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

FORM 10-K

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

For the fiscal year ended December 31, 2002

Commission File Number 1-8036

WEST PHARMACEUTICAL SERVICES, INC.

(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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.25 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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

As of March 20, 2003, the Registrant had 14,488,069 shares of its Common Stock outstanding. The market value of Common Stock held by non-affiliates of the Registrant as of that date was $304,539,210.

Exhibit Index appears on pages F-1, F-2, F-3, F-4 and F-5.

DOCUMENTS INCORPORATED BY REFERENCE

Documents incorporated by reference: 1) portions of the Registrant's Annual Report to Shareholders for the Company's 2002 fiscal year (the "2002 Annual Report to Shareholders") are incorporated by reference in Parts I and II; and

(2) portions of the Registrant's definitive Proxy Statement (the "Proxy Statement") are incorporated by reference in Part III.

PART 1

Item 1. Business.

West Pharmaceutical Services, Inc. (the "Company") applies value-added technologies to the process of bringing new drug therapies and healthcare products to global markets. The Company's technologies include drug formulation research and development, clinical research and laboratory services, and the design, development, and manufacture of components and systems for dispensing and delivering pharmaceutical, healthcare, and consumer products.

The Company is organized into two reportable segments:

1) the Pharmaceutical Systems segment consists of two regional operating units, the Americas and Europe/Asia, serving global markets. The Pharmaceutical Systems segment designs, manufactures and sells stoppers, closures, medical device components and assemblies made from elastomers, metals and plastics and provides contract laboratory services for testing injectable drug packaging.

2) the Drug Delivery Systems segment identifies and develops drug delivery systems for biopharmaceutical and other drugs to improve their therapeutic performance and/or their method of administration. This segment also includes a clinical services organization which conducts Phase I through Phase IV clinical trials.

As of December 31, 2002, the Company and its subsidiaries had 4,140 employees.

The Company, a Pennsylvania business corporation, was founded in 1923. The executive offices of the Company are located at 101 Gordon Drive, PO Box 645, Lionville, Pennsylvania 19341-0645, approximately 35 miles from Philadelphia. The telephone number at the Company's executive offices is 610-594-2900. As used in this Item, the term "Company" includes West Pharmaceutical Services, Inc. and its consolidated subsidiaries, unless the context otherwise indicates.

The Company makes its periodic and current reports available, free of charge on its website, www.westpharma.com, as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission.

Pharmaceutical Systems Segment

Pharmaceutical Stoppers

The Company is one of the world's largest manufacturers of rubber and elastomeric stoppers for sealing injectable drug vials and other pharmaceutical containers, a ranking that is supported by primary market research and the Company's own market resources. The Company offers several hundred proprietary natural rubber and synthetic elastomer formulations, which are molded into a variety of stopper sizes, shapes and colors. The stoppers are used in packaging serums, vaccines, antibiotics, anesthetics, intravenous solutions and other drugs and solutions. They are designed and manufactured to assure the integrity of these solutions throughout the drug product's approved shelf life.

Most stopper formulations are specially designed to be compatible with a given drug formulation so that the drug will remain safe and effective during storage. New elastomeric components must be tested with each drug solution to show that ingredients do not leach into the customer's product or adversely affect the drug's safety and effectiveness. The Company's laboratories conduct tests to determine the compatibility of its rubber stoppers with customers' drugs and, in the United States, file formulation and process information with the Food and Drug Administration ("FDA"), which is used in support of customers' new drug applications.

Rubber stoppers are usually washed, sterilized and subjected to other pre-use processes by the customer or a third party before they are fitted on the filled container. The Company has introduced a value-added line of stoppers that are pharmaceutically pre-washed and packaged and ready to be sterilized, eliminating several steps in customers' incoming processes. The Company is also developing a line of pre-sterilized stoppers that can be introduced directly into customers' sterile drug-filling operations.

Metal Seals

The Company also offers a broad line of aluminum seals in various sizes, shapes, and colors to secure its rubber stopper onto the vial and help its customers differentiate and distinguish its drug solutions. The seals are crimped onto glass or plastic pharmaceutical containers to hold the rubber stoppers securely in place. The top of the aluminum seals often contains tamper-evident tabs or plastic covers, which must be removed before the drug can be withdrawn. During 2002, the Company introduced improvements in its metal seals that help the customer protect against counterfeiting of injectible drug products and maintain better control and integrity of in-process filled vials prior to final labeling.

Some aluminum seals are sold with specially formulated rubber or elastomeric discs pre-fitted inside the seal. These "lined" seals may be placed directly onto the pharmaceutical container, thus eliminating the need for a separate stopper. In recent years, the Company has expanded capacity and upgraded production processes for metal seal manufacturing, clearly bringing them to state-of-the-art capability.

Other Products

Other products for the pharmaceutical industry include:

* Products used in the packaging of non-injectable drugs such as rubber dropper bulbs, plastic contraceptive drug packages, and child-resistant and tamper-evident plastic closures;

* Plastic systems used for lyophilized drug reconstitution and delivery, which are molded and fabricated in a clean room environment;

* Plastic containers, bottles, and closures for the consumer, medical device and diagnostic markets;

* Elastomeric and plastic components for empty and pre-filled disposable syringes such as plungers, tip caps and needle covers;

* Blood-collection system components, including vacuum tube stoppers and needle valves, and a number of specialized elastomeric and plastic components for blood-analyzing systems and other medical devices;

* Closures and fitments used in intravenous drug delivery systems; and

* Disposable infant nursers and individual nurser components.

The Company also makes closures for food and beverage processors, focusing its efforts on multiple-piece closures that require high-speed assembly.

Product Development

The Company maintains its own laboratories for testing raw materials and finished goods to assure conformity to customer specifications and to safeguard product quality. Laboratory facilities are also used for development of new products. Engineering staffs are responsible for product and tooling design testing, and for the design and construction of processing equipment. In addition, a corporate product development department develops new packaging and device concepts. Approximately 95 professional employees were engaged in these activities in 2002. Development and engineering expenditures for the creation and application of new and improved device products and manufacturing processes were approximately $10.6 million in 2002, $10.0 million in 2001 and $9.6 million in 2000.

Drug Delivery Systems Segment

Drug Delivery

Since 1993, the Company has been developing proprietary drug delivery systems for various drug and biological products for which alternative methods and routes of administration might improve therapeutic performance or the cost effectiveness of the therapy. In furtherance of that effort, in 1998 the Company completed the acquisition of DanBioSyst UK Ltd (DBS), a research and development company located in Nottingham, England. DBS was re-named West Pharmaceutical Services Drug Delivery & Clinical Research Center, Ltd. (noted as West Drug Delivery herein) in 1999 and its operations integrated with the Company's Lionville based drug delivery development operation.

West Drug Delivery engages in both independent and client-funded research to develop unique delivery technologies, patenting these where possible, and subject to any rights granted or ceded in connection with client funding, retains the rights to exploit the patented technology. West Drug Delivery has patents or patent applications covering a range of delivery technologies for various routes of administration, including nasal, oral and parenteral. West Drug Delivery then seeks to license the technologies to pharmaceutical companies for use in combination with their drug products. Alternatively, West will develop versions of generic drug products, which incorporate its proprietary delivery technologies, and then seek development and marketing partners or licensees for the resulting products. West Drug Delivery also maintains laboratory capabilities that support client and internal development projects. Research and development expenditures for the drug delivery business unit were $10.9 million in 2002, $7.8 million in 2001 and $7.5 million in 2000.

In 2002, West Drug Delivery Systems completed a Phase I trial for nasal calcitonin and continued the development of proprietary formulations based on the Company's patented chitosan-based nasal delivery system (ChiSysTM). The Company also continued development of the TargitTM delivery system, an orally administered, specially coated, starch capsule designed to bypass normal digestion and deliver the drug to the colon for local and systemic effect. In addition, the Company funded studies related to a near term licensing opportunity for a generic version of a popular nasally delivered allergy product. The Company anticipates that the development work in 2002, together with increased focus on its ChiSysTM technology, will lead to additional licensing opportunities in 2003.

Clinical Services

In April 1999, the Company acquired the Clinical Services division of Collaborative Clinical Research, Inc. Clinical Services operates as a business unit within the Drug Delivery Systems segment. The Clinical Services business unit consists of an 80-bed clinical trials research facility known as the "GFI Research Center" in Evansville, Indiana. In addition to performing clinical trials, limited contract research services such as protocol writing, case report form design and various aspects of early phase project management are at times provided to clients.

The GFI Research Center performs human clinical trials for pharmaceutical, medical device and consumer health products, which are conducted on behalf of applicants seeking marketing approval for their products. In the pharmaceutical arena, the GFI Research Center conducts Phase I through Phase IV clinical research trials covering a broad range of therapeutic applications.

In conducting the trials, the GFI Research Center contracts with licensed physicians who oversee the administration of individual trials. In addition, the Institutional Review Board ("IRB"), an independent committee that includes medical and non-medical personnel charged with protecting the safety of study subjects, provides review of both study protocols and trial administration. The GFI Research Center employs a staff of approximately 100 people, including nurses, medical technicians and other support staff.

The Company may be subject to claims arising from the personal injury or death of persons participating in clinical trials, the professional malpractice of the physicians with whom the Company has contracted or the actions of its own employees in conducting the trials. The Company believes that these risks are mitigated by several factors. First, physicians who perform the studies are required to carry their own malpractice insurance. Second, review by the IRB helps to ensure the protection of subjects enrolled in the trial. Third, all study subjects are required to sign an informed consent prior to their participation in a particular study. Finally, regulations governing the conduct of clinical trials and the protection of human subjects place shared responsibility for proper study conduct and the protection of study subjects onto the principal investigator, the IRB and the trial site. Extensive training programs are conducted at the site involving investigators, staff and IRB members regarding their respective responsibilities in the conduct of clinical research.

To further reduce its exposure to liability, the Company typically obtains indemnification from the trial sponsors. However, the indemnification excludes actions by the Company such as negligence or misconduct, and the terms of each indemnification provision may vary.

Government Regulation

The FDA extensively regulates the research, development, testing, manufacture, labeling, promotion, advertising, distribution and marketing of drugs under the Food, Drug and Cosmetic Act. The Company's businesses are involved in a number of activities regulated by the FDA.

The Company's drug packaging components, including stoppers, seals and syringes, are used to package drug products that are regulated by the FDA. To accommodate the needs of its customers, which manufacture drug products, the Company must maintain detailed written procedures for the receipt, identification, storage, handling, sampling, testing and approval or rejection of its products. Before shipment, samples from each lot of components must be tested for conformance with applicable written requirements. Manufacturing facilities must establish and conform to written procedures for production and process controls and must create and retain records for a specified period of time.

The Company's contract laboratory, which performs certain services for drug manufacturers, is subject to the FDA's current good manufacturing practices ("cGMP") regulations. It must also register as a contract laboratory with the FDA and is subject to periodic inspections by the FDA. The Drug Enforcement Administration has licensed the contract laboratory to handle and store controlled substances.

The FDA regulates the work of the GFI Research Center in certain clinical trials. GFI must comply with the FDA's regulations applicable to activities a sponsor of certain trials delegates to it, such as recruitment of study subjects, documentation of the study and conducting and monitoring the trial. In addition, the FDA regulates the conduct and activities of GFI's IRB.

To be approved for marketing in the United States, drugs must undergo an extensive development and approval process designed to ensure that only those products proven to be safe and effective are made available to the public. As part of that process, applicants seeking approval must conduct, through hospitals and other clinical research facilities, a series of clinical tests of the drug on humans. These clinical trials involve the administration or use of a drug in progressively larger populations of human volunteers, and in some cases, over long periods of time and in higher doses. Human clinical trials are a critical component of the drug development process as the FDA's ultimate approval for marketing of an applicant's drug will depend in large measure on the data and information obtained during the clinical trial work.

Clinical trials involve the administration of the investigational drug to human subjects under the supervision of qualified investigators. Clinical trials are conducted under protocols detailing the objectives of the study, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated. Each protocol must be submitted to the FDA as part of the investigational new drug exemption.

Clinical trials typically are conducted in three sequential phases, but the phases may overlap or be combined. Each trial must be reviewed and approved by the IRB before it can begin. Phase I usually involves the initial introduction of the investigational drug into people to evaluate its safety, dosage tolerance, pharmacodynamics, and, if possible, to gain an early indication of its effectiveness. Phase II usually involves trials in a limited patient population to evaluate the appropriate dosage and dosage tolerance; identify possible adverse effects and safety risks; and preliminarily evaluate the efficacy of the drug for specific indications.

Phase III trials usually further evaluate clinical efficacy and test further for safety by using the drug in its final form in an expanded patient population. The FDA sometimes requires Phase IV studies to be conducted after a drug has been approved for marketing. These studies are used to monitor the long-term risks and benefits of a particular drug, to study the effect of alternative dosage levels, or to evaluate the safety and efficacy of a drug in targeted patient populations.

Recent Developments

On January 29, 2003, an explosion and fire occurred at the Company's Kinston, N.C. plant. Six people lost their lives and many others were injured in the accident, which caused substantial damage to the building, machinery, equipment and inventories. See Note 21 "Subsequent Event" of the Notes to Consolidated Financial Statements of the 2002 Annual Report to Shareholders, incorporated herein by reference.

In December 2002 the Company sold its consumer healthcare research unit for $2.0 million to Concentrics Research, LLC, a company formed by the former employee management team and Bindley Capital Partners, LLC. During 2002 but prior to the sale of the business, the Company recorded a goodwill impairment charge of $0.6 million; as a result, there was no gain or loss recorded on the sale of the business.

In 2001, the Company sold all the operating assets of its contract manufacturing and packaging business unit to DPT Lakewood, Inc. for a sales price of $29.8 million, consisting of $28.0 million in cash and a $1.8 million note due in 2003. The sale resulted in a loss on disposal of $25.2 million, or $1.76 per share.

For additional information see Note 2 "Discontinued Operations" of the Notes to Consolidated Financial Statements of the 2002 Annual Report to Shareholders, incorporated herein by reference.

Order Backlog

At December 31, 2002, the Pharmaceutical Systems segment order backlog was approximately $119 million, all of which is expected to be filled during fiscal year 2003, compared with approximately $105 million at the end of 2001. Order backlog in this segment includes firm orders placed by customers for manufacture over a period of time according to a customer's schedule or upon confirmation by the customer. The Company also has contractual arrangements with a number of its customers, and products covered by these contracts are included in the Company's backlog only as orders are received from those customers.

Drug Delivery Systems segment backlog, which is primarily related to the clinical services business unit, consists of signed contracts yet to be completed. Contracts included in backlog are subject to termination or delay at any time and therefore the backlog is not necessarily a meaningful predictor of future results. Delayed contracts remain in the Company's backlog until cancelled. As of December 31, 2002, the Drug Delivery Systems segment backlog was $1.3 million, of which $1.1 million is expected to be filled during fiscal year 2003; at December 31, 2001 the backlog was $2.0 million.

Raw Materials

The Company uses three basic raw materials in the manufacture of its Pharmeutical Systems products: elastomers, aluminum and plastic. The Company has been receiving adequate supplies of raw materials to meet its production needs, and it foresees no significant availability problems in the near future.

The Company is pursuing a supply chain management strategy, which involves purchasing from integrated suppliers that control their own sources of supply. This strategy has reduced the number of raw material suppliers used by the Company. In some cases, the Company will purchase raw materials from a single source to assure quality and reduce costs. This strategy increases the risks that the Company's supply lines may be interrupted in the event of a supplier production problem. These risks are managed by selecting suppliers with multiple manufacturing sites, rigid quality control systems, surplus inventory levels and other methods of maintaining supply in case of interruption in production.

Patents, Trademarks and Proprietary Rights

The Company's policy is to apply for patent protection for the technology, inventions and improvements deemed important to the success of its business. The Company also relies upon trademarks, trade secrets, know-how, continuing technological innovations and licensing opportunities to maintain and further develop its competitive position.

It is also the Company's policy to require that employees and consultants, outside scientific collaborators, sponsored researchers and other advisors who receive confidential information, execute confidentiality agreements upon the commencement of employment or consulting relationships. The agreements provide that all inventions by an employee shall be the Company's property.

The Company's patents, trademarks and proprietary rights that relate to the Pharmaceutical Systems Segment have been useful in establishing the Company's market share and in the growth of the Company's business, and are expected to continue to be of value in the future, especially in view of the Company's continuing development of its own proprietary products in this segment. Although of importance in the aggregate, the Company does not consider its current Pharmaceutical Systems segment business or its earnings to be materially dependent on any single patent, trademark or proprietary right.

The Company's Drug Delivery Segment has acquired a significant portfolio of patents, pending patent applications and related proprietary rights for inventions relating to drug delivery systems technology developed primarily at its Nottingham, England research facility. While this portfolio has not produced significant tangible income to the Company in the past year, it is expected to be of major value to this segment going forward, particularly in the areas of attracting and developing strategic alliances with ethical drug manufacturers seeking proprietary systems for delivery of their products, and then developing, selling and licensing the Company's proprietary systems for use with the products of these manufacturers.

Major Customers

The Company provides components and/or contract services to major pharmaceutical, biotechnology and hospital supply/medical device companies, many of which have several divisions with separate purchasing responsibilities. The Company also provides clinical research to full service contract research organizations. The Company distributes its products and services primarily through its own sales force but also uses regional distributors in the United States and in the Asia/Pacific region.

Becton Dickinson and Company ("BD") accounted for approximately 13% of the Company's 2002 consolidated net sales. The principal products sold to BD are synthetic rubber, natural rubber, metal and plastic components used in BD's disposable and pre-filled syringes and blood sampling and analysis devices. The Company expects to continue as a major BD supplier.

Excluding BD, the next ten largest customers accounted for approximately 31% of the Company's consolidated net sales in 2002 but no one of these customers accounted for more than 4% of 2002 consolidated net sales.

Competition

The Company competes with several companies, some of which are larger than the Company, across its major Pharmaceutical Systems product lines. In addition, many companies worldwide compete with the Company for business related to specific product lines. However, the Company believes that it supplies a major portion of the U.S. market requirements for pharmaceutical elastomer and metal packaging components and also has a significant share of the European market for these components.

Because of the special nature of these products, competition is based primarily on product design and performance, although total cost is becoming increasingly important as pharmaceutical companies continue with aggressive cost control programs across their entire operations. Competitors often compete on the basis of price. The Company differentiates itself from its competition as a "full-service" supplier that is able to provide pre-sale compatibility studies and other services and sophisticated post-sale technical support on a global basis.

The Company competes against numerous competitors in the field of plastic closures for consumer products. Many of these competitors are larger than the Company and command significant market shares. The Company differentiates itself through its expertise in high-speed assembly of multiple-piece closure systems.

The clinical research industry is highly fragmented and comprised of several large full-service Contract Research Organizations (CROs), many small CROs and limited service providers. The major competitors in the industry include the research departments of pharmaceutical companies.

Many companies provide proprietary drug delivery technologies to the pharmaceutical and biotechnology markets. However, unlike West, the majority of these companies are focused on a single route of drug administration, and very few have capabilities necessary to take drug products through all stages of the development process and commercial manufacture. The three largest companies, the market leaders, have multiple-delivery technologies, but their strong franchises are in oral, controlled-release delivery systems. West's drug delivery technologies, none of which is currently in commercial production, are in less competitive segments that do not compete with the market leaders.

Environmental Regulations

The Company is subject to applicable federal, state, local and foreign health, safety and environmental laws, including those governing discharges of pollutants to air and water, the generation, management and disposal of hazardous materials and wastes and the remediation of contaminated sites. Some of the Company's manufacturing facilities have been issued environmental permits/certificates and have implemented controls to prevent or reduce discharges to air and water. These permits/certificates are subject to modification, renewal and revocation by the issuing authorities. The Company believes that its operations are currently in material compliance with all environmental laws, regulations and permits. The Company believes that ongoing environmental operating and capital expenditures will not be material.

Pursuant to applicable state programs, the Company is currently completing environmental remediation activities at one current and two former manufacturing facilities. Collectively, the Company has reserved $0.9 million to address the cost of remediation at these three facilities.

At its former Technical Center facility in Phoenixville, Pennsylvania, the Company has fully characterized contaminated soils and is about to complete groundwater characterization activities. Upon completion of the groundwater characterization in 2003, the Company believes that it will be able to obtain a release of liability from the Commonwealth of Pennsylvania.

The Company has completed remediation activities at its former plastics manufacturing facility in Wayne, New Jersey. Remaining work on the site involves re-grading a small area adjacent to the manufacturing area to comply with state solid waste management regulations. This work is expected to be completed in 2003, following which final approval is expected.

At its current operating plant in St. Petersburg, Florida, the Company has commenced remediation activities for contaminated groundwater. The Company expects that this project will be completed in 2004, subject thereafter to periodic monitoring.

International

The Company conducts business in most of the major markets in the world. Sales outside of the United States account for approximately 46% of consolidated net sales. Although the general business process is similar to the domestic business, international operations are exposed to additional risks including fluctuating foreign currency exchange rates, multiple tax jurisdictions and, particularly in Latin and South America, political and social issues that could destabilize local markets and affect the demand for the Company's products.

For additional information see Note 13 "Affiliated Companies" and Note 7 "Segment Information" of the Notes to Consolidated Financial Statements of the 2002 Annual Report to Shareholders are incorporated herein by reference.

The Company's financial condition and results are impacted by fluctuations in exchange-rate markets (See Note 1 "Summary of Significant Accounting Policies - Foreign Currency Translation" and Note 5 "Other Income (Expense)" of the Notes to Consolidated Financial Statements of the 2002 Annual Report to Shareholders, incorporated herein by reference). Hedging by the Company of these exposures is discussed in Note 1 "Summary of Significant Accounting Policies - Financial Instruments" and in Note 16 "Financial Instruments" of the Notes to Consolidated Financial Statements of the 2002 Annual Report to Shareholders, incorporated herein by reference.

Item 2. Properties.

In the Pharmaceutical Systems segment, the Company maintains eight manufacturing plants and two mold and die production facilities in the United States, and a total of eight manufacturing plants and two mold and die production facilities in Germany, England, France, Denmark, Brazil and Singapore. Contract laboratory services are provided from the Company's Lionville, Pennsylvania facility.

In the Drug Delivery Systems segment, the Company conducts drug delivery research and development in leased facilities located in Lionville, Pennsylvania and Nottingham, England. Clinical research services are provided by the GFI Research Center from leased space in Evansville, Indiana.

The Company's executive offices, U.S. research and development center and pilot plant are located in a leased facility at Lionville, Pennsylvania, about 35 miles from Philadelphia. All other company facilities are used for manufacturing and distribution, and facilities in Eschweiler, Germany, Montgomery, Pennsylvania and Clearwater, Florida, are also used for development activities for Pharmaceutical Systems products.

The manufacturing production facilities of the Company are well maintained and are operating generally on a two or three shift basis. The facilities in Germany and France are both being expanded to meet increased customer demand.

The principal facilities in the United States are as follows:

- Approximately 671,000 square feet of owned and 555,000 square feet of leased space in Pennsylvania, Florida, Nebraska, North Carolina and Indiana.

The principal international facilities are as follows:

- Approximately 809,000 square feet of owned space and 90,000 square feet of leased space in Germany, England, Denmark, France, Spain and Italy.

- Approximately 250,000 square feet of owned space in Brazil.

- Approximately 90,000 square feet of owned space in Singapore.

Sales office facilities in separate locations are leased under short-term arrangements.

Item 3. Legal Proceedings.

On February 24, 2003, plaintiffs Terry Ellis, Rosalie Whitley and Gloria Young, on behalf of themselves and a purported class of residents of Craven County, North Carolina and the surrounding area, filed a lawsuit naming the Company and Thomas Clagon, its Kinston, North Carolina plant manager, as defendants. Plaintiffs allege negligence and strict liability arising out of the explosion at the Company's Kinston, North Carolina plant and seek unspecified compensatory and punitive damages. The lawsuit was filed before the state court in Craven County, North Carolina.

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

None.

Item 4 (a) Executive Officers of the Registrant.

The executive officers of the Company at March 26, 2003 were as follows:

Name	Age	Business Experience During Past Five Years

Name	Age	Business Experience During Past Five Years
Joseph E. Abbott	50	Vice President and Corporate Controller since April 2002 and Corporate Controller since December 2000. Previously Director of Internal Audit.
Linda R. Altemus	51	Vice President and Chief Financial Officer since March 2002; Vice President, Finance and Administration from June 2001 to March 2002; Chief Information Officer from June 2000 to June 2001; Vice President, Management Information Systems from March 1999 to June 2000 and Director, Information Systems from May 1997 to March 1999.
Michael A. Anderson	47	Vice President and Treasurer since June 2001; Vice President, Finance & Administration for Drug Delivery Systems from November 1999 to June 2001; Vice President, Business Development from April 1997 to October 1999.
Steven A. Ellers	52	President, Pharmaceutical Systems Division since June 2002; Executive Vice President from June 2000 to June 2002; Senior Vice President and Chief Financial Officer from March 1998 to June 2000; Group President from April 1997 to March 1998.
John R. Gailey III	48	Vice President, General Counsel and Secretary.
Herbert L. Hugill	55	President of the Americas, Pharmaceutical Systems Division since January 2002; President, Global Sales and Marketing from May 2001 until January 2002; Division President, Clinical Services from November 1999 until May 2001 and General Manager of the Clinical Services Group from April 1999 until November 1999. Previously Mr. Hugill served as Chief Operating Officer of Collaborative Clinical Research, Inc.
Robert J. Keating	54	President, Europe and Asia Pacific, Pharmaceutical Systems Division since April 2002; Regional Director Asia Pacific from June 1998 to April 2002; General Manager from July 1997 until June 1998.

Name	Age	Business Experience During Past Five Years
William G. Little	60	Chairman of the Board until March 2003; Chief Executive Officer until April 30, 2002 and President until September 1998.
Richard Luzzi	51	Vice President, Human Resources from June 2002 to present; Vice President, Human Resources of GS Industries from July 1998 until May 2002. Previously Mr. Luzzi served as Vice President of Human Resources of Lukens, Inc.
Donald E. Morel, Jr., Ph.D.	45	Chairman of the Board since March 2003, Chief Executive Officer since April 2002 and President since May 2001; Chief Operating Officer from May 2001 to April 2002; Division President, Drug Delivery Systems from October 1999 to May 2001; Group President from April 1998 to October 1999.

Previously Vice President, Scientific Services.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's common stock is listed on the New York Stock Exchange. The high and low prices for the stock for each calendar quarter in 2002 and 2001 and full year 2002 and 2001 were as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year	
	High	Low	High	Low	High	Low	High	Low	High	Low
2002	30.53	25.00	32.50	27.90	31.99	21.08	24.80	16.25	32.50	16.25
2001	26.16	22.75	27.60	22.80	28.35	23.12	28.30	23.30	28.35	22.75

As of March 20, 2003, the Company had 1,665 shareholders of record. There were also 3,046 holders of shares registered in nominee names. The Company's common stock paid a quarterly dividend of $.18 per share in each of the first three quarters of 2001; $.19 per share in the fourth quarter of 2001 and each of the first three quarters of 2002; and $.20 per share in the fourth quarter of 2002.

Item 6. Selected Financial Data.

Information with respect to the Company's net sales, income from continuing operations, income (loss) from discontinued operations, income per share from continuing operations (basic and assuming dilution), income (loss) per share from discontinued operations (basic and assuming dilution) and dividends paid per share is incorporated by reference to the line items corresponding to those categories under the heading "Five-Year Summary - Summary of Operations" of the 2002 Annual Report to Shareholders. Information with respect to total assets and total debt is incorporated by reference to the line items corresponding to those categories under the heading "Five-Year Summary - Year-End Financial Position" of the 2002 Annual Report to Shareholders.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information called for by this Item is incorporated by reference to the text appearing in the "Financial Review" section of the 2002 Annual Report to Shareholders.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk.

The Company is exposed to market risk from changes in foreign currency exchange rates and interest rates. The following describes the nature of these risks. All debt securities and derivative instruments are considered non-trading.

Foreign Currency Exchange Risk

The Company has subsidiaries outside the United States accounting for approximately 46% of consolidated net sales. Virtually all of these sales and related operating costs are denominated in the currency of the local country and translated into U.S. dollars. Although the majority of the assets and liabilities of these subsidiaries are in the local currency of the subsidiary and are therefore translated into U.S. dollars, the foreign subsidiaries may hold assets or liabilities not denominated in their local currency. These items may give rise to foreign currency transaction gains and losses. As a result of the above, the Company's results of operations and financial position are exposed to changing exchange rates. The Company periodically uses forward contracts to hedge certain transactions, but generally does not hedge foreign currency exposures. In order to minimize the effect of foreign currency fluctuations, the Company attempts to pass foreign currency costs on to customers through price increases.

Interest Rate Risk

As a result of its normal borrowing activities the Company is exposed to fluctuations in interest rates, which the Company manages primarily through its financing activities. The Company has short- and long- term debt with both fixed and variable interest rates. Short-term debt is primarily comprised of notes payable to banks under lines of credit at variable interest rates. Long-term debt consists of $100,000 in senior notes at a fixed rate of interest and revolving credit facilities and other notes at variable rates.

The Company also utilizes interest rate swaps to minimize interest rate fluctuations on certain debt obligations. As of December 31, 2002, the Company had one interest rate swap. The swap, with a notional amount of 6,950 British Pound Sterling ($11,200), converts variable rate debt to a fixed rate of 7.2%. The swap expires in October 2003.

The following table summarizes the Company's interest rate risk sensitive instruments:

	Expected Maturity Date						December 31, 2002	
($ in millions)	2003	2004	2005	2006	2007	There-after	Carrying Value	Fair Value
Notes Payable and Current								
Portion of Long-term Debt:								
U.S. dollar denominated	$ 500	$ -	$ -	$ -	$ -	$ -	$ 500	$ 500
Average interest rate - fixed	9.1%							
BPS denominated	11,200	-	-	-	-	-	11,200	11,400
Average interest rate - variable	4.5%							
BPS denominated	3,800	-	-	-	-	-	3,800	3,800
Average interest rate - variable	5.2%							
Euro denominated	200	-	-	-	-	-	200	200
Average interest rate - fixed	0.0%							
Other denominations	100	-	-	-	-	-	100	100
Average interest rate - fixed	2.0%							
Long-Term Debt:								
U.S. dollar denominated	-	-	-	-	-	100,000	100,000	100,300
Average interest rate - fixed						6.8%		
U.S. dollar denominated	-	-	38,300	-	-	-	38,300	38,300
Average interest rate - variable			2.4%					
BPS denominated	-	-	20,900	-	-	-	20,900	20,900
Average interest rate - variable			5.0%					
Interest Rate Swaps:								
Variable to fixed - BPS	200	-	-	-	-	-	200	200
Fixed pay rate	7.2%							

Item 8. Financial Statements and Supplementary Data.

