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, 1999

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.

As of March 27, 2000, the Registrant had 14,546,434 shares of its Common Stock outstanding. The market value of Common Stock held by non-affiliates of the Registrant as of that date was $382,753,045.

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 1999 fiscal year (the "1999 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 I

Item 1. Business

The Company

West Pharmaceutical Services, Inc. (formerly The West Company, Incorporated) applies value-added technologies to the process of bringing new drug therapies and healthcare products to global markets. West's technologies include the design and manufacture of packaging components for pharmaceutical, healthcare and consumer products; research and development of drug delivery systems; contract manufacturing and packaging services; clinical services; and contract laboratory services and other services that support the manufacturing, filling and packaging of pharmaceutical, healthcare and consumer products. The Company's activities are organized in three operating segments: 1) the Device Product Development segment (consisting of four regional business units serving global markets) designs, manufactures and sells stoppers, closures, medical device components and assemblies made from elastomers, metal and plastics; 2) the Contract Services segment (consisting of four business units serving mainly the United States and Puerto Rico markets) provides contract manufacturing and contract packaging services to the pharmaceutical and personal care industries, contract laboratory services for testing injectable drug packaging and clinical research for Phase I, II and III studies as well as post clinical studies; and 3) the Drug Delivery Research and Development segment (consisting of two business units) identifies and develops drug delivery systems for biopharmaceutical and other drugs to improve their therapeutic performance and/or their method of administration. As of December 31, 1999, the Company and its subsidiaries had 4,800 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.

Device Product Development
Principal Products

Pharmaceutical Stoppers

The Company is the world's largest independent manufacturer of stoppers for sealing drug vials and other pharmaceutical containers. Several hundred proprietary 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.

Most stopper formulations are specially designed to be compatible with drugs so that the drugs will remain effective and unchanged during storage. New elastomeric compounds must be tested to show that they do not leach into the customer's product or affect its potency, sterility, effectiveness, color or clarity. The Company's laboratories conduct tests to determine the compatibility of its stoppers with customers' drugs and, in the United States, file formulation information with the Food and Drug Administration in support of customers' new drug applications.

Stoppers usually are washed, sterilized and subject to other pre-use processes by the customer or a third-party before they are fitted on the container. The Company has introduced a value-added line of stoppers that are pre-washed and ready to be sterilized, eliminating several steps in customers' incoming processes. The Company is also marketing 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. The seals are crimped onto glass or plastic pharmaceutical containers to hold the stoppers securely in place. The top of aluminum seals often contains tamper-evident tabs or plastic covers, which must be removed before the drug can be withdrawn.

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.

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 bottles and containers for the pharmaceutical industry

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

* Blood-sampling 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

* Components for IV Sets

* Disposable infant nursers and individual nurser components

The Company also manufactures a wide range of standard and custom-designed plastic threaded caps and containers for the personal-care industry. The caps, produced mainly for health and beauty aids, come in many different sizes and colors. The Company also makes closures for food and beverage processors. The Company focuses 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 and testing and for the design and construction of processing equipment. In addition, a corporate product development department develops new packaging and device concepts. Approximately 90 professional employees were engaged in these activities in 1999. Development and engineering expenditures for the creation and application of new and improved device products and manufacturing processes were approximately $8.9 million in 1999, $8.9 million in 1998, and $8.8 million in 1997, net of cost reimbursements by customers.

Recent Developments

The Company has taken steps to expand its product offerings and improve competitiveness of its Device Product Development operating segment.

In 1996 and 1997, the Company implemented a major restructuring plan announced in 1996. The plan included the closing or downsizing of six manufacturing facilities, withdrawal from the machinery business and an approximate 5% reduction in the workforce. The restructuring was designed to reduce the costs associated with multiple plant sites and shift certain production capacity to lower-cost locations. In 1998, a further 1% reduction in the workforce, made possible by manufacturing and other operating efficiencies, was announced. (Additional information pertaining to these activities is incorporated by reference to the Note "Restructuring Charges" of Notes to Consolidated Financial Statements of the 1999 Annual Report to Shareholders.)

In 1998, the Company acquired Betraine Limited, a company located in England, which manufactures precision injection molded plastic components for the healthcare and consumer industries. The acquisition expanded global capabilities in the non-injectable market. The Company's name was changed to West Pharmaceutical Services Lewes ("West-Lewes").

In 1999, the Company changed its business plan with respect to its plastics strategy concerning future market demands and total capacity requirements. As a result, the Company reversed a portion of its 1996 restructuring reserve pertaining to its Puerto Rico facility and wrote off the assets associated with a proprietary plastic product line that had not gained market acceptance.

Contract Services
Principal Services

Contract Packaging and Contract Manufacturing

The Company entered into the pharmaceutical services market in 1995 with its acquisition of Paco Pharmaceutical Services, Inc. ("Paco"). Paco's name was recently changed to West Pharmaceutical Services Lakewood, Inc. ("West Lakewood").

West Lakewood provides contract manufacturing and packaging of products for pharmaceutical and consumer-products companies. With its flexible manufacturing environment and workforce, West Lakewood has the capability to make and package a variety of products according to customers' specifications, usually employing customer-supplied raw materials. Once it's work is

complete, West Lakewood delivers the finished product to the customer for final sale and distribution to the end user.

Customers typically use West Lakewood services on a temporary basis to supplement their own manufacturing or packaging capability during a new-product introduction or special promotion. However, West Lakewood does retain long-term business in both the manufacturing and packaging areas. West Lakewood operates facilities in Lakewood, New Jersey and Canovanas, Puerto Rico.

West Lakewood contract packaging and manufacturing processes and services are subject to the Good Manufacturing Practice standards applicable to the pharmaceutical industry as well as to numerous other federal and state laws and regulations governing the manufacture, handling and packaging of drugs and other regulated substances.

West Lakewood manufactures liquids, creams, solids, suspensions, and powders. Products produced include:

* headache and cold medications
* skin lotions
* deodorants
* toothpaste and mouthwash
* albuterol, a product used for inhalation therapy.

West Lakewood contract packaging services include the design, assembly and filling of a broad variety of packages, including:

* blister packages (i.e., a plastic film with a foil backing)
* bottles and tubes
* laminated and other flexible pouches or strip packages
* aluminum and plastic liquid cup containers
* paperboard specialty packages
* innovative tamper-evident and child-resistant packages

Although the type of package depends on the requirements of the customer, blister packaging or bottles typically are used for tablets and capsules while aluminum or plastic cups, pouches, bottles and tubes are used for liquids, creams, ointments and powders.

