all of our technologies or products; or
- otherwise reduce planned expenditures and forego other business opportunities, which could harm our business.

Our business may be harmed if we encounter problems, delays, expenses, and complications that typically affect early-stage companies.

Early-stage companies typically encounter problems, delays, expenses, and complications, many of which may be beyond our control or may harm our business or prospects. These include, but are not limited to, unanticipated problems and costs relating to the development, testing, production, marketing, and sale of our products; availability of adequate financing; and competition. There can be no assurance that we will successfully complete the transition from an early-stage company to the commercialization of our pressure cycling technology products and services.

We have a history of operating losses, anticipate future losses and may never be profitable.

We have experienced significant operating losses in the area of PCT in each period since we began investing resources in pressure cycling technology in 1998. These losses have resulted principally from expenses incurred in research and development, from sales and marketing expenses, and general and administrative expenses associated with our pressure cycling technology business. We expect to continue to incur operating losses until our sales of our pressure cycling technology products increase substantially. We cannot be certain when, if ever, we will become profitable. Even if we were to become profitable, we might not be able to sustain such profitability on a quarterly or annual basis.

Our operating results may fluctuate significantly from period to period depending on a variety of factors, including the following:

- our ability to increase our sales of our pressure cycling technology products on a consistent quarterly or annual basis;
- the product mix that makes up our installations in a given period, and whether the installations are completed pursuant to sales, rental or lease arrangements, and the average selling prices that we are able to command for our products;
- our ability to manage our costs and expenses;
- our ability to continue our research and development activities without unexpected costs and expenses; and
- our ability to comply with state and federal regulations without incurring unexpected costs and expenses.

Our instrumentation operates at high pressures and is therefore subject to certain regulation in the US and overseas. This regulation of high pressure equipment may limit or hinder our development and sale of future instrumentation.

Due to the various regulatory agencies that oversee the manufacture of high pressure equipment, we may incur additional costs in developing and selling our instrumentation. The regulations vary from jurisdiction to jurisdiction. Therefore we may incur additional costs, and production and selling delays, as we enter new jurisdictions in foreign countries.

We expect that we will be subject to additional regulation in the US, such as the FDA, and overseas as we begin to invest more resources in the development and commercialization of PCT in applications outside of sample preparation.

The other applications in which we intend to develop and commercialize pressure cycling technology, such as protein purification, pathogen inactivation and immunodiagnostics, will require regulatory approvals from agencies in the US, such as the FDA, and comparable regulatory authorities overseas, prior to commercialization. We expect that obtaining these approvals will require a significant investment of time and capital resources and there can be no assurance that such investments will yield approvals that would allow us to commercialize the technology in these applications.

The sales cycle of our pressure cycling technology products has been lengthy and as a result, we have incurred and may continue to incur significant expenses and we may not generate any significant revenue related to those products.

Many of our current and potential customers have required between three and six months or more to test and evaluate our pressure cycling technology related products. This increases the possibility that a customer may decide to cancel its order or otherwise change its plans, which could reduce or eliminate our sales to that potential customer. As a result of this lengthy sales cycle, we have incurred and may continue to incur significant research and development, selling, and general and administrative expenses related to customers from whom we have not yet generated any significant related revenue for these products, and from whom we may never generate the anticipated revenue if a customer cancels or changes its plans.

If we are unable to protect our patents and other proprietary technology relating to our pressure cycling technology products, our business will be harmed.

Our ability to further develop and successfully commercialize our products will depend, in part, on our ability to enforce our patents, preserve trade secrets, and operate without infringing on the proprietary rights of third parties. We currently have thirteen United States patents issued and several pending patent applications for our pressure cycling technology. Several of these have been followed up with foreign applications, for which three patents have been issued in Europe and one patent has been issued in Australia and one in Japan. We expect to file additional foreign applications in the future relating to our pressure cycling technology. The patents which have been issued expire between 2015 and 2024.

There can be no assurance that:

· any patent applications filed by us will result in issued patents;

· patent protection will be secured for any particular technology;

· any patents that have been or may be issued to us will be valid or enforceable;

· any patents will provide meaningful protection to us;

· others will not be able to design around our patents; or

· our patents will provide a competitive advantageor have commercial application.

The failure to obtain adequate patent protection would have a material adverse effect on us and may adversely affect our ability to enter into, or affect the terms of, any arrangement for the marketing or sale of any product.

Our patents may be challenged by others.

We could incur substantial costs in proceedings, including interference proceedings before the United States Patent and Trademark Office, and comparable proceedings before similar agencies in other countries, in connection with any claims that may arise in the future. These proceedings could result in adverse decisions about the patentability of our inventions and products, as well as about the enforceability, validity, or scope of protection afforded by the patents.

If we are unable to maintain the confidentiality of our trade secrets and proprietary knowledge, others may develop technology and products that could prevent the successful commercialization of our products.

We also rely on trade secrets and other unpatented proprietary information in our product development activities. To the extent we rely on trade secrets and unpatented know-how to maintain our competitive technological position, there can be no assurance that others may not independently develop the same or similar technologies. We seek to protect our trade secrets and proprietary knowledge, in part, through confidentiality agreements with our employees, consultants, advisors and contractors. Nevertheless, these agreements may not effectively prevent disclosure of our confidential information and may not provide us with an adequate remedy in the event of unauthorized disclosure of such information. If our employees, consultants, advisors, or contractors develop inventions or processes independently that may be applicable to our products, disputes may arise about ownership of proprietary rights to those inventions and processes. Such inventions and processes will not necessarily become our property, but may remain the property of those persons or their employers. Protracted and costly litigation could be necessary to enforce and determine the scope of our proprietary rights. Failure to obtain or maintain trade secret protection, for any reason, could have a material adverse effect on us.