The information called for by this Item is incorporated by reference to "Consolidated Financial Statements", "Notes to Consolidated Financial Statements", and "Quarterly Operating and Per Share Data (Unaudited)" of the 2002 Annual Report to Shareholders.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Information called for by this Item is incorporated by reference to "PROPOSAL #1: ELECTION OF DIRECTORS" in the Proxy Statement.

Information about executive officers of the Company is set forth in Item 4 (a) of this report.

Item 11. Executive Compensation.

Information called for by this Item is incorporated by reference to "COMPENSATION OF DIRECTORS AND NAMED EXECUTIVE OFFICERS", "BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION" and "SHAREHOLDER RETURN PERFORMANCE

GRAPH" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Information called for by this Item is incorporated by reference to "PRINCIPAL OWNERS OF COMMON STOCK", "INFORMATION ABOUT THE BOARD AND BOARD COMMITTEES - Stock Ownership of Directors and Executive Officers, Equity Compensation Plan Information" in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

None

Item 14. Controls and Procedures.

In connection with the preparation and filing of the Company's Quarterly Report on Form 10-Q for the third quarter of 2002, the Company established disclosure controls and procedures (as defined under SEC Rules 13a-14 and 15d-14). These controls and procedures are designed to, among other things, ensure that information required to be disclosed in the Company's periodic reports is recorded, processed, summarized and reported on a timely basis and that such information is made known to the Company's Chief Executive Officer and Chief Financial Officer (together, the "Certifying Officers") to allow timely decisions regarding required disclosure. As part of this process, the Company also established a Disclosure Committee of key management from a variety of functional areas. The Disclosure Committee monitors the Company"s disclosure controls and procedures, assists the Certifying Officers in evaluating their effectiveness and supports the Certifying Officers' certification of the Company's periodic reports as required by SEC Rule 13a-14 and 15d-14.

The Certifying Officers have evaluated the effectiveness of the Company's disclosure controls and procedures within 90 days prior to the filing date of this report and, based on such evaluation, have concluded that such disclosure controls and procedures are effective.

There were no significant changes in internal controls or in other factors that could significantly affect the Company's internal controls subsequent to the date of the evaluation mentioned above. In addition, no corrective actions were taken or required with regard to significant deficiencies or material weaknesses.

PART IV

Item 15. Exhibits, Financial Statement Schedule and Reports on Form 8-K.

(a)1. The following report and consolidated financial statements, included in the 2002 Annual Report to Shareholders, have been incorporated herein by reference:

Consolidated Statements of Income for the years ended December 31, 2002, 2001 and 2000

Consolidated Statements of Comprehensive Income (Loss)for the years ended December 31, 2002, 2001 and 2000

Consolidated Balance Sheets at December 31, 2002 and 2001

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2002, 2001 and 2000

Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001 and 2000

Notes to Consolidated Financial Statements

Report of Independent Accountants

(a)2. Financial Statement Schedule

Report of Independent Accountants on Financial Statement Schedule

To the Board of Directors of West Pharmaceutical Services Inc.:

Our audits of the consolidated financial statements referred to in our report dated March 3, 2003 appearing in the 2002 Annual Report to Shareholders of West Pharmaceutical Services Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 3, 2003

Schedule II - Valuation and Qualifying Accounts

	Balance at beginning of period	Charged to costs and expenses	Translation adjustments	Balance at end of period
Deferred tax asset valuation allowance:				
For the year ended December 31,				
2002	$ 10,700	$ 3,100	$ (4,000)	$ 9,800
2001	10,200	(500)	1,000	10,700
2000	4,900	1,900	3,400	10,200

All other schedules are omitted because they are either not applicable, not required or because the information required is contained in the consolidated financial statements or notes thereto.

(a)3. See Index to Exhibits on pages F-1, F-2, F-3, F-4 and F-5 of this Report.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 2002.

(c) The exhibits are listed in the Index to Exhibits on pages F-1, F-2, F-3, F-4 and F-5 of this Report.

(d) Financial Statements of affiliates are omitted because they do not meet the tests of a significant subsidiary at the 20% level.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange

Act of 1934, West Pharmaceutical Services, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WEST PHARMACEUTICAL SERVICES, INC.
(Registrant)

By: /s/ Linda R. Altemus

Linda R. Altemus
Vice President and Chief Financial Officer

March 26, 2003

Date

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Donald E. Morel, Jr., Ph.D. -------------------------------- Donald E. Morel, Jr., Ph.D.	Director, President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	March 26, 2003
/s/ Joseph E. Abbott ------------------------------- Joseph E. Abbott	Vice President and Corporate Controller (Principal Accounting Officer)	March 26, 2003
/s/ Tenley E. Albright ------------------------------- Tenley E. Albright *	Director	March 26, 2003
/s/ Linda R. Altemus ------------------------------- Linda R. Altemus	Vice President and Chief Financial Officer (Principal Financial Officer)	March 26, 2003
/s/ John W. Conway ------------------------------- John W. Conway*	Director	March 26, 2003
/s/ George W. Ebright ------------------------------- George W. Ebright*	Director	March 26, 2003
/s/ L. Robert Johnson ------------------------------- L. Robert Johnson*	Director	March 26, 2003
/s/ William G. Little ------------------------------- William G. Little*	Director	March 26, 2003

Signature	Title	Date
/s/ William H. Longfield William H. Longfield*	Director	March 26, 2003
/s/ John P. Neafsey John P. Neafsey*	Director	March 26, 2003
/s/ Anthony Welters Anthony Welters*	Director	March 26, 2003
/s/ Geoffrey F. Worden Geoffrey F. Worden*	Director	March 26, 2003
/s/ Robert C. Young Robert C. Young*	Director	March 26, 2003
/s/ Patrick J. Zenner Patrick J. Zenner*	Director	March 26, 2003

* By John R. Gailey III pursuant to a power of attorney.

CERTIFICATION

I, Donald E. Morel, Jr. Ph.D., certify that:

1. I have reviewed this annual report on Form 10-K of West Pharmaceutical Services, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

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

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 26, 2003

By: /s/ Donald E. Morel, Jr., Ph.D.

Donald E. Morel, Jr., Ph.D.
President and Chief Executive Officer

CERTIFICATION

I, Linda R. Altemus, certify that:

1. I have reviewed this annual report on Form 10-K of West Pharmaceutical Services, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

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

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit

committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 26, 2003

By: /s/ Linda R. Altemus

Linda R. Altemus
Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number	
(2)	None.
(3) (a)	Amended and Restated Articles of Incorporation of the Company through January 4, 1999 incorporated by reference to Exhibit (3)(a) of the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
(3) (b)	Bylaws of the Company, as amended through October 27, 1998, incorporated by reference to Exhibit (3)(b) to the Company's Form 10-Q for the quarter ended September 30, 1998 (File No. 1-8036).
(4)	Miscellaneous long term debt instruments and credit facility agreements of the Company, under which the underlying authorized debt is equal to less than ten percent of the total assets of the Company and its subsidiaries on a consolidated basis, may not be filed as exhibits to this report pursuant to Section (b) (4) (iii) A of Item 601 of Reg S-K. The Company agrees to furnish to the Commission, upon request, copies of any such unfiled instruments (File No. 1-8036).
(4) (a)	Form of stock certificate for common stock incorporated by reference to Exhibit (4) (a) of the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
(4) (a) (1)	Article 5, 6, 8(c) and 9 of the Amended and Restated Articles of Incorporation of the Company, incorporated by reference to Exhibit (3) (a) of the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
(4) (a) (2)	Article I and V of the Bylaws of the Company, as amended, incorporated by reference to Exhibit (3) (b) to the Company's Form 10-Q for the quarter ended September 30, 1998 (File No. 1-8036).
(4) (b)	Note Purchase Agreement dated as of April 8, 1999 among the Company and the insurance companies identified on a schedule thereto, incorporated by reference to Exhibit (4)(b) of the

Company's Form 10-Q for the quarter ended September 30, 2000 (File No. 1-8036).

(4) (c)	Credit Agreement, dated as of July 26, 2000 among the Company, the banks and other financial institutions identified on a schedule thereto, and PNC Bank, N.A., as agent for the banks (the "Credit Agreement"), incorporated by reference to Exhibit (4) (c) of the Company's Form 10-Q for the quarter ended September 30, 2000 (File No. 1-8036).
(4) (c) (1)	First Amendment dated as of September 14, 2000, to the Credit Agreement, incorporated by reference to Exhibit (4) (c) (1) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).

Exhibit Number	
(4) (c) (2)	Second Amendment dated as of November 17, 2000, to the Credit Agreement, incorporated by reference to Exhibit (4) (c) (2) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(4) (c) (3)	Joinder and Assumption Agreement dated as of February 28, 2001, with respect to the Credit Agreement, incorporated by reference to Exhibit (4) (c) (3) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
.	
(4) (c) (4)	Third Amendment dated as of February 28, 2001 to the Credit Agreement, incorporated by reference to Exhibit (4) (c) (4) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(4) (c) (5)	Fourth Amendment dated as of July 13, 2001 to the Credit Agreement, incorporated by reference to Exhibit (10) (a) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001 (File No. 1-8036).
(4) (c) (6)	Extension Agreement dated as of January 5, 2001 to the Credit Agreement, incorporated by reference to Exhibit (4) (c) (6) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(4) (c) (7)	Fifth Amendment dated as of July 17, 2002 to the Credit Agreement, incorporated by reference to Exhibit (4) (c) (7) of the Company's Quarterly Annual Report on Form 10-Q for the quarter ended June 30, 2002 (File No. 1-8036).
(9)	None.
(10) (a)	Lease dated as of December 31, 1992 between Lion Associates, L.P. and the Company, relating to the lease of the Company's headquarters in Lionville, Pa., incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 1-8036).
(10) (aa)	Discounted Stock Purchase Plan, as Amended and Restated, dated as of November 5, 1991.
(10) (b)	First Addendum to Lease dated as of May 22, 1995 between Lion Associates, L.P. and the Company, incorporated by reference to Exhibit (10)(d) of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1- 8036).
(10) (bb)	Amendment No. 1 to Discounted Stock Purchase Plan, effective as of December 31, 2001.
(10) (c)	Lease dated as of December 14, 1999 between White Deer Warehousing & Distribution Center, Inc. and the Company

relating to the lease of the Company's site in Montgomery, Pa.

Exhibit Number	
(10) (d)	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. 1-8036).
(10) (e)	Amendments to the Long Term Incentive Plan, dated April 30, 1996, incorporated herein by reference to Exhibit (10)(a) of the Company's Form 10Q for the quarter ended June 30, 1996 (File No. 1-8036).
(10) (e) (1)	Amendment to the Long Term Incentive Plan, Effective October 30, 2001, incorporated by reference to Exhibit 10(d)(1) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(10) (f)	1999 Non-Qualified Stock Option Plan for Non- Employee Directors, effective as of April 27, 1999, incorporated by reference Exhibit (10)(c) of to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999 (File No. 1- 8036).
(10) (g)	2002 Management Incentive Bonus Plan, incorporated by reference to Exhibit 10 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 (File No. 1-8036).
(10) (h)	Amendment No. 1 to 1999 Non-Qualified Stock Option Plan for Non-Employee Directors, effective October 30, 2001, incorporated by reference to Exhibit 10(f) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(10) (i)	Form of Second Amended and Restated Change-in-Control Agreement between the Company and certain of its executive officers dated as of March 25, 2000, incorporated by reference to Exhibit(10)(b) of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 (File No. 1-8036).
(10) (i) (1)	Form of Amendment No.1 to Second Amended and Restated Change-in-Control Agreement dated as of May 1, 2001 between the Company and certain of its executive officers, incorporated by reference to Exhibit 10(g)(1) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(10) (j)	Schedule of agreements with executive officers, incorporated by reference to Exhibit 10(h) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(10) (k)	Amendment to Amended and Restated Employment Agreement, dated as of April 30, 2002, between the Company and William G. Little, incorporated by reference to Exhibit 10 (a) of the Company's Quarterly Annual Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1- 8036).

Exhibit
Number

(10) (l)	Non-Competition Agreement, dated as of April 30, 2002, between the Company and William G. Little, incorporated by reference to Exhibit 10 (b) of the Company's Quarterly Annual Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1- 8036).
(10) (m)	Employment Agreement, dated as of April 30, 2002, between the Company and Donald E. Morel, Jr., incorporated by reference to Exhibit 10 (c) of the Company's Quarterly Annual Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1- 8036).
(10) (n)	Non-Qualified Stock Option Agreement, dated as of April 30, 2002 between the Company and Donald E. Morel, Jr., incorporated by reference to Exhibit 10 (d) of the Company's Quarterly Annual Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1- 8036).
(10) (o)	Supplemental Employees' Retirement Plan, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1989 (File No. 1-8036).
(10) (p)	Amendment No. 1 to Supplemental Employees' Retirement Plan, incorporated by reference to Exhibit (10)(l) of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1- 8036).
(10) (q)	Amendment No. 2 to Supplemental Employees' Retirement Plan, incorporated by reference to Exhibit (10)(c) of the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1995 (File No. 1-8036).
(10) (r)	Amended and Restated Employment Agreement dated as of March 25, 2000 between the Company and William G. Little, incorporated by reference to Exhibit (10)(a) of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 (File No. 1-8036).
(10) (r) (1)	Amendment No.1 to Amended and Restated Employment Agreement, dated as of May 1, 2001, between the Company and William G. Little, incorporated by reference to Exhibit 10(l)(1) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(10) (s)	Non-Qualified Deferred Compensation Plan for Designated Executive Officers as amended and restated effective April 1, 2000, incorporated by reference to Exhibit (10)(a) of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000 (File No. 1-8036).
(10) (t)	Deferred Compensation Plan for Outside Directors, as amended and restated effective May 27, 1999, incorporated by reference to Exhibit(10)(a) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-8036).

Exhibit Number	
(10) (u)	1999 Stock-Equivalents Compensation Plan for Non-Employee Directors, incorporated by reference to Exhibit (10)(a) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-8036).
(10) (v)	1998 Key Employee Incentive Compensation Plan, dated March 10, 1998, incorporated by reference to Exhibit (10)(y) of the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (File No.1-8036).

(10) (w)	Asset Purchase Agreement, dated as of November 15, 2001, by and among DFB Pharmaceuticals, Inc., DPT Lakewood, Inc., West Pharmaceutical Services, Inc., West Pharmaceutical Services Lakewood, Inc., Charter Laboratories, Inc. and Paco Laboratories, Inc., incorporated by reference to Exhibit 2.1 of the Company's Current Report on form 8-K dated November 20, 2001 (File No. 1-8036).
(10) (x)	Side letter dated November 30, 2001, incorporated by reference to Exhibit 2.2 of the Company's Current Report on Form 8-K dated November 20, 2001 (File No.1-8036).
(10) (y)	Amendment No.1 to 1998 Key Employees Incentive Compensation Plan, effective October 30, 2001, incorporated by reference to Exhibit 10(s) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).
(10) (z)	2003 Employee Stock Purchase Plan, effective as of June 1, 2003, incorporated by reference to Appendix A of the Company's 2003 Definitive Proxy Statement on Form 14A (File No. 1-8036).
(11)	Not Applicable.
(12)	Not Applicable.
(13)	Portions of 2002 Annual Report to Shareholders.
(16)	Not applicable.
(18)	None.
(21)	Subsidiaries of the Company.
(22)	None.
(23)	Consent of Independent Accountants.
(24)	Powers of Attorney.
(99) (a)	Certification by Donald E. Morel, Jr., Ph.D., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(99) (b)	Certification by Linda R. Altemus, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 10 (aa)

AMENDED AND RESTATED

THE WEST COMPANY. INCORPORATED

DISCOUNTED STOCK PURCHASE PLAN

NOVEMBER 5, 1991

ARTICLE 1 - PURPOSE

The West Company, Incorporated Discounted Stock Purchase Plan (the "Plan") is intended to encourage Company stock ownership by all eligible employees of The West Company, Incorporated (the "Company") and its participating subsidiaries through the use of voluntary, systematic payroll deductions to purchase the Company's Common Stock ("Stock"). The term "participating subsidiaries" shall mean any domestic subsidiary of The West Company, Incorporated and any other subsidiary of The West Company, Incorporated which is designated by the Board of Directors of the Company to participate in the Plan.

ARTICLE 2 - ELIGIBLE EMPLOYEES

Each full-time employee of the Company or any participating subsidiary (1) who is employed in the continental United States, Puerto Rico or any other jurisdiction designated by the Board of Directors, (2) who has reached the statutory age of majority in the jurisdiction in which the employee is employed (3) who has been employed for six full calendar months and (4) if the employee is covered by a collective bargaining agreement, whose participation in the Plan has been the subject of collective bargaining, shall be eligible to participate in the Plan. Temporary employees, part--time employees and officers are not eligible to participate in the Plan.

ARTICLE 3 - EMPLOYMENT OF AGENT

The Company has engaged American Stock Transfer Co. ("Agent") to act as Agent under the Plan for the purchase of, and issuance of certificates for, Stock on behalf of all eligible Plan participants. The Agent shall open and maintain a separate account for each Plan participant upon receipt of a written authorization from the Company. The Agent will issue quarterly statements of each Plan participant's account to the participant.

ARTICLE 4 -ELECTION TO PARTICIPATE

Each eligible employee may become a participant in the Plan by delivering to the Company's Payroll Department a written enrollment, in the form prescribed by the Committee:

(a) stating the amount to be deducted from each pay pursuant to Article 5 and authorizing deductions in that amount;

(b) authorizing the purchase of Stock in accordance with the terms of the Plan; and

(c) specifying the exact name in which Stock purchased for the participant is to be issued as provided under Article 11 hereof.

Such deduction authorization shall be placed in effect as soon as practicable following its delivery to the Payroll Department. Until a participant files a new authorization or withdraws from the Plan, deductions and purchases under the authorization on file for the participant will continue as long as the Plan remains in effect.

Amounts deducted each month from pay pursuant to written authorizations shall be commingled and forwarded by the 15th day of the following month by the Company to the Agent with a sub-accounting sufficiently detailed to show the amounts applicable to each participant. No interest will be credited with respect to such amounts.

ARTICLE 5-PAYROLL DEDUCTIONS: COMPANY CONTRIBUTIONS: SEPARATE CASH CONTRIBUTIONS

A participant shall elect to make contributions to the Plan by payroll deductions in an amount ranging from a minimum of $2.50 each week for those employees paid weekly, or $5.00 per biweekly pay period for those employees paid bi-weekly, to, in increments of $.50, a maximum of 10% of the participant's base rate of compensation for the period in question, subject to the participant's right to discontinue participation under Article 6 and the participant's right to withdraw under Article 7.

The Company shall contribute, on behalf of each participating employee, an amount sufficient to effect a 15% discount on Stock purchased through payroll deduction, such amount to be forwarded by the Company to the Agent simultaneously with employee contributions.

Participants may also make separate cash contributions to the Plan of up to $2,500 per calendar quarter, such amount to be forwarded by the Company to the Agent simultaneously with employee contributions. The Company will, however, not contribute with respect to such separate contributions.

ARTICLE 6 - CHANGE IN PAYROLL DEDUCTIONS

The rate of a participant's payroll deductions may be increased or decreased, or the payroll deductions terminated, at any time by submitting a written authorization form to the Payroll Department. Commencement, revision or termination of deductions will become effective as of the first day of the first month occurring at least 15 days after notice of such commencement, revision or termination is received. A participant shall be limited to two such revisions in each calendar year. A six month waiting period for participation shall be imposed upon any participant who wishes to reactivate his payroll deductions after having authorized their termination.

ARTICLE 7 - WITHDRAWAL FROM THE PLAN

A participant may withdraw from the Plan at any time by delivering a written notice to the Agent and a notice of termination of deduction, as described in Article 6, to the Payroll Department. Upon withdrawal, the Agent shall issue, as soon as practicable, a certificate to the participant in his name, or, if held as a joint account, in the name of the participant and his joint tenant, for the number of whole shares of Stock in accordance with Article 11. Any fractional interest in shares shall be sold and a check issued for the net proceeds of such sale and for any contributions not yet applied to purchase Stock. Each participant shall receive a statement of account upon withdrawal.

ARTICLE 8 - PURCHASE OF STOCK

The Company shall forward to the Agent on or before the 15th day of each month the payroll deductions and separate participant cash contributions made during the previous month for each participant, and the Company contributions made with respect to the payroll deductions, for the purchase of whole shares of Stock and fractional interest in shares for each participant's account. The purchase of shares with those contributions shall be made as soon as reasonably practicable thereafter.

ARTICLE 9 - PURCHASE PRICE

The price per share of Stock shall be the current open market price at the time of trade during any trading day on the New York Stock Exchange. The terms "business day" or "trading day" as used herein mean a day on which there is trading on the New York Stock Exchange or such other national securities exchange as shall be designated by the Committee.

ARTICLE 10 - CASH AND STOCK DIVIDENDS; STOCK SPLITS

Subject to the receipt of a contrary notice from the participant, the Agent will credit cash dividends to the account icipant on the date those dividends are paid and shall reinvest such dividends in Stock as soon as is reasonably practicable. A11 Stock dividends and Stock splits shall be credited by the Agent to the account of each participant. Any other distributions of securities and rights to subscribe shall be sold and the net proceeds credited to the account of each participant.

ARTICLE 11 - ISSUANCE OF STOCK CERTIFICATES

A participant may direct once each calendar year, at any time, that a certificate be issued by the Agent as soon as practicable and mailed to the participant for any number of full shares held in the participant's account. In addition, as described in Article 7, certificates for all whole shares of Stock purchased for a participant will be delivered as soon as practicable after the participant's withdrawal from the Plan. Certificates for shares of Stock purchased under the Plan will be issued in the name of the participant, or in the name of the participant and another person of legal age as joint tenants with right of survivorship, as directed by the participant in writing, on the enrollment form filed by the participant under Article 4.

ARTICLE 12 -- COMPANY'S PAYMENT OF EXPENSES RELATED TO PLAN

The Company will pay the Agent for all commissions and other charges rendered in connection with the purchase of Stock under the Plan, including dividend reinvestments. The commissions on all such purchases and dividend reinvestments shall be at the minimum (or best available) rates as then in effect on the New York Stock Exchange.

ARTICLE 13 - ADMINISTRATION OF THE PLAN

The Plan shall be administered by a Committee (the "Committee") consisting of the Company's Senior Vice President - Human Resources and Public Affairs and its Treasurer. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, however caused, shall be filled by the Board of Directors. Acts of the Committee reduced to or approved in writing by any member of the Committee, shall be the valid acts of the Committee.

The interpretation and construction by the Committee of any provisions of the Plan shall be final unless otherwise determined by the Board of Directors. The Committee may from time to time adopt such rules and regulations for carrying out the Plan as it may deem best. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan.

ARTICLE 14 - TERMINATION OF EMPLOYEE'S RIGHTS

A participant's rights to make contributions and to receive Company contributions under the Plan will terminate immediately upon the participant's termination of employment by reason of retirement, resignation, layoff, discharge, death, or for any other reason. In the event a participant's payroll deductions are interrupted by any legal process, a written notice of termination of deduction will be considered to have been received from that participant on the day the interruption occurs.

ARTICLE 15 - TERMINATION AND AMENDMENTS TO PLAN

The Plan shall terminate on December 31, 1993 (Extension of termination date was adopted by the Board of Directors on November 5, 1991). The Plan may be renewed, however, at any time by the Board of Directors of the Company for additional terms of up to two years each. The Board of Directors also reserves the right to amend the Plan from time to time in any respect and to change the eligibility requirements to suit administrative convenience. The Agent reserves the right, upon 90 days notice to the Company, to amend or terminate its agreement with the Company, and by so doing, modify or terminate its servicing arrangement under the Plan.

ARTICLE 16 - REPRESENTATIONS ON STOCK PURCHASED UNDER THE PLAN

The Company makes no representations as to the investment quality of its Stock. Plan participation is strictly voluntary. The Company does not intend to restrict or influence any employee in the conduct of his own affairs. A participant may, therefore, sell Stock purchased under the Plan and held in certificate form by the participant at any time. All plan participants shall vest in all customary shareholder rights, including voting privileges.

ARTICLE 17 - PARTICIPANT-STOCKHOLDER RIGHTS

Neither an employee's status as a participant nor the deductions from the employee's pay shall make employee a stockholder until shares of Stock have been purchased for such employee's account.

ARTICLE 18 - SECURITIES REGULATIONS

Actions undertaken by the Agent to buy and deliver whole shares of Stock or to buy, sell and deliver the proceeds of fractional shares of Stock under this Plan are subject to the provision of the constitution, rules and regulations, and customs and usages of the New York Stock Exchange, Inc. as from time to time in effect shall apply.

ARTICLE 19 - WITHHOLDING OF TAX

The Company, or a participating subsidiary, acting in accordance with the requirements of applicable laws and regulations, will withhold from the wages of participating employees all income and other taxes required with respect to any amount deducted from a participant's pay under the Plan, or with respect to amounts contributed by the Company for the participant under the Plan.

ARTICLE 20 - FEDERAL TAX TREATMENT OF COMPANY CONTRIBUTIONS AND DIVIDENDS

Company contributions made for a participant's benefit, with respect to that participant's payroll deductions, are subject to federal income tax and may be subject to state and local taxes. Those amounts will be reported to the Employee annually on Internal Revenue Service Form W-2, or any successor form specified by the Internal Revenue Service.

Dividends declared on Stock held for a participant are also subject to federal income tax and may be subject to state and local taxes regardless of whether such dividends are actually paid to the participant or are applied to purchase Stock. The Agent shall supply trade confirmations and statements to each participant to be used in the preparation of annual income tax returns.

ARTICLE 21 - APPROVAL BY THE BOARD OF DIRECTORS

The Plan was approved by the Board of Directors of the Company on November 6, 1987.

Exhibit 10 (bb)

AMENDMENT NO. 1

TO THE WEST PHARMACEUTICAL SERVICES, INC.

DISCOUNTED STOCK PURCHASE PLAN

Effective as of December 31, 2001, West Pharmaceutical Services, Inc. amends its Discounted Stock Purchase Plan, As Amended and Restated, (the "Plan") as set forth below:

ARTICLE 15 - TERMINATION AND AMENDMENTS TO PLAN is hereby amended by deleting the first three sentences thereof and replacing them with the following:

"The Plan shall terminate on December 31, 2006. The Plan may be renewed, however, at any time by the Board of Directors of the Company for additional terms of up to five years each."

To record the adoption of this Amendment No. 1 to the Plan, West Pharmaceutical Services, Inc. has caused its authorized officers to affix its name and seal as of the 1st day of January, 2002.

[CORPORATE SEAL] WEST PHARMACEUTICAL SERVICES, INC.

Attest: ________________________
John R. Gailey III, Secretary

By: ____________________________________
George R. Bennyhoff
Senior Vice President, Human Resources

Exhibit 10 (c)

AMENDED AND RESTATED LEASE AGREEMENT

This Amended and Restated Lease Agreement (the "Lease") is made as of December 14, 1999, but effective as of January 1, 2000, by and between WHITE DEER WAREHOUSING & DISTRIBUTION CENTER, INC., c/o Thomas B. Keller, 401 Broad Street, Montoursville, PA 17754 ("Landlord") and WEST PHARMACEUTICAL SERVICES, INC., 101 Gordon Drive, Lionville, PA 19341 ("Tenant").

WHEREAS, Landlord and Tenant, as successor to The West Company Incorporated, are parties to a certain Lease Agreement dated October 15, 1996 (the "Original Lease"), pursuant to which Landlord leases to Tenant, and Tenant rents from Landlord approximately 105,151 rentable square feet (the "Original Premises") located in a building containing approximately 197,411 rentable square feet located at Route 15, Clinton Township, Lycoming County, Pennsylvania (the "Building"); and

WHEREAS, Landlord and Tenant desire to amend and restate the Original Lease to provide for an expansion of the Original Premises to the entire Building (subject to the Existing Leases, as defined herein), an extension of the term of the Original Lease, and such other modifications, terms and conditions set forth herein.

NOW THEREFORE, for Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby. Landlord and Tenant agree as follows:

1. RESTATEMENT OF ORIGINAL LEASE; CREATION OF NEW LEASED PREMISES.

Landlord and Tenant acknowledge and agree that, as of the Commencement Date described below, the Original Lease shall be and hereby is amended and restated by this Lease Agreement. Landlord hereby leases to Tenant 197,411 rentable square feet in the Building, as more particularly shown on the space plan attached hereto and made a part hereof as Exhibit "A" (the "Premises"); the occupancy of which shall be subject to the terms and conditions of the existing leases from Landlord to Tenant, as described in Exhibit "B" attached hereto (the "Existing Leases"). The Premises contains the fixtures, improvements, and other property now installed. Tenant accepts the Premises in its current condition, "as-is", without any representation or warranty of Landlord, except as expressly set forth herein.

The Premises shall include the entire Building as well as the land south of the creek bed ("Land").

Landlord agrees to deliver, on or prior to the effectiveness of this Lease Agreement, sublease agreements from the tenants under the Existing Leases, in the form of Exhibit "C" attached hereto, pursuant to which such tenants will agree to become subtenants to Tenant.

2. TERM.

The initial term ("Initial Term") of this Lease begins on January 1, 2000 (the "Commencement Date") and shall end on December 31, 2009 (the "Expiration Date"), subject to the extension options contained below.