CLINICAL SERVICES

The Company entered into the clinical services market with its

April 1999 acquisition of the Clinical Services division of Collaborative Clinical Research, Inc. The Clinical Services Group operates three business units. These business units, which are described more fully below, are : a site-management organization (SMO) that provides assistance for clinical trial studies (the "SMO Network"); a Phase I-through-IV Clinical Trial research facility (the "GFI Research Center"); and a research group that supports companies desiring to transition drugs from prescription to over-the-counter status (the "Consumer Healthcare Research" Unit).

The SMO Network assists sponsor companies in conducting the clinical research necessary to obtain regulatory approval for new drugs using its network of approximately 270 affiliated sites in the U.S. and 52 sites in Canada. The SMO Network, focused in six therapeutic areas, provides clinical research sites and support services to sponsors conducting Phase II, III and IV clinical research and managed care studies. The clinical services consist of the following activities: identifying and recruiting appropriate sites and investigators for a given clinical research study, conducting prestudy start-up activities such as preparing and organizing Investigational Review Board (IRB) documentation and conducting pre-study site initiation visits. West's SMO Network also provides assistance in patient recruitment and enrollment, study progress tracking and study grant management. Each clinical research site in the SMO Network is affiliated with West through a written agreement that describes a cooperative relationship between the Company and the site. The SMO Network supports its affiliated sites by marketing their services, credentials and capabilities to pharmaceutical companies (Sponsors), by conducting quality audits to assure integrity of research site quality standards, by conducting clinical research training courses to assist affiliated sites in enhancing their expertise and by centrally negotiating study budgets and contracts with Sponsors.

West's Consumer Healthcare Research business unit provides services primarily aimed at OTC pharmaceutical companies. These services include consultation on and performance of studies necessary for FDA approval of the conversion from prescription to over the counter status. These studies consist of label comprehension evaluations, consumer actual use studies and pivotal clinical trials.

West's GFI Research Center performs clinical research and provides other clinical research services in Phase I through Phase IV studies at its 80-bed clinic located in Evansville, Indiana. Phase I research is substantially more specialized and limited than other phases of the clinical research process because healthy volunteers or patients must typically be sequestered for the duration of the study.

The Clinical Servoces Division contracts provide a fixed price for each component or service delivered. The ultimate contract value depends on such variables as the number of research sites selected, the number of patients to be enrolled and other services required by the Sponsor. These contracts range in duration from several months to several years. As services are performed over the life of the contract, revenue is earned under the percentage- o- completion method utilizing units of delivery. Costs associated with contract revenue are recognized as incurred. Cash flows vary with each contract, although generally a portion of the contract fee is paid at the time the trial begins, with the balance paid as pre-determined contract milestones are satisfied. Pre-payments received are recorded as a liability under deferred revenue until work has been completed and revenue has been recognized. Generally, Sponsors may terminate a contract with the Company with or without cause. In the event of termination, the Company is

entitled to payment for all work performed through the date of termination and for costs associated with termination of the study.

Contract Laboratory Services

In 1998, the Company established the contract laboratory services business, which provides testing services to analyze customers' injectable product packaging. Regulatory agencies require drug companies to demonstrate that packaging components will not contaminate the drug. The test data is generated in a format acceptable for U.S. Food and Drug Administration (FDA) submissions. The services offered include product/closure interaction testing, extractables testing, moisture analysis of closures, particle quantification/analysis, quantification of closure surface silicone, and other custom services. The Company's laboratory complies with applicable Good Manufacturing Practice standards and is FDA registered.

Research and Development
Drug Delivery Systems

In 1993, the Company began developing drug delivery systems for biopharmaceuticals and other drugs that are difficult to administer effectively through traditional injectable or oral routes. Improving the therapeutic performance of these drugs in an economical fashion calls for sophisticated delivery solutions.

To advance the Company's efforts in this area, in 1994 the Company began acquiring interests in DanBioSyst UK Ltd (DBS), a research and development company located in Nottingham, England. The purchase was conducted in 10% annual increments in 1995, 1996, 1997, with the remaining 70% acquired in March 1998, making DBS a wholly-owned subsidiary. In 1999, DBS was re-named West Pharmaceutical Services Drug Delivery & Clinical Research Center, Ltd. (West Drug Delivery). West Drug Delivery specializes in identifying and developing systems for delivery of complex drug molecules, or to assist in delivering drugs to a specific site in the body. West Drug Delivery engages in research to develop these unique systems and then patents this technology. West Drug Delivery has patents or patent applications covering a range of delivery platforms including nasal, oral, parenteral, pulmonary, rectal and vaginal. West Drug Delivery enters into agreements with biopharmaceutical and other drug companies to apply its delivery system technology to customers' drug molecules to achieve the desired result.

A portion of the Company's Lionville-based resources are dedicated to development of drug delivery systems. In 1999, this group's work was focused on developing formulations of morphine and leuprolide using the Company's proprietary chitosan-based nasal delivery system. The Lionville group is also developing products based on other West Drug Delivery patented technology. The current projects relate to nasal delivery of other established drugs and further development of the Targit delivery system, a coated starch capsule, designed to deliver medication to a specific site in the body.

The Company had 59 employees directly engaged in these activities as of December 31, 1999, and total expenses, net of revenues received, were $7.7 million in 1999 and $5.3 million in 1998.

Order Backlog

Device product orders on hand at December 31, 1999, were

approximately $96 million, compared with approximately $90 million at the end of 1998. Orders on hand include those placed by customers for manufacture over a period of time according to a customer's schedule or upon confirmation by the customer. Orders

are generally considered firm when goods are manufactured or orders are confirmed. 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.

West Lakewood's twelve-month backlog of unfilled customer orders was approximately $9 million at December 31, 1999 and $18 million at December 31, 1998. Backlog is defined by West Lakewood as orders written and included in production schedules during the next twelve months. Such orders generally may be cancelled by the customer without penalty.

The Clinical Services division backlog 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 canceled. As of December 31, 1999, the Clinical Services division's backlog was $6.2 million.

Raw Materials

The Company uses three basic raw materials in the manufacture of its device 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 materials 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 and Licenses

The Company's device products patents and trademarks have been useful in establishing the Company's market share and in the growth of the Company's manufactured device product business and may continue to be of value in the future, especially in view of the Company's continuing development of its own proprietary products. Nevertheless, the Company does not consider its

current manufactured device product business or its earnings to be materially dependent upon any single patent or trademark.