If we infringe on the intellectual property rights of others, our business will be harmed.

It is possible that the manufacture, use or sale of our pressure cycling technology products or services may infringe patent or other intellectual property rights of others. We may be unable to avoid infringement of the patent or other intellectual property rights of others and may be required to seek a license, defend an infringement action, or challenge the validity of the patents or other intellectual property rights in court. We may be unable to secure a license on terms and conditions acceptable to us, if at all. Also, we may not prevail in any patent or other intellectual property rights litigation. Patent or other intellectual property rights litigation is costly and time-consuming, and there can be no assurance that we will have sufficient resources to bring any possible litigation related to such infringement to a successful conclusion. If we do not obtain a license under such patents or other intellectual property rights, or if we are found liable for infringement, or if we are unsuccessful in having such patents declared invalid, we may be liable for significant monetary damages, may encounter significant delays in successfully commercializing and developing our pressure cycling technology products, or may be precluded from participating in the manufacture, use, or sale of our pressure cycling technology products or services requiring such licenses.

We may be unable to adequately respond to rapid changes in technology and the development of new industry standards.

The introduction of products and services embodying new technology and the emergence of new industry standards may render our existing pressure cycling technology products and related services obsolete and unmarketable if we are unable to adapt to change. We may be unable to allocate the funds necessary to improve our current products or introduce new products to address our customers' needs and respond to technological change. In the event that other companies develop more technologically advanced products, our competitive position relative to such companies would be harmed.

We may not be able to compete successfully with others that are developing or have developed competitive technologies and products.

A number of companies have developed, or are expected to develop, products that compete or will compete with our products. We compete with companies that have existing technologies for the extraction of nucleic acids and proteins from cells and tissues, including methods such as mortar and pestle, sonication, rotor-stator homogenization, French press, bead beating, freezer milling, enzymatic digestion, and chemical dissolution. We also compete with a number of companies that offer competitive sample extraction and purification technologies to the life sciences industry. We are aware that there are additional companies pursuing new technologies with similar goals to the products developed or being developed by us. Some of the companies with which we now compete or may compete in the future have or may have more extensive research, marketing, and manufacturing capabilities, more experience in genomics and proteomics sample preparation, protein purification, pathogen inactivation, immunodiagnostics, and DNA sequencing and significantly greater technical, personnel and financial resources than we do, and may be better positioned to continue to improve their technology in order to compete in an evolving industry. To compete, we must be able to demonstrate to potential customers that our products provide improved performance and capabilities. Our failure to compete successfully could harm our business and prospects.

We rely on third parties for our manufacturing, engineering, and other related services.

Source Scientific, LLC, an instrumentation company, manufactures our products, provides engineering expertise, and manages the majority of our sub-contractor supplier relationships. Our success will depend, in part, on the ability of Source Scientific, LLC to manufacture our products cost effectively, in sufficient quantities to meet our customer demand when and if such demand occurs, and meeting our quality requirements. If Source Scientific, LLC experiences manufacturing problems or delays, or if Source Scientific, LLC decides not to continue to provide us with these services, our business may be harmed. While we believe other contract manufacturers are available to address our manufacturing and engineering needs, if we find it necessary to replace Source Scientific, LLC, there will be a disruption in our business and we could incur additional costs and delays that would have an adverse effect on our business.

In connection with the sale of our BBI Core Businesses to SeraCare Life Sciences, Inc. in September 2004, we continue to be exposed to possible indemnification claims in amounts up to the purchase price for the BBI Core Businesses, which could prevent us from pursuing our remaining business operations in the event an indemnification claim is brought against us.

Our indemnification obligations for breaches of some representations and warranties relating to compliance with environmental laws extend until September 14, 2009, representations and warranties relating to tax matters extend for the applicable statute of limitations period (which varies depending on the nature of claim), and representations and warranties relating to our due organization, subsidiaries, authorization to enter into and perform the transactions contemplated by the Asset Purchase Agreement with SeraCare Life Sciences, and brokers fees, extend indefinitely. Our indemnification obligations are limited by an overall cap equal to the $30 million purchase price. If we are required to pay any claims for indemnification from SeraCare Life Sciences, Inc., we will have less cash available to fund our operations, our business may be harmed and, if we are subject to additional indemnification claims or unanticipated expenses or liabilities, it may be difficult to continue our business as planned unless we are able to obtain equity or debt financing.

The market price for our common stock may fluctuate due to low trading volume, and it may be difficult for you to sell your stock at the prices and times you desire.

Due to the relatively low trading volume of our common stock, the market price of our common stock may fluctuate significantly. Attempts to purchase or sell relatively small amounts of our common stock could cause the market price of our common stock to fluctuate. Low trading volume levels may also affect our stockholders' ability to sell shares of our common stock quickly at the current market price. In addition, because of the low trading volume of our common stock, sales of our common stock, or the perception that substantial sales could occur, could adversely affect the prevailing market prices for our common stock.

Provisions in our charter and by-laws and our shareholders rights plan may discourage or frustrate stockholders' attempts to remove or replace our current management.

Our Restated Articles of Organization, as amended, and Amended and Restated Bylaws, as amended, contain provisions that may make it more difficult or discourage changes in our management that our stockholders may consider to be favorable. These provisions include:

· a classified board of directors;

· advance notice for stockholder nominations to the board of directors;

· limitations on the ability of stockholders to remove directors; and

· a provision that allows a majority of the directors to fill vacancies on the board of directors.

Our shareholders rights agreement may also have the effect of discouraging or preventing a change in control.

These provisions could prevent or frustrate attempts to make changes in our management that our stockholders consider to be beneficial and could limit the price that our stockholders might receive in the future for shares of our common stock.