Provided that Tenant is not then in default under this Lease, Tenant is hereby granted the option to extend the term of this Lease for three (3) additional terms (each of such additional terms, a "Renewal Term") of five (5) years each, each such option to be exercised by Tenant, if at all, by giving written notice not less than ninety (90) days prior to the expiration of the Initial Term or then-current Renewal Term. The Initial Term and any Renewal Term are sometimes referred to together in this Lease as the "Term" hereof

3. BASE RENT; SECURITY DEPOSIT.

Tenant shall pay to Landlord at the office of Landlord, or at such other place as Landlord may designate, annual Base Rent during the first Lease year equal to Six Hundred Ninety Thousand Nine Hundred Thirty Eight and 50/100 Dollars ($690,938.50) (representing the sum obtained by multiplying the square feet of the Premises by $3.50); payable in twelve (12) equal monthly installments of Fifty Seven Thousand Five Hundred Seventy Eight and 21/100 Dollars ($57,578.21). After the first Lease year, and including all Renewal Terms, the annual Base Rent shall be increased from the Base Rent for the previous Lease year by the percentage increase in the Consumer Price Index (as hereinafter defined) between October of the previous calendar year and October of the then current calendar year, with a minimum increase of three percent (3%) and a maximum increase of five percent (5%). "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers released by the United States Department of Labor, Bureau of Labor Statistics, relating to Consumer Prices for All Items in the Philadelphia Area.

All of these payments shall be made on or before the first day of each and every month following the Commencement Date during the Term, without any set-off or deduction except as herein specified. If the Commencement Date occurs on other than the first day of a month, the Base Rent for such month shall be pro rated.

As security for performance of its obligations under this Lease, Tenant shall pay to Landlord a security deposit in the amount equal to $57,578.21, representing one month's rent as calculated in the first Lease year.

4. CAPITAL IMPROVEMENT FUND.

In addition to the payments of Base Rent described above, Tenant shall pay to Landlord from and after the Commencement Date an annual amount equal to Fifty Cents (.50 cents) per square foot in the Premises, to be paid in equal monthly installments throughout each Lease Year (the "Capital Improvement Reserve"). The Capital Improvement Reserve shall be subject to the same annual increase by the percentage increase in the Consumer Price Index as set forth in Section 3 above. The Capital Improvement Reserve may be used by Landlord, upon prior notice to Tenant, to pay for capital improvements, replacements and reasonable financing costs (as referred to in Paragraph 8(b) and 8(c) below and as defined by generally accepted accounting principles) required to the Building from and after the Commencement Date; provided, however, that the Capital Improvement Reserve shall only be used to pay for capital improvement and replacement work performed in a manner and during such times as is customary for such work. Landlord and Tenant agree that each will take such steps necessary to bid such work wherever reasonably practicable so as to minimize excess costs. Notwithstanding the foregoing, Landlord must make any and all necessary capital improvements and replacements to the Building regardless of whether there are sufficient funds in the Capital Improvement Reserve to fund such improvements or replacements. In the event that the Capital Improvement Reserve is insufficient to fund necessary capital improvements or replacements, and Landlord is required to advance such funds, subsequent payments by Tenant to the Capital Improvement Reserve can be used to reimburse Landlord. Any dispute regarding the necessity of capital improvements or replacements will be subject to the dispute resolution provisions set forth in Section 8(c).

5. ADDITIONAL RENT.

(a) Definitions. For the purpose of this Lease, "Real Estate Taxes" means the sum of (a) real property taxes, special or otherwise, imposed upon the Premises, at discounted rates only, and (b) reasonable legal fees, costs, and disbursements incurred for proceedings to contest, determine, or reduce Real Estate Taxes, provided such method for contesting the Real Estate Taxes is agreed to in writing by Landlord and Tenant.

(b) Payment by Tenant. Tenant shall pay all Real Estate Taxes imposed upon the Premises within thirty (30) days net from the date of receipt by Tenant of written notice from Landlord of such amounts due from Tenant; provided however, that Landlord shall pay its proportionate share of the real estate taxes imposed on the land that is north of the creek bed. The assessed value of the land north of the creek bed shall be determined by a pro ration of the locally assessed land values.

6. UTILITIES.

(a) Tenant shall pay the cost of all light, power, natural gas, fuel, oil, sprinkler stand-by service, water, telephone, sewer, and other utilities and services supplied to the Premises. Tenant shall pay such charges directly to the providing utility. Landlord shall not be liable to Tenant, and Tenant's obligations under the Lease shall not be abated, in the event of any interruption or inadequacy of any utility or service supplied to the Premises unless such interruption or inadequacy is caused by the gross negligence or wilful misconduct of Landlord, and then only to the extent Tenant is not compensated by any insurance required to be carried by Tenant hereunder or any other insurance actually carried by Tenant.

(b) In the event public sewer service becomes available to the Premises, Tenant shall pay all normal assessments pursuant to Section 6(a) above, and sewer rents applicable thereto. Landlord shall pay the cost of all hook-up fees and the cost of the installation and replacement of all applicable sewer connection lines serving the Premises.

7. USE OF PREMISES. The Premises may be used by Tenant for any lawful purpose.

8. MAINTENANCE AND REPAIRS.

(a) Tenant Responsibilities. Tenant shall keep and maintain the Premises in good order, condition and repair during the Term. Tenant shall be responsible for (i) routine maintenance and repair of the parking areas surrounding the Building, and the roof areas above the Premises as shown on Exhibit "D" attached hereto, (ii) lawn maintenance and landscaping of the Land south of the creek bed and (iii) snow and ice removal surrounding the Building and the Land south of the creek bed. To assist Tenant in its maintenance responsibilities, Tenant shall have cooperative use and maintenance responsibility (but not replacement responsibility) of Landlord's presently existing maintenance equipment, including Landlord's scissor jack, maintenance tractor and related equipment. Tenant shall not commit any waste or nuisance in the Premises nor allow its agents or employees to do so. Landlord, at Tenant's expense, shall perform an annual maintenance inspection of all roof areas above the Premises as shown on Exhibit "D" attached hereto, which such annual inspection shall result in a written inspection report to be provided to Landlord and Tenant; provided, however, that Landlord shall obtain Tenant's prior written approval of the inspection company selected by Landlord, which approval shall not be unreasonably withheld or delayed

(b) Landlord Responsibilities. Landlord shall be responsible for replacement, as defined by generally accepted accounting principles, as needed, of the parking areas surrounding the Building, the roof and structure of the Building, and the Building's systems and any and all equipment, fixtures and appurtenances furnished by the Landlord, as described in Exhibit "E" attached hereto; provided, however, that Landlord shall not be responsible for uninsured damage arising from the negligent act or omission of Tenant, its agents or employees, which shall be repaired by Tenant at Tenant's expense. Repairs which affect business operations in the Premises shall be scheduled after hours to the extent feasible.

(c) Dispute Resolution. Disputes between Landlord and Tenant as to whether a condition warrants repair by Tenant or replacement by Landlord shall be determined by an independent expert chosen jointly by Landlord and Tenant. In the event that Landlord and Tenant cannot agree on an independent expert, each of Landlord and Tenant shall select one expert, and both such experts shall select a third expert, who shall, in consultation with the other two experts, make the determination as to whether the condition warrants necessary repair or replacement.

9. ALTERATIONS AND IMPROVEMENTS.

Tenant shall not make any "material" alterations, additions or improvements to the Premises (the "Alterations") without Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Tenant shall be permitted to make non-structural Alterations to the Premises without the prior written consent of Landlord, if such Alterations are not "material". As used herein, "material" shall mean Alterations performed for a price of more than $50,000. Disputes between Landlord and Tenant as to whether a non-structural Alteration is "material" shall be subject to the dispute resolution provisions set forth in Section 8(c). Tenant shall procure all governmental permits and authorizations for the Alterations, and obtain and provide to Landlord an official certificate of occupancy and/or compliance upon completion of the Alterations, if appropriate. Tenant shall construct the Alterations in a good and workmanlike manner utilizing materials of first class quality and in compliance with all laws and governmental regulations. Alterations that remain on the Premises upon termination of the Lease shall become the property of Landlord, including items that are considered an integral part of the Building and Building systems; provided, however, that Tenant shall have the right to remove all alterations or improvements that are an integral part of its business operation and shall return such areas to their condition prior to the alteration or improvement by Tenant.

10. ADDITIONAL BUILDINGS.

Landlord shall not build any building on the Land to the south of the creek bed without Tenant's prior written consent, which shall not be unreasonably withheld or delayed. Tenant can reasonably withhold consent if any of the following conditions are not met: (i) the building must be freestanding, (ii) the building must have adequate, self-contained parking (i.e., have enough parking spaces to meet the buildings' needs, without sacrificing Tenant's parking or exterior storage needs), (iii) the building event that the Capital Improvement Reserve is insufficient to fund necessary capital improvements or replacements, and Landlord is required to advance such funds, subsequent payments by Tenant to the Capital Improvement Reserve can be used to reimburse Landlord. Any dispute regarding the necessity of capital improvements or replacements will be subject to the dispute resolution provisions set forth in Section 8(c).

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(a) Definitions. For the purpose of this Lease, "Real Estate Taxes" means the sum of (a) real property taxes, special or otherwise, imposed upon the Premises, at discounted rates only, and (b) reasonable legal fees, costs, and disbursements incurred for proceedings to contest, determine, or reduce Real Estate Taxes, provided such method for contesting the Real Estate Taxes is agreed to in writing by Landlord and Tenant.

(b) Payment by Tenant. Tenant shall pay all Real Estate Taxes imposed upon the Premises within thirty (30) days net from the date of receipt by Tenant of written notice from Landlord of such amounts due from Tenant; provided however, that Landlord shall pay its proportionate share of the real estate taxes imposed on the land that is north of the creek bed. The assessed value of the land north of the creek bed shall be determined by a pro ration of the locally assessed land values.

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(a) Tenant shall pay the cost of all light, power, natural gas, fuel, oil, sprinkler stand-by service, water, telephone, sewer, and other utilities and services supplied to the Premises. Tenant shall pay such charges directly to the providing utility. Landlord shall not be liable to Tenant, and Tenant's obligations under the Lease shall not be abated, in the event of any interruption or inadequacy of any utility or service supplied to the Premises unless such interruption or inadequacy is caused by the gross negligence or wilful misconduct of Landlord, and then only to the extent Tenant is not compensated by any insurance required to be carried by Tenant hereunder or any other insurance actually carried by Tenant.

(b) In the event public sewer service becomes available to the Premises, Tenant shall pay all normal assessments pursuant to Section 6(a) above, and sewer rents applicable thereto. Landlord shall pay the cost of all hook-up fees and the cost of the installation and replacement of all applicable sewer connection lines serving the Premises.

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Exhibit "D" attached hereto, which such annual inspection shall result in a written inspection report to be provided to Landlord and Tenant; provided, however, that Landlord shall obtain Tenant's prior written approval of the inspection company selected by Landlord, which approval shall not be unreasonably withheld or delayed

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(c) Dispute Resolution. Disputes between Landlord and Tenant as to whether a condition warrants repair by Tenant or replacement by Landlord shall be determined by an independent expert chosen jointly by Landlord and Tenant. In the event that Landlord and Tenant cannot agree on an independent expert, each of Landlord and Tenant shall select one expert, and both such experts shall select a third expert, who shall, in consultation with the other two experts, make the determination as to whether the condition warrants necessary repair or replacement.

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11. COVENANT AGAINST LIENS.

Tenant shall not have any right to subject Landlord's interest in the Premises to any mechanic's lien or any other lien whatsoever. If any mechanic's lien or other lien, charge or order for payment of money shall be filed as a result of the act or omission of Tenant, Tenant shall cause such lien, charge or order to be discharged or appropriately bonded within thirty (30) days after notice from Landlord thereof, and Tenant shall indemnify and save Landlord harmless from all liabilities and costs resulting therefrom.

12. ENVIRONMENTAL LAW COMPLIANCE.

(a) Tenant agrees that it shall, at its sole cost and expense, fulfill, observe and comply with all of the applicable terms and provisions of all federal, state and local environmental laws now in effect or hereinafter enacted, as any of the same may be amended from time to time, and all rules, regulations, ordinances, opinions, orders and directives issued or promulgated pursuant thereto or in connection therewith, as may relate to Tenant's operations and/or possession or use of the Premises whether pursuant to this Lease or otherwise. Tenant will provide to Landlord written notice within five (5) business days of all notices received from any government agency that are served upon Tenant which claim a violation of any environmental laws, rules, regulations, ordinances or orders of any federal, state or local government or which call attention to the need for an investigation, remediation, response action on or in connection with the Premises.

(b) Without limiting the foregoing, Tenant agrees, to indemnify and hold Landlord harmless from and against any and all liability, penalties, losses, expenses (including, but not limited to, reasonable engineering and consulting fees), damages, costs (including, but not limited to, reasonable costs of compliance and testing), claims, causes of action, judgments and/or the like, of whatever nature, including, but not limited to, reasonable attorneys' fees, to the extent said lien, encumbrance, liability, penalty, loss, expense, damage, cost, claim, cause of action, judgment and/or the like arises from or in connection with Tenant's failure or inability, to observe or comply with all environmental laws; provided, however, that such indemnification shall apply only to liabilities incurred by Tenant in the space in the Building actually occupied by Tenant and shall not apply to liabilities incurred by other past or present tenants in the Building.

(c) Landlord, at Landlord's sole cost and expense, shall conduct a Phase I Environmental Audit (the "Environmental Audit") of all of the space in the Building leased by Landlord to other past or present tenants, excluding Tenant (the "Other Tenant Space"), by May 31, 2000. Landlord, at Landlord's sole cost and expense, shall be responsible for performing any further investigations or remedial activities required or recommended to be performed on the Other Tenant Space. Landlord and Tenant agree and acknowledge that the performance of a Phase I Environmental Audit is not conclusive evidence of the presence or absence of environmental contamination. Without limiting the foregoing, Landlord agrees, to indemnify and hold Tenant harmless from and against any and all liability, penalties, losses, expenses (including, but not limited to, reasonable engineering and consulting fees), damages, costs (including, but not limited to, reasonable costs of compliance and testing), claims, causes of action, judgments and/or the like, of whatever nature, including, but not limited to, reasonable attorneys' fees, to the extent said lien, encumbrance, liability, penalty, loss, expense, damage, cost, claim, cause of action, judgment and/or the like arises from or in connection with Landlord's failure or inability, to observe or comply with all environmental laws; provided, however, that such indemnification shall apply only to liabilities incurred by Landlord in the space in the Building not occupied by Tenant.

(d) Tenant agrees that each of the foregoing provisions of this Section 12 shall survive the expiration or earlier termination of the term of this Lease.

(e) Landlord and Tenant agree that throughout the Term of this Lease, neither Landlord or Tenant will use, generate, process, manufacture, store, handle, treat, release, discharge or dispose of any Hazardous Substances at the Premises, nor will give any other person or entity the right to use, generate, process, manufacture, store, handle, treat, release, discharge or dispose of any Hazardous Substances at the Premises.

(f) Landlord, at Landlord's expense, shall have access to the Premises during normal business hours to conduct any and all reasonable, periodic environmental tests and inspections that the Landlord deems necessary. If such testing or inspections interferes with or disrupts Tenant's business operations, Landlord shall reimburse Tenant for any and all costs and expenses incurred by Tenant as a result of such disruption or interference, including, but not limited to, administrative costs, direct costs and legal costs.

13. ASSIGNMENT AND SUBLETTING.

Tenant shall have the right to freely assign this Lease or sublet any part of or the entire Premises, without the requirement of Landlord's consent, provided, however, that the term of any sublease shall not be greater than the term of this Lease. Tenant shall be released from its obligations contained in this Lease if it assigns this Lease to an assignee showing financial strength and stability reasonably acceptable to Landlord and Landlord's mortgagee, which such acceptance shall not be unreasonably withheld or delayed. In the event Tenant desires to assign this Lease or sublet the Premises, upon Tenant's request, Landlord shall cooperate in good faith to assist Tenant in locating and reaching appropriate agreements with one or more substitute Tenant(s) or sublessee(s), whose uses are compatible to that of Tenant and comply with Landlord's financing requirements. In the event Tenant assigns or sublets this Lease, Landlord agrees to enter into a non-disturbance, subordination and attornment agreement stating that so long as such assignee or subtenant is not in default under this Lease, its use and occupancy of the Premises will not be disturbed by Landlord, so long as such assignee or subtenant has agreed to be bound by the terms and conditions of this Lease applicable to it. Tenant shall be responsible for the collection of all rents from its subtenant(s).

14. CASUALTY.

(a) If the Building is damaged by fire or other casualty, and the Building cannot be fully repaired within one hundred eighty (180) days after such casualty occurred, then, Tenant may elect to terminate this Lease by giving written notice to Landlord within thirty (30) days after becoming aware of the occurrence of the casualty. If this Lease is not so terminated, Landlord shall repair the damage as soon as reasonably possible, in which event this Lease shall remain in full force and effect (but Tenant shall then have the right, prior to the completion of the repairs or Tenant's taking possession of the Premises, to terminate this Lease if the Building is not fully repaired within one hundred eighty (180) days after such casualty occurred). The validity and effect of this Lease shall not be impaired in any way by the failure of Landlord to complete repairs of the Building within one hundred eighty (180) days after commencement of the work, even if Landlord had in good faith notified Tenant that the repair could be completed within such period, if such failure to complete repair is due to unreasonable delays caused by Tenant or Tenant's insurance company. Tenant agrees to insure the Building on a replacement cost basis.

15. CONDEMNATION.

If any portion of the Land and/or Building shall be taken under the power of eminent domain or sold under the threat thereof ("Condemnation") and Tenant's use of the Premises is materially adversely affected in the reasonable opinion of Tenant exercised in good faith, Tenant may terminate this Lease as of the date on which title to the Premises or portion thereof shall vest in the condemning authority.

16. SURRENDER OF PREMISES.

Upon termination of the Lease, Tenant shall surrender the Premises to Landlord broom clean, and in good order and condition, except for ordinary wear and tear, and damage by casualty which Tenant was not obligated to remedy under Section 14. Tenant shall repair any damage to the Premises caused by the removal by Tenant of any equipment and machinery. All equipment, machinery and other personal property of Tenant remaining on the Premises after Tenant's removal shall be deemed abandoned and may be retained by Landlord.

17. COMPLIANCE WITH LAWS.

(a) Tenant shall comply with all laws, rules, ordinances, orders and regulations of any federal, state and local authority which are applicable to its manner of use and operation of the Premises. Nothing herein contained shall be deemed to impose any obligation upon Tenant to make any structural alterations, improvements or repairs to the Premises.

(b) Landlord shall comply with all rules, regulations, orders, laws, ordinances and legal requirements and standards issued thereunder which affect (1) the Premises or the Building; or (2) which relate to the performance by Landlord of any duties or obligations to be performed by Landlord under this Lease. Without limiting the foregoing, Landlord shall comply or cause the Building to comply with all environmental, fire, and health and safety laws, regulations and codes relating to the Building structure and not Tenant's manufacturing and operating systems.

18. ESTOPPEL CERTIFICATE.

Tenant and Landlord each agree that from time to time, upon not less than

30 days prior written request by Landlord or Tenant, each will deliver to the other a statement in writing certifying to the best of its knowledge (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the Agreement as modified is in full force and effect); (b) the dates to which the rent and other charges have been paid; and (c) that neither party is in default under any provision of this Agreement, or if in default, the nature thereof.

19. SUBORDINATION.

This Lease shall be subordinate and subject to all ground and underlying leases and to any mortgages thereon and to any mortgages covering the fee of the Building, or Land, that now or may hereafter affect the Building, or Land and to all renewals, modifications or replacements thereof; provided, however, that with respect to any existing ground lease, underlying lease and/or mortgage, within thirty (30) days after Tenant executes this Lease and, with respect to any future ground lease, underlying lease and/or mortgage, on or before the effective date thereof, Landlord shall obtain from its ground lessor, underlying lessor and/or mortgagee a written agreement with Tenant which shall be binding on their respective successors and assigns and shall provide that so long as this Lease shall be in full force and effect Tenant's possession and use of the Premises and Tenant's other rights under this Lease, shall not be affected or disturbed by reason of the subordination to or any modification of or default under the ground or underlying lease or mortgage. If the ground or underlying lessor and/or mortgagee or any successor in interest shall succeed to the rights of Landlord under this Lease, whether through possession, judicial or foreclosure action, or delivery of a deed, Tenant will attorn to and recognize such successor-landlord as Tenant's landlord and the successor-landlord will accept such attornment and recognize Tenant's rights of possession and use of the Leased Premises in accordance with the provisions of this Lease.

20. DEFAULT BY TENANT.

If Tenant (i) shall default in the payment of Base Rent or Additional Rent and such default shall continue for 15 days after notice thereof from Landlord, or (ii) shall default in the performance of any of its other obligations under this Lease and if such default shall continue for 30 days after notice thereof from Landlord specifying in what manner Tenant has defaulted (except that if such default cannot be cured within said 30 day period, this period shall be extended for a reasonable additional time, provided that Tenant commences to cure such default within the 30 day period and proceeds diligently thereafter to effect such cure) or (iii) files a petition commencing a voluntary case, or has filed against it a petition commencing an involuntary case, under the Federal Bankruptcy Code (Title 11 of the United States Code), as now or hereafter in effect, or under any similar law, or files or has filed against it a petition or answer in bankruptcy or for reorganization or for an arrangement pursuant to any state bankruptcy law or any similar state law, and, in the case of any such involuntary action, such action shall not be dismissed, discharged or denied within sixty (60) days after the filing thereof then Landlord may (1) cure such default and any costs and expenses incurred by Landlord therefor shall be deemed Additional Rent, or (2) lawfully enter the Premises and repossess the same as the former estate of Landlord and expel Tenant and those claiming under Tenant without being deemed guilty of any manner of trespass and without prejudice to any other remedies which Landlord may have for arrears of Base Rent or Additional Rent or preceding breach of covenant, and upon entry as aforesaid, this Lease shall terminate and Tenant covenants that in case of such termination, it will indemnify Landlord against all loss of Base Rent, Additional Rent and other reasonable costs and expenses actually paid by Landlord which Landlord incurs by reason of such termination during the residue of the term of this Lease.

21. SUSPENSION OF TENANT DEFAULT.

If Tenant shall dispute, in good faith, any Additional Rent or other sum (other than Base Rent and Capital Improvement Reserve) claimed by Landlord hereunder and Tenant shall give Landlord written notice specifying in reasonable detail the basis for its dispute, Tenant may withhold payment of the particular amount in dispute. Tenant and Landlord shall proceed diligently to resolve any such dispute by agreement or arbitration in accordance with Section 24 or otherwise. If the dispute is resolved, in Landlord's favor, Tenant will reimburse Landlord the amount in dispute plus interest at 1% over prime from the date of objection by Tenant, as well as any additional reasonable costs and fees, including reasonable attorneys' fees. If the dispute is resolved, in Tenant's favor, Landlord will reimburse Tenant the amount in dispute plus interest at 1% over prime from the date of objection by Tenant, as well as any additional reasonable costs and fees, including reasonable attorneys' fees.

22. DEFAULT BY LANDLORD.

If Landlord defaults in the performance or observance of any provision of this Lease, Tenant shall give Landlord notice specifying in what manner Landlord has defaulted and if such default shall not be cured by Landlord within the period of time provided for elsewhere in this Lease, and otherwise within 30 days after the delivery of such notice (except that if such default cannot be cured within said 30 day period, this period shall be extended for a reasonable additional time, provided that Landlord commences to cure such default within the 30 day period and proceeds diligently thereafter to effect such cure); Tenant may cure such default and/or withhold payment of Base Rent and Additional Rent due and to accrue hereunder (to the extent necessary to cover the costs incurred and/or estimated by Tenant to cure such default) so long as Landlord remains in default, or invoice Landlord for costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) incurred by Tenant therefor. If Tenant cannot reasonably cure Landlord's default or if Landlord docs not reimburse Tenant within 30 days of receipt of any invoice for the cost of such cure, Tenant may terminate this Lease.

23. INSURANCE.

(a) Tenant shall keep the Building, including the Improvements, insured against damage and destruction by fife, earthquake, tornado, windstorm, vandalism, and other perils in such amounts as to reflect replacement cost values.

(b) Landlord and Tenant shall each maintain contractual and comprehensive general liability insurance, including public liability and property damage, with a minimum combined single limit of liability of two million dollars ($2,000,000.00), adjusted annually to reflect increases in inflation, for personal injuries or deaths of persons occurring in or about the Building and Premises. Annually, each of Landlord and Tenant shall deliver to the other certificates of insurers evidencing such coverage. Landlord shall name Tenant, and Tenant shall name Landlord, as additional insureds on the foregoing policies.

(c) Each party waives claims arising in any manner in its ("Injured Party") favor and against the other party for loss or damage to Injured Party's property located within or constituting a part or all of the Building but only to the extent the loss or damage is covered by the Injured Party's insurance, or the insurance the Injured Party is required to carry under this Section, whichever is greater. The waiver also applies to each party's directors, officers, employees, shareholders, and agents. The waiver docs not apply to claims caused by a party's willful misconduct and/or negligence, or failure to comply with the terms of this Lease.

24. ARBITRATION.

Any disputes between Landlord and Tenant that are not resolved by the parties within ten days after either party gives notice to the other of its desire to arbitrate the dispute, shall be settled by binding arbitration by the American Arbitration Association in accord with its then-prevailing rules. Judgment upon the arbitration award may be entered in any court having jurisdiction. The arbitrators shall have no power to change the Lease provisions. The arbitration panel shall consist of three arbitrators, one of whom must be a real estate attorney chosen by such arbitration panel. The arbitrators shall award the prevailing party reasonable expenses and costs including reasonable attorneys' fees plus interest on the amount due at 12% per annum or the maximum then allowed by applicable law, whichever is less.

The losing party shall pay to the prevailing party the amount of the final arbitration award. If payment is not made within 10 days after the date the arbitration award is no longer appealable, then in addition to any remedies under the law, if Landlord is the prevailing party, it shall have the same remedies for failure to pay the arbitration award as it has for Tenant's failure to pay Base Rent, and if Tenant is the prevailing party, it may deduct any remaining unpaid award from its monthly payment of Base Rent, Additional Rent, or other charges.

25. NOTICES AND DEMANDS.

All notices required or permitted under this Agreement shall be in writing and shall be deemed to have been given if hand delivered, sent by recognized overnight delivery service providing receipt of delivery, or mailed in any United States Post Office by certified or registered mail, postage prepaid, addressed to Landlord or Tenant at the addresses set forth in the caption to this Lease, or at such other address provided by a party in accordance with the provisions of this Section 26, or if sent by facsimile transmission with a separate copy delivered or sent by any of the other means set forth above. The initial address of the Landlord and Tenant is set forth below:

If to Landlord:

White Deer Warehousing & Distribution Center, Inc.
c/o Thomas B. Keller
401 Broad Street
Montoursville, PA 17754

If to Tenant:

West Pharmaceutical Services, Inc.
6453 U.S. Highway 15
Montgomery, Pennsylvania 17752
Attn.: Plant Manager

With a copy to:

West Pharmaceutical Services, Inc.
101 Gordon Drive
Lionville, PA 19341
Attn.: Mr. Dominick Labresco

Any party shall have the right from time to time and at any time, upon at least ten (10) days' prior written notice delivered pursuant to the terms hereof, to change its respective address and to specify any other address within the United States of America, provided said new address is not a post office box.

26. MISCELLANEOUS.

(a) Amendment. This Agreement may not be modified, changed, or terminated in whole or in part in any manner other than by an agreement in writing duly signed by both parties.

(b) Consent or Permission. Whenever the consent, permission or approval of either the Landlord or Tenant is required under this Lease such consent, permission or approval shall not be unreasonably withheld or delayed. Whenever any right of estimate, judgment, determination, decision, or promulgation is vested in either party or their representative by this Lease, such estimate, judgment, determination, decision, or promulgation shall be reasonable.

(c) Nonwaiver. No waiver of any provision of this Agreement shall be implied by any failure of Tenant or Landlord to enforce any remedy for the violation of such provision even if such violation be continued and/or repeated. No express waiver shall affect any provision other than the one specified.

(d) Attorneys' Fees. In any litigation between the parties regarding this Lease, the losing party shall pay to the prevailing party all reasonable expenses and court costs including attorneys' fees incurred by the prevailing party. A party shall be considered the prevailing party if it substantially obtains the relief it sought, either through a judgment or the losing party's voluntary action before judgment.

(e) Governing Law. This Agreement and all questions arising hereunder shall be construed and governed by the laws and regulations of the State or local government where the Building is located. If any provision of this Agreement is invalid or unenforceable for any reason, all other provisions shall be and remain in effect.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Landlord, its successors and assigns, and shall inure to the benefit of and be binding upon Tenant, its successors and assigns.

(g) Limitation of Landlord's Liability. There shall be no personal liability of the Landlord or any partner, stockholder, officer, director or other principal of Landlord in connection with this Lease. Tenant agrees to look solely to the interest of Landlord in the Premises for the collection of any judgment or other judicial process requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to this Lease or in any way relating to the Premises. No other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

(h) Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

(i) Signage. Tenant shall have the right to erect, and the responsibility to maintain, such signage and commercial display as Tenant shall in its discretion determine in locations in the Premises and on the Land selected by Tenant subject to Landlord's reasonable approval. Landlord may install a marquis on the Land, provided the marquis does not demean or interfere with visibility of Tenant signage. Landlord shall be prohibited from erecting a "For Sale" or "For Lease" sign outside the Building during the term of this Lease; provided, however, that in the event Tenant shall decline to renew the Lease pursuant to Section 2 above, Landlord shall be permitted to erect a "For Sale" sign outside the Building during the ninety (90) day period after Tenant has provided notice of its intent not to renew.

(j) Right of First Refusal. If a third-party makes a written offer or letter of intent to purchase the Premises, specifying such material terms as the purchaser, property and purchase price. Tenant shall have the first right to purchase the Premises under the same terms. Such right must be communicated to Tenant in writing within fifteen (15) days of the receipt by Landlord of the third party offer, whereupon Tenant shall have fifteen (15) days to elect to exercise the right to purchase the Premises on such terms. If Tenant fails to exercise its right to purchase the Premises, Landlord shall have the right to sell the Premises pursuant to the bona fide offer received by the third party. If the sale to the third party does not close, Tenant retains the right of first refusal on subsequent offers.