Although not material at this time, the Company believes its drug delivery development capabilities will play an increasingly important role in the future. The Drug Delivery Systems Division has a growing portfolio of patented technology, which is critical to the Company's success because a significant amount of future income is expected to be derived from licensing this technology to customers.

Major Customers

The Company provides manufactured device 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 contract packaging and contract manufacturing services for many of the leading manufacturers of personal care products and clinical research services 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. The business units have separate sales forces but the Company is increasing the sales effort of each group to sell all of the Company's capabilities.

Becton Dickinson and Company ("BD") accounted for approximately 12% of the Company's 1999 consolidated net sales. The principal products sold to BD are synthetic rubber, natural rubber, metal and plastic components used in BD's disposable 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 33% of the Company's consolidated net sales in 1999, but no one of these customers accounted for more than 5% of 1999 consolidated net sales.

Competition

The Company competes with several companies, some of which are larger than the Company, across its major Device Product Development 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 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 more 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 which 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 U.S. contract packaging and manufacturing service industry is highly competitive. For packaging services, West Lakewood competes with three significant companies, two of which are larger than it. For contract manufacturing services, West Lakewood competes with four major competitors and several smaller regional companies; several of these competitors are larger than it. In addition, most domestic pharmaceutical companies maintain in-house manufacturing and packaging capabilities and at times will offer their excess capacity to manufacture or package other companies' products on a contract basis. However, most large pharmaceutical and personal healthcare companies have traditionally made extensive use of contract packagers and

manufacturers during times of peak demand, during the introduction of a new product and for production of samples and special product promotions.

The clinical research industry is highly fragmented and comprised of several large, full-service Contract Research Organizations (CROs) and many small CROs and limited service providers. The major competitors in the industry include the research departments of pharmaceutical companies, CROs and other SMOs. The SMO Network competes in this market on the basis of ability to provide rapid access to high quality clinical investigators and patients through its site network, by providing specialized know-how to design and conduct OTC clinical studies and by providing high quality and responsive Phase I services. The SMO Network may also face competition from other networks of research sites in the recruitment of potential affiliated sites. 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 does not believe that it will have any material expenditures relating to environmental matters other than those discussed in the Note "Commitments and Contingencies" of Notes to Consolidated Financial Statements of the 1999 Annual Report to Shareholders, incorporated herein by reference.

International

The Note "Affiliated Companies" and the Note "Segment Information" of Notes to Consolidated Financial Statements of the 1999 Annual Report to Shareholders are incorporated herein by reference.

The Company believes that its international business does not involve a substantially greater business risk than its domestic business. Although financial crises have been evident at various times during recent years in the Asia/Pacific region and in our major markets in South America and have at times resulted in a decline in demand for the Company's products in these regions, direct sales to customers in these markets have historically not been significant. In 1999, such sales represented less than 10% of consolidated sales.

The Company's financial condition and results are impacted by fluctuations in exchange-rate markets (See Notes "Summary of Significant Accounting Policies - Foreign Currency Translation" and "Other Income (Expense)" of Notes to Consolidated Financial Statements of the 1999 Annual Report to Shareholders, incorporated herein by reference). Hedging by the Company of these exposures is discussed in the Note "Summary of Significant Accounting Policies -Financial Instruments" and in the Note "Financial Instruments" of Notes to Consolidated Financial Statements of the 1999 Annual Report to Shareholders, incorporated herein by reference.

Item 2. Properties

In the Device Product Development operating segment, the Company

maintains eight manufacturing plants and two mold and die production facilities in the United States, one manufacturing plant in Puerto Rico, and a total of eight manufacturing plants and two mold and die production facilities in Germany, England, France, Denmark, Brazil and Singapore.

In the Contract Services operating segment, the Company maintains one facility in the United States and one facility in Puerto Rico to provide contract manufacturing and packaging services. Clinical research services are provided by West Cleveland from

leased space in Cleveland, Ohio and Indianapolis, Indiana. West Evansville leases office and medical space in Evansville, Indiana. Contract laboratory services are provided from the Company's Lionville, Pennsylvania, facility.

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. The Company conducts drug delivery research and development in a leased facility located in Nottingham, England. All other company facilities are used for manufacturing and distribution, and facilities in Eschweiler, Germany, are also used for development activities for device products.

The manufacturing production facilities of the Company are well maintained, are operating generally on a two- or three-shift basis and are adequate for the Company's present needs.

The principal facilities in the United States and Puerto Rico are as follows:

- Approximately 786,000 square feet of owned and 1,212,000 square feet of leased space in Pennsylvania, New Jersey, Florida, Nebraska, North Carolina, Ohio, Indiana and Puerto Rico.

The principal international facilities are as follows:

- Approximately 530,000 square feet of owned space and 86,000 square feet of leased space in Germany, England, Denmark and France.

- Approximately 200,000 square feet of owned space in Brazil.

- Approximately 92,000 square feet of owned space in Singapore.

Of the aforementioned currently owned facilities, approximately 354,000 square feet are subject to mortgages to secure the Company's real estate mortgage notes. See the Note "Debt" of Notes to Consolidated Financial Statements of the 1999 Annual Report to Shareholders, which information is incorporated herein by reference.

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

The Company also holds for sale former manufacturing facility space in Puerto Rico - totaling 42,000 square feet.

Item 3. Legal Proceedings.

None

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 30, 2000 were as follows:

Name	Age	Business Experience During Past Five Years
George R. Bennyhoff1	56	Senior Vice President, Human Resources and Public Affairs.
Robert F. Doman	50	Division President, Device Product Development since November 1999. Mr. Doman previously served as Vice President Global Accounts Management and Marketing from May 1999 for the Company. Prior to joining the Company, Mr. Doman was Vice President of U.S. Operations for Bristol Myers-Squibb-Convotec.
Steven A. Ellers1	49	Senior Vice President and Chief Financial Officer since March 1998; Group President from August 1997 to February 1998; Corporate Vice President, Sales from April 1996 to July 1997; previously Vice President, Operations.
John R. Gailey III1	45	Vice President, since December 1995, General Counsel since 1994 and Secretary.
Stephen M. Heumann1	58	Vice President and Treasurer.
Lawrence P. Higgins1	60	Vice President, Operations since May 1996. Prior to joining the Company, Mr. Higgins was an international business consultant.