The costs of compliance with the reporting obligations of the Securities Exchange Act of 1934, as amended, and with the requirements of the Sarbanes-Oxley Act of 2002, may place a strain on our limited resources and our management's attention may be diverted from other business concerns.

As a result of the regulatory requirements applicable to public companies, we incur legal, accounting, and other expenses that are significant in relation to the size of our company. In addition, the Sarbanes-Oxley Act of 2002, as well as new rules subsequently implemented by the Securities and Exchange Commission and Nasdaq, have required changes in corporate governance practices of public companies, some of which are currently applicable to us and others will or may become applicable to us in the future. These new rules and regulations will increase our legal and financial compliance costs and may make some activities more time-consuming. These requirements may place a strain on our systems and on our management and financial resources.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of our common stock by the selling stockholders.

SELLING STOCKHOLDERS

On November 21, 2007, we sold and issued to the selling stockholders listed in the table below in a private placement an aggregate of 126,750 shares of our common stock. As part of the agreement relating to this private placement, we agreed to register for resale under the Securities Act all of the shares of our common stock issued in the private placement.

The shares covered by this prospectus may be offered by the selling stockholders from time to time. Registration by the selling stockholders does not necessarily mean that the selling stockholders will sell any or all of their shares. The shares covered by this prospectus include all of the shares we issued to the selling stockholders in the private placement. None of the selling stockholders has had any material relationship with us or with any of our affiliates within the past three years.

The information with regard to each selling stockholder in the table below is based upon information provided to us by each selling stockholder as of January 8, 2008. The table below lists (i) the number of shares of common stock that each selling stockholder beneficially owns prior to the offering; (ii) the maximum number of shares each selling stockholder indicated it plans to offer; and (iii) the number of shares of common stock to be beneficially owned by each of the selling stockholders, assuming the sale of all the common stock being offered by the selling stockholder, and the ownership percentage of our common stock by the selling stockholders after completion of the offering. For purposes of the table below, “beneficial ownership” is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, pursuant to which a selling stockholder is deemed to have beneficial ownership of any shares of common stock that such stockholder has the right to acquire within 60 days of January 22, 2008.

The selling stockholders listed in the table below may have sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their shares since the date on which the information in the table below is presented. Information about the selling stockholders may change over time.

Selling Stockholder	Shares beneficially owned prior to the offering	Number of shares being offered	Shares beneficially owned and ownership percentage after the offering	
			Number[1]	Percent[2]
Robert M. Nieder	4,898	25,750	4,898	*
Kleemann Family 2004 Revocable Family Trust	65,000	21,000	65,000	3.0%
Sems Diversified Value Fund LP	0	20,000	0	*
Alan I. Goldberg	0	20,000	0	*
Alan Zuckert	10,000	20,000	10,000	*
Harrison H. Augur Smith Barney 401(k) Prototype	16,000	15,000	16,000	*
Robert Clary	1,000	3,000	1,000	*
Donald G. Kempton	0	2,000	0	*

(1) Assumes the completion of this offering and that the selling stockholders dispose of all of their shares of common stock covered by this prospectus, that they do not dispose of common stock owned but not covered by this

prospectus and that they do not acquire any additional shares of common stock.

(2) Percentages are based upon 2,192,750 shares of our common stock that were outstanding on January 22, 2008.

* - less than 1%

PLAN OF DISTRIBUTION

Each selling stockholder of common stock and any of their pledgees, assignees, and successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. A selling stockholder may use any one or more of the following methods when selling shares:

- on the NASDAQ Capital Market (or any other exchange on which the shares may be listed);
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the selling stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with NASD Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with NASD IM-2440.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each selling stockholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the common stock.

We are required to pay certain fees and expenses incurred by us incident to the registration of the shares. We have agreed to indemnify the selling stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because selling stockholders may be deemed to be "underwriters" within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, as described above, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. There is no underwriter or coordinating broker acting in connection with the proposed sale of the resale shares by the selling stockholders.

We have agreed to keep this prospectus effective until the earlier of (i) the date on which the shares may be resold by the selling stockholders without registration and without regard to any volume limitations by reason of Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the shares have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale shares will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), any person engaged in the distribution of the resale shares may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the selling stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of shares of the common stock by the selling stockholders or any other person. We will make copies of this prospectus available to the selling stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Pepper Hamilton LLP, Boston, Massachusetts.

EXPERTS

The consolidated financial statements of Pressure Biosciences, Inc. appearing in our Annual Report on Form 10-KSB for the year ended December 31, 2006, have been audited by UHY LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Pressure Biosciences, Inc. appearing in our Annual Report on Form 10-KSB for the year ended December 31, 2005, have been audited by Weinberg & Company, P.A., independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these reports, proxy statements and other information filed by us at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference room. Our SEC filings are also available at the SEC's website at http://www.sec.gov. Our internet address is www.pressurebiosciences.com. Information contained on our website is not incorporated by reference into this prospectus and, therefore, is not part of this prospectus or any accompanying prospectus supplement.

The SEC allows us to “incorporate by reference” information from some of our other SEC filings. This means that we can disclose information to you by referring you to those other filings, and the information incorporated by reference is considered to be part of this prospectus. In addition, some information that we file with the SEC after the date of this prospectus will automatically update, and in some cases supersede, the information contained or otherwise incorporated by reference in this prospectus. The following documents, which we filed with the SEC, are incorporated by reference in this registration statement:

- Our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006, filed with the SEC on March 23, 2007;

- Our Quarterly Report on Form 10-QSB for the fiscal quarter ended March 31, 2007, filed with the SEC on May 11, 2007;

- Our Quarterly Report on Form 10-QSB for the fiscal quarter ended June 30, 2007, filed with the SEC on August 14, 2007;

- Our Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 2007, filed with the SEC on November 12, 2007;

- Our Current Report on Form 8-K filed with the SEC on March 28, 2007;

- Our Current Report on Form 8-K filed with the SEC on June 1, 2007;

- Our Current Report on Form 8-K filed with the SEC on November 26, 2007;

- The description of our common stock contained in our registration statement on Form 8-A (File No. 0-21615) filed with the SEC under Section 12 of the Securities Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description.