[Signatures follow on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this agreement as of the date set forth above.

WHITE DEER WAREHOUSING & DISTRIBUTION
CENTER, INC., a Pennsylvania corporation

By: ------------------------------------
Name:
Title:

WEST PHARMACEUTICAL SERVICES, INC.

By: ------------------------------------
Name:
Title:

EXHIBIT "A"

FLOOR PLAN OF PREMISES

EXHIBIT "A"

[Photo omitted- blueprint]

[Description]

Listed is the Floor Plan of Premises, along with the helicopter landing pad.

A. Front Office Exits
   Nursette Room Exits

B Mechanical Room Exits
   Counter Cap Room Exit
   Cafeteria Exit
   Shipping and Warehouse Exits (North Sides)

C. Tool Room Exit
   Employee Entrance
   Warehouse Exits (South Side)

Helicopter Land Pad

EXHIBIT "B"

EXISTING LEASES

LEASE AGREEMENT

This Lease is made as of June 1, I998, between WHITE DEER WAREHOUSING & DISTRIBUTION CENTER, INC., c/o Thomas B. Keller, 401 Broad Street, Mountoursville, PA 17754 ("Landlord" and CONSPEC SYSTEMS, INC. RR # 3, MUNCY, PA 17756.

For One Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby. Landlord and Tenant agree as follows:

1. PREMISES.

Landlord leases to Tenant 4,684 rentable square feet known as Warehouse Lease Area I and 4.684 rentable square feet in Warehouse Lease Area II; 375 square feet: in the North Office Complex area known as Lease Area 111 located at Route 15, Clinton Township, Lycoming County, Pennsylvania, as more particularly shown (shaded in blue) on the space plan attached hereto and made a part hereof as Exhibit "A" (the "Premises"). The Premises contains the warehouse area, office space and improvements and other property now installed.

Tenant and its agents, employees, and invitees shall have the non-exclusive right to the free use of certain common areas ("Common Areas") in the Building and on the land ("Land") on which the Building is located. The Common Areas are the restroom facilities and the lunchroom area and connecting corridors from the North Office Complex to Warehouse, Shipping/Receiving Areas.

2. TERM.

The initial term ("Initial Term") of this Lease begins on the date (the "Commencement Date") which is June 1, 1998, and shall end on May 31, 1999. Two additional renewal terms are anticipated by the Tenant and Landlord.

Any subsequent extensions agreed upon by Landlord and Tenant, for a "Renewal Term" of twelve (12) months after the expiration of the Initial Term, such agreement to be executed by Tenant, if at all, by giving written notice not less than ninety (90) days prior to the expiration of the Initial Term or the then-current Renewal Term and accepted by Landlord in writing within twenty days after receipt of the aforementioned notice. The Initial Term and any Renewal Term are sometimes referred to together in this Lease as the "Term" hereof.

The renewal terms shall be governed by and subject to all of the terms and conditions of the original lease, including rent.

Renewal term of lease shall include all or a portion ofthe initial term leased space designated as Areas I, II or III as determined by Tenant and accepted by Landlord.

3. BASE RENT: SECURITY DEPOSIT.

Tenant shall pay to Landlord at the office of Landlord, or at such other place as Landlord may designate, monthly Base Rent during the Initial Term of $3,474.14 or a total annual base rent of $41,689.72 computed as shown in Exhibit "B".

All of these payments shall be made on or before the first day of each and every month following the Commencement Date during the Term, without any set-off or deduction except as herein specified. If the Commencement Date occurs on other than the first day of a month, the Base Rent for such month shall be pro-rated.

Further, the Tenant is required to share in the prorata share of the expenses incurred for the real estate taxes, insurance, lawn care and snow removal on a monthly basis, computed as shown in Exhibit "B".

Further, the Tenant is required to share in the tenant Access Area, the prorata expenses if assessment in accordance with the lease agreement with the West Company requires the Landlord to incur these costs. These costs consist of mechanical rooms, sewage treatment facility, water tower, transformer bank and pump house. The Tenant has a maximum square foot cost for the warehouse portion of the facility of $5.50 with the base rent, prorate expenses, and the tenant access area prorata costs combined. The office area is exempt from the tenant access area prorata costs.

As security for performance of its obligations hereunder, Tenant has paid to Landlord upon execution of this Lease, and agrees to maintain hereafter, a security deposit in the amount equal to the first month's Base Rent, receipt of which is hereby acknowledged by Landlord. Upon Tenant's default (as described in paragraph 16 below), Landlord may from time to time and without prejudice to any other remedy, use the security deposit to the extent necessary to make good any arrears of Base Rent or Additional Rent, or any other damage, injury, expense or liability caused to Landlord by such default. The remaining balance of such security shall be returned by Landlord to Tenant within a reasonable time after termination of this Lease; provided, however, Landlord shall not be obligated to return the remaining balance of such security deposit until all rent payments due from Tenant to Landlord shall have been made in full. The security deposit shall not be considered an advance payment of rent or a measure of Landlord's damages in case of default by Tenant. Tenant shall receive no interest on such security deposit. In the event of the sale or transfer of Landlord's interest in the Building, Landlord shall have the right to transfer the security deposit to the purchaser or transferee and upon such transfer Tenant shall look only to the new Landlord for the return of the security deposit and Landlord shall thereupon be released from all liability to Tenant for the return of or accounting for such security deposit.

4. IMPROVEMENTS.

Tenant accepts the Premises in "as is" condition. Tenant shall be responsible for the cost of all alterations, additions, and improvements desired by Tenant therein or thereon, which alterations, additions and improvements may be made only after the prior written approval of Landlord.

Maintenance and repair of the building and its components is the sole and exclusive obligation of the Landlord and that the prorata annual expense charges will not include capital and other expenditures which are the responsibility of the Landlord. Tenant will be responsible for any damage resulting directly and exclusively by the actions of its employees and/or agents.

5. USE OF THE PREMISES.

The Premises may be used by Tenant for any light manufacturing and research and development purposes. Tenant shall have exclusive use and access to the rented area of the Building (shaded in blue) plus non-exclusive access to the common area of restrooms, lunch room and connecting corridors from north office complex to warehouse shipping/receiving areas, as such are identified (shaded in yellow) in Exhibit "A" hereto.

6. ALTERATIONS AND IMPROVEMENTS

Tenant shall not make alterations, additions or improvement to the Premises (the "Alterations") without Landlord's prior written consent. Tenant shall procure all governmental permits and authorizations for the Alterations, and obtain and provide to Landlord an official certificate of occupancy and/or compliance upon completion of the alterations, if appropriate. Tenant shall construct the Alterations in a good and workmanlike manner utilizing materials of first class quality and in compliance with all laws and governmental regulations. Any contractors used must be approved in writing by the Landlord. Alterations shall be the property of Landlord and shall remain on the Premises upon termination of the Lease.

7. COVENANT AGAINST LEINS.

Tenant shall not have any right to subject Landlord's interest in the Property to any mechanic's lien or any other lien whatsoever. If any mechanic's lien or other lien, charge or order for payment of money shall be filed as a result of the act or omission of Tenant, Tenant shall cause such lien, charge or order to be discharged or appropriately bonded within thirty (3)) days after notice from Landlord thereof, and Tenant shall indemnify and save Landlord harmless from all liabilities and costs resulting therefrom.

8. ENVIRONMENTAL LAW COMPLIANCE

(a) Tenant agrees that it shall, at its sole cost and expense, fulfill, observe and comply with all of the applicable terms and provisions of all federal, state and local environmental laws now in effect or hereinafter enacted, as any of the same may be amended from time to time, and all rules, regulations, ordinances, opinions, orders and directives issued or promulgated pursuant thereto or in connection therewith, as may relate to Tenant's operations and/or possession or use of the Premises whether pursuant to this Lease or otherwise.

(b) Without limiting the foregoing, Tenant agrees, to indemnify and hold Landlord harmless from and against any and all liability, penalties losses, expenses, damages, costs, claims, causes of action, judgments and/or the like, of whatever nature, including but not limited to, reasonable attorneys' fees to the extent said lien, encumbrance, liability, penalty, loss, expense, damage, cost, claim, cause of action, judgment and/or the like arise from or in connection with Tenant's failure or inability to observe or comply with all environmental laws.

(c) Tenant agrees that each of the foregoing provisions of this Section 8 shall survive the expiration or earlier termination of the term of this Lease.

(d) Landlord agrees that throughout the Term of this Lease, Landlord will not give any other person or entity the right to generate, process, manufacture, store, handle, treat, release, discharge or dispose of any Hazardous Substances at the Property.

(e) Tenant agrees that throughout the term of this Lease, Tenant will provide to the Landlord the Material Safety Data Sheets showing the list of chemicals maintained and controlled by the Tenant. An initial listing of all MSD sheets will be provided by Tenant to Landlord within (30) days from the effective date of agreement with subsequent updates issued by Tenant to Landlord at maximum quarterly intervals.

9. CASUALTY.

(a) If the Building is damaged by fire or other casualty, and the Building cannot be fully repaired within ninety (90) days after such casualty occurred, then, Tenant may elect to terminate this Lease by giving written notice to Landlord within thirty (30) days after becoming aware of the occurrence of the casualty. If the Lease is not so terminated, Landlord shall repair damage as soon as reasonably possible, in which event this Lease shall remain in full force and effect (but Tenant shall then have the right, prior to the completion of the repairs or Tenant's taking possession of the Premises, to terminate this Lease if the Building is not fully repaired within ninety (90) days after such casualty occurred.

10. CONDEMNATION.

If any portion of the Land and/or Building shall be taken under the power of eminent domain or sold under the threat thereof ("Condemnation") and Tenant's use of the Premises is materially adversely affected in the reasonable opinion of Tenant exercised in good faith, Tenant may terminate this Lease as of the date on which title to the Property or portion thereof shall vest in the condemning authority.

11. SURRENDER OF PREMISES.

Upon termination of the Lease, Tenant shall surrender the Premises to Landlord broom clean, and in good order and condition, except for ordinary wear and tear, damage by casualty which Tenant was not obligated to remedy under Section 9. Tenant shall repair any damage to the Premises caused by the removal by Tenant of any equipment and machinery. All equipment, machinery and other personal property of Tenant remaining on the Premises after Tenant's removal shall be deemed abandoned and may be retained by Landlord.

12. COMPLIANCE WITH LAWS.

(a) Tenant shall comply with all laws, rules, ordinances, orders and regulations of any federal, state and local authority which are applicable to its manner of use and operation of the Premises. Nothing herein contained shall be deemed to impose any obligation upon Tenant to make any structural alterations, improvements or repairs to the Premises.

(b) Landlord shall comply with all rules, regulations, orders, laws, ordinances and legal requirements and standards issued thereunder which affect (1) the Premises or the Building; or (2) which related to the performance by Landlord of any duties or obligations to be performed by Landlord under this Lease. Without limiting the foregoing, Landlord shall comply or cause the Building to comply with all environmental, fire, and health and safety laws, regulations and codes.

(c) Landlord covenants that the building has and will continue to fully comply, and observe, prior to and during the lease, with all environmental laws, rules and regulations at its sole cost and expense (other than those for which the Tenant may be responsible as a result of its use of the building during the lease). Landlord will indemnify and hold Tenant harmless and defend Tenant from and against all environmental noncompliance claims (other than those for which the Tenant may be responsible as a result of its use of the building during the lease).

13. ESTOPPEL CERTIFICATE

Tenant and Landlord each agree that from time to time, upon not less than 30 days prior written request by Landlord or Tenant, each will deliver to the other a statement in writing certifying to the best of its knowledge (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the Agreement as modified is in full force and effect; (b) the dated to which the rent and other charges have been paid; and (c) that neither party is in default under any provision of this Agreement, or if in default, the nature thereof, provided said statements are then true.

14. SUBORDINATION.

This Lease shall be subordinate and subject to all ground and underlying leases and to any mortgages thereon and to any mortgages covering the fee of the Building, or Land, that now or may hereafter affect the Building, or Land and to all renewals, modifications or replacements thereof. Provided, however, that with respect to any existing ground lease, underlying lease and/or mortgage, within thirty (30) days after Tenant executes this Lease and, with respect to any future ground lease, underlying lease and/or mortgage, on or before the effective date thereof, Landlord shall obtain from its ground lessor, underlying lessor and/or mortgagee a written agreement with Tenant which shall be binding on their respective successors and assigns and shall provide that so long as this Lease shall be in full force and effect Tenant's possession and use of the Premises and Tenant's other rights under this Lease, shall not be affected or disturbed by reason of the subordination to or any modification of or default under the ground or underlying lease or mortgage. If the ground or underlying lessor and/or mortgagee or any successor in interest shall succeed to the rights of Landlord under this Lease, whether through possession, judicial or foreclosure action, or delivery of a deed, Tenant will attorn to and recognize such successor-landlord and Tenant's landlord and the successor-landlord will accept such attornment and recognize Tenant's rights of possession and use of the Leased Premises in accordance with the provisions of this Lease.

15. RULES AND REGULATIONS.

Tenant shall abide by and observe such reasonable rules and regulations as may be issued by Landlord for the Building. Landlord shall (a) not discriminate against Tenant in enforcing the rules and regulations; and (b) not unreasonably withhold or delay its consent for any approval required by Tenant under the rules and regulations. Landlord shall use its best efforts to obtain compliance by all tenants and other occupants in the Building with the rules and regulations. If there is a conflict of ambiguity created by the provisions of this Lease and any portion of the rules and regulations, Landlord decision is binding.

16. DEFAULT BY TENANT.

If Tenant shall default in the payment of Base Rent and such default shall continue for 15 days after notice thereof from Landlord, or if Tenant shall default in the performance of any of its other obligations under this Lease and if such default shall continue for 30 days after notice thereof from Landlord specifying in what manner Tenant has defaulted (except that if such default cannot be cured within said 30 day period, this period shall be extended for a reasonable additional time, provided that Tenant commences to cure such default within the 30 day period and proceeds diligently thereafter to effect such cure); then Landlord may (1) cure such default and any costs and expenses incurred by Landlord therefore shall be deemed Additional Rent, or (2) lawfully enter the Premises and repossess the same as the former estate of Landlord and expel Tenant and those claiming under Tenant without being deemed guilty of any manner of trespass and without prejudice to any other remedies which Landlord may have for arrears of Base Rent or Additional Rent or preceding breach of covenant, and upon entry as aforesaid, this lease shall terminate and Tenant covenants that in case of such termination, it will indemnify Landlord against all unavoidable loss of Base Rent which Landlord may incur by reason of such termination during the residue of the term of this Lease.

17. SUSPENSION OF TENANT DEFAULT.

If Tenant shall dispute, in good faith, any Additional Rent or other sum (other than Base Rent) claimed by Landlord hereunder and Tenant shall give Landlord written notice specifying in reasonable detail the basis for its dispute, Tenant may not withhold payment of the particular amount in dispute. Tenant and Landlord shall proceed diligently to resolve any such dispute by agreement or arbitration in accordance with Section 20 or otherwise. If the dispute is resolved, in Landlord's favor, Tenant will reimburse Landlord the amount in dispute plus interest at 1% over prime from the date of objection by Tenant.

18. DEFAULT BY LANDLORD.

If Landlord defaults in the performance or observance of any provision of this Lease, Tenant shall give Landlord notice specifying in what manner Landlord has defaulted and if such default shall not be cured by Landlord within the period of time provided for elsewhere in this Lease, and otherwise within 30 days after the delivery of such notice (except that if such default cannot be cured with said 30 day period, this period shall be extended for a reasonable additional time, provided that Landlord commences to cure such default within the 30 day period and proceeds diligently thereafter to effect such cure); Tenant may cure such default and/or withhold payment of Base Rent due and to accrue hereunder (to the extent necessary to cover the costs incurred and/or estimated by Tenant to cure such default) so long as Landlord remains in default, or invoice Landlord for costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) incurred by Tenant therefore. If Tenant cannot reasonably cure Landlord's default or if Landlord does not reimburse Tenant within 30 days or receipt of any invoice for the cost of such cure, Tenant may terminate this Lease.

19. INSURANCE.

(a) Landlord shall keep the Building, including the improvements (but specifically excluding Tenant's leasehold improvements, which shall be insured separately by Tenant) insured against damage and destruction by fire, earthquake, vandalism, and other perils in such amounts as are commercially prudent in Landlord and its mortgagee's judgment. The insurance shall include an extended coverage endorsement of the kind required by an institutional lender to repair and restore the Building.

(b) Landlord and Tenant shall each maintain contractual and comprehensive general liability insurance, including public liability and property damage, with a minimum combined single limit of liability of two million dollars ($2,000,000.00) for personal injuries or deaths of persons occurring in or about the Building or Premises. Upon request from time to time by the other party, each of Landlord and Tenant shall deliver to the other certificates of insurers evidencing such coverage.

(c) Each party waives claims arising in any manner in its ("Injured Party") favor and against the other for loss or damage to Injured Party's property located within or constituting a part or all of the Building but only to the extent the loss or damage is covered by the Injured Party's insurance, or the insurance the Injured Party is required to carry under this Section, whichever is greater. The waiver also applies to each party's directors, officers, employees, shareholders, and agents. The waiver does not apply to claims caused by a party's willful misconduct.

20. ARBITRATION.

Any disputes between Landlord and Tenant that are not resolved by the parties within ten days after either party gives notice to the other of its desire to arbitrate the dispute, shall be settled by binding arbitration by the American Arbitration Association in accord with its then prevailing rules. Judgment upon the arbitration award may be entered in any court having jurisdiction. The arbitrators, one of whom must be a real estate attorney actively engaged in the Practice of law for at least the last ten years. The arbitrators shall award the prevailing party reasonable expenses and costs including reasonable attorney's fees plus interest on the amount due at 12% per annum or the maximum then allowed by applicable law, whichever is less.

The losing party shall pay to the prevailing party the amount of the final arbitration award. If payment is not made within 10 days after the date the arbitration award is no longer appealable, then in addition to any remedies under the law, if Landlord is the prevailing party, it shall have the same remedies for failure to pay the arbitration award as it has for Tenant's failure to pay Base Rent, and if Tenant is the prevailing party, it may deduct any remaining unpaid award from its monthly payment of Base Rent, Additional Rent, or other charges.

21. NOTICES AND DEMANDS.

All notices required or permitted under this Agreement shall be in writing and shall be deemed to have been given if hand delivered, sent by recognized overnight delivery service providing receipt of delivery, or mailed in any United States Post Office by certified or registered mail, postage prepaid, addressed to Landlord or Tenant at the addresses set forth in the caption to this Lease, or at such other address provided by a party in accordance with the provisions of this Section 21, or if sent by facsimile transmission with a separate copy delivered or sent by any of the other means set forth above.

22. MISCELLANEOUS.

(a) Amendment. This Agreement may not be modified, changed, or terminated in whole or in part in any manner other than by an agreement in writing duly signed by both parties.

(b) Consent or Permission. Whenever the consent, permission or approval of either the Landlord or Tenant is required under this Lease, such consent, permission or approval shall not be unreasonably withheld or delayed. Whenever any right of estimate, judgment, determination, decision, or promulgation is vested in either party or their representative by this Lease, such estimate, judgment, determination, decision, or promulgation shall be reasonable.

(c) Nonwaiver. No waiver of any provision of this Agreement shall be implied by any failure of Tenant or Landlord to enforce any remedy for the violation of such provision even if such violation be continued and/or repeated. No express waiver shall affect any provision other than the one specified.

(d) Attorneys' Fees. In any litigation between the parties regarding this Lease, the losing party shall pay to the prevailing party all reasonable expenses and court costs including attorneys' fees incurred by the prevailing party. A party shall be considered the prevailing party if it substantially obtains the relief it sought, either through a judgment or the losing party's voluntary action before judgment.

(e) Governing Law. This Agreement and all questions arising hereunder shall be construed and governed by the laws of the State where the demised premises are located. If any provision of this Agreement is invalid or unenforceable for any reason, all other provisions shall be and remain in effect.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Landlord, its successors and assigns, and shall inure to the benefit of and be binding upon Tenant, its successors and assigns.

(g) Limitation of Landlord's Liabilities. There shall be no personal liability of the Landlord or any partner, stockholder, officer, director or other principal of Landlord in connection with this Lease. Tenant agrees to look solely to the interest of Landlord in the Property for the collection of any judgment or other judicial process requiring the payment of money by Landlord in the event of any other assets of Landlord or any principal of Landlord shall be subject to levy, execution of other procedures for the satisfaction of Tenant's remedies.

(h) Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

(i) Loading Docks. Landlord and Tenant acknowledge and agree that (A) the loading docks nearest the warehouse area shall be available throughout the term of this Lease for Tenant's non-exclusive use, and (B) the remaining loading docks shall be for the exclusive use of The West Company; Landlord and Tenant agree to cooperate to modify the foregoing use, and to share the loading docks, nearest the warehouse area, during the term of this Lease. At selected times, the overhead door area will need to be accessed by other Tenants and such cooperation is required.

(j) Signage. Tenant shall have the right to erect and the responsibility to maintain, such signage and commercial display as Landlord shall in its discretion determine in locations on the Premises and on the Land selected by Landlord subject to Landlord's approval. Tenant may install a marquis on the Land at the Tenant's sole expense provided the marquis does not demean or interfere with visibility of other Tenant signage, and written approval for the design and location on the marquis has been obtained from the Landlord.

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this agreement as of the date set forth above.

WHITE DEER WAREHOUSING &
DISTRIBUTION CENTER,
a Pennsylvania corporation

By: ------------------------------------
Name:
Title:

CONSPEC SYSTEMS, INC.

By: ------------------------------------
Name:
Title:

EXHIBIT "A"

FLOOR PLAN OF PREMISES (SHADED IN BLUE)
AND TENANT ACCESS AREAS (SHADED IN YELLOW)

EXHIBIT "A"

[Photo omitted- blueprint]

[Description]

Listed is the Floor Plan of Premises, along with the helicopter landing pad.

A. Front Office Exits
   Nursette Room Exits

B Mechanical Room Exits
   Counter Cap Room Exit
   Cafeteria Exit
   Shipping and Warehouse Exits (North Sides)

C. Tool Room Exit
   Employee Entrance
   Warehouse Exits (South Side)

Helicopter Land Pad

White Deer Warehousing and Distribution Center, Inc.

Lease Agreement With
Conspec Systems, Inc.

Warehouse Lease Area I Base Rent	4684 SF	@	4.15	= 19,438.60
Warehouse area consists of 4.684 SF of useable space. Base rent includes an energy-controlled environment between 65 - 80, lighting, water and air supply of 90 P.S.I. provided.				
Warehouse Lease Area II Base Rent	4684 SF	@	4.15	= 19,438.60
Warehouse area consists of 4,684 SF of useable space. Base rent includes an energy-controlled environment between 65 - 80, lighting, water and air supply of 90 P.S.I. provided.				
Lease Area III Office Space Base Rent	375 SF	@	7.50	= 2,812.50
Office area consisting of 375 SF of useable space at an agreed rental cost of 7.50 SF inclusive of all overhead expenses.				
Rounding Total Base Rent	12 months	@	3,474.14	= 41,689.72

(continued)
Exhibit "B"

White Deer Warehousing and Distribution Center, Inc.

Lease Agreement With
Conspec Systems, Inc.

Estimated Prorata Expenses

Real Estate Taxes	46,637.98	x	9,368/197,411	=	2,213.17
Insurance	33,893.00	x	9,368/197,411	=	1,608.37
Lawn Care	7,600.00	x	9,368/197,411	=	360.65
Snow Removal	600.00	x	9,368/197,411	=	28.47
Total Estimated Prorata Expenses					4,210.66

Prorata expenses will be billed on a monthly basis over the term of the lease.

Caging for Warehouse Area

WDWDC will provide, without cost to tenant, materials to construct the caging that will consist of a combination of metal wire caging (7'/8' height) and panels of sheet rock/wood studding 8' in height. Conspec Systems, Inc. will provide the labor dollars and personnel without any cost to landlord for installation of the above materials. Coordination and supervision of the installation will be under the control of WDWDC.

Exhibit "B"

LEASE AGREEMENT

This Lease is made as of January 26, 1998, between WHITE DEER WAREHOUSING & DISTRIBUTION CENTER, INC., c/o Thomas B. Keller, 401 Broad Street, Montoursville, PA 17754 ("Landlord") and LEEP BUILDING SYSTEMS, c/o Grant Record, 616 Blue Lake Boulevard North, Suite 139, Twin Falls, Idaho 83301.

For One Dollar ($1.00) and other good arid valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Landlord and Tenant agree as follows:

1. PREMISES.

Landlord leases to Tenant 2,900 rentable square feet located at Route 15, Clinton Township, Lycoming County, Pennsylvania, as more particularly shown (shaded in blue) on the space plan attached hereto and made a part hereof as Exhibit "A" (the "Premises"). The Premises contains the caged area, office space and improvements, and other property now installed.

Tenant and its agents, employees, and invitees shall have the non-exclusive right to the free use of certain common areas ("Common Areas") in the Building and on the land ("Land") on which the Building is located. The Common Areas are the restroom facilities and the lunchroom area only.

2. TERM.

The initial term ("Initial Term") of this Lease begins on the date (the "Commencement Date") which is February 1, 1998, and shall end on January 31, 1999.

Any subsequent extensions agreed upon by Landlord and Tenant, for a "Renewal Term" of twelve (12) months after the expiration of the Initial Term, such agreement to be executed by Tenant, if at all, by giving written notice not less than ninety (90) days prior to the expiration of the Initial Term or the then-current Renewal Term and accepted by Landlord in writing within twenty days after receipt of the aforementioned notice. The Initial Term and any Renewal Term are sometimes referred to together in this Lease as the "Term" hereof.

3. BASE RENT; SECURITY DEPOSIT.

Tenant shall pay to Landlord at the office of Landlord, or at such other place as Landlord may designate, monthly Base Rent during the Initial Term of $1,350.00 or a total annual rent of $16,200.00.

All of these payments shall be made on or before the first day of each and every month following the Commencement Date during the Term, without any set-off or deduction except as herein specified. If the Commencement Date occurs on other than the first day of a month, the Base Rent for such month shall be pro rated.

As security for performance of its obligations hereunder, Tenant has paid to Landlord upon execution of this Lease, and agrees to maintain hereafter, a security deposit in the amount equal to the first month's Base Rent, receipt of which is hereby acknowledged by Landlord. Upon Tenant's default (as described in paragraph 16 below), Landlord may from time to time and without prejudice to any other remedy, use the security deposit to the extent necessary to make good any arrears of Base Rent or Additional Rent, or any other damage, injury, expense or liability caused to Landlord by such default. The remaining balance of such security shall be returned by Landlord to Tenant within a reasonable time after termination of this Lease; provided, however, Landlord shall not be obligated to return the remaining balance of such security deposit until all rent payments due from Tenant to Landlord shall have been made in full. The security deposit shall not be considered an advance payment of rent or a measure of Landlord's damages in case of default by Tenant. Tenant shall receive no interest on such security deposit. In the event of the sale or transfer of Landlord's interest in the Building, Landlord shall have the right to transfer the security deposit to the purchaser or transferee and upon such transfer Tenant shall look only to the new Landlord for the return of the security deposit and Landlord shall thereupon be released from all liability to Tenant for the return of or accounting for such security deposit.

4. IMPROVEMENTS.

Tenant accepts the Premises in "as is" condition. Tenant shall be responsible for the cost of all alterations, additions, and improvements desired by Tenant therein or thereon, which alterations, additions and improvements may be made only after the prior written approval of Landlord.

5. USE OF PREMISES.

The Premises may be used by Tenant for any light manufacturing of building systems. Tenant shall have non-exclusive use and access to the rented area of the Building plus common area of restrooms and lunch room and non-exclusive access thereto, as such are identified (shaded in yellow) in Exhibit "B" hereto.

6. ALTERATIONS AND IMPROVEMENTS.

Tenant shall not make alterations, additions or improvements to the Premises (the "Alterations") without Landlord's prior written consent. Tenant shall procure all governmental permits and authorizations for the Alterations, and obtain and provide to Landlord an official certificate of occupancy and/or compliance upon completion of the alterations, if appropriate. Tenant shall construct the Alterations in a good and workmanlike manner utilizing materials of first class quality and in compliance with all laws and governmental regulations. Any contractors used must be approved in writing by the Landlord. Alterations shall be the property of Landlord and shall remain on the Premises upon termination of the Lease.

7. COVENANT AGAINST LIENS.

Tenant shall not have any right to subject Landlord's interest in the Property to any mechanic's lien or any other lien whatsoever. If any mechanic's lien or other lien, charge or order for payment of money shall be filed as a result of the act or omission of Tenant, Tenant shall cause such lien, charge or order to be discharged or appropriately bonded within thirty (30) days after notice from Landlord thereof, and Tenant shall indemnify and save Landlord harmless from all liabilities and costs resulting therefrom.

8. ENVIRONMENTAL LAW COMPLIANCE

(a) Tenant agrees that it shall, at its sole cost and expense, fulfill, observe and comply with all of the applicable terms and provisions of all federal, state and local environmental laws now in effect or hereinafter enacted, as any of the same may be amended from time to time, and all rules, regulations, ordinances, opinions, orders and directives issued or promulgated pursuant thereto or in connection therewith, as may relate to Tenant's operations and/or possession or use of the Premises whether pursuant to this Lease or otherwise.

(b) Without limiting the foregoing, Tenant agrees, to indemnify and hold Landlord harmless from and against any and all liability, penalties, losses, expenses, damages, costs, claims, causes of action, judgments and/or the like, of whatever nature, including but not limited to, reasonable attorneys' fees, to the extent said lien, encumbrance, liability, penalty, loss, expense, damage, cost, claim, cause of action, judgment and/or the like arise from or in connection with Tenant's failure or inability to observe or comply with all environmental laws.

(c) Tenant agrees that each of the foregoing provisions of this Section 8 shall survive the expiration or earlier termination of the term of this Lease.

(d) Landlord agrees that throughout the Term of this Lease, Landlord will not give any other person or entity the right to generate, process, manufacture, store, handle, treat, release, discharge or dispose of any Hazardous Substances at the Property.

(e) Tenant agrees that throughout the term of this Lease, Tenant will provide to the Landlord the Material Safety Data Sheets showing the list of chemicals maintained and controlled by the Tenant on a monthly basis.

