

This report contains 22 pages
(including cover page)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For The Quarterly Period Ended June 30, 1995

Commission File Number 0-5884

THE WEST COMPANY, INCORPORATED

(Exact name of registrant as specified in its charter)

Pennsylvania

23-1210010

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

101 Gordon Drive, PO Box 645,
Lionville, PA

19341-0645

(Address of principal executive
offices)

(Zip Code)

Registrant's telephone number, including area code 610-594-2900

N/A

Former name, former address and former fiscal year, if changed since last report.

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 twelve months, and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

July 31, 1995 --16,573,177

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

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Form 10-Q for the
Quarter Ended June 30, 1995

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Part I - Financial Information

Item 1. Financial Statements
The West Company, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	(Unaudited) Six Months Ended		(Unaudited) Six Months Ended		(Unaudited) Six Months Ended		(Unaudited) Six Months Ended	
	June 30, 1995	June 30, 1994						
Net sales	\$109,000	100 %	\$91,500	100 %	\$204,200	100 %	\$178,600	100 %
Cost of goods sold	77,100	71	61,500	67	139,800	68	119,400	67

Gross profit	31,900	29	30,000	33	64,400	32	59,200	33
Selling, general and administrative expenses	18,100	16	17,100	18	35,300	17	32,900	18
Other (income) expense, net	(1,300)	(1)	500	1	(1,300)	-	1,200	1

Operating profit	15,100	14	12,400	14	30,400	15	25,100	14
Interest expense, net	2,000	2	700	1	3,400	2	1,300	1

Income before income taxes and minority interests	13,100	12	11,700	13	27,000	13	23,800	13
Provision for income taxes	4,700	4	4,200	4	9,800	5	8,900	5
Minority interests	300	-	600	1	500	-	1,100	-

Income from consolidated

operations	8,100	8 %	6,900	8 %	16,700	8 %	13,800	8 %
Equity in net income of affiliated companies	600		600		200		700	

Net income	\$ 8,700		\$ 7,500		\$ 16,900		\$ 14,500	

Net income per share	\$.52		\$.47		\$ 1.02		\$.91	

Average shares outstanding	16,531		15,993		16,511		15,975	

Certain items have been reclassified to conform with current classifications
See accompanying notes to interim financial statements.

The West Company, Incorporated and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

ASSETS	(Unaudited)	
	June 30, 1995	Dec. 31, 1994

Current assets:		
Cash, including equivalents	\$ 15,300	\$ 27,200
Accounts receivable, net	66,200	57,800
Inventories	51,900	38,100
Other current assets	22,700	13,600

Total current assets	156,100	136,700

Property, plant and equipment, net	230,500	192,200
Investments in affiliated companies	24,900	21,900
Intangibles and other assets, net	73,600	46,600

Total Assets	\$485,100	\$ 397,400

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 6,200	\$ 19,200
Notes payable	36,000	2,700
Accounts payable	19,200	19,300
Other current liabilities	32,400	45,100

Total current liabilities	93,800	86,300

Long-term debt, excluding current portion	82,100	35,900
Deferred income taxes	33,900	24,400
Other long-term liabilities	23,500	21,600
Minority interests	2,700	1,900
Shareholders' equity	249,100	227,300

Total Liabilities and Shareholders' Equity	\$485,100	\$397,400

See accompanying notes to interim financial statements.

The West Company Incorporated and Subsidiaries
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (in thousands)

	(Unaudited)	
	Six Months Ended	
	June 30, 1995	June 30, 1994
	-----	-----
Cash flows from operating activities:		
Net income, plus net non-cash items	\$ 31,600	\$ 26,700
Changes in assets and liabilities	(15,800)	(9,500)

Net cash provided by operating activities	15,800	17,200

Cash flows from investing activities:		
Property, plant and equipment acquired	(14,800)	(11,000)
Proceeds from sale of assets	100	800
Payments for acquisitions, net of cash acquired	(62,300)	(4,500)
Customer advances	(4,700)	-

Net cash used in investing activities	(81,700)	(14,700)

Cash flows from financing activities:		
New long-term debt	38,100	-
Repayment of long-term debt	(15,000)	(900)
Notes payable, net	33,000	3,800
Dividend payments	(3,900)	(3,500)
Sale of common stock, net	900	1,500

Net cash provided by financing activities	53,100	900

Effect of exchange rates on cash	900	200

Net (decrease) increase in cash, including equivalents	\$(11,900)	\$ 3,600

See accompanying notes to interim financial statements.