1 Holds position as corporate officer elected by the Board of Directors for a one-year term.

Name	Age	Business Experience During Past Five Years
Herbert F. Hugill	52	Division President, Clinical Services since November 1999 and General Manager of the Clinical Services Group from its acquisition in April 1999. Previously Mr. Hugill served as Chief Operating Officer and Director from December 1997 of Collaborative Clinical Research, Inc. from which the Company purchased the Clinical Service Division. From 1996 to 1997 Mr. Hugill was President and Chief Executive Officer and a Director of Mediscience Technology Corp., a development stage biomedical technology company, and prior thereto President, RP Scherer North America, a drug delivery systems company.
William G. Little1	57	Chairman of the Board and Chief

		Executive Officer, President of the Company until September 1998.
Donald E. Morel, Jr.1	42	Division President, Drug Delivery Development since November 1999; Group President from March 1998 to October 1999; Corporate Vice President, Scientific Services from May 1995 to February 1998; and prior thereto Vice President, Research & Development for the Company.
Anna Mae Papso1	56	Vice President and Corporate Controller.
Anthony A. Sinkula	62	Vice President and Chief Scientific Officer since July 1998 and prior to joining the Company a consultant to several major pharmaceutical companies and the National Cancer Institute.

1 Holds position as corporate officer elected by the Board of Directors for a one-year term.

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 and the high and low prices for the stock for each calendar quarter in 1999 and 1998 were as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year	
	High	Low	High	Low	High	Low	High	Low	High	Low
1999	3611/16	3113/16	393/8	3113/16	407/16	375/8	381/4	307/8	407/16	307/8
1998	321/4	2815/16	33	28	30	25	3511/16	27	3511/16	25

As of December 31, 1999, the Company had 1,794 shareholders of record. There were also 1,900 holders of shares registered in nominee names. The Company's common stock paid a quarterly dividend of $.15 per share in each of the first three quarters of 1998; $.16 per share in the fourth quarter of 1998 and each of the first three quarters of 1999; and $.17 per share in the fourth quarter of 1999.

Item 6. Selected Financial Data.

Information with respect to the Company's net sales, income (loss) from consolidated operations, income (loss) before change in accounting method, income (loss) before change in accounting method per share (basic and assuming dilution) and dividends paid per share is incorporated by reference to the line items corresponding to those categories under the heading "Ten-Year Summary - Summary of Operations" of the 1999 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 "Ten-Year Summary - Year-End Financial Position" of the 1999 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 1999 Annual Report to Shareholders.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

The information called for by this Item is incorporated by reference to the Notes "Financial Instruments" and "Summary of Significant Accounting Policies" of Notes to Consolidated Financial Statements of the 1999 Annual Report to Shareholders.

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 1999 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" and "OWNERSHIP OF COMPANY STOCK" 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 "INFORMATION ABOUT THE BOARD AND BOARD COMMITTEES - Compensation of Directors"; "BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION"; and "COMPENSATION OF NAMED EXECUTIVE OFFICERS" contained 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 "OWNERSHIP OF COMPANY STOCK" contained in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

None

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) 1. The following report and consolidated financial statements, included in the 1999 Annual Report to Shareholders, have been incorporated herein by reference:

Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997

Consolidated Statements of Comprehensive Income for the years ended December 31, 1999, 1998 and 1997

Consolidated Balance Sheets at December 31, 1999 and 1998

Consolidated Statements of Shareholders' Equity for the years ended December 31, 1999, 1998 and 1997

Consolidated Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997

Notes to Consolidated Financial Statements

Report of Independent Accountants

(a)2. Supplementary Financial Information

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) There were no reports on Form 8-K filed by the Company in the fourth quarter of 1999.

(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/ Steven A. Ellers

Steven A. Ellers
Senior Vice President
and Chief Financial Officer

March 30, 2000

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/ William G. Little William G. Little (Principal Executive Officer)	Chairman, Director and Chief Executive Officer	March 30, 1999
/s/ Tenley E. Albright Tenley E. Albright *	Director	March 30, 1999
/s/ John W. Conway John W. Conway*	Director	March 30, 1999
/s/ George W. Ebright George W. Ebright*	Director	March 30, 1999
Steven A. Ellers	Senior Vice President and Chief Financial Officer	March 30, 1999
/s/ L. Robert Johnson L. Robert Johnson*	Director	March 30, 1999

Signature	Title	Date
/s/ William H. Longfield William H. Longfield*	Director	March 30, 1999
/s/ John P. Neafsey John P. Neafsey*	Director	March 30, 1999
Anna Mae Papso (Principal Accounting Officer)	Vice President and Corporate Controller	March 30, 1999
/s/ Monroe E. Trout Monroe E. Trout*	Director	March 30, 1999
/s/ Anthony Welters Anthony Welters*	Director	March 30, 1999
/s/ J. Roffe Wike, II J. Roffe Wike, II*	Director	March 30, 1999
/s/ Geoffrey F. Worden Geoffrey F. Worden*	Director	March 30, 1999

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

INDEX TO EXHIBITS

Exhibit Number

(3) (a) Amended and Restated Articles of Incorporation of the Company through January 4, 1999 incorporated by reference to 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) (a) Form of stock certificate for common stock incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (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) (b) First Addendum to Lease dated as of May 22, 1995 between Lion Associates, L.P. and the Company, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-8036).

(10) (c) Long-Term Incentive Plan, as amended March 2, 1993, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 1-8036).

(10) (d) Amendments to the Long Term Incentive Plan, dated April 30, 1996, incorporated herein by reference to the Company's Form 10Q for the quarter ended June 30, 1996 (File No. 1-8036).

Exhibit Number

(10) (f) 1999 Non-Qualified Stock Option Plan for Non-Employee Directors, effective as of April 27, 1999, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999 (File No. 1-8036).

(10) (g) Form of Director Stock Option Agreement, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999 (File No. 1-8036)..

(10) (h) Form of amended and restated agreement

between the Company and certain of its executive officers, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998 (File No.1-8036).

(10) (i) Schedule of agreements with executive officers.

(10) (j) 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) (k) Amendment No. 1 to Supplemental Employees' Retirement Plan, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-8036).

(10) (l) Amendment No. 2 to Supplemental Employees' Retirement Plan, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1995 (File No. 1-8036).

(10) (m) Retirement Plan for Non-Employee Directors reflecting amendments effective on November 5, 1991, April 28, 1998 and May 27, 1999, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999 (File No. 1-8036).

Exhibit
Number

(10) (n) Employment Agreement dated May 20, 1991 between the Company and William G. Little, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1991 (File No. 1-8036).

(10) (o) Non-Qualified Deferred Compensation Plan for Designated Executive Officers and Amendments Nos. 1 and 2 thereto, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).