9. CASUALTY.

(a) If the Building is damaged by fire or other casualty, and the Building cannot be fully repaired within ninety (90) days after such casualty occurred, then, Tenant may elect to terminate this Lease by giving written notice to Landlord within thirty (30) days after becoming aware of the occurrence of the casualty. If this Lease is not so terminated, Landlord shall repair damage as soon as reasonably possible, in which event this Lease shall remain in full force and effect (but Tenant shall then have the right, prior to the completion of the repairs or Tenant's taking possession of the Premises, to terminate this Lease if the Building is not fully repaired within ninety (90) days after such casualty occurred).

10. CONDEMNATION.

If any portion of the Land and/or Building shall be taken under the power of eminent domain or sold under the threat thereof ("Condemnation") and Tenant's use of the Premises is materially adversely affected in the reasonable opinion of Tenant exercised in good faith, Tenant may terminate this Lease as of the date on which title to the Property or portion thereof shall vest in the condemning authority.

11. SURRENDER OF PREMISES.

Upon termination of the Lease, Tenant shall surrender the Premises to Landlord broom clean, and in good order and condition, except for ordinary wear and tear, damage by casualty which Tenant was not obligated to remedy under

Section 9. Tenant shall repair any damage to the Premises caused by the removal by Tenant of any equipment and machinery. All equipment, machinery and other personal property of Tenant remaining on the Premises after Tenant's removal shall be deemed abandoned and may be retained by Landlord.

12. COMPLIANCE WITH LAWS.

(a) Tenant shall comply with all laws, rules, ordinances, orders and regulations of any federal, state and local authority which are applicable to its manner of use and operation of the Premises. Nothing herein contained shall be deemed to impose any obligation upon Tenant to make any structural alterations, improvements or repairs to the Premises.

(b) Landlord shall comply with all rules, regulations, orders, laws, ordinances and legal requirements and standards issued thereunder which affect (1) the Premises or the Building; or (2) which related to the performance by Landlord of any duties or obligations to be performed by Landlord under this Lease. Without limiting the foregoing, Landlord shall comply or cause the Building to comply with all environmental, fire, and health and safety laws, regulations and codes.

13. ESTOPPEL CERTIFICATE.

Tenant and Landlord each agree that from time to time, upon not less than 30 days prior written request by Landlord or Tenant, each will deliver to the other a statement in writing certifying to the best of its knowledge (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the Agreement as modified is in full force and effect); (b) the dated to which the rent and other charges have been paid; and (c) that neither party is in default under any provision of this Agreement, or if in default, the nature thereof, provided said statements are then true.

14. SUBORDINATION.

This Lease shall be subordinate and subject to all ground and underlying leases and to any mortgages thereon and to any mortgages covering the fee of the Building, or Land, that now or may hereafter affect the Building, or Land and to all renewals, modifications or replacements thereof, provided, however, that with respect to any existing ground lease, underlying lease and/or mortgage, within thirty (30) days after Tenant executes this Lease and, with respect to any future ground lease, underlying lease and/or mortgage, on or before the effective date thereof, Landlord shall obtain from its ground lessor, underlying lessor and/or mortgagee a written agreement with Tenant which shall be binding on their respective successors and assigns and shall provide that so long as this Lease shall be in full force and effect Tenant's possession and use of the Premises and Tenants' other rights under this Lease, shall not be affected or disturbed by reason of the subordination to or any modification of or default under the ground or underlying lease or mortgage. If the ground or underlying lessor and/or mortgagee or any successor in interest shall succeed to the rights of Landlord under this Lease whether through possession, judicial or foreclosure action, or delivery of a deed, Tenant will attorn to and recognize such successor-landlord and Tenant's landlord and the successor-landlord will accept such attornment and recognize Tenant's rights of possession and use of the Leased Premises in accordance with the provisions of this Lease.

15. RULES AND REGULATIONS.

Tenant shall abide by and observe such reasonable rules and regulations as may be issued by Landlord for the Building. Landlord shall (a) nor discriminate against Tenant in enforcing the rules and regulations; and (b) not unreasonably withhold or delay its consent for any approval required by Tenant under the rules and regulations. Landlord shall use its best efforts to obtain compliance by all tenants and other occupants in the Building with the rules and regulations. If there is a conflict or ambiguity created by the provisions of this Lease and any portion of the rules and regulations, Landlord decision is binding.

16. DEFAULT BY TENANT.

If Tenant shall default in the payment of Base Rent and such default shall continue for 15 days after notice thereof from Landlord, or if Tenant shall default in the performance of any of its other obligations under this Lease and if such default shall continue for 30 days after notice thereof from Landlord specifying in what manner Tenant has defaulted (except that if such default cannot be cured within said 30 day period, this period shall be extended for a reasonable additional time, provided that Tenant commences to cure such default within the 30 day period and proceeds diligently thereafter to effect such cure); then Landlord may (1) cure such default and any costs and expenses incurred by Landlord therefore shall be deemed Additional Rent, or (2) lawfully enter the Premises and repossess the same as the former estate of Landlord and expel Tenant and those claiming under Tenant without being deemed guilty of any manner of trespass and without prejudice to any other remedies which Landlord may have for arrears of Base Rent or Additional Rent or preceding breach of covenant, and upon entry as aforesaid, this lease shall terminate and Tenant covenants that in case of such termination, it will indemnify Landlord against all unavoidable loss of Base Rent which Landlord may incur by reason of such termination during the residue of the term of this Lease.

17. SUSPENSION OF TENANT DEFAULT.

If Tenant shall dispute, in good faith, any Additional Rent or other sum (other than Base Rent) claimed by Landlord hereunder and Tenant shall give Landlord written notice specifying in reasonable detail the basis for its dispute, Tenant may not withhold payment of the particular amount in dispute. Tenant and Landlord shall proceed diligently to resolve any such dispute by agreement or arbitration in accordance with Section 20 or otherwise. If the dispute is resolved, in Landlord's favor, Tenant will reimburse Landlord the amount in dispute plus interest at I % over prime from the date of objection by Tenant.

18. DEFAULT BY LANDLORD.

If Landlord defaults in the performance or observance of any provision of this Lease, Tenant shall give Landlord notice specifying in what manner Landlord has defaulted and if such default shall not be cured by Landlord within the period of time provided for elsewhere in this Lease, and otherwise within 30 days after the delivery of such notice (except that is such default cannot be cured within said 30 day period, this period shall be extended for a reasonable additional time, provided that Landlord commences to cure such default within the 30 day period and proceeds diligently thereafter to effect such cure); Tenant may cure such default and/or withhold payment of Base Rent and Additional Rent due and to accrue hereunder (to the extent necessary to cover the costs incurred and/or estimated by Tenant to cure such default) so long as Landlord remains in default, or invoice Landlord for costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) incurred by Tenant therefor. If Tenant cannot reasonably cure Landlord's default or if Landlord does not reimburse Tenant within 30 days of receipt of any invoice for the cost of such cure, Tenant may terminate this Lease.

19. INSURANCE.

(a) Landlord shall keep the Building, including the Improvements (but specifically excluding Tenant's leasehold improvements, which shall be insured separately by Tenant), insured against damage and destruction by fire, earthquake, vandalism, and other perils in such amounts as are commercially prudent in Landlord and its mortgagee's judgment. The insurance shall include an extended coverage endorsement of the kind required by an institutional lender to repair and restore the Building.

(b) Landlord and Tenant shall each maintain contractual and comprehensive general liability insurance, including public liability and property damage, with a minimum combined single limit of liability of two million dollars ($2,000,000.00) for personal injuries or deaths of persons occurring in or about the Building and Premises. Upon request from time to time by the other party, each of Landlord and Tenant shall deliver to the other certificates of insurers evidencing such coverage.

(c) Each party waives claims arising in any manner in its ("Injured Party") favor and against the other party for loss or damage to Injured Party's property located within or constituting a part or all of the Building but only to the extent the loss or damage is covered by the Injured Party's insurance, or the insurance the Injured Party is required to carry under this Section, whichever is greater. The waiver also applies to each party's directors, officers, employees, shareholders, and agents. The waiver does not apply to claims caused by a party's willful misconduct.

20. ARBITRATION.

Any disputes between Landlord and Tenant that are not resolved by the parties within ten days after either party gives notice to the other of its desire to arbitrate the dispute, shall be settled by binding arbitration by the American Arbitration Association in accord with its then prevailing rules. Judgment upon the arbitration award may be entered in any court having jurisdiction. The arbitrators, one of whom must be a real estate attorney actively engaged in the Practice of law for at least the last ten years. The arbitrators shall award the prevailing party reasonable expenses and costs including reasonable attorney's fees plus interest on the amount due at 12% per annum or the maximum then allowed by applicable law, whichever is less.

The losing party shall pay to the prevailing party the amount of the final arbitration award. If payment is not made within 10 days after the date the arbitration award is no longer appealable, then in addition to any remedies under the law, if Landlord is the prevailing party, it shall have the same remedies for failure to pay the arbitration award as it has for Tenant's failure to pay Base Rent, and if Tenant is the prevailing party, if may deduct any remaining unpaid award from its monthly payment of Base Rent, Additional Rent, or other charges.

21. NOTICES AND DEMANDS.

All notices required or permitted under this Agreement shall be in writing and shall be deemed to have been given if hand delivered, sent by recognized overnight delivery service providing receipt of delivery, or mailed in any United States Post Office by certified or registered mail, postage prepaid, addressed to Landlord or Tenant at the addresses set forth in the caption to this Lease, or at such other address provided by a party in accordance with the provisions of this Section 21, or if sent by facsimile transmission with a separate copy delivered or sent by any of the other means set forth above.

22. MISCELLANEOUS.

(a) Amendment. This Agreement may not be modified, changed, or terminated in whole or in part in any manner other than by an agreement in writing duly signed by both parties.

(b) Consent or Permission. Whenever the consent, permission or approval of either the Landlord or Tenant is required under this Lease such consent, permission or approval shall not be unreasonably withheld or delayed. Whenever any right of estimate, judgment, determination, decision, or promulgation is vested in either party or their representative by this Lease, such estimate, judgment, determination, decision, or promulgation shall be reasonable.

(c) Nonwaiver. No waiver of any provision of this Agreement shall be implied by any failure of Tenant or Landlord to enforce any remedy for the violation of such provision even if such violation be continued and/or repeated. No express waiver shall affect any provision other than the one specified.

(d) Attorneys' fees. In any litigation between the parties regarding this Lease, the losing party shall pay to the prevailing party all reasonable expenses and court costs including attorneys' fees incurred by the prevailing party. A party shall be considered the prevailing party if it substantially obtains the relief it sought, either through a judgment or the losing party's voluntary action before judgment.

(e) Governing Law. This Agreement and all questions arising hereunder shall be construed and governed by the laws of the State where the demised premises are located. If any provision of this Agreement is invalid or unenforceable for any reason, all other provisions shall be and remain in effect.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Landlord, its successors and assigns, and shall inure to the benefit of and be binding upon Tenant, its successors and assigns.

(g) Limitation of Landlord's Liability. There shall be no personal liability of the Landlord or any partner, stockholder, officer, director or other principal of Landlord in connection with this Lease. Tenant agrees to look solely to the interest of Landlord in the Property for the collection of any judgment or other judicial process requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to this Lease or in any way relating to the Premises. No other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

(h) Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

(i) Loading Docks. Landlord and Tenant acknowledge and agree that (A) the loading docks nearest the warehouse area shall be available throughout the term of this Lease for Tenant's non-exclusive use, and (B) the remaining loading docks shall be for the exclusive use of The West Company; Landlord and Tenant agree to cooperate to modify the foregoing use, and to share the loading docks, nearest the warehouse area, during the term of this Lease. At selected times, the overhead door area will need to be accessed by other Tenants and such cooperation is required.

(j) Signage. Tenant shall have the right to erect, and the responsibility to maintain, such signage and commercial display as Landlord shall in its discretion determine in locations on the Premises and on the Land selected by Landlord subject to Landlord's approval. Tenant may install a marquis on the Land, at the Tenant's sole expense provided the marquis does not demean or interfere with visibility of other Tenant signage, and written approval for the design and location of the marquis has been obtained from the Landlord.

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this agreement as of the date set forth above.

WHITE DEER WAREHOUSING & DISTRIBUTION
CENTER, INC., a Pennsylvania corporation

By: --
Name:
Title:

By: --
Name:
Title:

EXHIBIT "A"

FLOOR PLAN OF PREMISES (SHADED IN BLUE)
AND TENANT ACCESS AREAS (SHADED IN YELLOW)

EXHIBIT "C"

SUBLEASE AGREEMENTS

NONE

EXHIBIT "D"

COMPONENT ROOF AREAS

EXHIBIT "D"

COMPONENT ROOF AREAS

[Phone Omitted - Blueprint]

[Description]

All report to mustering station "A" located at flagpole at plant front entrance area. PLANT LAYOUT EMERGENCY EVACUATION ROUTE

1. "A" Building Mfg. Area-32,000 - 1981
2. Plant Office Area-2,600 - 1985
2a. #2 Mechanical Room-1,800 - 1985
3. #1, 3, 4 Mechanical Rooms-3,400 - 1986
4. "C" Bldg. Mfg. area-36,850 - 1987
5. Warehouse Sections #1-18,700 - 1989
5a. Front office area-7,600 - 1989
6. Warehouse Section #3-18,700 - 1991
7. "B" Bldg. Mfg. area-32,000 - 1993
7a. Caferteria & Pump House-4,300 - 1993
8. Warehouse Sections #2 & #4-37,400 - 1996

EXHIBIT "E"

LANDLORD REPLACEMENT RESPONSIBILITIES

1. Paved parking areas.

2. Roofs of the Building.

3. Sewer systems serving the Building

4. Water supply systems serving the Building.

EXHIBIT "F"

ADDITIONAL BUILDING CONSTRUCTION

EXHIBIT "F"

[Photo Omitted - Blueprint]

[Description]

PLANT LAYOUT EMERGENCY EVACUATION ROUTES

ALL REPORT TO MUSTERING STATION LOCATED AT A
AT FLAGPOLE AT FRONT ENTRANCE AREA

RED: Evacuation Center

LEASE AGREEMENT

This Lease is made as of June 1, 1998, between WHITE DEER WAREHOUSING & DISTRIBUTION CENTER, INC., c/o Thomas B. Keller, 401 Broad Street, Montoursville, PA 17754 ("Landlord" and CONSPEC SYSTEMS, INC. RR #3, MUNCY, PA 17756.

For One Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby. Landlord and Tenant agree as follows:

1. PREMISES

Landlord leases to Tenant 4,684 rentable square feet known as Warehouse Lease Area I and 4,684 rentable square feet in Warehouse Lease Area II; 375 square feet: in the North Office Complex area shown (shaded in blue) on the space plan attached hereon and made a part hereof as Exhibit "A" (the "Premises"). The Premises contains the warehouse area, office space and improvements and other property now installed.

Tenant and its agents, employees and invitees shall have the non-exclusive right to the free use of certain common areas ("Common Areas") in the Building and on the land ("Land") on which the Building is located. The Common Areas are the restroom facilities and the lunchroom area and connecting corridors from the North Office Complex to Warehouse, Shipping/Receiving Areas.

2. TERM.

The initial term ("Initial Term") of this Lease begins on the date (the "Commencement Date") which is June 5, 1998, and shall end on May 31, 1999. Two additional renewal terms are anticipated by the Tenant and Landlord.

Any subsequent extensions agreed upon by Landlord and Tenant, for a "Renewal Term of twelve (12) months after the expiration of the Initial Term, such agreement to be executed by Tenant, if at all, by giving written notice not less than ninety (90) days prior to the expiration of the Initial Term or the then-current Renewal Term and accepted by Landlord in writing within twenty days after receipt of the aforementioned notice. The Initial Term and any Renewal Term are sometimes referred to together in this Lease as the "Term" hereof.

The Renewal Terms shall be governed and subject to all of the terms and conditions of the original lease, including rent.

Renewal term of lease shall include all or a portion of the Initial Term leased space designated as Areas I, II and III as determined by Tenant and accepted by Landlord.

Exhibit 10 (j)

Schedule of Agreements with Executive Officers

The Company has entered into change-in-control agreements with the executive officers listed below. Such agreements are substantially identical in all material respects to the form agreement set forth in Exhibit (10) (b) to the Company's Form 10-Q for the quarter ended March 31, 2000 as amended by the Form of Amendment No.1 set forth in Exhibit (10) (i) (1) hereto.

Linda R. Altemus
Michael A. Anderson
Steven A. Ellers
John R. Gailey III
Herbert L. Hugill
Richard D. Luzzi

FINANCIAL REVIEW

Company Overview

West Pharmaceutical Services, Inc. (the Company) applies value-added technologies to the process of bringing pharmaceutical, healthcare and consumer products to global markets. The Company's operations are organized into two segments: Pharmaceutical Systems and Drug Delivery Systems.

The Pharmaceutical Systems segment focuses on the design, manufacture and sale of stoppers, closures, medical device components and assemblies made from elastomers, metals and plastics. Several hundred proprietary rubber formulations are molded from natural rubber and synthetic elastomers into a variety of stopper sizes, shapes and colors. The stoppers are used in packaging serums, vaccines, antibiotics, anesthetics, intravenous solutions and other drugs and solutions to assure the integrity of these solutions during the product's approved shelf life. The Pharmaceutical Systems segment also offers a broad line of aluminum seals that help customers differentiate and distinguish drug solutions. Other products offered include plastic containers, bottles and closures for the pharmaceutical, consumer, medical device and diagnostic markets and plastic systems used for lyophilized drug reconstitution and delivery. The Pharmaceutical Systems segment is composed of two operating divisions (the Americas and Europe/Asia) consisting of four business units, which manufacture and sell similar products in their respective regions.

The Drug Delivery Systems segment consists of a research and development unit concentrating on the development and commercialization of the Company's patented technologies, and a clinical services organization that conducts Phase I through IV clinical trials. The Drug Delivery Systems segment allows clients to source their projects through a supply chain product development process, starting with initial feasibility studies and formulation optimization and moving through to clinical development. The Company's patented technologies include ChiSysTM, a transmucosal system for the delivery of small molecular weight drugs, proteins and peptides, and TargitTM, an oral system for the specific delivery of therapeutic agents to the colon.

Results of Operations

In December 2002, the Company sold its consumer healthcare research unit for $2 million. In November of 2001, the Company sold its contract manufacturing and packaging operations for a total sale price of $29.8 million. These transactions both involved the disposal of a component of the Company for which operations and cash flows were clearly distinguished from the rest of the Company, and accordingly, all periods have been restated to reflect the results of these businesses as discontinued operations. The Financial Review of the Company's operating results for the three years ended December 31, 2002, and its financial position as of December 31, 2002, should be read in conjunction with the accompanying consolidated financial statements appearing elsewhere in this report.

Net Sales

The following table summarizes the Company's sales by product group:

($ in millions)	2002	2001	2000
Pharmaceutical packaging	$ 291.4	$ 262.2	$ 236.1
Medical devices	85.9	83.9	91.1
Personal care/food packaging	30.3	26.9	27.4
Laboratory and other services	5.2	3.4	8.3
Net sales - Pharmaceutical Systems	412.8	376.4	362.9
Clinical services	5.3	7.8	7.8
Development/licensing revenue	1.6	8.1	1.8
Net sales - Drug Delivery Systems	6.9	15.9	9.6
Net sales - consolidated	$ 419.7	$ 392.3	$ 372.5

Net sales were $419.7 million in 2002, 7% above the $392.3 million reported in 2001. Sales in the Pharmaceutical Systems segment increased by almost 10% in 2002 versus 2001 levels. International sales grew by 15%, while domestic sales grew by 5%. The Company's WestarR products are meeting an increasing demand for pre-cleaned rubber stoppers and syringe components for the pharmaceutical industry. Westar is a process for preparing rubber components for direct introduction into customers' steam sterilizers. The conversion of customers to higher-margin Westar products from standard products, as well as increased volumes made possible by plant expansions in Europe, contributed to the strong sales performance in 2002. Consistent sales increases were experienced in all pharmaceutical packaging and processing products, led by serum and lyophilized stoppers, and prefillable syringe components. Sales of medical device components also increased, led by a 12% increase in sales of disposable syringe components. Overall price increases accounted for 1.5% of the sales increase over 2001. Foreign exchange rates did not impact comparisons, as the dollar's decline against European currencies was largely offset by currency devaluation in South America.

Revenues in the Drug Delivery Systems segment declined to $6.9 million in 2002, a $9 million decrease from 2001 results. Project delays and cancellations led to lower licensing-related revenues from ChiSys and other technologies. In addition, a decrease in the number of studies conducted in the pharmaceutical outsourcing market contributed to lower sales for the clinical services unit.

Net sales of $392.3 million in 2001 compare with sales of $372.5 million in 2000. The strong U.S. dollar in 2001 reduced reported sales versus 2000 by approximately $8 million. At constant exchange rates, sales in 2001 were 7% higher than 2000 net sales. Pharmaceutical Systems segment sales increased by 6% (measured at constant exchange rates) in 2001 versus 2000, with sales growing at a 9% rate in international markets and at 4% domestically. Both sales volumes and product mix were favorable in the Pharmaceutical Systems segment sales comparison to the prior year. 2001 revenues in the Drug Delivery Systems segment increased by $6.3 million over 2000 results, reflecting increased licensing revenue from ChiSys technology-based development projects, including two Phase II trials: one utilizing the Company's nasal morphine system and a second for a nasal flu vaccine.

Operating Profit

The following table summarizes the Company's operating profit by reportable segment, including corporate administration, U.S. pension plan income and other charges recorded in consolidated operating profit for the three years ended December 31, 2002:

($ in millions)	2002	2001	2000
Pharmaceutical Systems segment	$ 65.4	$ 55.2	$ 55.8
Drug Delivery Systems segment	(15.1)	(4.3)	(9.8)
Corporate costs	(18.1)	(16.2)	(14.4)
Pension income	2.7	8.1	14.1
Restructuring costs	(9.9)	(2.9)	(5.5)
Foreign exchange gain	1.7	-	-
Consolidated operating profit	$ 26.7	$ 39.9	$ 40.2

Operating profit in the Pharmaceutical Systems segment increased by $10.2 million over 2001, reflecting the increased gross profit resulting from the sales volume increases addressed above. Gross margin was 28.5%, 28.4% and 28.9% in 2002, 2001 and 2000, respectively. Costs associated with bringing new production capacity on-line in Europe, production inefficiencies connected to plant transfers and start-up plastic device manufacturing at plants in the U.K., and higher insurance costs offset the volume-related margin improvements. The Company completed a plant expansion in France during 2002 and expects to complete a German plant expansion project during 2003. Both projects should result in improved gross margins in 2003. Selling, general and administrative costs in the Pharmaceutical Systems segment were approximately 13% of net sales in each period.

2002 operating losses in the Drug Delivery Systems segment were $10.8 million above those recorded in 2001, reflecting the $6.5 million decline in licensing revenues described earlier and a $3.6 million increase in research and development expense and business development costs in the drug delivery unit. The increased research and development costs were incurred in funding studies related to a near-term licensing opportunity for a generic version of a popular nasally delivered allergy product. Gross profit in the clinical services unit declined $1.5 million compared to 2001, reflecting the lower revenues in that unit. Reduced incentive compensation costs partially offset the lower profits generated by the Drug Delivery Systems segment. The Company anticipates that the development work in 2002, together with increased focus on its ChiSys technology, will lead to licensing opportunities in 2003.

Corporate administrative and other expenses increased $1.9 million in 2002 over 2001 levels. Higher executive compensation costs, increased funding of the internal audit function and higher consulting charges for international tax planning contributed to the increases. Corporate costs in 2001 exceeded 2000 spending by $1.8 million, principally as a result of an information systems project. Certain costs previously reported as Corporate have been allocated to the respective segment that they support. These costs consist principally of rent, information services and human resource functions incurred at the North American headquarters facility. All prior periods have been restated to reflect these allocations.

Pension income related to the Company's pension plans has dramatically decreased in each of the last two years. The decline in the performance of global equity markets has decreased the fair market value of plan assets over that period, resulting in lower pension plan income. The Company projects that pension plans will generate pension expense of approximately $6.5 million in 2003 as a result of the closing asset values at December 31, 2002, and higher post-retirement costs.

The following table summarizes the restructuring provisions and payments for the three-year period ended December 31, 2002:

($ in millions)	Severance and benefits	Other	Totals
Balance, December 31, 1999	$ .1	$ -	$ .1
2000 Restructuring expense	2.8	2.7	5.5
Non-cash write-offs	-	(2.7)	(2.7)
Cash payments	(0.2)	-	(0.2)
Balance, December 31, 2000	2.7	-	2.7
2001 Restructuring expense (credit)	4.9	(2.0)	2.9
Non-cash write-offs	.2	2.0	2.2
Cash payments	(5.7)	-	(5.7)
Balance, December 31, 2001	2.1	-	2.1
2002 Restructuring expense	.8	9.1	9.9
Non-cash write-offs	-	(8.6)	(8.6)
Cash payments	(2.1)	-	(2.1)
Balance, December 31, 2002	$ .8	$ .5	$ 1.3

Restructuring charges of $9.9 million were recorded in 2002 associated with the termination of an information systems implementation project ($6.9 million), a write-down of a technology company investment ($2.8 million), the closure of a sales office in Korea ($0.1 million) and employee terminations at the Nottingham, U.K., drug delivery site ($0.1 million). In 2001, the Company recorded a net $2.9 million restructuring charge consisting of a $4.9 million provision for the termination of 35 mid- and senior-level management positions, offset by a $2.0 million adjustment related to the carrying value of an asset held for sale from the 2000 restructuring program. In 2000, the Company recorded a $5.5 million provision principally related to the decision to close a plastic device manufacturing facility in Puerto Rico.

During the first quarter of 2002, the Company's subsidiary in Argentina recorded a foreign exchange gain of $1.7 million on assets denominated in non-peso currencies due to the devaluation of the Argentine peso. The Company maintains operations in Argentina, Brazil, Venezuela and Colombia, generating annual sales of approximately $14 million. The region is currently beset by political and social unrest, including the recent general strikes in Venezuela that could destabilize local currencies. Although the Company has successfully passed foreign currency costs on to customers through price increases, no assurance can be given on its ability to do so in the future.

Interest Expense (net)

The following table summarizes the Company's net interest expense for the three-year period ended December 31, 2002:

($ in millions)	2002	2001	2000
Interest expense	$ 11.3	$ 14.3	$ 13.9
Capitalized interest	(0.7)	(0.8)	(0.8)
Interest income	(1.1)	(1.5)	(2.0)
Interest expense (net)	$ 9.5	$ 12.0	$ 11.1

Net interest expense declined $2.5 million in 2002 versus 2001 levels due to lower average debt levels and interest rates. The lower debt levels in 2002 were generated by the $28 million fourth quarter 2001 proceeds received from the sale of the contract manufacturing and packaging operation (see "Discontinued Operations"). Debt levels also benefited from a tax refund received in 2002 associated with the divestiture of the contract manufacturing and packaging business and a production facility in Puerto Rico. The Company also increased its global utilization of cash in order to reduce outstanding debt, resulting in lower interest income and interest expense.

Net interest expense in 2001 increased over 2000 results, largely reflecting the impact of fourth quarter 2000 sales results, which decreased 2001 operating cash flow and resulted in higher average debt levels during 2001.

Income Taxes

The effective tax rate on consolidated income from continuing operations was 24.0% in 2002, 30.7% in 2001 and 34.7% in 2000. The restructuring charges incurred in the last three years generate specific tax consequences, which affect the Company's effective tax rate. In addition, the 2002 foreign exchange gain resulting from the currency devaluation in Argentina, a $2.4 million tax benefit from a change in U.S. tax law in 2002 related to loss disallowance rules and a $1.5 million tax benefit in 2000 connected with the reorganization of operations in Germany also impacted the Company's effective tax rate.

Management believes that a better indication of the Company's tax rate on continuing operations can be determined by excluding the effect of the specific tax consequences of the restructuring charges, tax refunds and foreign exchange gain discussed above. The following table reconciles the effective tax rate to the comparative tax rate excluding the items mentioned above:

	2002	2001	2000
Effective tax rate (as reported)	24.0%	30.7%	34.7%
Impact of:			
Restructuring charges	(4.1%)	2.3%	(4.6%)
Foreign exchange gain	(2.3%)	-	-
Tax refunds	14.4%	-	5.2%
Comparative tax rate	32.0%	33.0%	35.3%

Excluding the impact of restructuring and other items noted above, the comparative tax rates would have been 32.0% for 2002, 33.0% for 2001 and 35.3% for 2000. These tax rates reflect the changes in the geographic mix of earnings and changes in the statutory rate in several countries during the three-year period.

Equity in Affiliates

The contribution to earnings from a 25% ownership interest in Daikyo Seiko, Ltd. and a 49% ownership interest in three companies in Mexico was a $0.3 million loss in 2002, following income of $0.5 million and $1.2 million for 2001 and 2000, respectively. The loss in 2002 was mainly due to the restructuring of plant operations in Mexico. Equity in net income (loss) of affiliated companies includes $0.8 million related to this restructuring. Excluding the restructuring, affiliate income was equal to 2001 levels, with slightly improved Daikyo results offsetting losses in Mexico.

Company purchases from all affiliates totaled approximately $11.5 million in 2002 and $12.6 million in 2001, the majority of which relates to a non-exclusive distributorship agreement allowing the Company to purchase and re-sell Daikyo products. Sales to affiliates were $1.0 million and $0.5 million in 2002 and 2001, respectively.

Income from Continuing Operations

The Company's 2002 net income from continuing operations was $12.8 million, or $0.89 per share. These results included restructuring charges of $9.9 million ($7.4 million, net of tax), or $0.51 per share, primarily related to the termination of an information systems project and a write-down of an investment in a genetic research technology company. Results also included $0.8 million, or $0.06 per share, of severance and plant shutdown costs from the Company's affiliates in Mexico, of which it owns 49%. Offsetting these costs were a $1.7 million ($0.8 million, net of tax), or $0.05 per share, foreign exchange gain associated with the devaluation of the Argentine peso and a $2.4 million, or $0.17 per share, tax benefit associated with the 2001 sale of a manufacturing facility in Puerto Rico.