The West Company, Incorporated and Subsidiaries
 Notes to Consolidated Financial Statements

Interim results are based on the Company's accounts without audit. The interim consolidated financial statements for the quarter ended June 30, 1995 should be read in conjunction with the consolidated financial statements and notes thereto of The West Company, Incorporated appearing in the Company's 1994 Annual Report on Form 10-K.

1. Interim Period Accounting Policy

 In the opinion of management, the unaudited Condensed Consolidated Balance Sheet as of June 30, 1995 and the related unaudited Consolidated Statements of Income for the three and six months then ended and the unaudited Condensed Consolidated Statement of Cash Flows for the six month period then ended and for the comparative periods in 1994 contain

all adjustments, consisting only of normal recurring accruals, necessary to present fairly the financial position as of June 30, 1995 and the results of operations and cash flows for the respective periods. The results of operations for any interim period are not necessarily indicative of results for the full year.

Operating Expenses

Certain operating expenses have been annualized for interim reporting purposes.

Income Taxes

The tax rate used for interim periods is the estimated annual effective consolidated tax rate, based on current estimates of full year results, except that taxes applicable to operating results in Brazil are recorded on a basis discrete to the period and prior year adjustments, if any, are recorded as identified.

2. Inventories at June 30, 1995 and December 31, 1994 are summarized as follows:

(in thousands)	1995	Audited 1994
	-----	-----
Finished goods	\$ 21,400	\$ 17,000
Work in process	11,000	5,300
Raw materials and supplies	19,500	15,800
	-----	-----
	\$ 51,900	\$ 38,100
	-----	-----

The West Company, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements
(Continued)

3. The carrying value of property, plant and equipment is determined as follows:

(in thousands)	1995	Audited 1994
	-----	-----
Property, plant and equipment	\$ 433,000	\$ 366,800
Less accumulated depreciation	202,500	174,600
	-----	-----
Property, plant and equipment, net	\$ 230,500	\$ 192,200
	-----	-----

4. Common stock issued at June 30, 1995 was 16,844,735 shares, of which 309,242 shares were held in treasury. Dividends of \$.12 per common share were paid in the second quarter of 1995 and a dividend of \$.12 per share payable to holders of record on July 19, 1995 was declared on May 2, 1995.
5. The Company has accrued the estimated cost of environmental compliance expenses related to current and former manufacturing facilities. The ultimate cost to be incurred by the Company cannot be fully determined; however, based on information currently available, the Company believes the accrued liability is sufficient to cover the future costs of required remedial actions.

6. On April 27, 1995 the Company announced that it completed its acquisition of Paco Pharmaceutical Services, Inc. and subsidiaries, ("Paco") a public company traded over-the-counter. The merger followed the completion of a cash tender offer for Paco common stock at \$12.25 per share. Paco became a wholly-owned subsidiary of the Company, and has been consolidated beginning on May 1, 1995.

The following table presents selected financial information for the six months ended June 30, 1995 on a proforma basis assuming the acquisition of 100% of Paco had occurred on January 1, 1995 and \$0.5 million of cost savings, (pro-rated over the first four months) related to synergies of the companies had been realized.

Net sales	\$ 224,200
Income before taxes	25,900
Income from consolidated operations	15,900
Net income	16,100
Net income per share	\$.98

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Item 2.
Management's Discussion and Analysis of Financial Condition and

Results of Operations.

Results of Operations for the Quarter and Six Months Ended June

30, 1995 Versus the Comparable 1994 Periods

Net Sales

Net sales for the second quarter of 1995 were \$17.5 million, or 19.3%, higher versus the same quarter in 1994. For the six months, net sales were \$25.6 million, or 14.4%, higher compared with the same period in 1994. For both the quarter and the six month period, net sales increases primarily reflect acquisitions, Paco Pharmaceutical Services, Inc. (Paco) in April 1995 and 51% of Schubert Seals A/S (Schubert) in May 1994. Also, sales increased because of favorable exchange rates, strong demand for the Company's Spout-Pak closure system for gable-carton juice containers, and continued strong demand in international health care markets. These increases were offset in part by lower machinery sales and lower sales to U.S. health care markets in the first quarter.

Gross Profit

Gross profit increased 6.5% in the second quarter; however the gross margin was 29.2% for the second quarter 1995 which was 3.6 percentage points lower compared with the same quarter in 1994. Excluding the consolidation of Paco, the margin would have been 30.8%. Higher material costs and a change in product mix were the primary reasons for the lower margin. In addition in South America, government-mandated increases in salary and fringe benefits also had a negative effect on the gross margin.