(10) (p) Deferred Compensation Plan for Outside Directors, as amended and restated effective May 27, 1999, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-8036).

(10) (q) 1999 Stock-Equivalent Compensation Plan for Non-Employee Directors, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999 (File No. 1-8036).

(10) (r) Lease Agreement, dated August 31, 1978, between Paco Packaging, Inc. and Nineteenth Lakewood Corp., as amended by Amendment of Lease, dated November 30, 1978, Second Amendment of Lease, dated August 6, 1979, Third Amendment of Lease, dated July 24, 1980 and Fourth Amendment of Lease, dated August

14, 1980, incorporated by reference to the Exhibits to Paco Pharmaceutical Services, Inc's Registration Statement on Form S-1, Registration No. 33-48754, filed with the Commission.

(10) (s) Fifth Amendment of Lease, dated May 13, 1994, to the Lease Agreement, dated August 31, 1978, between Paco Packaging, Inc. and Nineteenth Lakewood Corp., incorporated by reference to the Exhibits to Paco Pharmaceutical Services, Inc.'s Annual Report on Form 10-K for the year ended March 31, 1994 (File number 0-20324).

Exhibit
Number

(10) (t) Lease Agreement, dated December 9, 1977, between Paco Packaging, Inc. and New Oak Street Corp., as amended by the Amendment to Lease Agreement, dated August 31, 1978, Second Amendment of Lease, dated April 8, 1979 and Third Amendment of Lease, dated November 16, 1983, incorporated by reference to the Exhibits to Paco Pharmaceutical Services, Inc.'s Registration Statement on Form S-1, Registration No. 33-48754, filed with the Commission.

(10) (u) Lease Agreement, dated April 7, 1986, between Northlake Realty Co. Inc. and Paco Packaging, Inc., as amended by Amendment to Lease, dated July 1, 1986, Second Amendment of Lease, dated June 15, 1987 between Paco Packaging and C. P. Lakewood, L. P., Agreement, dated December 29, 1987, and Lease Modification Agreement, dated December 13, 1989, incorporated by reference to the Exhibits to Paco Pharmaceutical Services, Inc.'s Registration Statement on Form S-1, Registration No. 33-48754, filed with the Commission.

(10) (v) Collective Bargaining Agreement, dated December 1, 1997, by and between Paco Pharmaceutical Services, Inc. and Teamster Local 35 (affiliated with the International Brotherhood of Teamsters), incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (File No.1-8036).

(10) (w) 1998 Key Employee Incentive Compensation Plan, dated March 10, 1998, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (File No.1-8036).

(10) (x) Asset Purchase Agreement Among Collaborative Clinical Research, Inc., GFI Pharmaceutical Services, Inc., and WCE clinical Evaluations and West Pharmaceuticals, Inc. dated December 28, 1998, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No.1-8036).

(11) Not Applicable.

(12) Not Applicable.

Exhibit
Number

(13) Portions of 1999 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.

(27) Financial Data Schedules

(99) None.

Exhibit 10 (i)

SCHEDULE OF AGREEMENTS WITH EXECUTIVE OFFICERS

The Company has entered into agreements with the following individuals. Such agreements are substantially identical in all material respects to the form of agreement set forth in Exhibit (10) (h).

George R. Bennyhoff

John R. Gailey III

Stephen M. Heumann

Anna Mae Papso

Financial Review

West Pharmaceutical Services (the Company) applies value-added services to the process of bringing new drug therapies and healthcare products to global markets. West's technologies include the design and manufacture of packaging components for pharmaceutical, healthcare and consumer products (device product development); research and development of drug delivery systems (drug delivery research and development); contract laboratory services, clinical services and other services that support the manufacturing, filling and packaging of pharmaceutical and healthcare products (contract services).

The following is management's discussion and analysis of the Company's operating results for the three years ended December 31, 1999, and its financial position as of year-end 1999. The information should be read in conjunction with the financial statements and accompanying notes appearing elsewhere in this report.

Results of Operations

The Company's 1999 net income was $38.7 million, or $2.59 per share. This result includes net tax benefits totaling $2.3 million from a combination of a foreign tax refund related to a dividend resulting from a fourth quarter tax reorganization of European subsidiaries and the favorable settlement of a prior years' tax appeal; a $4.2 million charge associated with the write-off of a plastic product line that has not gained market acceptance; and the reversal of $3.5 million of the 1996 restructuring charge related to the Company's operation in Puerto Rico due to a change in the business plan for that operation. In 1998, net income was $6.7 million, or $.41 per share, and included a charge of $28.2 million related to in-process research and development associated with the 1998 acquisition of DanBioSyst UK Ltd. (DBS) and a $2.5 million net restructuring charge related to staff reductions. Net income in 1997 was $44.4 million, or $2.69 per share, and includes a $7.9 million net tax benefit associated mainly with the tax reorganization of the Company's German subsidiaries.

Excluding the items noted in all three years, the Company's 1999 net income of $36.3 million, or $2.44 per share, compares with 1998 net income of $37.4 million, or $2.28 per share, and 1997 net income of $36.5 million, or $2.21 per share. Restructuring charges apply to the device product development segment and the in-process research and development charge applies to the drug delivery segment.

Net Sales

Net sales were $469.1 million in 1999 compared with $449.7 million for 1998. The impact of the strong U.S. dollar reduced reported sales by about $10 million. At constant exchange rates, sales in 1999 were 6.5% higher than 1998 net sales.

Sales of manufactured device products for the healthcare and consumer markets increased 7.8% (measured at constant exchange rates) in 1999 compared with 1998, with all geographic regions showing growth. The primary growth driver for this segment is demand for packaging components for pharmaceutical products. A number of factors contributed to this increase: 1) increased customer demand for higher value components for insulin and vaccines; 2) a switch by certain customers to higher value

components to improve their production efficiencies; and 3) increased customer inventories of some products related to year 2000 contingency planning. Sales in European markets increased 9.8%, and in domestic markets sales increased 5.9%. In domestic markets, the sales increase to healthcare markets was offset in part by a decline in sales to consumer markets, mainly due to the loss of customers replacement products to other suppliers. Also, sales increased significantly in Asia/Pacific markets due to higher volume.

Future sales growth in this segment will be achieved by focusing on the needs of customers with planned introductions of new products and by providing new services and products. The competitive environment for the products in this business segment is growing and, when combined with government pressures to drive healthcare costs down, limit our ability to increase pricing.