- The description of our preferred share purchase rights in our registration statement on Form 8-A (File No. 0-21615) filed with the SEC under Section 12 of the Securities Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description.

Current Reports on Form 8-K containing only Regulation FD or Regulation G disclosure furnished under Items 2.02 and 7.01 of Form 8-K are not incorporated herein by reference.

All documents and reports filed by us with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than Current Reports on Form 8-K containing only Regulation FD or Regulation G disclosure furnished under Items 2.02 and 7.01 of Form 8-K, unless otherwise indicated therein) after the date of this prospectus and prior to the termination of the offering made hereby shall be deemed to be incorporated by reference into this prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in any prospectus supplement modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide, without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request of such person, a copy of any or all of the documents incorporated herein by reference other than exhibits, unless such exhibits are specifically incorporated by reference into such documents or this document. Requests for such documents should be addressed in writing or by telephone to:

Pressure Biosciences, Inc.
321 Manley Street
West Bridgewater, Massachusetts 02379
Attention: Investor Relations
(508) 580-1818

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC under the Securities Act. This prospectus does not contain all of the information contained in the registration statement. For further information about us and our securities, you should read the prospectus and the exhibits filed with the registration statement, as well as all prospectus supplements.

You should rely only on the information contained in this prospectus, any prospectus supplement or any document incorporated by reference in this prospectus. We have not authorized anyone else to provide you with information that is different. This prospectus and any prospectus supplement may be used only where it is legal to sell these securities. The information in this prospectus or any prospectus supplement is current only as of the date on the front of these documents.

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NT size="2"> In connection with the sale of the Precious Metals business, which was comprised of its Precious Metal Chemistry and Metal Management segments, the Company reorganized how it manages and evaluates its operations. As a result of this change, the Company has two reportable segments: the Cobalt Group and the Nickel Group. Formerly, these two segments comprised the Company s Base Metals reportable segment under its prior organizational structure. The information for the second quarter of 2003 and prior periods reflected in this Form 10-Q/A has been reclassified to conform to this new segment presentation. The Cobalt Group derives revenues from cobalt and other metal-based organic, inorganic, powder and metal products. The Nickel Group derives revenues from nickel-based organics, powders and metal products. Transactions between segments, which are not material, are made on a basis intended to reflect the current market value of material. Differences between the reportable segments operating results and net assets and the Company s consolidated financial statements relate primarily to items held at the Corporate level. Segment financial information is as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net Sales				
Cobalt Group	$ 90.6	$ 91.9	$179.1	$174.9
Nickel Group	110.2	96.0	235.5	185.0
Total Net Sales	$200.8	$187.9	$414.6	$359.9
Operating Profit				
Cobalt Group	$ 8.7	$ 23.2	$ 12.4	$ 42.3
Nickel Group	8.5	16.2	17.6	30.2
Total Operating Profit	17.2	39.4	30.0	72.5
Interest expense	(10.7)	(5.8)	(20.9)	(12.5)
Corporate expenses	(7.9)	(7.3)	(15.9)	(13.3)
Foreign exchange gain and investment and other income, net	3.8	9.6	1.8	9.3
Income (loss) from continuing operations before income taxes and minority interests	$ 2.4	$ 35.9	$ (5.0)	$ 56.0

Cobalt Group operating profit for the three months and six months ended June 30, 2003 includes restructuring and other charges of $2.6 million and $10.2 million, respectively. Nickel Group operating profit for the three months and six months ended June 30, 2003 includes restructuring and other charges of $0.9 million and $2.5 million, respectively. Corporate expenses for the three months and six months ended June 30, 2003 include restructuring and other charges of $1.4 million.

Note K **Guarantor and Non-Guarantor Subsidiary Information**

In December 2001, the Company issued $400 million in aggregate principal amount of 9.25% Senior Subordinated Notes due 2011 (the Notes). These Notes are guaranteed by the Company s wholly-owned domestic subsidiaries. The guarantees are full, unconditional and joint and several. The Company s foreign subsidiaries are not guarantors of these Notes. The Company, as presented below, represents OM Group, Inc. exclusive of its guarantor subsidiaries and its non-guarantor subsidiaries. Condensed consolidating financial information for the Company, the guarantor subsidiaries, and the non-guarantor subsidiaries is as follows:

	June 30, 2003				
Balance Sheet Data	**The Company**	**Combined Guarantor Subsidiaries**	**Combined Non-Guarantor Subsidiaries**	**Eliminations**	**Total**
Assets					
Current assets:					
Cash	$2,003	$2,398	$14,894		$19,295
Accounts receivable	731,220	80,531	431,005	$(1,129,658)	113,098
Inventories					

34,756 271,082 305,838
Other current assets
18,572 3,833 47,047 69,452

Total current assets
751,795 121,518 764,028 (1,129,658) 507,683
Property, plant and equipment, net
47,936 438,788 486,724
Goodwill and other intangible assets
75,830 59,521 55,804 191,155
Intercompany receivables
188,604 23,400 1,154,524 (1,366,528)
Investment in subsidiaries
712,486 360,631 1,443,640 (2,516,757)
Other assets
25,584 7,914 62,979 96,477
Assets of discontinued operations
94,683 978,375 1,073,058

Total assets
$1,754,299 $715,603 $4,898,138 $(5,012,943) $2,355,097

Liabilities and stockholders equity

Current liabilities:

Current portion of long-term debt
$7,000 $7,000
Accounts payable
40,881 $351,788 $403,516 $(731,495) 64,690
Other accrued expenses
(3,782) 15,490 35,584 47,292

Total current liabilities
44,099 367,278 439,100 (731,495) 118,982
Long-term debt
1,145,776 1,145,776
Deferred income taxes
35,297 27,727 63,024
Minority interests and other long-term liabilities
10,164 (9,690) 65,746 66,220
Intercompany payables
407,729 1,341,600 (1,749,329)
Liabilities of discontinued operations
50,218 391,914 442,132
Stockholders equity
518,963 (99,932) 2,632,051 (2,532,119) 518,963

Total liabilities and stockholders equity
$1,754,299 $715,603 $4,898,138 $(5,012,943) $2,355,097

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Balance Sheet Data	December 31, 2002				
	The Company	Combined Guarantor Subsidiaries	Combined Non-guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$667	$1,780	$9,203		$11,650
Accounts receivable	752,800	89,181	404,084	$(1,146,433)	99,632
Inventories		38,389	266,265		304,654
Other current assets	26,553	4,890	58,922		90,365
Total current assets	780,020	134,240	738,474	(1,146,433)	506,301
Property, plant and equipment, net		48,711	456,518		505,229
Goodwill and other intangible assets		135,503	53,675		189,178
Intercompany receivables	300,768		1,146,191	(1,446,959)	
Investment in subsidiaries	655,822	522,939	1,268,535	(2,447,296)	
Other assets	21,231	10,517	59,703		91,451
Assets of discontinued operations		188,261	858,716		1,046,977
Total assets					

	$1,757,841	$1,040,171	$4,581,812	$(5,040,688)	$2,339,136
Liabilities and stockholders equity					
Current liabilities:					
Current portion of long-term debt	$6,750				$6,750
Accounts payable	65,917	$384,198	$373,228	$(727,658)	95,685
Other accrued expenses	(7,681)	4,058	57,142		53,519
Total Current liabilities	64,986	388,256	430,370	(727,658)	155,954
Long-term debt	1,187,650				1,187,650
Deferred income taxes	35,320	(131)	28,947		64,136
Minority interests and other long-term liabilities		2,161	62,659		64,820
Intercompany payables		557,894	1,230,175	(1,788,069)	
Liabilities of discontinued operations		73,090	323,601		396,691
Shareholder s equity	469,885	18,901	2,506,060	(2,524,961)	469,885

Total liabilities and stockholders equity	$1,757,841	$1,040,171	$4,581,812	$(5,040,688)	$2,339,136

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Income Statement Data	The Company	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Total
	Three Months Ended June 30, 2003				
Net sales		$41,028	$219,488	$(59,721)	$200,795
Cost of products sold		29,936	200,046	(59,721)	170,261
		11,092	19,442		30,534
Selling, general and administrative expenses		11,671	9,575		21,246
Income from operations		(579)	9,867		9,288
Interest expense	$(8,655)	(45)	(20,555)	18,576	(10,679)
Foreign exchange gain (loss)	450	(54)	2,806		3,202
Investment income and other, net	4,866	(172)	14,480	(18,576)	598

Income (loss) from continuing operations before income taxes and minority interests	(3,339)	(850)	6,598	2,409
Income taxes		675		675
Minority interests		(1,429)		(1,429)
Income (loss) from continuing operations	(3,339)	(850)	7,352	3,163
Income (loss) from discontinued operations	(14,004)	(6,724)	19,719	(1,009)
Net income (loss)	$(17,343)	$(7,574)	$27,071	$2,154

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Income Statement Data	The Company	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Total
		Three Months Ended June 30, 2002			
Net sales		$42,237	$207,417	$(61,736)	$187,918
Cost of products sold		30,076	167,284	(61,736)	135,624
		12,161	40,133		52,294
Selling, general and administrative expenses		10,935	9,322		20,257
Income from operations		1,226	30,811		32,037
Interest expense	$(5,928)	(3,466)	(11,771)	15,365	(5,800)
Foreign exchange gain (loss)	717	(543)	6,720		6,894
Investment income and other, net	3,547	(124)	14,695	(15,365)	2,753

Income (loss) from continuing operations before income taxes and minority interests	(1,664)	(2,907)	40,455	35,884
Income tax (benefit) expense	(2,419)	(1,156)	11,903	8,328
Minority interests			25	25
Income (loss) from continuing operations	755	(1,751)	28,527	27,531
Income (loss) from discontinued operations	(11,700)	(948)	10,618	(2,030)
Net income (loss)	$(10,945)	$(2,699)	$39,145	$25,501

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Income Statement Data	Six Months Ended June 30, 2003				
	The Company	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Total
Net sales		$86,505	$442,681	$(114,604)	$414,582
Cost of products sold		65,668	402,547	(114,604)	353,611
		20,837	40,134		60,971
Selling, general and administrative expenses		32,673	14,235		46,908
Income (loss) from operations		(11,836)	25,899		14,063
Interest expense	$(18,149)	(5,386)	(37,041)	39,686	(20,890)
Foreign exchange gain (loss)	524	(8)	225		741
Investment income and other, net	10,293	379	30,045	(39,686)	1,031

Income (loss) from continuing operations before income

taxes and minority interests
(7,332) (16,851) 19,128 (5,055)
Income tax expense (benefit)
7 (1,304) (1,297)
Minority interests
(1,367) (1,367)

Income (loss) from continuing operations
(7,332) (16,858) 21,799 (2,391)
Income (loss) from discontinued operations
(28,100) (2,641) 28,663 (2,078)

Net income (loss)
$(35,432) $(19,499) $50,462 $(4,469)