For the first six months of 1995, the gross margin was 31.5% which was 1.7 percentage points lower versus the same period in 1994. Excluding Paco, the gross margin would have been 32.5%. The reduced gross margin reflects product mix and higher material prices. However, gross margins continued to improve in Europe because of strong demand for the Company's products.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (SG&A) increased by \$1.0 million for the second quarter 1995 versus 1994 and \$2.4

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Item. 2.
Management Discussion and Analysis of Financial Condition and

Results of Operations. (Continued)

million for the six month period. Additional expenses from the consolidation of Paco and Schubert and a weaker U.S. dollar were offset in part by cost savings from staff reductions and lower claim costs. However, SG&A is lower as a percentage of sales in 1995 compared with 1994.

Other (income), expense, net

Other income, net, for the second quarter increased by \$1.8 million compared with the same quarter in 1994. For the six month period other income increased by \$2.5 million compared with 1994. Lower foreign exchange losses in Brazil, a gain from the sale of a small unprofitable business line, and higher investment income were the primary reasons for the improvements.

Interest Expense, Minority Interests and Equity in Affiliates

Higher average debt levels related to acquired companies, the financing of acquisitions in 1994 and 1995 and a weaker U.S. dollar increased interest expense by \$1.3 million for the second quarter and by \$2.1 million for the six month period compared with 1994.

Minority interests are lower reflecting the buyout of the remaining minority ownerships in the Company's largest subsidiaries in Europe which occurred in the fourth quarter of 1994.

Equity in the net income of affiliated companies was unchanged in 1995 compared with the same quarter in 1994. For the six months, the Company's share of net income was lower by \$0.5 million compared with 1994. The devaluation of the Mexican peso was the primary reason and continues to have a negative effect on results.

Taxes

The tax rate for the second quarter 1995 was 35.9%. This reflects the reduction in the estimated effective annual tax rate to 36.5%. The lower estimated tax rate reflects the mix of earnings with a higher proportion of earnings in low tax jurisdictions. The estimated effective annual tax rate at June 30, 1994 was 37.25%. The effective annual tax rate at the end of 1994 was 31.8%, reflecting the one-time impact of a net refund of

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Item. 2.
Management Discussion and Analysis of Financial Condition and

Results of Operations. (Continued)

foreign taxes paid by subsidiaries in prior years, triggered by the payment of dividends. No similar significant one-time

benefits are expected in 1995.

Net Income

Net income for the second quarter 1995 was \$8.7 million, or \$.52 per share, compared with net income for the second quarter 1994 \$7.5 million, or \$.47 per share. Net income for six months ended June 30, 1995 was \$16.9 million, or \$1.02 per share, compared with net income of \$14.5 million, or \$.91 per share.

Financial Position

Working capital at June 30, 1995 was \$62.3 million compared with \$50.4 million at December 31, 1994. Working capital increased because of the consolidation of Paco. The working capital ratio at June 30, 1995 was 1.66 to 1. Cash on hand and cash flows from operations were adequate to fund capital expenditures, repay long-term debt and pay dividends. Available cash and debt facilities were used to fund the acquisition of Paco and meet final obligations for the Company's purchase of the remaining minority interests in five subsidiaries in Europe.

Total debt as a percentage of total invested capital was 33.1% at June 30, 1995, compared to 20.1% at December 31, 1994. At June 30, 1995, the Company had available unused lines of credit of \$9.9 million.

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Part II - Other Information

Item 1. Legal Proceedings.

A. Wayne, New Jersey

The Company is a party to an Administrative Consent Order with the New Jersey Department of Environmental Protection (DEP) under which the Company is required to submit and perform a cleanup plan for property formerly owned by the Company in Wayne, New Jersey. The DEP has approved the Company's plan which permits a plastic waste-disposal area to be capped and to remain in place, subject to placing a use restriction on that portion of the property, and subject to the DEP's further determination of the extent to which groundwater monitoring will be required. The present owner of the property has thus far declined to provide the use restriction and the Company has initiated legal action against him to compel him to provide the use restriction. The DEP has not yet taken final action with respect to any further remedial steps such as ground water monitoring which may be required as part of the cleanup plan.

See note number 5 of the Notes to Consolidated Financial Statements beginning on page 8 of this report.

Item 4. Submission of Matters to a Vote of Security Holders

- (a) The Company held its annual meeting of shareholders on May 2, 1995.

- (c) George W. Ebright, L. Robert Johnson, John F. Neafsey, Hans Wimmer and Geoffrey F. Worden were elected Class II directors (with a term expiring in 1998) by a vote of 12,979,139 for the election and 13,470 against.

The appointment of Coopers & Lybrand as the Company's independent accounts for the year ending December 31, 1995 was approved by the following vote:

FOR AGAINST ABSTENTIONS

12,957,606

25,708

9,292

Item 6. Exhibits and Reports on Form 8-K

- (a) See Index to Exhibits on pages F-1, F-2, F-3 and F-4 of this Report.