Contract services sales increased by 1.4% for the full year. The acquisition of the clinical services business units in April 1999 added $10.1 million to 1999 sales, although this sales level was below expectations due to project postponements and cancellations. Sales of contract manufacturing and packaging services decreased by 11% compared with 1998. A number of factors contributed to the sales decline for this business unit: 1) a loss of sales related to two product lines that customers converted to in-house production; 2) low demand for certain customers' products; 3) postponements of customers' new product launches; and 4) customer product cancellations due to regulatory issues. The impact of these events has prompted management to increase the size of the dedicated sales force while continuing to leverage other sales resource efforts to offer customers the full supply chain capability of all its business units. Management is also reviewing the need for additional production capabilities and has implemented changes in management for this business unit.

Revenues attributable to drug delivery research and development totaled $1.3 million in 1999 compared with $1.5 million in 1998. In 1999, this segment was focused on the preparation of

Investigational New Drug (IND) applications using proprietary delivery systems. Late in 1999, two INDs were filed with the U.S. Food and Drug Administration (FDA) for nasal delivery of morphine and leuprolide using the Company's proprietary chitosan-based system. These two products are now entering Phase I clinical trials and the Company is seeking licensees for these products.

The Company currently expects a decline in earnings in the first half of 2000, with a significant decline in first quarter earnings, versus the same periods in 1999. The time required to secure additional projects for the Company's contract services coupled with device product development sales growth (at constant exchange rates) at close to market rates and no significant revenue from drug delivery research and development, will cause this decline.

In 1998, net sales at $449.7 million were 1% below 1997 net sales of $452.5 million. Reported sales were reduced by about $2.6 million compared with 1997 due to the strong U.S. dollar versus most European and Asian currencies.

Sales of manufactured device products for the healthcare and consumer markets decreased 1% (measured at constant exchange rates) in 1998 compared with 1997. Sales declined in all markets with the exception of Europe where sales increased 9% partially due to the acquisition of Betraine Limited. Sales in domestic markets decreased 6% mainly reflecting lower sales to several key healthcare and consumer customers. These reductions resulted in part from reductions in customers' inventory levels, and a combination of lower resin prices and loss of business at three accounts to competitors. Lower demand in Asian and South American markets reflected local financial crises.

Contract manufacturing and packaging service sales increased 3% in 1998 compared with 1997, but excluding the impact of the lower level of Company-supplied materials for 1998 production, sales increased by 8% as several customers prepared for product introductions.

Gross Profit

The consolidated gross margin in 1999 was 30.8% and gross profit was $144.3 million. These results compare with a 30.1% gross margin and gross profit of $135.2 million in 1998.

Margins on manufactured device product sales increased by more than one percentage point due to the combined impact of increased demand, a more profitable product mix in all markets and cost savings and efficiency programs.

Margins on contract manufacturing and packaging services sales declined due to the combined impact of lower volume in the last half of 1999 and the loss of two profitable contracts, which customers converted to in-house production. The margin decline was mitigated by the higher-margin services of the clinical services business units.

The 1998 consolidated gross margin of 30.1% compared favorably with the 29.2% gross margin in 1997, with gross profit increasing from $132.1 million in 1997 to $135.2 million in 1998.

Margins on contract manufacturing and packaging service sales increased significantly due to sales volume, price increases, more high-margin longer-running jobs and improved efficiencies. Margins on manufactured device product sales were marginally lower than 1997 due to the inclusion of Betraine Limited, a company acquired in 1998. Excluding Betraine, gross margin for this operating segment increased slightly due to cost savings and efficiency programs. These cost reductions offset the combined negative impact of lower volumes, a less favorable product mix and price competition.

Expenses

Selling, general and administrative expenses as a percent of sales were 16.6% in 1999, 15.7% in 1998 and 15.5% in 1997.

Selling, general and administrative expenses totaled $77.9 million in 1999, $70.5 million in 1998 and $70.2 million in 1997. The $7.4 million increase in these expenses in 1999 compared with 1998 primarily relates to expenses of acquired companies, spending on drug delivery research and development, management information systems costs (in part related to year 2000 remediation and contingency planning), severance and revised estimates of costs for environmental remediation activities. These increases more than offset the following favorable factors: lower pension costs due to higher income on U.S. pension plan assets and the impact of the stronger U.S. dollar.

The $.3 million increase in these expenses in 1998 compared with 1997 was also primarily associated with acquisitions. The increase more than offset the following favorable factors: lower pension costs due to higher income on U.S. pension plan assets, the impact of the stronger U.S. dollar and lower U.S. employee fringe benefit costs.

Transactions included in the other income category netted to income of $1.2 million in 1999, compared to income of $2.5 million in 1998 and $1.1 million in 1997. Interest income, included therein, totaled $2.5 million in 1999, $2.7 million in 1998 and $2.0 million in 1997, a result of cash flow from operations available for investment. Foreign currency losses were $.9 million in 1999 compared with $.2 million of foreign exchange gains in 1998. The strong U.S. dollar compared with Euro-based currencies was responsible for the 1999 losses. Beginning in 1998, accounts of the Company's subsidiary in Brazil

were translated using the Brazilian real as the functional currency, since inflation in that country had declined significantly. Net losses on real estate and investments totaled $.3 million in 1998 and $.7 million in 1997. Losses on disposition of obsolete equipment totaled $.6 million in 1999 and 1997 and were immaterial in 1998.

Interest

Interest costs totaled $11.0 million in 1999 compared with $7.5 million in 1998 and $6.0 million in 1997, of which $.6 million in 1999, $.3 million in 1998 and $.4 million in 1997 were capitalized as part of the cost of capital asset acquisitions.

The average consolidated debt level increased despite strong cash flow from operations in both 1999 and 1998. Higher debt levels reflect the acquisition of the Clinical Services Division in April 1999, DBS in March 1998 and Betraine in July 1998. Also in 1999 the Company purchased 530,800 shares of its common stock on the open market at an average cost of $34.10 per share, after having acquired two million shares at $30.00 per share in a Dutch Auction self-tender in October 1998.

Income Taxes

The effective tax rate on consolidated income was 32.5% in 1999, 76.1% in 1998 and 23.2% in 1997. Unusual events have impacted the effective tax rate in each of these years. Excluding the impact of these unusual items would result in comparative tax rates of 37.5% for 1999, 37.8% for 1998 and 37% for 1997. These comparative tax rates reflect changes in the geographic mix of earnings and changes in the statutory tax rate in several countries in the three-year span.