Net income from continuing operations in 2001 was $19.7 million, or $1.38 per share. Results in 2001 included a restructuring charge of $2.9 million ($1.3 million, net of tax), or $.08 per share. The charge consisted of a $4.9 million ($3.3 million, net of tax) employee severance provision, offset by a $2.0 million adjustment to the carrying value of a plastic device manufacturing facility held for sale from the 2000 restructuring program.

Net income from continuing operations in 2000 was $20.0 million, or $1.39 per share. Results for 2000 included $5.5 million ($4.9 million, net of tax), or $0.34 per share of restructuring costs connected principally to the decision to close a plastic device manufacturing facility located in Puerto Rico. The Company also realized a $1.5 million, or $0.11 per share, tax benefit connected with the reorganization of operations in Germany.

Discontinued Operations

On December 4, 2002, the Company sold its consumer healthcare research unit for $2 million to Concentrics Research, LLC, a company formed by the former employee management team, and Bindley Capital Partners, LLC. As a result of receiving an offer to purchase the business, the Company reduced the carrying value of the assets to fair market value in the third quarter of 2002, resulting in a pre-tax charge of $0.6 million.

In connection with the sale of the contract manufacturing and packaging unit in 2001, the Company was required to hold $4.3 million of the proceeds in a trust account at December 31, 2001, for the payment of certain debentures in 2002. The payment of these debentures resulted in a $0.4 million, or $0.03 per share, loss recorded in discontinued operations in 2002.

The Company also recorded a $5.9 million, or $0.40 per share, tax benefit in discontinued operations connected with the disposition of the contract manufacturing and packaging business. This tax benefit and related refund resulted from a change in U.S. tax law in 2002 related to loss disallowance rules.

In 2001, the Company sold all the operating assets of its contract manufacturing and packaging business unit to DPT Lakewood, Inc. for a sale price of $29.8 million, consisting of cash of $28 million and a $1.8 million note due in 2003. The sale resulted in a net loss of $25.2 million, or $1.76 per share.

Liquidity and Capital Resources

The cash balance at December 31, 2002, was $33.2 million and working capital totaled $73.6 million, a ratio of current assets to current liabilities of 1.8 to 1. Consolidated debt totaled $175 million at December 31, 2002, compared with $193 million at year-end 2001. Debt to total invested capital (total debt and shareholders' equity) was 46.5% at December 31, 2002.

Cash flows generated from operations totaled $45.7 million in 2002, as compared to $37.5 million in 2001. The increase in cash flow largely resulted from tax refunds and lower restructuring payments.

Capital spending for 2002 totaled $37.7 million, with the majority of the spending on manufacturing equipment and plant expansion activity in France and Germany. The Company anticipates that 2003 capital spending will be approximately $45 million, with significant projects scheduled to increase Westar product capacity at its Jersey Shore, Pa., plant and the expansion of the Stolberg, Germany, metal and plastics facility.

Cash provided by investing activities in 2002 includes the receipt of a $4.3 million deposit held in trust from the sale of the contract manufacturing and packaging business, proceeds of $2.0 million from the sale of the consumer healthcare research unit and $0.4 million of proceeds from surplus equipment sales. Cash used in investing activities in 2002 includes a $1 million advance to the Company's affiliate in Mexico to fund restructuring activities and $0.3 million of net advances to customers for development of molds and tools to be used in the production of customer products.

Financing cash flows include proceeds from stock option exercises of $3.3 million and dividends paid to shareholders totaling $11.1 million ($0.77 per share). Discontinued operations provided cash flow of $8.2 million, principally from the receipt of a tax refund. The remaining cash flow was used to reduce the Company's outstanding debt.

The following table summarizes the Company's contractual obligations at December 31, 2002, and the effect the obligations are expected to have on its liquidity and cash flow in future periods:

	Payments Due by Period				
($ in millions)	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years	Total
Unconditional purchase obligations	$ 4.9	$ -	$ -	$ -	$ 4.9
Notes payable	4.1	-	-	-	4.1
Long-term debt	11.7	59.2	-	100.0	170.9
Operating lease obligations	6.4	11.6	10.3	30.1	58.4
Total contractual obligations	$ 27.1	$ 70.8	$ 10.3	$ 130.1	$ 238.3

The Company also has a $0.5 million letter of credit supporting the payment of insurance obligations assumed by the acquirer of the contract manufacturing and packaging business.

The Company's principal source of short- and medium-term liquidity is a $114.5 million multi-currency revolving credit facility with a group of six banks. The credit agreement consists of a $44.5 million, 364-day line of credit renewable annually each July at the option of the banks and a $70.0 million committed revolving credit facility maturing in July 2005. Interest cost on these facilities is charged at the applicable London Inter-Bank Offering Rates (LIBOR) plus a margin dependent on the Company's debt to total capital ratio. Commitment fees on these agreements also fluctuate according to the Company's debt to total capital ratio with a maximum commitment fee of 20 basis points on the 364-day facility and 25 basis points on the five-year facility. The credit agreement contains several compliance covenants, the most restrictive of which is the requirement not to exceed a debt to total capital ratio of 55%. Failure to meet this or other debt covenants would cause all borrowings under the revolving credit facility to become immediately due and payable.

The Company believes that its financial condition, capitalization structure and expected income from operations will be sufficient to meet the Company's future expected cash requirements, at least through July 2005, at which time the Company's revolving credit facility expires. The Company fully expects to obtain similar credit facilities at that time.

Critical Accounting Policies and Estimates

The Financial Review discusses consolidated financial statements that are prepared in accordance with accounting principles generally accepted in the United States. The application of these principles requires management to make estimates and assumptions, some of which are subjective and complex, that affect the amounts reported in the consolidated financial statements. Management believes the following accounting policies and estimates are critical to understanding and evaluating the results of operations and financial position of the Company:

Revenue Recognition: Sales of manufactured components are recorded at the time title passes, which generally occurs when the goods are shipped. Some customers receive pricing rebates upon attaining established sales volumes. Management records rebate costs based on its assessment of the likelihood that these volumes will be attained. The Company also establishes product return liabilities for customer quality claims when such amounts are deemed probable and can be reasonably estimated. Revenue associated with drug delivery systems development is recognized as services are provided. The timing of non-refundable licensing fee recognition is subject to management's estimate of future costs to be incurred on the related development agreement.

Impairment of Assets: Effective January 1, 2002, the Company adopted Financial Accounting Standards Statement No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). SFAS 142 eliminated the requirement to amortize goodwill and other indefinite-lived intangible assets. Instead, goodwill is tested for impairment as part of the reporting unit to which it belongs. The Company has determined its reporting units to be the geographic regions in the Pharmaceutical Systems segment, and the drug delivery and clinical services units of the Drug Delivery Systems segment. As required by the statement, the Company did not record goodwill amortization expense in 2002. Goodwill expense was $1.2 million and $1.3 million in 2001 and 2000, respectively. The Company reviews goodwill and long-lived assets (principally property, plant and equipment and patents) on an annual basis and whenever circumstances indicate that the carrying value of these assets may not be recoverable. For assets to be held and used in the business, management estimates the future cash flow to be derived from the related asset or business unit. For other assets held for sale, management determines fair value by estimating the anticipated proceeds to be received upon the sale of the asset. Changes in management's estimate of fair value, including management's estimate of future cash flows, could have a material impact on the Company's future results of operations and financial position.

The majority of the Company's assets are associated with profitable operations within the Pharmaceutical Systems division; however, the Company's plastics unit in the United Kingdom has generated consecutive years of operating losses. The principal customer for this unit has recently completed a manufacturing and distribution agreement with a major pharmaceutical company for a multi-component metered dose inhaler. The Company's fair value projections significantly rely on the achievement of sales projected from these agreements.

In the drug delivery unit, the Company's revenue projections include estimated licensing revenues, primarily dependent on the success of the Company's ChiSys technology. A key milestone for 2003 will be the advancement of one of the Company's products to Phase III clinical trials. While the Company expects improved performance in this unit in 2003, it does not project operating profit until 2004.

The Company has also reviewed the operating projections for the clinical services unit, which generated an operating loss in 2002 following several years of positive performance. The Company views the 2002 performance to be a temporary condition caused by unexpected project cancellations; however, it does note a decline in the number of studies out-sourced by the pharmaceutical industry. The Company will monitor industry demand during 2003 to determine if these trends are expected to continue.

Employee Benefits: The measurement of the obligations under the Company's defined benefit pension and post-retirement medical plans are subject to a number of assumptions. These include the rate of return on plan assets and the rate at which the future obligations are discounted to present value. The

Company's plan assets have decreased from $206.6 million at December 31, 2000, to $142.2 million at December 31, 2002, largely as a result of the recent performance of global equity markets. The unrecognized loss on plan assets resulting from the difference between expected and actual asset returns, together with the impact of other changes in actuarial assumptions, totaled $60.8 million at December 31, 2002. This actuarial loss is amortized into future pension expense over a 13-year period. For U.S. plans, which account for over 90% of global plan assets, the Company has reduced its long-term rate of return assumption from 9.5% to 9%. This return assumption was determined by reviewing the expected mix of plan assets (approximately 65% equity and 35% debt securities) and the projected return over a 10-year period. The Company has also reduced its discount rate to 6.5% to reflect current market conditions. As a result of the asset performance and the decline in rate of return and discount rate assumptions, the Company estimates that 2003 pension plan expense will be approximately $6.5 million, as compared with net pension income of $3 million in 2002. Changes in these estimates, including the market performance of plan assets and other actuarial assumptions, could have a material impact on the Company's future results of operations and financial position.

Income Taxes: The Company estimates income taxes payable based upon current domestic and international tax legislation. In addition, deferred income tax assets and liabilities are established to recognize differences between the tax bases and financial statement carrying values of the Company's assets and liabilities. Valuation allowances are recorded to reduce deferred assets to amounts that are more likely than not to be realized. The recoverability of tax assets is subject to the Company's estimates of future profitability, generally at the local subsidiary company and country level. Changes in tax legislation, business plans and other factors may affect the ultimate recoverability of tax assets or final tax payments, which could result in adjustments to tax expense in the period such change is determined.

Foreign Currency: The Company has subsidiaries outside the United States accounting for approximately 46% of consolidated net sales. Virtually all of these sales and related operating costs are denominated in the currency of the local country and translated into U.S. dollars at the average exchange rate for the period. The assets and liabilities of these subsidiaries are translated at the exchange rate in effect at the end of the period. As a result, the Company's results of operations and financial position are exposed to changing exchange rates. In addition, at any point in time, the Company's foreign subsidiaries may hold assets or liabilities not denominated in their local currency. These items may give rise to foreign currency transaction gains and losses. The Company periodically uses forward contracts to hedge certain transactions, but generally does not hedge foreign currency exposures.

New Accounting Standards

In July 2002, the Financial Accounting Standards Board (FASB) issued Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (SFAS 146). SFAS 146 requires that a liability for costs associated with a disposal activity, including those related to employee termination benefits, be recognized when the liability is incurred, and not necessarily at the date of an entity's commitment to an exit plan as had been the practice under the prior accounting guidance. The Company adopted SFAS 146 on January 1, 2003.

In November 2002, FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (FIN 45) was issued. FIN 45 elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees that it has issued. The disclosure requirements of FIN 45 are effective for financial statements ending after December 15, 2002. FIN 45 also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The recognition provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The Company believes that FIN 45 will not have a material effect on its consolidated financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure." This statement provides alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. It also amends the disclosure provisions for entities that retain the intrinsic value method of accounting. The Company intends to continue the intrinsic value method of accounting. The Company will disclose the pro-forma effect on net income and earnings per share of applying the fair value method to all stock-based compensation awards in the notes to its interim and annual financial statements as required by the statement.

Subsequent Event

On January 29, 2003, an explosion and fire occurred at the Company's Kinston, N.C., plant. Six people lost their lives and many others were injured in the accident, which caused substantial damage to the building, machinery, equipment and inventories. The Company is aggressively implementing a manufacturing recovery plan to restore production to pre-accident levels using resources and capacity at other plant locations, as well as selected third-party vendors. Management is also working with customers and the Food and Drug Administration to satisfy critical product requirements while minimizing the effects on customers' production plans and inventories.

At this time, the Company has identified items associated with the Kinston accident that are likely to have financial implications and has estimated certain of those items. Management expects that, as a result of capacity limitations, up to $5 million of sales that would otherwise have occurred in the first and second quarters of 2003 will be delayed, but that the revenue is substantially recoverable in the second half of the year. The Company maintains business interruption insurance under which it expects to recover lost profits attributable to lost sales or additional costs associated with the recovery plan.

The Company currently expects to incur pre-tax costs of between $4.0 million and $6.0 million, net of insurance recoveries during the first half of 2003. The estimated costs are for retained risk, or deductibles, under applicable insurance policies, for costs not normally or fully compensable by insurance, and the cost of reinstating or replacing insurance coverage in the wake of the loss. Management is confident that, except for these costs, the property and business interruption losses are fully insured.

The Company is not able, at this time, to estimate the ultimate impact of any liability claims and related costs that may arise as a result of the accident.

Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in this report and filings with the Securities and Exchange Commission.

Forward-looking statements may be identified by the use of words such as "estimate," "expect," "intend," "believe" and similar expressions. Forward-looking statements are based on current expectations of future events. The forward-looking statements are and will be based on management's then-current views and assumptions about future events and operation performance, and speak only as of their dates.

Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements.

In addition, we undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events and developments or otherwise.

Some of the factors that could cause the Company's actual results to differ materially from those expressed in any forward- looking statement include, but are not limited to: sales demand; timing of customers' projects; successful development of proprietary drug delivery technologies and systems; regulatory, licensee and/or market acceptance of products based on those technologies; competitive pressures; the strength or weakness of the U.S. dollar; inflation; the cost of raw materials; the availability of credit facilities; and statutory tax rates.

With respect to the explosion and fire at the Company's Kinston, N.C., plant, the following risks and uncertainties should also be taken into consideration: the timely replacement of production capacity; the adequacy and timing of insurance recoveries for property losses and/or liability to third parties and related costs; the ability of the Company to successfully shift production and compounding capacity to other plant sites in a timely manner, including the successful integration of experienced personnel to other production sites; and regulatory approvals and customer acceptance of goods from alternate sites.

CONSOLIDATED STATEMENTS OF INCOME
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000.
(in thousands, except per share data)

	2002		2001		2000	
Net sales	$419,700	100%	$392,300	100%	$372,500	100%
Cost of goods and services sold	302,100	72	277,500	71	265,000	71
Gross profit.....................	117,600	28	114,800	29	107,500	29
Selling, general and administrative expenses	82,600	20	72,000	18	59,500	16
Restructuring charge, net...........	9,900	2	2,900	1	5,500	1
Other (income)expense, net..........	(1,600)	-	-	-	2,300	1
Operating profit	26,700	6	39,900	10	40,200	11
Interest expense, net...............	9,500	2	12,000	3	11,100	3
Income before income taxes and minority interests....	17,200	4	27,900	7	29,100	8
Provision for income taxes	4,100	1	8,600	2	10,100	3
Minority interests	-	-	100	-	200	-
Income from consolidated operations	13,100	3%	19,200	5%	18,800	5%
Equity in net income (loss) of affiliated companies	(300)		500		1,200	
Income from continuing operations.	12,800		19,700		20,000	
Discontinued operations, net of tax..	5,600		(24,900)		(18,400)	
Net income (loss)................	$ 18,400		$ (5,200)		$ 1,600	
Net income (loss) per share:						
Basic						
Continuing operations..............	$ 0.89		$ 1.38		$ 1.39	
Discontinued operations............	0.39		(1.74)		(1.28)	
	$ 1.28		$ (0.36)		$ 0.11	
Assuming dilution						
Continuing operations..............	$ 0.89		$ 1.37		$ 1.39	
Discontinued operations............	0.39		(1.73)		(1.28)	
	$ 1.28		$ (0.36)		$ 0.11	
Average common shares outstanding ...	14,434		14,336		14,407	
Average shares assuming dilution	14,434		14,348		14,409	
Dividends declared per common share..	$ 0.78		$ 0.74		$ 0.70	

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000.
(in thousands)

	2002	2001	2000
Net income (loss)..	$18,400	$ (5,200)	$ 1,600
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments..................	16,500	(9,700)	(8,200)
Unrealized losses on securities of affiliates.............	(300)	(100)	(700)

Minimum pension liability adjustments	(2,300)	(2,800)	(300)
Cumulative effect of change in accounting principle for derivatives and hedging activities	--	(200)	--
Net realized losses on derivative instruments	200	100	--
Unrealized losses on derivatives	(100)	(200)	--
Comprehensive income (loss)	$32,400	$(18,100)	$ (7,600)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEETS
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
AT DECEMBER 31, 2002 AND 2001.
(in thousands, except per share data)

	2002	2001
ASSETS		
Current assets:		
Cash, including cash equivalents	$ 33,200	$ 42,100
Accounts receivable, less allowance (2002--$800; 2001--$500)	66,200	59,500
Inventories	41,300	34,300
Income tax refundable	3,600	5,700
Deferred income tax benefits	5,200	2,400
Other current assets	11,800	14,500
Total current assets	161,300	158,500
Property, plant and equipment	499,600	458,800
Less accumulated depreciation and amortization	276,300	248,700
	223,300	210,100
Investments in and advances to affiliated companies	18,000	20,800
Goodwill	35,500	30,700
Pension asset	53,000	48,300
Deferred income tax benefits	27,600	21,400
Patents	7,300	7,600
Other intangibles	1,700	200
Other assets	9,100	13,700
Total Assets	$536,800	$511,300

	2002	2001
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 11,700	$ 4,300
Notes payable	4,100	4,400
Accounts payable	19,200	22,200
Accrued expenses:		
Salaries, wages and benefits	17,000	15,800
Income taxes payable	9,400	5,400
Restructuring costs	1,400	2,200
Deferred income taxes	2,400	1,600
Other	22,500	19,400
Total current liabilities	87,700	75,300
Long-term debt, excluding current portion	159,200	184,300
Deferred income taxes	56,200	46,800
Other long-term liabilities	32,200	28,100
Total liabilities	335,300	334,500
Commitments and contingencies		

	2002	2001
Shareholders' equity:		
Preferred stock, shares authorized: 3,000; shares issued and outstanding: 2002--0; 2001--0		
Common stock, par value $.25 per share; shares authorized: 50,000; shares issued: 2002--17,165; 2001--17,165; shares outstanding: 2002--14,480; 2001--14,344	4,300	4,300
Capital in excess of par value	30,900	31,600
Retained earnings	261,200	254,000
Accumulated other comprehensive (loss)	(13,400)	(27,400)
	283,000	262,500
Less treasury stock (2002--2,685 shares; 2001--2,821 shares)	(81,500)	(85,700)
Total shareholders' equity	201,500	176,800
Total Liabilities and Shareholders' Equity	$536,800	$511,300

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000.
(in thousands, except per share data)

	Common stock	Capital in excess of par value	Retained earnings	Accumulated other comprehensive (loss)	Treasury stock	Total
Balance, January 1, 2000	$ 4,300	$ 31,700	$278,100	$ (5,300)	$(77,600)	$231,200
Net income			1,600			1,600
Shares issued under stock plans		400			1,500	1,900
Shares repurchased					(10,800)	(10,800)
Cash dividends declared ($.70 per share)			(9,900)			(9,900)
Changes-other comprehensive (loss)				(9,200)		(9,200)
Balance, December 31, 2000	4,300	32,100	269,800	(14,500)	(86,900)	204,800
Net (loss)			(5,200)			(5,200)
Shares issued under stock plans		(500)			1,300	800
Shares repurchased					(100)	(100)
Cash dividends declared ($.74 per share)			(10,600)			(10,600)
Changes-other comprehensive (loss)				(12,900)		(12,900)
Balance, December 31, 2001	4,300	31,600	254,000	(27,400)	(85,700)	176,800
Net income			18,400			18,400
Shares issued under stock plans		(700)			4,300	3,600
Shares repurchased					(100)	(100)
Cash dividends declared ($.78 per share)			(11,200)			(11,200)
Changes-other comprehensive (loss)				14,000		14,000
Balance, December 31, 2002	$ 4,300	$ 30,900	$261,200	$(13,400)	$(81,500)	$201,500

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000.
(in thousands)

	2002	2001	2000
Cash flows provided by operating activities:			
Net income (loss)	$ 18,400	$ (5,200)	$ 1,600

Adjustments to reconcile net income (loss) to net cash provided by operating activities of continuing operations:			
(Income) loss from discontinued operations	(5,600)	(300)	18,400
Loss on disposal of discontinued operations	--	25,200	--
Depreciation and amortization	33,000	31,900	30,200
Restructuring charge, net	9,900	2,900	5,500
Loss on sales of equipment and other assets	600	600	1,000
Deferred income taxes	1,500	1,400	4,200
Pension and other retirement plans	(4,800)	(10,000)	(15,800)
Loss (equity) in undistributed earnings of affiliated companies, net	200	(300)	(1,000)
Changes in assets and liabilities, net of effects of businesses sold:			
(Increase) decrease in accounts receivable	(3,700)	(7,500)	2,600
(Increase) decrease in inventories	(4,700)	(900)	(800)
(Increase) decrease in other current assets	(2,800)	700	(700)
(Decrease) increase in other current liabilities	4,700	(2,100)	2,600
Other operating items	(1,000)	1,100	(500)
Net cash provided by operating activities of continuing operations	45,700	37,500	47,300
Cash flows used in investing activities:			
Property, plant and equipment acquired	(37,700)	(45,200)	(47,700)
Proceeds from sales of assets	2,400	31,300	300
Deposit held in trust from sale of assets	4,300	(4,300)	--
Advance to affiliate	(1,000)	--	--
Payments for acquisitions	--	(1,100)	(3,400)
Customer advances, net of repayments	(300)	(1,500)	(100)
Net cash used in investing activities of continuing operations	(32,300)	(20,800)	(50,900)

	2002	2001	2000
Cash flows (used in) provided by financing activities:			
Borrowings (repayments) under revolving credit agreements, net	(10,400)	(2,400)	70,000
Repayment of industrial revenue bond	(6,100)	--	--
Repayment of subordinated debenture	(4,300)	--	--
Repayment of other long-term debt	(800)	(5,200)	(16,200)
Other notes payable, net	(3,500)	1,700	(23,500)
Issuance of common stock	3,300	700	1,500
Dividend payments	(11,100)	(10,500)	(9,800)
Purchase of treasury stock	(100)	(100)	(10,800)
Net cash (used in) provided by financing activities of continuing operations	(33,000)	(15,800)	11,200
Net cash provided by (used in) discontinued operations	8,200	600	(8,300)
Effect of exchange rates on cash	2,500	(2,100)	(1,900)
Net decrease in cash and cash equivalents	(8,900)	(600)	(2,600)
Cash and cash equivalents at beginning of year	42,100	42,700	45,300
Cash and cash equivalents at end of year	$ 33,200	$ 42,100	$ 42,700
Supplemental cash flow information:			
Interest paid, net of amounts capitalized	$ 10,600	$ 13,500	$ 12,900
Income taxes (refunded) paid	$ (4,700)	$ 5,700	$ 2,100

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation: The financial statements are prepared in conformity with accounting principles generally accepted in the United States. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses and the disclosure of contingencies in the financial statements. Actual amounts realized may differ from these estimates.

Principles of Consolidation: The consolidated financial statements include the accounts of West Pharmaceutical Services, Inc. and all majority-owned subsidiaries (the Company). Investments in affiliated companies in which ownership exceeds 20% are accounted for on the equity method. Investments in which ownership is less than 20% are accounted for on the cost method. Material intercompany transactions and accounts are eliminated in consolidation. Certain items have been reclassified to conform with current classifications.

Cash and Cash Equivalents: Cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Inventories: Inventories are valued at the lower of cost or market. The cost of inventories located in the United States is determined on the last-in, first-out (LIFO) method. The cost of inventories located outside the United States is determined principally on the average cost method.

Foreign Currency Translation: Foreign currency transaction gains and losses and translation gains and losses of subsidiaries operating in high-inflation economies are recognized in the determination of net income. Foreign currency translation adjustments of other subsidiaries and affiliates operating outside the United States are accumulated in other comprehensive income, a separate component of shareholders' equity.

Financial Instruments: The Company adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Financial Instruments and Hedging Activities," as amended, on January 1, 2001. SFAS 133 requires the Company to recognize all derivatives as either assets or liabilities and measure those instruments at fair value as of the balance sheet date. The change in fair value of a derivative designated and qualified as part of a hedging transaction is recorded each period in earnings or other comprehensive income depending on the type of hedging instrument. The change in fair value of a derivative instrument with no hedging designation or purpose is recognized immediately into earnings.

The Company uses interest rate swaps and forward exchange contracts to minimize the economic exposure related to fluctuating interest and foreign exchange rates. Interest rate swaps are designated as cash flow hedges; therefore, unrealized gains and losses are recorded in other comprehensive income. As the underlying transaction occurs, any unrealized gains or losses on the related hedge are reclassified from other comprehensive income to the statement of income (interest expense), offsetting the income effects of the transaction to which they relate. Gains and losses on forward exchange contracts designated as fair value hedges, primarily related to raw material purchase commitments, are deferred and recognized as part of the underlying transaction. The Company also engages in hedges of its net investment in foreign operations in order to minimize the economic exposure to fluctuating foreign exchange rates. Fair value adjustments for hedges of the net investment in foreign operations are reported in other comprehensive income as foreign currency translation adjustments and are released to earnings upon disposal of the investment.

Revenue Recognition: Sales of manufactured components are recorded at the time title passes, which generally occurs when the goods are shipped. Some customers receive pricing rebates upon attaining established sales volumes. Management records rebate costs based on its assessment of the likelihood that these volumes will be attained. The Company also establishes product return liabilities for customer quality claims when such amounts are deemed probable and can be reasonably estimated. Clinical service revenue and related direct costs are recognized as specific contract terms are fulfilled under the percentage of completion method. Fees for individual contract clinical services are fixed upon execution of the contract and provide for payment for all work performed. The termination of a contract typically results in no material adjustments to the revenue or costs previously recognized.

Revenue associated with drug delivery systems development is recognized when earned in accordance with the terms of contract research agreements with the customer. Non-refundable license and milestone fees are recognized as revenue when related services under the agreements are performed. The timing of non-refundable licensing fee recognition is subject to management's estimate of future costs to be incurred on the related development agreement.

Property, Plant and Equipment: Property, plant and equipment assets are carried at cost. Maintenance and minor repairs and renewals are charged to expense as incurred. Costs incurred for computer software developed or obtained for internal use are capitalized for application development activities and immediately expensed for preliminary project activities or post-implementation activities. Upon sale or retirement of depreciable assets, costs and related depreciation are eliminated, and gains or losses are recognized in the determination of net income. Depreciation is computed principally on the straight-line method over the estimated useful lives of the assets, or the remaining term of the lease, if shorter. For income tax purposes, depreciation is computed using accelerated methods.

Goodwill and Other Intangibles: Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets." Accordingly, goodwill and indefinite-lived intangible assets are no longer amortized. Instead, goodwill and intangible assets with indefinite lives are tested for impairment on at least an annual basis or more frequently if an event occurs that indicates that there could be an impairment. The first step of the impairment test compares the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step compares the carrying amount of the goodwill to its implied fair value. The implied fair value is determined by allocating the fair value of the reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid to acquire the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the fair value of the goodwill is less than the carrying amount, an impairment loss is recorded.

Other intangible assets, including patents and licensed technology, are recorded at cost and are amortized on a straight-line method over their useful lives. The Company capitalizes patent application costs and expenses other costs incurred in patent development.

Tooling: The Company builds tools, molds and dies for certain customers. The tooling is built and paid for by the Company and reimbursed by the customer based upon the tooling agreement. Reimbursement is either in lump sum or as units are produced under long-term supply agreements. At December 31, 2002 and 2001, other noncurrent assets included $5,000 and $4,700, respectively, of unreimbursed tooling costs. During 2002 and 2001, the Company received reimbursements of $7,300 and $12,600, respectively.

Impairment of Long-Lived Assets: Long-lived assets including property, plant and equipment, and intangible assets subject to amortization are reviewed for impairment whenever circumstances indicate that the carrying value of these assets may not be recoverable. An asset is considered impaired if the carrying value of the asset exceeds the sum of the future expected undiscounted cash flows to be derived from the asset. Once an asset is considered impaired, an impairment loss is recorded for the difference between the asset's carrying value and its fair value. This loss is included in income from continuing operations before taxes. For assets to be held and used in the business, management determines fair value by estimating the future cash flows to be derived from the asset and discounts these flows to a net present value using an appropriate discount rate. For assets held for sale or for investment purposes, management determines fair value by estimating the anticipated proceeds to be received upon sale of the asset.

Research and Development: Research, development and engineering expenditures are for the creation and application of new or improved products and processes, and drug delivery systems. Expenditures primarily include salaries and outside services for those directly involved in research and development activities. Research and development costs of $21,500 in 2002, $17,800 in 2001 and $17,100 in 2000, were expensed as incurred.

Environmental Remediation and Compliance Costs: Environmental remediation costs are accrued when such costs are probable and reasonable estimates are determinable. Cost estimates are not discounted and include investigation, cleanup and monitoring activities; such estimates are adjusted, if necessary, based on additional findings. In general, environmental compliance costs are expensed. Environmental compliance costs at current operating sites are capitalized if they increase the value of the property and/or prevent environmental hazards from occurring.

Income Taxes: Deferred income taxes are recognized by applying enacted statutory tax rates, applicable to future years, to temporary differences between the tax bases and financial statement carrying values of the Company's assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. United States income taxes and withholding taxes are accrued on the portion of earnings of international subsidiaries and affiliates (which are corporate joint ventures) intended to be remitted to the parent company.

Stock-Based Compensation: The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock.