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Item 1. Legal Proceedings., continued

- (b) Form 8-K filed on May 10, 1995, covering the merger agreement on March 24, 1995 between The West Company, Incorporated, and Paco Pharmaceutical Services, Inc..

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SIGNATURES

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

THE WEST COMPANY, INCORPORATED

(Registrant)

August 14, 1995

Date

/s/ J. E. Dorsey

(Signature)

J. E. Dorsey
Executive Vice President,
Chief Operating Officer

August 14, 1995

Date

/s/ A. M. Papso

(Signature)

A. M. Papso
Vice President and Corporate
Controller
(Chief Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number -----	Page Number -----
(3) (a)	Restated Articles of Incorporation of the Company, incorporated by reference to Exhibit (4) to the Company's Registration Statement on Form S-8 (Registration No. 33-37825).
(3) (b)	Bylaws of the Company, as amended and restated December 13, 1994, incorporated by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended 12/31/94 (File No.0-5884).
(4) (a)	Form of stock certificate for common stock incorporated by reference to Exhibit (3) (b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1989 (File No. 0-5884).
(4) (b)	Flip-In Rights Agreement between the Company and American Stock Transfer & Trust Company, as Rights Agent, dated as of January 16, 1990, incorporated by reference to Exhibit 1 to the Company's Form 8-A Registration Statement (File No. 1-8036).
(4) (c)	Flip-Over Rights Agreement between the Company and American Stock Transfer & Trust Company, as Rights Agent, dated as of January 16, 1990, incorporated by reference to Exhibit 2 to the Company's Form 8-A Registration Statement (File No. 1-8036).
(10) (a)	Registration Rights Agreement dated March 23, 1993 between the Company and Hans Wimmer, incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 0-5884).
(10) (b)	Lease dated as of December 31, 1992 between Lion Associates, L.P. and LuMont Keystone/Lionville Trust, relating to the lease of the Company's headquarters in Lionville, Pa., incorporated by reference to

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Exhibit Number -----	Page Number -----
	The Company's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 0-5884).
(10) (c)	Long-Term Incentive Plan, as amended March 2, 1993, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 0-5884).

- (10) (d) 1995 Annual Incentive Bonus Plan, incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 0-5884).
- (10) (e) Non-Qualified Stock Option Plan for Non-Employee Directors, incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 0-5884).
- (10) (f) Pension agreement dated February 17, 1994 between Pharma-Gummi Wimmer West GmbH and Ulf Tychsen, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 0-5884).
- (10) (g) Form of agreement between the Company and certain of its executive officers, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1991 (File No.0-5884).
- (10) (h) Schedule of agreements with executive officers.
- (10) (i) Supplemental Employees' Retirement Plan ("SERP"), incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1989 (File No. 0-5884).

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Exhibit
Number

Page
Number

- (10) (j) Amendment No. 1 to the Company's Supplemental Employees' Retirement Plan.
- (10) (k) Retirement Plan for Non-Employee Directors of the Company, as amended November 5, 1991, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1991 (File No. 0-5884).
- (10) (l) Employment Agreement dated May 20, 1991 between the Company and William G. Little, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1991 (File No. 0-5884).
- (10) (m) Management Contract dated as of March 7, 1986, between Hans Wimmer and Pharma-Gummi Wimmer West GmbH, as amended, incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 0-5884).
- (10) (n) Contract of Employment dated April 2, 1992 between Ulf C. Tychsen and Pharma-Gummi Wimmer West GmbH, and related letter agreement of even date and Addendum No. 1 dated September 26, 1994, incorporated by reference to the Company's Annual Report on form 10-K for the year ended December 31, 1994 (File No. 0-5884).

- (10) (o) Non-qualified Deferred Compensation Plan for Designated Executive Officers ("Officers Deferred Comp Plan") incorporated by reference to Exhibit (10) (s) to the Company's Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 0-5884).
- (10) (p) Amendment No. 1 to the Non-qualified Deferred Compensation Plan for Designated Executive Officers.

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Exhibit Number -----	Page Number -----
(10) (q)	Non-qualified Deferred Compensation Plan for Outside Directors, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1989 (File No. 0-5884).
(10) (r)	Agreement and Plan of Merger dated March 24, 1995 Among the Company, Stoudt Acquisition Corp. and Paco Pharmaceutical Services, Inc. incorporated by reference to the Company's Schedule 14 D-1 filed on March 31, 1995.
(11)	Not applicable.
(15)	Not applicable.
(18)	None.
(22)	None.
(23)	Not applicable.
(24)	None.
(27)	Financial Data Schedules.
(99)	None.

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