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Income Statement Data	Six Months Ended June 30, 2002				
	The Company	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Total
Net sales		$82,220	$385,439	$(107,719)	$359,940
Cost of products sold		54,832	311,347	(107,719)	258,460
		27,388	74,092		101,480
Selling, general and administrative expenses		23,943	18,379		42,322
Income from operations		3,445	55,713		59,158
Interest expense	$(12,058)	(7,162)	(26,632)	33,365	(12,487)
Foreign exchange gain (loss)	513	(764)	6,846		6,595
Investment income and other, net	8,164	92	27,809	(33,365)	2,700

Income (loss) from continuing operations before income taxes and minority interests	(3,381)	(4,389)	63,736	55,966
Income tax (benefit) expense	(6,794)	(1,896)	25,524	16,834
Minority interests			(21)	(21)
Income (loss) from continuing operations	3,413	(2,493)	38,233	39,153
Income (loss) from discontinued operations	(21,900)	(1,933)	33,549	9,716
Net income (loss)	$(18,487)	$(4,426)	$71,782	$48,869

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Cash Flow Data	Six Months Ended June 30, 2003				
	The Company	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	$42,960	$(7,443)	$(41,126)	$	$(5,609)

Investing activities:

Expenditures for property, plant and equipment, net
(704) (1,576) (2,280)

Net cash used in investing activities
(704) (1,576) (2,280)

Financing activities:

Payments of long-term debt
(41,624) (41,624)

Net cash used in financing activities
(41,624) (41,624)

Cash provided by (used in) continuing operations	1,336	(8,147)	(42,702)		(49,513)
Cash provided by discontinued operations		8,765	47,842		56,607
Effect of exchange rate changes on cash and cash equivalents			551		551
Increase in cash and cash equivalents	1,336	618	5,691		7,645
Cash and cash equivalents at beginning of the period	667	1,780	9,203		11,650
Cash and cash equivalents at end of the period	$2,003	$2,398	$14,894		$19,295

Six Months Ended June 30, 2002

Cash Flow Data	The Company	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Total

Net cash provided by (used in) operating activities
$15,694 $3,142 $(23,895) $(5,059)
Investing activities:

Expenditures for property, plant and equipment, net
(1,179) (40,391) (41,570)
Investments in unconsolidated joint venture
(994) (994)

Net cash used in investing activities
(1,179) (41,385) (42,564)
Financing activities:

Payments of long-term debt
(245,839) (12) (245,851)
Dividend payments
(7,915) (7,915)
Long-term borrowings
9,994 9,994
Proceeds from exercise of stock options
2,716 2,716
Issuance of common stock
225,805 225,805

Net cash used in financing activities
(15,239) (12) (15,251)

Cash provided by (used in) continuing operations	455	1,951	(65,280)	(62,874)
Cash (used in) provided by discontinued operations		(1,380)	61,883	60,503
Effect of exchange rate changes on cash and cash equivalents			977	977
Increase (decrease) in cash and cash equivalents	455	571	(2,420)	(1,394)
Cash and cash equivalents at beginning of the period	638	1,475	16,567	18,680
Cash and cash equivalents at end of the period	$1,093	$2,046	$14,147	$17,286

Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations

On July 31, 2003, the Company completed the sale of its Precious Metals business (PMG business) to Umicore for 697 million (approximately $814 million) in cash. The PMG business was comprised of the Precious Metal Chemistry and Metal Management reportable segments, which were acquired by the Company from Degussa in August 2001. On April 1, 2003, the Company completed the sale of its copper powders business, SCM Metal Products, Inc., for cash proceeds of $65 million less costs and expenses. The PMG business and copper powders business each had been classified as a discontinued operation prior to the sale, and the accompanying financial statements for the second quarter of 2003 and prior periods have been restated, where applicable, to reflect these businesses as discontinued operations. The continuing operations of the Company represent the historical base metals business and are organized into two segments: the Cobalt Group and the Nickel Group. The Nickel Group includes the results of the Company s Fidelity electroless nickel business, which has been reclassified from discontinued operations to continuing operations during the third quarter of 2003, for all periods presented (See Note A). *Three Months Ended June 30, 2003 Compared to Three Months Ended June 30, 2002* Net sales for the three months ended June 30, 2003 were $200.8 million, an increase of 6.9% compared to the same period in 2002. The increase was the result of higher metal market prices for cobalt and nickel, resulting in higher selling prices for the Company s products. This increase was partially offset by lower metal-contained sales volumes, due primarily to lower nickel volumes for the quarter. The following information summarizes market prices of the primary raw materials used by the Company:

	Market Price Ranges per Pound Three Months Ended June 30,	
	2003	**2002**
Cobalt - 99.3% Grade	$8.68 to $9.45	$6.55 to $8.45
Nickel	$3.56 to $4.25	$2.97 to $3.33

The following information summarizes the physical volumes of metals sold:

	Three Months Ended June 30,		
(in millions of pounds)	**2003**	**2002**	**Percentage Change**
Cobalt	4.9	4.6	6.5%
Nickel	26.1	29.1	-10.3%

Gross profit decreased to $30.5 million, or 15.2% of net sales, for the three month period

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ended June 30, 2003, a 41.6% decrease compared to $52.3 million, or 27.8% of net sales, for the same period in 2002. The decrease in gross profit was primarily due to restructuring and other charges of $5.9 million; the negative impact of the strengthened euro against the dollar on the Company s manufacturing expenses in Finland; increased raw material costs; LIFO charges in 2003 compared to benefits in 2002; and lower nickel production volumes at the Company s facility in Harjavalta, Finland due to a planned maintenance shut-down. The effects were partially offset by the positive impact of higher cobalt and nickel prices.