The Company did not record compensation cost related to stock option and stock purchase plans for the years ended 2002, 2001 and 2000, because grants are at 100% of fair market value on the grant date. If the fair value based method prescribed in SFAS No. 123, "Accounting for Stock-Based Compensation," had been applied to stock option grants in the most recent three years, the Company's net income (loss) and basic and diluted net income (loss) per share would have been reduced as summarized below:

	2002	2001	2000
Net income (loss), as reported......	$18,400	$(5,200)	$ 1,600
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of tax........	(1,300)	(1,500)	(1,100)
Pro forma net income (loss).........	$17,100	$(6,700)	$ 500
Net income (loss) per share:			
Basic, as reported	$ 1.28	$ (0.36)	$ 0.11
Basic, pro forma	$ 1.19	$ (0.46)	$ 0.03
Diluted, as reported..............	$ 1.28	$ (0.36)	$ 0.11
Diluted, pro forma.................	$ 1.19	$ (0.46)	$ 0.03

Net Income (Loss) Per Share: Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during each period. Net income (loss) per share assuming dilution considers the potential issuance of common shares under the Company's stock option and award plans, based on the treasury stock method. The treasury stock method assumes use of exercise proceeds to repurchase common stock at the average fair market value in the period.

Note 2: Discontinued Operations

In December 2002, the Company sold its consumer healthcare research business located in Indianapolis, Ind. This business unit was previously a part of the Drug Delivery Systems segment. The sales price, which is subject to a final working capital adjustment, totaled $2,000, consisting of $1,900 cash and $100 in escrow. Cash proceeds from the sale were used to repay the Company's debt. During 2002 but prior to the sale of the business, the Company recorded a goodwill impairment charge of $600; as a result, there was no gain or loss recorded on the sale of the business. The results of this business have been reflected as discontinued operations in the accompanying consolidated financial statements for all periods presented.

In 2001, the Company sold its contract manufacturing and packaging business located in Lakewood, N.J. The sales price totaled $29,800, consisting of $28,000 of cash and a $1,800 note due in 2003. The proceeds, excluding $4,300 held in trust for the repayment of debentures, were used to repay outstanding debt. As a result of the transaction, the Company recorded a $25,200, net of tax, loss in 2001. The results of this business have been reflected as discontinued operations in the accompanying consolidated financial statements for all periods presented.

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At December 31, 2001, the Company was required to hold $4,300 of the proceeds from the contract manufacturing and packaging sale in trust for the payment of debentures that became due and payable upon the sale. These debentures were repaid in the first quarter of 2002 resulting in a $400, net of tax, charge that was included in discontinued operations in 2002.

During 2002, the Company recorded a $5,900 tax benefit in income from discontinued operations. The tax benefit and the related tax refund were associated with the 2001 disposition of the contract manufacturing and packaging business and was due to a change in U.S. tax law in 2002 related to loss disallowance rules.

Net sales and income from discontinued operations were as follows:

	2002	2001	2000
Net sales.........................	$5,400	$ 66,000	$ 57,600
Pretax (loss) income from discontinued operations......	(700)	800	(27,000)
Pretax loss on disposal of business segment...............	-	(29,600)	-
Income tax benefit................	6,300	3,900	8,600
Net income (loss) from discontinued operations...........	$5,600	$(24,900)	$(18,400)

Assets and liabilities of the discontinued operations included in other current assets, other assets and other current liabilities were as follows:

	2001
Accounts receivable....................	$ 2,300
Property, plant and equipment, net......	200
Goodwill..............................	1,900
Accounts payable......................	(300)
Accrued expenses......................	(600)
	$ 3,500

Net cash provided by (used in) discontinued operations were as follows:

	2002	2001	2000
Operating activities.....................	$ 8,300	$1,900	$ 1,300
Property, plant and equipment acquired....	(100)	(1,300)	(9,600)
Net cash provided by (used in) discontinued operations.............................	$ 8,200	$ 600	$(8,300)

Note 3: Acquisitions and Investments

In September 2002, the Company advanced $1,000 to its 49% owned affiliates in Mexico in connection with a plant shutdown (see "Affiliated Companies"). The note is denominated in U.S. dollars at a 4% annual interest rate with repayment due in three years.

In 2001, the Company purchased the remaining 17.9% minority ownership of West Pharmaceutical Services Hispania, S.A. for approximately $1,500. The purchase price consisted of $1,100 of cash and $400 of notes payable. The purchase price exceeded the net book value of the minority interest liability, resulting in goodwill of $500.

During 2000, the Company invested $2,000 in a firm involved with genotyping technology, bringing the cumulative investment in this firm to $3,300, representing an 18.53% ownership interest. In 2002, the firm discontinued development activities and began marketing the technology for license or sale. In connection with the change in strategy, the Company determined the fair value of its investment to be $500, resulting in a $2,800 impairment charge recorded in 2002 (see "Restructuring Charges").

Note 4: Restructuring Charges

The following table details activity related to the Company's restructuring obligations:

	Severance and benefits	Other	Continuing operations	Discontinued operations	Total
Balance, December 31, 1999	$ 100	$ -	$ 100	$ -	$ 100
2000 Restructuring expense	2,800	2,700	5,500	15,300	20,800
Non-cash write-offs	-	(2,700)	(2,700)	(13,700)	(16,400)
Cash payments	(200)	-	(200)	(100)	(300)
Balance, December 31, 2000	2,700	-	2,700	1,500	4,200
2001 Restructuring expense (credit)	4,900	(2,000)	2,900	-	2,900
Non-cash write-offs	200	2,000	2,200	(500)	1,700
Cash payments	(5,700)	-	(5,700)	(900)	(6,600)
Balance, December 31, 2001	2,100	-	2,100	100	2,200
2002 Restructuring expense	800	9,100	9,900	600	10,500
Non-cash write-offs	-	(8,600)	(8,600)	(600)	(9,200)
Cash payments	(2,100)	-	(2,100)	-	(2,100)
Balance, December 31, 2002	$ 800	$ 500	$ 1,300	$ 100	$ 1,400

In 2002, the Company's continuing operations included a $9,900 restructuring charge connected with the termination of an information systems implementation project, an impairment of a technology company investment (see "Acquisitions and Investments"), the closure of a sales office in Korea and employee terminations at the Nottingham, U.K., drug delivery site. The $800 severance provision covered 19 employee terminations connected with these actions that were completed in the fourth quarter of 2002. In addition to severance, the restructuring charge included a $5,800 write-off of construction in progress, $500 for contract termination fees related to the information systems project and a $2,800 impairment of the technology company investment. The Company also recorded a $600 goodwill impairment charge based on an offer to purchase the consumer healthcare research business (see "Discontinued Operations").

In 2001, the Company's continuing operations included a net restructuring charge of $2,900. The charge consisted of a restructuring provision of $4,900 relating to the termination of mid- and senior-level management positions and a $2,000 adjustment to the carrying value of the plastic device manufacturing facility held for sale from the 2000 restructuring program. Final terminations completed under this program totaled 35 positions.

In 2000, the Company's continuing operations included $5,500 of restructuring charges, principally related to the decision to close and divest a plastic device manufacturing facility located in Puerto Rico. The charge consisted of severance and other costs totaling $2,800 and a $2,700 adjustment to the property, plant and equipment carrying values to reflect the estimated net realizable value of the facility. Restructuring charges included in discontinued operations included a $9,200 goodwill write-down to the site management organization of the clinical services business unit, a $5,000 reduction to the estimated realizable value of assets to be sold in the former contract manufacturing and packaging business and $1,100 of severance, benefit and asset disposal costs. Terminations under all 2000 restructuring programs are complete and totaled 180 positions.

The remaining accrual balances at December 31, 2002, include $800 for labor claims in South America and post-employment medical obligations, the $500 contract termination fee accrual and $100 of remaining obligations connected to the formerly owned contract manufacturing and packaging business. The majority of these obligations will be paid within the next year.

Note 5: Other Income (Expense)

	2002	2001	2000
Foreign exchange gains (losses).......	$ 2,300	$ 100	$(1,100)
Loss on sales of equipment and other assets....................	(600)	(600)	(1,000)
Other	(100)	500	(200)
	$ 1,600	$ --	$(2,300)

In March 2002, the Company's subsidiary in Argentina recorded a pre-tax foreign currency exchange gain of $1,700 on net assets denominated in non-peso currencies due to the devaluation of the Argentine peso.

Note 6: Income Taxes

Income before income taxes and minority interests was derived as follows:

	2002	2001	2000
Domestic operations	$(8,900)	$ 17,400	$ 32,400
International operations...........	26,100	10,500	(3,300)
	$17,200	$ 27,900	$ 29,100

The related provision for income taxes consists of:

	2002	2001	2000
Current provision:			
Federal	$ (5,600)	$ 1,900	$ 2,500
State	(200)	100	100
International	8,400	5,200	3,300
	2,600	7,200	5,900
Deferred provision:			
Federal	(800)	3,300	5,500
International	2,300	(1,900)	(1,300)
	1,500	1,400	4,200
Provision for income taxes.........	$ 4,100	$ 8,600	$10,100

A reconciliation of the United States statutory corporate tax rate to the Company's effective consolidated tax rate on income before income taxes and minority interests follows:

	2002	2001	2000
Statutory corporate tax rate	35.0%	35.0%	35.0%
Tax on international operations (less than) in excess of United States tax rate.....	(3.8)	(6.4)	1.3
Restructuring	5.8	(2.1)	4.6
German tax reorganization................	--	--	(5.2)
Foreign exchange gain....................	2.0	--	--
Loss disallowance adjustment.............	(14.4)	--	--
United States tax on repatriated foreign earnings	1.6	.8	1.3
State income taxes, net			

of federal tax benefit	(1.3)	.5	.3
Other	(.9)	2.9	(2.6)
Effective tax rate	24.0%	30.7%	34.7%

In the third quarter of 2002, the Company recorded a tax benefit associated with the 2001 disposition of its contract manufacturing and packaging business and the shutdown of a plastic device manufacturing facility. Of the total benefit, $5,900 was recorded in discontinued operations and $2,400 was reflected in continuing operations. The tax benefit and the related tax refund were a result of a change in U.S. tax law in 2002 related to loss disallowance rules.

Results for 2000 include a $1,500 tax benefit realized upon the favorable resolution of tax issues connected to the 1997 reorganization of the Company's German subsidiaries.

The net current and noncurrent components of deferred income taxes recognized in the balance sheet at December 31 are as follows:

	2002	2001
Current assets	$ 5,200	$ 2,400
Noncurrent assets	27,600	21,400
Current liabilities	(2,400)	(1,600)
Noncurrent liabilities	(56,200)	(46,800)
	$(25,800)	$(24,600)

The following is a summary of the significant components of the Company's deferred tax assets and liabilities as of December 31:

	2002	2001
Deferred tax assets:		
Severance and deferred compensation	$ 8,800	$ 6,700
Net operating loss carryforwards	6,400	11,900
Foreign tax credit carryforwards	5,800	1,500
Restructuring charges	2,100	2,100
Capital loss carryforwards	1,100	--
Other	8,200	9,200
Valuation allowance	(9,800)	(10,700)
Total deferred tax assets	$ 22,600	$ 20,700
Deferred tax liabilities:		
Accelerated depreciation	$ 24,700	$ 25,900
Severance and deferred compensation	19,700	18,200
Other	4,000	1,200
Total deferred tax liabilities	$ 48,400	$ 45,300
Total deferred taxes	$(25,800)	$(24,600)

At December 31, 2002, subsidiaries had state and foreign operating tax loss carryforwards of $78,100 and $25,100, respectively. These loss carryforwards are available to apply against the future taxable income of the subsidiaries. Management estimates that of the total state and foreign operating tax loss carryforwards, $66,100 and $10,800, respectively, are unlikely to be utilized and therefore have been fully reserved. State loss carryforwards expire as follows: $2,300 in 2003, $5,200 in 2005, $4,300 in 2007 and $66,300 after 2007. Foreign loss carryforwards will expire as follows: $300 in 2004, $14,200 in 2005 and $10,600 has no expiration date.

At December 31, 2002, undistributed earnings of foreign subsidiaries, on which deferred income taxes have not been provided, amounted to $148,900. It is the Company's intention to reinvest these undistributed earnings of foreign subsidiaries, and it is not practicable to determine the amount of income or withholding tax that would be payable upon the remittance of those earnings. Such earnings would become taxable upon the sale or liquidation of foreign subsidiaries or upon the remittance of dividends. Tax credits that would become available upon distribution of such earnings could reduce income taxes then payable at the United States statutory rate. As of December 31, 2002, the Company had available foreign tax credit carryforwards of approximately $5,800 expiring as follows: $300 in 2003, $300 in 2004, $400 in 2005, $300 in 2006 and $4,500 in 2007. Based upon current estimates, management estimates that approximately $3,300 may not be utilized and therefore has been fully reserved for.

The Internal Revenue Service (IRS) has completed and closed its audits of the Company's U.S. tax returns through 1997. The IRS is currently conducting audits of the 1998 and 1999 tax returns.

Note 7: Segment Information

The Company's operations are comprised of two reportable segments: Pharmaceutical Systems and Drug Delivery Systems. The Pharmaceutical Systems segment focuses on the design, manufacture and distribution of stoppers, closures, medical device components and assemblies made from elastomers, metals and plastics. The Pharmaceutical Systems segment is composed of two regional operating segments (the Americas and Europe/Asia) which have been aggregated. These operating segments manufacture and sell similar products in their respective regions. The Drug Delivery Systems segment consists of a research and development unit concentrating on the commercialization of the Company's patented drug delivery technologies, and a clinical services unit that conducts Phase I through IV clinical trials. The Company has aggregated these two operating segments into a single reportable segment as neither meets the quantitative thresholds for a reportable segment, and they meet the majority of the aggregation criteria.

The Company's executive management evaluates the performance of these operating segments based on operating profit and cash flow generation. Certain costs, including rent, information services and human resource functions previously reported as Corporate expenses, have been allocated to the respective segment that they support. All prior periods have been restated to reflect these allocations. General Corporate expenses, restructuring charges and other unusual items, are not reflected in operating profit reviewed by segment management. Corporate segment assets include pension assets, investments in affiliated companies and net assets of discontinued operations. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The following table provides summarized financial information for the Company's segments:

	Pharmaceutical Systems	Drug Delivery Systems	Corporate	Consolidated
2002				
Net sales...................	$412,800	$ 6,900	$ --	$419,700
Operating profit (loss).....	65,400	(15,100)	(23,600)	26,700
Segment assets..............	405,400	16,800	114,600	536,800
Capital expenditures........	31,600	1,700	4,400	37,700
Depreciation and amortization expense.......	28,700	1,800	2,500	33,000
2001				
Net sales...................	$376,400	$ 15,900	$ --	$392,300
Operating profit (loss).....	55,200	(4,300)	(11,000)	39,900
Segment assets..............	375,800	19,800	115,700	511,300
Capital expenditures........	39,400	1,200	4,600	45,200

Depreciation and amortization expense.......	27,300	1,800	2,800	31,900
2000				
Net sales..................	$362,900	$ 9,600	$ --	$372,500
Operating profit (loss).....	55,800	(9,800)	(5,800)	40,200
Segment assets.............	360,000	18,800	178,600	557,400
Capital expenditures........	44,900	800	2,000	47,700
Depreciation and amortization expense.......	25,400	1,900	2,900	30,200

The following tables provide information on sales by significant product groups:

Sales by product group	2002	2001	2000
Pharmaceutical packaging......	$291,400	$262,200	$236,100
Medical devices...............	85,900	83,900	91,100
Personal care/food packaging..	30,300	26,900	27,400
Laboratory & other services...	5,200	3,400	8,300
Pharmaceutical Systems.......	$412,800	$376,400	$362,900
Clinical services............	5,300	7,800	7,800
Development/licensing revenue.	1,600	8,100	1,800
Drug Delivery Systems........	$ 6,900	$ 15,900	$ 9,600
Net sales....................	$419,700	$392,300	$372,500

The Pharmaceutical Systems segment includes sales to one customer of approximately $54,600, $50,600 and $55,200 in 2002, 2001 and 2000, respectively.

The following table presents sales by the country in which the legal subsidiary is domiciled and assets are located. Long-lived assets include property, plant and equipment, patents and licensed technology.

	Sales			Long-lived assets		
	2002	2001	2000	2002	2001	2000
United States	$225,000	$218,300	$209,300	$111,300	$118,700	$115,400
Germany	45,200	36,600	37,200	38,700	29,200	26,700
Other European countries	115,300	103,400	92,300	64,700	52,500	50,200
Other	34,200	34,000	33,700	15,900	17,300	17,600
	$419,700	$392,300	$372,500	$230,600	$217,700	$209,900

Note 8: Net Income (Loss) Per Share

The following table reconciles shares used in the calculation of basic net income (loss) per share to the shares used in the calculation of net income (loss) per share assuming dilution. There is no adjustment to the net income (loss) of the Company in the calculation of net income (loss) per share assuming dilution.

	2002	2001	2000
Income from continuing operations..........	$12,800	$19,700	$20,000
Discontinued operations, net of tax........	5,600	(24,900)	(18,400)
Net income (loss).........................	$18,400	$(5,200)	$ 1,600

Average common shares outstanding	14,434	14,336	14,407
Assumed stock options exercised and awards vested..............	-	12	2
Average shares assuming dilution	14,434	14,348	14,409

Note 9: Comprehensive Income (Loss)

Comprehensive income (loss) consists of reported net income (loss) and other comprehensive income (loss), which reflects revenue, expenses and gains and losses which generally accepted accounting principles exclude from net income (loss). For the Company, the items excluded from current net income (loss) are cumulative foreign currency translation adjustments, unrealized gains or losses on available-for-sale securities of affiliates, fair value adjustments on derivative financial instruments and additional minimum pension liability adjustments.

The components of accumulated other comprehensive income (loss) are as follows:

	2002	2001
Foreign currency translation..................	$ (7,500)	$ (24,000)
Unrealized gains (losses) on securities of affiliates..................	(300)	--
Minimum pension liability.....................	(5,400)	(3,100)
Derivative financial instruments..............	(200)	(300)
	$ (13,400)	$ (27,400)

Note 10: Inventories

	2002	2001
Finished goods............	$18,900	$15,700
Work in process...........	7,400	6,300
Raw materials.............	15,000	12,300
	$41,300	$34,300

Included in the amounts above are inventories located in the United States that are valued on the LIFO basis, amounting to $15,200 and $12,300 at December 31, 2002 and 2001, respectively, which are approximately $7,100 and $6,900, respectively, lower than replacement value.

Note 11: Goodwill and Intangibles

Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS 142 eliminated the previous requirement to amortize goodwill and indefinite-lived intangible assets. Instead, goodwill and intangible assets with indefinite lives are tested for impairment on at least an annual basis or more frequently if an event occurs that indicates that there could be an impairment.

The Company performed an impairment test of its goodwill at adoption and determined that no impairment of the recorded goodwill existed. The Company has since performed the annual impairment test required by SFAS 142 and determined that there is no impairment. As required by the statement, the Company did not record amortization expense for goodwill in 2002 as compared to the $1,200, net of tax, recorded in 2001 and 2000.

The goodwill balance as of December 31, 2002, was $35,500 compared to $30,700 as of December 31, 2001. The increase in the balance is due solely to foreign currency translation adjustments.

The goodwill balance as of December 31, 2001, excludes $1,900 of goodwill related to the consumer healthcare research business. This business was sold in

December 2002, therefore goodwill has been included in non-current assets held for sale. In September 2002, the Company recorded a $600 goodwill impairment charge, included in discontinued operations, based on a third party offer to purchase the business. Upon the final sale in December 2002, the remaining goodwill balance of $1,300 was included in the disposal.

Goodwill by reportable segment as of December 31, 2002 and 2001, was as follows:

	2002	2001
Pharmaceutical Systems	$ 33,500	$ 28,700
Drug Delivery Systems	2,000	2,000
	$ 35,500	$ 30,700

The following table reconciles the reported net income (loss) and earnings (loss) per share to that which would have resulted had the non-amortization provisions of SFAS 142 been applied to the periods ended December 31, 2001 and 2000:

	2001	2000
As reported		
Income from continuing operations	$ 19,700	$ 20,000
Discontinued operations	(24,900)	(18,400)
Net (loss) income	$ (5,200)	$ 1,600
Goodwill amortization, net of tax	1,200	1,200
As adjusted	$ (4,000)	$ 2,800
As reported basic earnings (loss) per share		
Continuing operations	$ 1.38	$ 1.39
Discontinued operations	(1.74)	(1.28)
	$ (0.36)	$ 0.11
As adjusted	$ (0.28)	$ 0.19
As reported diluted earnings (loss) per share		
Continuing operations	$ 1.37	$ 1.39
Discontinued operations	(1.73)	(1.28)
	$ (0.36)	$ 0.11
As adjusted	$ (0.28)	$ 0.19

The cost and respective accumulated amortization for the Company's patents, was $11,400 and $4,100, respectively, as of December 31, 2002, and $10,900 and $3,300, respectively, as of December 31, 2001. The cost basis of patents includes the effects of foreign currency translation adjustments. There were no intangibles purchased or acquired during 2002. The weighted average life of patents purchased or acquired in 2001 and 2000 was 17 years and 15 years, respectively. Amortization expense for the years ended December 31, 2002, 2001, and 2000 was $800, $600 and $700, respectively. Estimated amortization for each of the next five years is approximately $700 per year.

Note 12: Property, Plant and Equipment

A summary of property, plant and equipment at December 31 is presented in the following table:

Years of
expected

	useful life	2002	2001
Land		$ 3,000	$ 2,700
Buildings and improvements......	5-50	120,100	105,700
Machinery and equipment	2-15	301,900	272,900
Molds and dies	2-7	56,900	54,600
Construction in progress........		17,700	22,900
		$499,600	$458,800

Note 13: Affiliated Companies

At December 31, 2002, the following affiliated companies were accounted for under the equity method:

	Location	Ownership interest
West Pharmaceutical Services Mexico, S.A. de C.V...	Mexico	49%
Aluplast S.A. de C.V.	Mexico	49%
Pharma-Tap S.A. de C.V.	Mexico	49%
Daikyo Seiko, Ltd.	Japan	25%

The Company records equity in net income (loss) of affiliated companies for the period ended October 31.

A summary of the financial information for these companies is presented below:

	2002	2001
Balance Sheets:		
Current assets	$ 80,100	$ 86,200
Noncurrent assets	126,200	136,900
Total assets	$206,300	$223,100
Current liabilities	$ 62,400	$ 64,900
Noncurrent liabilities	80,100	93,400
Owners' equity	63,800	64,800
Total liabilities and owners' equity.........	$206,300	$223,100

	2002	2001	2000
Income Statements:			
Net sales	$81,800	$81,500	$87,200
Gross profit	18,100	18,500	21,800
Net income	1,200	2,500	4,800

During 2002, the Company's Mexican affiliates recorded a restructuring charge related to the consolidation of two of its rubber molding operations. Equity in net income (loss) of affiliated companies includes $800 related to this restructuring. The amount represents severance charges for approximately 114 employees. As of December 31, 2002, all employees have been terminated and all related payments have been made.

In connection with the plant consolidation, the Company advanced $1,000 to its Mexican affiliate. The note, which is denominated in U.S. dollars, is at a 4% interest rate and is due in 2005.

Unremitted income of affiliated companies included in consolidated retained earnings amounted to $12,700, $12,900 and $12,600 at December 31, 2002, 2001 and 2000, respectively. Dividends received from affiliated companies were $100 in 2002, $200 in 2001 and $200 in 2000.

The Company's equity in unrealized gains and losses of Daikyo Seiko, Ltd.'s investment in securities available for sale included in accumulated other comprehensive income, a separate component of shareholders' equity, was $(300), $0 and $100 at December 31, 2002, 2001 and 2000, respectively. The unrealized losses in 2002, 2001 and 2000 are net of income tax benefits of $200, $100 and $500, respectively.

Company purchases and royalty payments to affiliates totaled approximately $11,500 and $12,600, respectively, in 2002 and 2001, of which $1,800 and $400 was due and payable as of December 31, 2002 and 2001, respectively. These transactions primarily relate to a non-exclusive distributorship agreement allowing the Company to purchase and re-sell Daikyo products. Sales to affiliates were $1,000 and $500, respectively, in 2002 and 2001, of which $200 and $0 were receivable as of December 31, 2002 and 2001.

Note 14: Benefit Plans

The Company and certain domestic and international subsidiaries sponsor defined benefit pension plans. In addition, the Company provides minimal life insurance benefits for certain United States retirees and pays a portion of healthcare (medical and dental) costs for retired United States salaried employees and their dependents. Benefits for participants are coordinated with Medicare and the plan mandates Medicare risk (HMO) coverage wherever possible and caps the total contribution for non-HMO coverage.

The expense (income) components of net pension income are as follows:

	Pension benefits			Other retirement benefits		
	2002	2001	2000	2002	2001	2000
Service cost	$ 3,300	$ 3,500	$ 3,400	$ 400	$ 300	$ 300
Interest cost	9,700	9,600	9,200	600	600	500
Expected return on assets	(16,000)	(19,100)	(21,300)	--	--	--
Amortization of unrecognized transition asset.........	(700)	(700)	(700)	--	--	--
Amortization of prior service cost.........	600	500	500	(1,400)	(1,400)	(1,500)
Recognized actuarial losses (gains)............	100	(1,900)	(5,100)	--	(100)	(100)
Pension (income)	$ (3,000)	$ (8,100)	$(14,000)	$ (400)	$ (600)	$ (800)

The following tables provide a reconciliation of the benefit obligation, plan assets and funded status of the plans:

	Pension benefits		Other retirement benefits	
	2002	2001	2002	2001
Change in benefit obligation:				
Benefit obligation, January 1	$(141,900)	$(132,000)	$ (8,100)	$ (7,200)
Service cost	(3,300)	(3,500)	(400)	(300)
Interest cost	(9,700)	(9,600)	(600)	(600)
Participants' contributions....	(300)	(300)	(300)	(200)
Actuarial loss.................	(13,300)	(5,200)	(900)	(400)
Amendments/transfers in	(2,400)	(400)	(500)	--
Benefits/expenses paid	8,800	10,000	700	600
Curtailment loss	--	(1,300)	--	--
Foreign currency translation...	(2,000)	400	--	--
Benefit obligation, December 31	$(164,100)	$(141,900)	$(10,100)	$ (8,100)
Change in plan assets:				
Fair value of assets, January 1	$ 173,700	$ 206,600	$ --	$ --
Actual return on assets	(24,800)	(23,700)	--	--
Employer contribution	1,000	800	400	400
Participants' contributions....	300	300	300	200

Benefits/expenses paid	(8,800)	(10,000)	(700)	(600)
Foreign currency translation...	800	(300)	--	--
Fair value of plan assets, December 31	$ 142,200	$ 173,700	$ --	$ --
Funded status:				
Assets (less than) in excess benefits............	$ (21,900)	$ 31,800	$(10,100)	$ (8,100)
Unrecognized net actuarial loss (gain).........	60,800	6,200	(200)	(1,100)
Unrecognized transition asset	1,200	400	--	--
Unrecognized prior service cost............	5,200	3,300	800	(1,100)
	$ 45,300	$ 41,700	$ (9,500)	$(10,300)
December 31:				
Prepaid asset..................	$ 53,000	$ 48,300	$ --	$ --
Other long-term liabilities....	(17,200)	(11,200)	(9,500)	(10,300)
Accumulated other comprehensive income..........	7,800	4,400	--	--
Other intangibles..............	1,700	200	--	--
	$ 45,300	$ 41,700	$ (9,500)	$(10,300)

In 2001, the Company paid termination benefits and severance pay from the pension plan assets to employees terminated during the 2000 restructuring program. These charges, which were included in the restructuring charge recorded in 2000, increased the benefit obligation by $1,300.

The aggregate projected benefit obligation and aggregate fair value of plan assets for pension plans with obligations in excess of plan assets were $164,100 and $142,200, respectively, as of December 31, 2002, and $19,600 and $8,100, respectively, as of December 31, 2001. Weighted average assumptions as of December 31 are as follows:

	Pension benefits		Other retirement benefits	
	2002	2001	2002	2001
Discount rate	6.4%	7.1%	6.5%	7.3%
Rate of compensation increase	4.8%	5.0%	--	--
Long-term rate of return on assets	8.9%	9.4%	--	--

The assumed healthcare cost trend used is 6.5% for all participants in 2002, decreasing to 5.5% by 2005. Increasing or decreasing the assumed trend rate for healthcare costs by one percentage point would result in a $500 increase or decrease, respectively, in the accumulated benefit obligation. The related change in the aggregate service and interest cost components of the 2002 plan expense would be a $100 increase or decrease, respectively.

The Company provides certain post-employment benefits for terminated and disabled employees, including severance pay, disability-related benefits and healthcare benefits. These costs are accrued over the employee's active service period or, under certain circumstances, at the date of the event triggering the benefit.

The Company also sponsors a defined contribution savings plan for certain salaried and hourly United States employees. Company contributions are equal to 50% of each participant's contribution up to 6% of the participant's base compensation. Company contributions were $1,300 in 2002, 2001 and 2000.

Note 15: Debt

Short-Term: Notes payable in the amounts of $4,100 and $4,400 at December 31, 2002 and 2001, respectively, are payable within one year and bear interest at a weighted average interest rate of 5% and 4%, respectively.

Long-Term:

At December 31,	2002	2001
Unsecured:		
Senior notes due 2009 (6.81%)..................	$100,000	$100,000
Revolving credit facility, due 2005 (3.4%).....	59,200	67,600
Tax-exempt industrial revenue bonds, due 2005 (1.77%)............................	--	6,100
Subordinated debentures, due 2002 (6.50%).......	--	3,700
Other notes, due 2003 (6.8% to 9.2%)...........	11,700	11,200
Total long-term debt	170,900	188,600
Less current portion	11,700	4,300
	$159,200	$184,300

In April 1999, the Company entered into an agreement with five insurance companies to borrow a total of $100,000 for ten years at a coupon rate of 6.81%; the effective interest rate is 6.91%. Interest is payable quarterly. The proceeds were used to repay debt under existing lines of credit, for the acquisition of the clinical services business and for general corporate purposes.