The unusual items impacting the actual reported rates are as follows: In 1999, two events produced a net tax benefit of $2.3 million: namely, a foreign dividend made possible by a tax reorganization of the Company s European subsidiaries late in the year which triggered the refund of taxes previously paid and the favorable settlement of a prior years tax appeal. The tax reorganization of the European subsidiaries will reduce the effective tax rate, excluding any unforeseen unusual items, by approximately one percentage point in future years.

In 1998, the reported effective tax rate was increased by a non-deductible $28.2 million charge for acquired in-process research and development.

In 1997, two events produced a net tax benefit of $7.9 million. The events were: 1) a tax reorganization of German subsidiaries, which both increased the tax basis for the assets of these entities and resulted in tax credit refunds, and 2) repatriation of cash dividends from certain foreign subsidiaries.

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 increased in 1999 after having declined in both 1998 and 1997. Daikyo's contribution to earnings increased in 1999 due to a combination of higher sales volumes and margins, the benefit of a legal settlement of a patent infringement, and a stronger Japanese yen versus the U.S. dollar. In 1998 and 1997, Daikyo s results were impacted by high expenses related to the introduction of a new product line, Resin CZ vials, lower sales due to reduced government reimbursements of healthcare costs and a weaker Japanese yen versus the U.S. dollar. Contributions from Mexican operations rose slightly after having decreased in the previous two years. In 1997, equity in losses of DBS related to the Company s then 30% ownership interest. DBS was consolidated beginning in April 1998 when it became a wholly owned subsidiary.

Financial Position

The Company believes that its financial position and current capitalization will enable it to finance substantial future growth. Cash flow from operations totaled $69.4 million in 1999. Working capital at December 31, 1999, totaled $80.7 million, a ratio of current assets to current liabilities of 1.8 to 1, and includes a cash balance of $45.3 million. Debt to total invested capital (total debt, minority interests and shareholders' equity) was 42.5%. The outstanding debt balance was $171.1 million at December 31, 1999, compared with $141.1 million at year-end 1998.

Available cash plus cash flow from 1999 operations, combined with cash from stock option exercises and a $100 million, 10-year, private debt placement were used to fund the following: the paydown of revolving credit lines; $46.2 million of 1999 capital expenditures; the $17.2 million purchase price for acquisitions; the repurchase of 530,800 common shares at an average cost of $34.10 per share; and $10.3 million of cash dividends to shareholders ($.65 per share).

2000 Requirements

Capital expenditures:

Cash requirements for capital projects in 2000 are projected to be $50 million. These projects focus on new business opportunities, technology upgrades and product and process standardization for the device product development facilities to reduce cost and improve quality. Projects at the contract manufacturing and packaging business unit are mainly for additional high-speed equipment to improve service to customers and become more competitive. Continued implementation of new information management systems software to remain efficient and competitive is also planned.

Year 2000 costs:

The Company developed and implemented a comprehensive corporate-wide project designed to address the year 2000 issue. The Company did not experience any difficulties related to the year 2000 compliance on December 31, 1999 or to date, nor has the Company experienced difficulties due to its suppliers or customers in connection with year 2000 compliance.

The pretax costs incurred for this effort were approximately $1.9 million in 1999, $3.7 million 1998 and $1.0 million in 1997. Purchases and implementation costs for compliant software which also improves functionality were capitalized. As a result, $1.1 million in 1999, $3.3 million in 1998 and $1.0 million in 1997 have been capitalized. The Company did not separately track incidental costs and time that its own internal employees spent on the year 2000 project.

Foreign exchange exposure:

In accordance with the Company's foreign exchange management policy, the adverse consequences resulting from foreign currency exposure are mitigated by engaging in certain hedging activities. Foreign exchange forward contracts are used to minimize exposure related to foreign currency transactions and commitments for raw material purchases. The Company has entered into interest rate swap agreements to minimize risk to interest rate increases. The Note "Financial Instruments" to the Consolidated Financial Statements explains the impact of such hedges and interest rate swaps on the Company's results of operations and financial position.

Remedial activities:

Cash requirements for remedial activity related to environmental cleanup are expected to be relatively small in 2000 as the Company works with local environmental authorities to finalize

the remediation plan at a U.S. manufacturing site. The Company has been indemnified by other financially responsible parties against future government claims relating to groundwater contamination at a Puerto Rico site, and the Company does not anticipate any remedial expenses with respect to this site.

In 2000, management believes cash generated from operations and option exercises, credit facilities and the Company's current capitalization will provide sufficient flexibility to meet future cash flow requirements and pursue its stated strategy. The Company s current revolving credit agreement expires in August 2000, but the Company has begun discussions for a replacement facility to balance cash flow requirements.

Statements concerning forecasted results, financial or otherwise, which are contained in the above material, constitute "forward looking statements" that involve risks and uncertainties. The Company's actual results may differ materially from those expressed in any forward-looking statement and are dependent on a number of factors including but not limited to, sales demand, timing of customers' projects, competitive pressures, the strength or weakness of the U.S. dollar, inflation, the cost of raw materials, successful continuance of cost-improvement programs and statutory tax rates.

CONSOLIDATED STATEMENTS OF INCOME
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997.
(in thousands, except per share data)

	1999		1998		1997	
Net sales	$469,100	100%	$449,700	100%	$452,500	100%
Cost of goods and services sold	324,800	69	314,500	70	320,400	71
Gross profit	144,300	31	135,200	30	132,100	29
Selling, general and administrative expenses	77,900	17	70,500	16	70,200	16
Restructuring charge	700	-	4,000	1	-	-
Acquired research and development	-	-	28,200	6	-	-
Other (income), net	(1,200)	-	(2,500)	(1)	(1,100)	(1)
Operating profit	66,900	14	35,000	8	63,000	14
Interest expense	10,400	2	7,200	2	5,600	1
Income before income taxes and minority interests	56,500	12	27,800	6	57,400	13
Provision for income taxes	18,400	4	21,200	5	13,300	3
Minority interests	200	-	100	-	200	-
Income from consolidated operations	37,900	8%	6,500	1%	43,900	10%
Equity in net income of affiliated companies	800	---	200	---	500	---
Net income	$ 38,700		$ 6,700		$ 44,400	
Net income per share:						
Basic	$ 2.59		$ .41		$ 2.69	
Assuming dilution	$ 2.57		$ .40		$ 2.68	
Average common shares outstanding	14,914		16,435		16,475	
Average shares assuming dilution	15,048		16,504		16,572	

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997.
(in thousands)