Selling, general and administrative expenses in 2003 decreased as a percentage of sales, to 10.6% in 2003 compared to 10.8% in the 2002 period. This decrease is primarily the result of cost reductions from restructuring activities initiated in the fourth quarter of 2002, partially offset by the impact of the strengthened euro against the dollar in 2003 compared to 2002. When the euro strengthens against the dollar, selling, general and administrative expenses at the Company s facilities in Europe are translated into dollars at a higher rate, resulting in higher dollar expenses. Other expense net was $6.9 million for the three-month period ended June 30, 2003, compared to income of $3.8 million for the same period in 2002, due primarily to higher interest expense in 2003 compared to 2002 as a result of higher interest rates under the Company s December 2002 credit agreement and higher average outstanding borrowings, and smaller foreign exchange gains in 2003 ($3.2 million) compared to 2002 ($6.9 million). Income taxes as a percentage of income from continuing operations before income taxes and minority interests were 28.0% compared to 23.2% in the same period in 2002. These effective rates are lower than the statutory rate in the United States due primarily to significant income earned each period in Malaysia, where the Company has a tax holiday, and the allocation of a portion of interest expense in the United States to discontinued operations, which effectively shifted a portion of the U.S. net operating loss without a corresponding tax benefit to discontinued operations. Loss from discontinued operations was $1.0 million in 2003 compared to $2.0 million in 2002. The improvement is due primarily to the closure of certain unprofitable operations as of December 31, 2002, partially offset by higher interest expense as a result of higher interest rates in the current year period. Net income for the three-month period ended June 30, 2003 was $2.2 million, compared to $25.5 million for the corresponding period in 2002, due primarily to the aforementioned factors.

Cobalt Group

Net sales for the three months ended June 30, 2003 decreased to $90.6 million compared to $91.9 million for the same period in 2002. The decrease is primarily due to changes in product mix, partially offset by higher volumes and metal pricing. Operating profit for the period was $8.7 million compared to $23.2 million in the 2002 period. The amount in 2003 includes restructuring and other charges of $2.6 million. Before these charges, operating profit decreased by $11.9 million due primarily to the negative impact of the euro and higher LIFO charges. <u>Nickel Group</u> Net sales for the three months ended June 30, 2003 were $110.2 million compared to $96.0 million for the same period in 2002, due primarily to higher metal market prices for nickel, resulting in higher selling prices for the Company s products. This increase was partially offset by a 10.3% decline in nickel-contained sales volumes. Operating profit for the period was $8.5 million compared to $16.2 million in the 2002 period. The amount in 2003 includes restructuring and other charges of $0.9 million. Before these charges, operating profit decreased by $6.8 million due primarily the negative impact of the euro, higher LIFO charges, and higher cost raw material feedstocks. *Six*

Months Ended June 30, 2003 Compared to Six Months Ended June 30, 2002 Net sales for the six months ended June 30, 2003 were $414.6 million, an increase of 15.2% compared to the same period in 2002. The increase was the result of higher metal market prices for cobalt and nickel, resulting in higher selling prices for the Company s products. This increase was partially offset by lower metal-contained sales volumes, due primarily to lower nickel volumes for the period. The following information summarizes market prices of the primary raw materials used by the Company:

	Market Price Ranges per Pound Six Months Ended June 30,	
	2003	**2002**
Cobalt - 99.3% Grade	$6.45 to $9.45	$6.40 to $8.45
Nickel	$3.28 to $4.25	$2.63 to $3.33

The following information summarizes the physical volumes of metals sold:

	Six Months Ended June 30,		
(in millions of pounds)	**2003**	**2002**	**Percentage Change**

Cobalt	10.0	9.0	11.1%
Nickel	57.0	59.5	-4.2%

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Gross profit decreased to $61.0 million, or 14.7% of net sales, for the six-month period ended June 30, 2003, a 39.9% decrease compared to $101.5 million, or 28.2% of net sales, for the same period in 2002. The decrease in gross profit was primarily due to restructuring and other charges of $10.6 million; the negative impact of the strengthened euro against the dollar on the Company s manufacturing expenses in Finland; LIFO charges in 2003 compared to benefits in 2002; and lower nickel production volumes at the Company s facility in Harjavalta, Finland due to a planned maintenance shut-down. The effects were partially offset by the positive impact of higher cobalt and nickel prices and healthy demand in certain key end-markets.

Selling, general and administrative expenses in 2003 decreased to 11.3% of sales compared to 11.8% in the 2002 period. The decrease was due primarily to cost reductions from restructuring activities initiated in the fourth quarter of 2002 primarily offset by restructuring and other charges of $3.5 million in 2003 and the impact of the strengthened euro against the dollar in 2003 compared to 2002. Other expense net was $19.1 million for the six-month period ended June 30, 2003, compared to $3.2 million for the same period in 2002, due primarily to higher interest expense in 2003 compared to 2002 as a result of higher interest rates under the Company s December 2002 credit agreement and higher average outstanding borrowings, and smaller foreign exchange gains in 2003 ($0.7 million) compared to 2002 ($6.6 million). Income taxes as a percentage of income from continuing operations before income taxes and minority interests were a benefit of 25.7% compared to expense of 30.1% in the same period in 2002. These effective rates are lower than the statutory rate in the United States due primarily to significant income earned each period in Malaysia, where the Company has a tax holiday, and the allocation of a portion of interest expense in the United States to discontinued operations, which effectively shifted a portion of the U.S. net operating loss without a corresponding tax benefit to discontinued operations. The lower rate in 2003 compared to 2002 is due primarily to higher earnings in the tax holiday country of Malaysia.   Loss from discontinued operations, net of income taxes was $2.1 million in 2003 compared to income of $9.7 million in 2002, due primarily to restructuring changes taken in 2003 and higher interest expense as a result of higher interest rates. Net loss for the six-month period ended June 30, 2003 was $4.5 million, compared to net income of $48.9 million for the corresponding period in 2002, due primarily to the aforementioned factors. Cobalt Group Net sales for the six months ended June 30, 2003 were $179.1 million compared to $174.9 million for the same period in 2002, due primarily to higher metal market prices for cobalt, resulting in higher selling prices for the Company s products. This increase was also due to an 11.1% increase in cobalt-contained sales volumes. Operating profit for the period was $12.4 million compared to $42.3 million in the 2002 period. The amount in 2003 includes restructuring and other charges of