In July 2000, the Company signed a $135,000 multi-currency revolving credit agreement. The credit agreement consisted of a $70,000, five-year revolving credit facility and a $65,000, 364-day line of credit. In July 2002 and 2001, the 364-day line of credit was renewed at $44,500, making the total available line $114,500 at December 31, 2002 and 2001. Interest on these facilities is charged at the applicable London Inter-Bank Offering Rates (LIBOR) plus a margin dependent on the Company's debt to total capital ratio. Commitment fees on these credit agreements also fluctuate according to the Company's debt to total capital ratio with a maximum commitment fee of 20 basis points on the 364-day facility and 25 basis points on the five-year facility. As of December 31, 2002 and 2001, the Company had borrowed $59,200 and $44,500, respectively, directly under the five-year facility. These borrowings were recorded as long-term debt. Notes payable of $23,100 under uncommitted facilities were also classified as long-term debt as of December 31, 2001, as the Company had the intent and ability to refinance these obligations on a long-term basis under the five-year facility.

At December 31, 2001, $4,300 par value subordinated debentures were outstanding. The debentures were reflected in the balance sheet net of a $600 unamortized discount. These debentures were repaid during 2002 (see "Discontinued Operations").

During 2002, the Company repaid the $6,100 industrial revenue bonds. The bonds, which were not due until 2005, were repaid early. At issuance of the bonds, proceeds that were not required for the respective construction projects were invested by the Company. The excess funds and earnings were restricted to servicing the debt.

Long-term debt maturing in the years following 2003 is: $0 in 2004, $59,200 in 2005, $0 in 2006, $0 in 2007 and $100,000 thereafter.

Certain of the financing agreements, among other things, require the maintenance of working capital, interest coverage, debt-to-capitalization and tangible net worth ratios, and restrict the sale of assets.

Interest costs incurred during 2002, 2001 and 2000 were $11,300, $14,300 and $13,900, respectively, of which $700, $800 and $800, respectively, were capitalized as part of the cost of acquiring certain assets.

Interest expense, net in 2002, 2001, and 2000, included interest income of $1,100, $1,500 and $2,000, respectively.

At December 31, 2002, the Company has one interest rate swap contract outstanding with a notional value of British Pounds Sterling 6,950 at a fixed interest rate of 7.23% through 2003. Three interest rate swaps with notional values of $3,000 each, to fix the interest rates at 6.54%, 6.775% and 6.51% matured in April, July and August 2001, respectively. Under the terms of the contract, the Company makes periodic interest payments based on the fixed rate of interest on the notional principal amount to a counterparty that makes payments based on a market interest rate. The net interest expense recognized in connection with these agreements was $300 in 2002 and $200 in both 2001 and 2000.

Note 16: Financial Instruments

The following disclosure reflects the estimated fair value of financial instruments of the Company as of December 31:

	Carrying value		Estimated fair value	
Asset (liability)	2002	2001	2002	2001
Cash and cash equivalents ...	$ 33,200	$ 42,100	$ 33,200	$ 42,100
Short- and long-term debt ...	(175,000)	(193,000)	(175,500)	(187,500)
Interest rate swaps..........	(200)	(300)	(200)	(300)
Forward exchange contracts(a)	--	--	--	--

(a) The estimated fair value of forward exchange contracts was less than $100 at December 31, 2002 and 2001.

Methods used to estimate the fair market values of the above listed financial instruments are as follows: cash and cash equivalents, due to their short maturity, are estimated at carrying values that approximate market; debt is estimated based on current market quotes for instruments of similar maturity; interest rate swaps and forward exchange rate contracts are valued at published market prices, market prices of comparable instruments or quotes.

On January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Financial Instruments and Hedging Activities," as amended. SFAS 133 requires the Company to recognize all derivatives as either assets or liabilities and measure those instruments at fair value as of the balance sheet date. The change in fair value is recorded each period in earnings or other comprehensive income depending on its hedging designation. At the adoption of the statement, the Company recorded a charge to other comprehensive income of $200, net of tax, to recognize the fair value of its derivative instruments.

The Company uses interest rate swaps and forward exchange contracts to minimize the economic exposure related to fluctuating interest and foreign exchange rates. Derivatives used by the Company are highly effective as all of the critical terms of the derivative instruments match the hedged item. Effectiveness is measured on a quarterly basis. The Company did not record any amounts to the statement of income as a result of ineffectiveness for the year ended December 31, 2002.

The Company has designated its interest rate swap, which matures in October 2003, as a cash flow hedge; therefore, unrealized gains and losses are recorded in other comprehensive income. As the underlying transaction occurs, any unrealized gains or losses on the related hedge are reclassified from other comprehensive income to the statement of income (interest expense), offsetting the income effects of the transaction to which they relate. Gains and losses on forward exchange contracts designated as fair value hedges, primarily related to raw material purchase commitments, are deferred and recognized in the statement of income as part of the underlying transaction.

During the year ended December 31, 2002, unrealized losses of $100, net of tax, were recorded to other comprehensive income and $200, net of tax, was reclassified from other comprehensive income to the statement of income (interest expense). As of December 31, 2002, net losses on derivatives of $200 were included in accumulated other comprehensive income. The remaining balance will be reclassified to the statement of income during 2003 as the swap expires in October 2003.

Notional amounts upon which current interest rate swap contracts are based do not represent amounts exchanged and are not a measure of the Company's exposure. Failure by the contract counterparty to make interest payments under an interest rate swap contract would result in an accounting loss to the Company only if interest rates exceeded the fixed rate to be paid by the Company. The accounting loss corresponds to the cost to replace the swap contract.

In 2002, the Company entered into an arrangement to hedge the net investment in a foreign operation. The Company's strategy was to minimize the exposure to foreign currency fluctuations by employing borrowings in the functional currency of the foreign operation to hedge the net assets denominated in the operation's functional currency. The 10,000 British Pound Sterling borrowed under the Company's five-year long-term revolving credit facility has been designated as a hedge of the Company's investment in its U.K. subsidiaries. As of December 31, 2002, a $1,500 loss is included in the cumulative foreign currency translation adjustment related to this hedge.

Note 17: Capital Stock

Purchases (sales) of common stock held in treasury during the three years ended December 31, 2002, are as follows:

	2002	2001	2000
Shares held, January 1.......	2,821,300	2,854,800	2,501,400
Purchases	2,900	2,400	402,100
Stock option exercises	(121,400)	(35,900)	(48,700)
Donation of shares...........	(18,100)	--	--
Shares held, December 31	2,684,700	2,821,300	2,854,800

In April 2002, the Company's Board of Directors authorized the donation of up to 40,000 shares of the Company's stock over the next three years to a related party charitable organization. During 2002, the Company donated 18,100 shares held in treasury to this organization.

In 2000, the Company established a nonqualified deferred compensation plan for designated executive officers. Deferred amounts are invested in funds at the executives' election. The plan requires that a portion of the deferred amount be invested in the Company's stock. Purchases of the Company's stock by the plan were 2,900 shares in 2002 and 2,400 shares annually in both 2001 and 2000. As of December 31, 2002, there were 7,700 shares of the Company's stock held by the plan.

In 1999, the Company's Board of Directors authorized the purchase of up to one million shares of the Company's common stock in open market or privately negotiated transactions. The Company acquired 399,700 shares in 2000 at an average price of $26.77 per share. The Company has not acquired any shares under this plan in 2001 and 2002. Cumulative purchases under the plan total 930,500 shares.

The Company maintains an employee stock purchase plan, which provides for the sale of the Company's common stock to substantially all employees at 85% of fair market value. The plan expires on December 31, 2006. An employee's purchases are limited annually to 10% of base compensation. Shares are purchased in the open market.

Note 18: Stock Option and Award Plans

The Company has two long-term incentive plans for officers and key management employees of the Company and its subsidiaries. Options may no longer be granted under one of the plans. The plans provide for the grant of stock options, stock appreciation rights, restricted stock awards and performance awards. At December 31, 2002, there were 331,000 shares of common stock available for future grants. A committee of the Board of Directors determines the terms and conditions of grants, except that the exercise price of certain options cannot be less than 100% of the fair market value of the stock on the date of grant. All stock options and stock appreciation rights are exercisable at the date indicated in connection with their issuance, but not later than 10 years after the date of grant. Option activity is summarized in the following table:

	2002	2001	2000

Options outstanding, January 1	1,865,200	1,667,000	1,059,600
Granted	316,000	360,000	820,000
Exercised	(134,600)	(59,700)	(47,800)
Forfeited	(18,700)	(102,100)	(164,800)
Options outstanding, December 31	2,027,900	1,865,200	1,667,000
Options exercisable, December 31	1,393,900	1,020,700	751,300

Weighted Average Exercise Price	2002	2001	2000
Options outstanding, January 1	$27.65	$27.86	$29.15
Granted	28.35	26.02	25.98
Exercised	27.20	22.26	24.56
Forfeited	28.74	28.50	28.32
Options outstanding, December 31	$27.78	$27.65	$27.86
Options exercisable, December 31	$28.04	$28.77	$29.41

The range of exercise prices at December 31, 2002, was $23.66 to $32.84 per share.

Under the Company's management incentive plan, participants are paid cash bonuses on the attainment of certain financial goals. Bonus participants are required to receive 25% of the value of their bonus, after certain adjustments for taxes payable, in shares of the Company's common stock at current fair market value. Bonus participants are given a restricted stock award equal to one share for each four shares of common stock issued with bonus awards. The restricted stock awards vest at the end of four years provided that the participant has not made a disqualifying disposition of the stock purchased. Restricted stock award grants were 4,100 shares in 2002 and 4,500 shares in 2000. Restricted stock forfeitures of 700 shares, 1,300 shares and 1,500 shares occurred in 2002, 2001 and 2000, respectively. Compensation expense is recognized over the vesting period based on the fair market value of common stock on the award date: $28.83 per share in 2002 and $26.06 per share in 2000. There were no restricted stock awards granted in 2001.

In 1999, the Company replaced its previously existing non-qualified stock option plan for non-employee directors. The new plan made 125,000 shares available for future grants to plan participants. Options granted under the new plan vest over a three-year period. At December 31, 2002, 47,000 options remain available for future grants. The Company's former plan was terminated in 1999 and no future grants will be made under that plan; 12,000 options granted under the former plan remain outstanding at December 31, 2002. The exercise price on all options is established at the market value of the Company's common stock on the date of grant. Option activity under the non-employee directors' plan(s) is summarized below:

	2002	2001	2000
Options outstanding, January 1	66,000	79,500	96,000
Granted	37,500	--	--
Exercised	(3,000)	(6,000)	(3,000)
Forfeited	(10,500)	(7,500)	(13,500)
Options outstanding, December 31	90,000	66,000	79,500
Options exercisable, December 31	52,500	52,500	49,500

Weighted Average Exercise Price	2002	2001	2000
Options outstanding, January 1	$31.55	$30.62	$30.04
Granted	27.89	--	--
Exercised	28.13	22.69	22.69
Forfeited..........	28.50	28.78	28.25
Options outstanding, December 31	$30.50	$31.55	$30.62
Options exercisable, December 31	$32.36	$31.22	$29.27

The range of exercise prices at December 31, 2002, was $25.73 to $32.84 per share.

Stock options outstanding under all plans totaled 2,117,900 at December 31, 2002. The weighted average remaining contractual life at December 31, 2002, for all plans is 5.4 years. For 2002, 2001 and 2000, stock options of 2,117,900, 862,700 and 1,677,000, respectively, were excluded from the computation of diluted earnings per share due to their antidilutive effect.

The weighted average fair value per option granted in 2002, 2001 and 2000 using the Black-Scholes option-pricing model, was $5.04, $4.95 and $6.47, respectively. The following assumptions were used to compute the fair value of the option grants in 2002, 2001 and 2000: a risk-free interest rate of 3.3%, 4.4% and 6.0%, respectively; stock volatility of 26.8%, 23.1% and 23.2%, respectively; and dividend yields of 4.4%, 3.0% and 2.8%, respectively. Expected lives averaged 6 years for options granted in 2002, 5 years for options granted in 2001 and 6 years for options granted in 2000 under the key management employee plan.

Note 19: Commitments and Contingencies

At December 31, 2002, the Company was obligated under various operating lease agreements with terms ranging from one month to 20 years. Rental expense in 2002, 2001 and 2000 was $6,500, $6,300 and $6,200, respectively. Minimum rentals for noncancelable operating leases with initial or remaining terms in excess of one year are: 2003-$6,400; 2004-$6,000; 2005-$5,600; 2006-$5,000; 2007-$5,300 and thereafter $30,100. Minimum operating lease payments have been reduced by related minimum sublease income.

At December 31, 2002, outstanding unconditional contractual commitments for the purchase of equipment and raw materials amounted to $4,900, all of which is due to be paid in 2003.

The Company has accrued the undiscounted estimated cost of environmental compliance expenses related to soil or groundwater contamination at current and former manufacturing facilities. In 2002, the Company reduced its accrued liability by $400 to reflect the acceptance of finalized remediation plans by relevant state regulatory authorities at two sites. Based on consultants' estimates of the costs of remediation in accordance with applicable regulatory requirements, the Company believes the accrued liability of $900, included in other current liabilities at December 31, 2002, is sufficient to cover the future costs of these remedial actions, which are expected to be carried out over the next several years. The Company has not anticipated any possible recovery from insurance or other sources.

At December 31, 2002, the Company had outstanding letters of credit of $500. The letters of credit act as a guarantee of payment to certain third parties in accordance with specified terms and conditions.

Note 20: New Accounting Standards

In July 2002, the Financial Accounting Standards Board (FASB) issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS 146 requires that a liability for costs associated with a disposal activity, including those related to employee termination benefits, be recognized when the liability is incurred, and not necessarily at the date of an entity's commitment to an exit plan as had been the practice under the prior accounting guidance. The Company adopted SFAS 146 on January 1, 2003.

In November 2002, FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (FIN 45) was issued. FIN 45 elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees that it has issued. The disclosure requirements of FIN 45 are effective for financial statements ending after December 15, 2002. FIN 45 also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The recognition provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002. The Company believes that FIN 45 will not have a material effect on its consolidated financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure." This statement provides alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. It also amends the disclosure provisions for entities that retain the 'intrinsic value' method of accounting. The Company intends to continue the intrinsic value method of accounting. The Company will disclose the pro-forma effect on net income and earnings per share of applying the fair value method to all stock-based compensation awards in the notes to its interim and annual financial statements as required by the statement.

Note 21: Subsequent Event

On January 29, 2003, an explosion and fire occurred at the Company's Kinston, N.C., plant. Six people lost their lives and many others were injured in the accident, which caused substantial damage to the building, machinery, equipment and inventories. The Company is aggressively implementing a manufacturing recovery plan to restore production to pre-accident levels utilizing resources and capacity at other plant locations, as well as selected third-party vendors. Management is also working with customers and the Food and Drug Administration to satisfy critical product requirements while minimizing the effects on customers' production plans and inventories.

At this time, the Company has identified items associated with the Kinston accident that are likely to have financial implications and has estimated certain of those items. Management expects that, as a result of capacity limitations, up to $5 million of sales that would otherwise have occurred in the first and second quarters of 2003 will be delayed, but that the revenue is substantially recoverable in the second half of the year. The Company maintains business interruption insurance under which it expects to recover lost profits attributable to lost sales or additional costs associated with the recovery plan.

The Company currently expects to incur pre-tax costs of between $4.0 million and $6.0 million, net of insurance recoveries during the first half of 2003. The estimated costs are for retained risk, or deductibles, under applicable insurance policies, for costs not normally or fully compensable by insurance, and the cost of reinstating or replacing insurance coverage in the wake of the loss. Management is confident that, except for these costs, the property and business interruption losses are fully insured.

The Company is not able at this time to estimate the ultimate impact of any liability claims and related costs that may arise as a result of the accident.

Report of Management

The Company's management is responsible for the integrity, reliability and objectivity of publicly reported financial information. Management believes that the financial statements as of and for the year ended December 31, 2002, have been prepared in conformity with accounting principles generally accepted in the United States of America and that information presented in this Annual Report is consistent with those statements. In preparing the financial statements, management makes informed judgments and estimates where necessary, with appropriate consideration given to materiality.

In meeting its responsibility for preparing financial statements, management maintains a system of internal accounting controls to assure the safety of its assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded properly and executed in accordance with management's authorization, allowing for preparation of reliable financial statements. There are inherent limitations in the effectiveness of all internal control systems. The design of the Company's system recognizes that errors or irregularities may occur and that estimates and judgments are required to assess the relative cost and expected benefits of the controls. Management believes that the Company's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period.

The independent accountants are appointed by the Board of Directors, with the approval of the shareholders. As part of their engagement, the independent accountants audit the Company's financial statements, express their opinion thereon, and review and evaluate selected systems, accounting procedures and internal controls to the extent they consider necessary to support their report.

/s/ Donald E. Morel, Jr., Ph.D.

Donald E. Morel, Jr., Ph.D.
President and Chief Executive Officer

/s/ Linda R. Altemus

Linda R. Altemus
Vice President and Chief Financial Officer

Report of Independent Accountants

To the Shareholders and the Board of Directors of
West Pharmaceutical Services, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of West Pharmaceutical Services, Inc. and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the Consolidated Financial Statements, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" in 2002 and Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, and Financial Accounting Standards No.144, "Accounting for Impairment or Disposal of Long-Lived Assets," in 2001.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
March 3, 2003

Five-Year Summary
West Pharmaceutical Services, Inc. and Subsidiaries
(in thousands of dollars, except per share data)

	2002	2001	2000
SUMMARY OF OPERATIONS			
Net sales	$ 419,700	392,300	372,500
Operating profit	$ 26,700	39,900	40,200
Income from continuing operations	$ 12,800	19,700	20,000
Income (loss) from discontinued operations	$ 5,600	(24,900)	(18,400)
Net income (loss)	$ 18,400	(5,200)	1,600
Income per share from continuing operations:			
Basic (a)	$ .89	1.38	1.39
Assuming dilution (b)	$ .89	1.37	1.39
Income (loss) per share from discontinued operations:			
Basic (a)	$ .39	(1.74)	(1.28)
Assuming dilution (b)	$ .39	(1.73)	(1.28)
Average common shares outstanding	14,434	14,336	14,407
Average shares assuming dilution	14,434	14,348	14,409
Dividends paid per common share	$ .77	.73	.69
Research, development and engineering expenses	$ 21,500	17,800	17,100
Capital expenditures	$ 37,700	45,200	47,700
YEAR-END FINANCIAL POSITION			
Working capital	$ 73,600	83,200	93,800
Total assets	$ 536,800	511,300	557,400
Total invested capital:			
Total debt	$ 175,000	193,000	199,400
Minority interests	$ --	--	1,000
Shareholders' equity	$ 201,500	176,800	204,800
Total invested capital	$ 376,500	369,800	405,200
PERFORMANCE MEASUREMENTS			
Gross margin (c)	% 28.0	29.3	28.9
Operating profitability (d)	% 6.4	10.2	10.8
Tax rate	% 24.0	30.7	34.7
Asset turnover ratio (e)	.80	.73	.67
Return on average shareholders' equity	% 9.8	(2.7)	.7
Total debt as a percentage of total invested capital	% 46.5	52.2	49.2
Stock price range	$32.50-16.25	28.35-22.75	31.88-19.63

Performance measurements represent indicators commonly used in the financial community. They are not measures of financial performance under generally accepted accounting principles.
(a) Based on average common shares outstanding.
(b) Based on average shares, assuming dilution.
(c) Net sales minus cost of goods sold, including applicable depreciation and amortization, divided by net sales.
(d) Operating profit divided by net sales.
(e) Net sales divided by average total assets.

2002 includes a net restructuring charge of $.51 per share, tax benefits of $.17 per share resulting from a change in tax law, a $.06 per share charge related to the restructuring of one of the Company's affiliates and a foreign currency exchange gain of $.05 per share.
2001 includes a net restructuring charge that reduced operating results by $.08 per share.
2000 includes tax benefits totaling $.11 per share realized upon the favorable resolution of tax issues connected to the 1997 reorganization of the Company's German subsidiaries, and includes a net restructuring charge that reduced operating results by $.34 per share.
1999 includes net tax benefits totaling $.16 per share related to a favorable determination of a prior years' tax appeal and the refund of taxes paid previously as a result of a dividend, and includes for the first time results

of the clinical service business acquired on April 20, 1999.
1998 includes a charge for acquired research and development and a restructuring charge that reduced operating results by $1.72 per share and $.15 per share, respectively, and includes for the first time the results of two companies acquired in 1998.

Five-Year Summary
West Pharmaceutical Services, Inc. and Subsidiaries
(in thousands of dollars, except per share data)

	1999	1998
SUMMARY OF OPERATIONS		
Net sales	$ 390,200	367,200
Operating profit	$ 60,300	22,500
Income from continuing operations	$ 36,400	1,400
Income (loss) from discontinued operations	$ 2,300	5,300
Net income(loss)	$ 38,700	6,700
Income per share from continuing operations:		
Basic (a)	$ 2.44	.09
Assuming dilution (b)	$ 2.42	.08
Income (loss) per share from discontinued operations:		
Basic (a)	$ .15	.32
Assuming dilution (b)	$ .15	.32
Average common shares outstanding	14,914	16,435
Average shares assuming dilution	15,048	16,504
Dividends paid per common share	$ .65	.61
Research, development and engineering expenses	$ 14,200	12,200
Capital expenditures	$ 39,300	35,100
YEAR-END FINANCIAL POSITION		
Working capital	$ 80,700	53,000
Total assets	$ 551,800	508,100
Total invested capital:		
Total debt	$ 171,100	141,100
Minority interests	$ 800	600
Shareholders' equity	$ 231,200	230,100
Total invested capital	$ 403,100	371,800
PERFORMANCE MEASUREMENTS		
Gross margin (c)	% 33.9	33.1
Operating profitability (d)	% 15.5	6.1
Tax rate	% 31.4	93.1
Asset turnover ratio (e)	.74	.74
Return on average shareholders' equity	% 16.8	2.6
Total debt as a percentage of total invested capital	% 42.5	37.9
Stock price range	$40.44-30.88	35.69-25.75

Quarterly Operating and Per Share Data (Unaudited)
West Pharmaceutical Services, Inc. and Subsidiaries
(in thousands of dollars, except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2002					
Net sales	$101,700	$106,500	$104,100	$107,400	$419,700
Gross profit	30,800	30,700	26,300	29,800	117,600
Income (loss) from continuing operations	6,300	5,200	(2,000)	3,300	12,800
Discontinued operations, net	(200)	100	5,600	100	5,600
Net income	6,100	5,300	3,600	3,400	18,400
Basic earnings (loss) per share					
Continuing operations	0.44	0.36	(0.14)	0.23	0.89
Discontinued operations	(0.02)	0.01	0.39	0.01	0.39

	0.42	0.37	0.25	0.24	1.28
Diluted earnings (loss) per share					
Continuing operations......................	0.44	0.36	(0.14)	0.23	0.89
Discontinued operations....................	(0.02)	0.01	0.39	0.01	0.39
	0.42	0.37	0.25	0.24	1.28
2001 (a)					
Net sales..................................	$ 98,700	$ 99,900	$ 95,500	$ 98,200	$392,300
Gross profit...............................	29,400	29,500	26,400	29,500	114,800
Income from continuing operations...........	5,500	3,000	5,800	5,400	19,700
Discontinued operations, net................	(100)	100	100	(25,000)	(24,900)
Net income (loss)..........................	5,400	3,100	5,900	(19,600)	(5,200)
Basic earnings (loss) per share.............					
Continuing operations......................	0.39	0.20	0.40	0.38	1.38
Discontinued operations....................	(0.01)	0.02	0.01	(1.74)	(1.74)
	0.38	0.22	0.41	(1.36)	(0.36)
Diluted earnings (loss) per share...........					
Continuing operations......................	0.39	0.20	0.40	0.38	1.37
Discontinued operations....................	(0.01)	0.02	0.01	(1.74)	(1.73)
	0.38	0.22	0.41	(1.36)	(0.36)

Per common share amounts for the quarters and full years have each been calculated separately. Accordingly, quarterly amounts may not add to the full year amounts because of differences in the average common shares outstanding during each period and, with regard to diluted per common share amounts only, because of the inclusion of the effect of potentially dilutive securities only in the periods in which such effect would have been dilutive.

(a) Results for 2001 include the amortization of goodwill. The Company adopted SFAS 142 as of January 1, 2002, and therefore ceased the amortization of goodwill in 2002.

First quarter 2002 results include a foreign currency exchange gain. See Note "Other Income (Expense)."
Third quarter 2002 results include the write-off of the Company's information systems implementation project, the writedown of an investment,the tax benefit resulting from a change in tax law, and the restructuring of one of the Company's affiliates. See Notes "Restructuring Charges," "Income Taxes," and "Affiliated Companies."
Fourth quarter 2002 results include severance provisions primarily associated with the termination of the information systems implementation project. See Note "Restructuring Charges".
Second quarter 2001 results include a charge related to the termination of certain management positions. See Note "Restructuring Charges."
Third quarter 2001 results include an adjustment on the sale of a manufacturing facility held for sale from restructuring. See Note "Restructuring Charges."
Fourth quarter 2001 results include a tax adjustment on the third quarter sale.

Exhibit 21

SUBSIDIARIES OF THE COMPANY

	State/County of Incorporation	Stock Ownership
West Pharmaceutical Services, Inc	Pennsylvania	Parent Co.
Senetics, Inc.	Colorado	100.0%
West Pharmaceutical Services Cleveland, Inc.	Delaware	100.0
West Pharamceutical Services Indiana Holding, Inc.	Delaware	100.0
West Pharmaceutical Services Lakewood, Inc.	Delaware	100.0
West Pharmaceutical Services Evansville, L.P.	Delaware	100.0
Paco Laboratories, Inc.	Delaware	100.0
Charter Laboratories, Inc.	Delaware	100.0
West Pharmaceutical Services Canovanas, Inc.	Delaware	100.0
West Pharmaceutical Services Vega Alta, Inc.	Delaware	100.0
West Pharmaceutical Services of Delaware, Inc.	Delaware	100.0
West Pharmaceutical Services of Florida, Inc.	Florida	100.0
Citation Plastics Co.	New Jersey	100.0
West Pharmaceutical Services Argentina S.A.	Argentina	100.0
West Pharmaceutical Services Australia Pty. Ltd.	Australia	100.0
West International Sales Corporation	Barbados	100.0
West Pharmaceutical Services Brasil LTDA.	Brasil	100.0
West Pharmaceutical Services Colombia S.A.	Colombia	98.2(a)
West Pharmaceutical Services Holding Danmark ApS	Denmark	100.0
West Pharmaceutical Services Danmark A/S	Denmark	100.0
West Pharmaceutical Services Finance Danmark ApS	Denmark	100.0
West Pharmaceutical Services Limited Danmark A/S	Denmark	100.0
West Pharmaceutical Services Group Limited	England	100.0
West Pharmaceutical Services Drug Delivery & Clinical Research Centre Ltd.	England	100.0
West Pharmaceutical Services Cornwall Ltd.	England	100.0
Plasmec PLC	England	100.0
West Pharmaceutical Services Lewes Ltd.	England	100.0
West Pharmaceutical Services Dublin, Ltd.	England	100.0
West Pharmaceutical Services France S.A.	France	99.9(b)
West Pharmaceutical Services Holding France SAS	France	100.0
West Pharmaceutical Services Holding GmbH	Germany	100.0
West Pharmaceutical Services Verwaltungs GmbH	Germany	100.0
West Pharmaceutical Services Deutschland GmbH Co KG	Germany	100.0
The West Company (India) Private Ltd.	India	100.0
West Pharmaceutical Services Italia S.r.L.	Italy	100.0
West Pharmaceutical Services Korea Limited	Korea	100.0
The West Company (Mauritius) Ltd.	Mauritius	100.0
West Pharmaceutical Services Singapore Pte. Ltd	Singapore	100.0
West Pharmaceutical Services Hispania S.A.	Spain	100.0
West Pharmaceutical Services Venezuela C.A.	Venezuela	100.0
Pharma-Gummi Beograd	Yugoslavia	84.7

(a) 1.55% is held in treasury by West Pharmaceutical Services Colombia S.A.
(b) In addition, .01% is owned directly by 8 individual shareholders who are officers of the Company.

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Registration No. 333-88358) and Forms S-8 (Registration Nos. 333-12287, 333-12289, 333-53817, 333-78783, 333-87802 and 333-87804) of West Pharmaceutical Services Inc. of our report dated March 3, 2003 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated March 3, 2003 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
March 26, 2003

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as her attorneys-in-fact to sign on her behalf and in her capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and all amendments, exhibits and supplements thereto.

Date: March 22, 2003 /s/ Tenley E. Albright, M.D.

Tenley E. Albright, M.D.

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and all amendments, exhibits and supplements thereto.

Date: March 22, 2003 /s/ John W. Conway

John W. Conway

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and all amendments, exhibits and supplements thereto.

Date: March 22, 2003 /s/ George W. Ebright

George W. Ebright

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and all amendments, exhibits and supplements thereto.

Date: March 22, 2003 /s/ L. Robert Johnson

L. Robert Johnson

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and all amendments, exhibits and supplements thereto

Date: March 22, 2003 /s/ William G. Little

William G. Little

POWER OF ATTORNEY

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Date: March 22, 2003 /s/ William H. Longfield

William H. Longfield

POWER OF ATTORNEY

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Date: March 22, 2003 /s/ John P. Neafsey

John P. Neafsey

POWER OF ATTORNEY

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Date: March 22, 2003 /s/ Anthony Welters

Anthony Welters

POWER OF ATTORNEY

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Date: March 22, 2003 /s/ Geoffrey F. Worden

Geoffrey F. Worden

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and all amendments, exhibits and supplements thereto.

Date: March 22, 2003 /s/ Robert C. Young, M.D.

Robert C. Young, M.D.

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and all amendments, exhibits and supplements thereto.

Date: March 22, 2003 /s/ Patrick J. Zenner

Patrick J. Zenner

Exhibit 99 (a)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of West Pharmaceutical Services, Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald E. Morel, Jr., Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

/s/ Donald E. Morel, Jr., Ph.D.

Donald E. Morel, Jr., Ph.D.
Chairman of the Board, President and Chief Executive Officer

March 26, 2003

Exhibit 99 (b)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of West Pharmaceutical Services, Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Linda R. Altemus, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

/s/ Linda R. Altemus

Linda R. Altemus
Vice President and
Chief Financial Officer

March 26, 2003