$10.2 million. Before these charges, operating profit decreased by $19.7 million due primarily to the negative impact of the euro and higher LIFO charges. Nickel Group Net sales for the six months ended June 30, 2003 were $235.5 million compared to $185.0 million for the same period in 2002, due primarily to higher metal market prices for nickel, resulting in higher selling prices for the Company s products. This increase was partially offset by a 4.2% decline in nickel-contained sales volumes. Operating profit for the period was $17.6 million compared to $30.2 million in the 2002 period. The amount in 2003 includes restructuring and other charges of $2.5 million. Before these charges, operating profit decreased by $10.1 million due primarily the negative impact of the euro and higher LIFO charges.

Liquidity and Capital Resources

During the six-month period ended June 30, 2003, the Company s net working capital increased by approximately $38.4 million. This increase was primarily the result of a decrease in accounts payable of $31.0 million due to prepayments made by the Company for certain raw materials during the quarter, and an increase in accounts receivable of $13.5 million due to higher sales in the second quarter of 2003 compared to the fourth quarter of 2002. Capital expenditures in 2003 were $2.3 million and primarily related to ongoing projects to maintain current operating levels. During the six months ended June 30, 2003, the Company s total debt balances decreased to $1.153 billion from $1.194 billion. This decrease represents primarily cash repayments using the net proceeds from the sale of SCM Metal Products, Inc. on April 1, 2003 (See Note B). Subsequent to June 30, the Company completed the sale of its Precious Metals business to Umicore for cash proceeds of $814 million, before transaction costs, taxes and expenses (See Note B). The gross proceeds were used to repay the Company s outstanding indebtedness under its Senior Credit facilities. The Company s $400 million Senior Subordinated Notes remain outstanding. The net proceeds from the sale are expected to be approximately $730 million, after transaction costs and expenses and taxes. During June 2003, the Company received a commitment for a new $150 million revolving credit facility. The new facility, which closed on August 7, 2003, bears interest at an interest rate of LIBOR plus 2.00% to 3.00% or PRIME plus 0.25% to 1.25%, matures in August 2006 and includes covenants that are less restrictive than those in the previous Senior facility.

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Critical Accounting Policies The consolidated financial statements include accounts of the company and all majority-owned subsidiaries. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying consolidated financial statements and related footnotes. In preparing these financial statements, management has made its best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. Application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. There has been no change in the company s critical accounting policies as disclosed in Form 10-K filed for the year ended December 31, 2002. In addition, no new critical accounting policies have been adopted in the first six months of 2003, except for the adoption of SFAS No. 123, as amended by SFAS No. 148, effective January 1, 2003, related to stock-based employee compensation (See Note H).

Forward Looking Statements

The Company is making this statement in order to satisfy the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. This report contains statements that the Company believes may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are not historical facts and generally can be identified by use of statements that include phrases such as believe, expect, anticipate, intend, plan, foresee or other words or phrases of similar import. Similarly, statements that describe the Company s objectives, plans or goals also are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that are difficult to predict, may be beyond the Company s control and could cause actual results to differ materially from those currently anticipated. Factors that could materially affect these forward-looking statements can be found in this report. Important facts that may affect the Company s expectations, estimates or projections include:

the price and supply of raw materials, particularly cobalt and nickel; the demand for metal-based specialty chemicals and products in the Company s markets; the effect of fluctuations in currency exchange rates on the Company s international operations; the effect of non-currency risks of investing in and conducting operations in foreign countries, including political, social, economic and regulatory factors; the impact of the Company s restructuring program on its continuing operations; the potential impact of the Company being named in a 2002 United Nations panel report focusing on companies and individuals operating in the Democratic Republic of Congo; the potential impact of an adverse result of the shareholder class action lawsuits filed against the Company and the named executives; the general level of global economic activity and demand for the Company s products.

The Company does not assume any obligation to update these forward-looking statements.

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Item 3 Quantitative and Qualitative Disclosures About Market Risk A discussion of market risk exposures is included in Part II, Item 7a, Qualitative and Quantitative Disclosure About Market Risk , of the Company s 2002 Annual Report on Form 10-K. There have been no material changes during the six months ended June 30, 2003.

Item 4 Controls and Procedures (a) Evaluation of Disclosure Controls and Procedures The Company carried out an evaluation under the supervision and with the participation of the Company s management, including the Company s Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30,

2003. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded the Company s disclosure controls and procedures are effective in timely alerting them to material information relating to the Company and its consolidated subsidiaries that is required to be included in the Company s SEC filings. (b) Changes in Internal Controls There were no significant changes in the Company s internal control over financial reporting that occurred during the period covered by this report that has materially affected, or that is reasonably likely to materially affect, our internal control over financial reporting.

Part II Other Information

Item 6 Exhibits and Reports on Form 8-K

EXHIBITS

(12) Computation of Ratio of Earnings to Fixed Charges

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SIGNATURE

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

December 23, 2003

OM GROUP, INC.

/s/ Thomas R. Miklich

Thomas R. Miklich
Chief Financial Officer
(Duly authorized signatory of OM Group, Inc.)