	Foreign currency items	Unrealized gains (losses) on securities	Total other comprehensive income(loss)	Net income	Total comprehensive income
Cumulative balance, January 1, 1997	$16,300	$ 400	$16,700		
Comprehensive income 1997	(12,900)	(300)	(13,200)	$44,400	$31,200
Cumulative balance, December 31, 1997	3,400	100	3,500		
Comprehensive income 1998	4,100	(400)	3,700	$ 6,700	$10,400
Cumulative balance, December 31, 1998	7,500	(300)	7,200		
Comprehensive income 1999	(13,600)	1,100	(12,500)	$38,700	$26,200
Cumulative balance, December 31, 1999	$(6,100)	$800	$(5,300)		

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

CONSOLIDATED BALANCE SHEETS
WEST PHARMACEUTICAL SERVICES, INC. AND SUBSIDIARIES
AT DECEMBER 31, 1999 AND 1998.
(in thousands, except per share data)

	1999	1998
ASSETS		
Current assets:		
Cash, including equivalents (1999--$26,100; 1998--$13,700)	$ 45,300	$ 31,300
Accounts receivable, less allowance (1999--$1,800; 1998--$1,900)	74,600	64,400
Inventories	42,100	43,500
Deferred income tax benefits	7,300	9,700
Other current assets	15,400	10,800
Total current assets	184,700	159,700
Property, plant and equipment	489,200	474,700
Less accumulated depreciation and amortization	261,600	251,900
	227,600	222,800
Investments in affiliated companies	20,200	15,700
Goodwill	66,500	61,200
Deferred charges and other assets	52,800	48,700

	$551,800	$508,100

LIABILITIES AND SHAREHOLDERS' EQUITY	1999	1998
Current liabilities:		
Current portion of long-term debt	$ 2,200	$ 800
Notes payable	27,400	35,300
Accounts payable	25,500	20,800
Accrued expenses:		
Salaries, wages and benefits	15,600	17,100
Income taxes payable	5,500	8,500
Other	27,800	24,200
Total current liabilities	104,000	106,700
Long-term debt, excluding current portion	141,500	105,000
Deferred income taxes	48,000	39,100
Other long-term liabilities	26,300	26,600
Minority interests	800	600
Shareholders' equity:		
Preferred stock, shares authorized: 3,000; shares issued and outstanding: 1999--0; 1998--0		
Common stock, par value $.25 per share; shares authorized: 50,000; shares issued: 1999--17,165; 1998--17,165; shares outstanding: 1999--14,664; 1998--15,026	4,300	4,300
Capital in excess of par value	31,700	32,900
Retained earnings	278,100	249,300
Accumulated other comprehensive (loss) income	(5,300)	7,200
	308,800	293,700
Less treasury stock (1999--2,501 shares; 1998--2,139 shares)	77,600	63,600
Total shareholders' equity	231,200	230,100
	$551,800	$508,100

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, 1999, 1998 AND 1997.
(in thousands, except per share data)

	Common stock	Capital in excess of par value	Retained earnings	Other comprehensive income (loss)	Treasury stock	Total
Balance, January 1, 1997	$4,200	$24,000	$217,700	$16,700	$(10,600)	$252,000
Net income			44,400			44,400
Shares issued under stock plans					4,100	4,100
Cash dividends declared ($.58 per share)			(9,600)			(9,600)
Changes-other comprehensive income				(13,200)		(13,200)
Balance, December 31, 1997	4,200	24,000	252,500	3,500	(6,500)	277,700
Net income			6,700			6,700
Shares issued under stock plans		300			3,300	3,600
Shares issued for acquisition	100	8,600				8,700
Shares repurchased					(60,400)	(60,400)
Cash dividends declared ($.62 per share)			(9,900)			(9,900)

Changes-other comprehensive income				3,700		3,700
Balance, December 31, 1998	4,300	32,900	249,300	7,200	(63,600)	230,100
Net income			38,700			38,700
Shares issued under stock plans		(1,200)			4,100	2,900
Shares repurchased					(18,100)	(18,100)
Cash dividends declared ($.66 per share)			(9,900)			(9,900)
Changes-other comprehensive income				(12,500)		(12,500)
Balance, December 31, 1999	$4,300	$31,700	$278,100	$(5,300)	$(77,600)	$231,200

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, 1999, 1998 AND 1997.
(in thousands)

	1999	1998	1997
Cash flows from operating activities:			
Net income	$38,700	$6,700	$44,400
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	35,700	32,300	31,900
Acquired in-process research and development	-	28,200	-
Restructuring charge	700	4,000	-
Loss on sales of real estate and investments	-	300	700
Deferred income taxes	8,500	5,900	(7,500)
Pension and other retirement plans	(9,200)	(6,000)	(4,100)
Equity in undistributed earnings of affiliated companies, net	(500)	(100)	(100)
Decrease (increase) in accounts receivable	(10,200)	(700)	1,000
Decrease (increase) in inventories	(1,200)	(2,400)	2,700
Decrease (increase) in other current assets	(1,400)	800	400
(Decrease) increase in other current liabilities	6,900	500	(1,300)
Other operating items	1,400	1,500	(400)
Net cash provided by operating activities	69,400	71,000	67,700
Cash flows from investing activities:			
Property, plant and equipment acquired	(46,200)	(41,800)	(34,400)
Proceeds from sales of assets	100	1,200	1,700
Payments for acquisitions, net of cash acquired	(17,200)	(34,900)	-
Customer advances, net of repayments	1,600	1,700	(300)
Net cash used in investing activities	(61,700)	(73,800)	(33,000)

	1999	1998	1997
Cash flows from financing activities:			
Proceeds from senior notes	100,000	-	-
(Repayments) borrowings under revolving credit agreements, net	(46,000)	65,000	200
Proceeds from other long-term debt	-	1,500	-
Repayment of other long-term debt	(3,000)	(19,100)	(1,200)
Other notes payable, net	(16,800)	800	(700)
Issuance of common stock, net	2,800	2,600	4,000
Dividend payments	(10,300)	(9,400)	(9,400)
Purchase of treasury stock	(18,100)	(60,400)	-
Net cash provided by (used in) financing activities	8,600	(19,000)	(7,100)
Effect of exchange rates on cash	(2,300)	800	(2,600)

Net increase (decrease) in cash and cash equivalents	14,000	(21,000)	25,000
Cash and cash equivalents at beginning of year	31,300	52,300	27,300
Cash and cash equivalents at end of year	$45,300	$31,300	$52,300
Supplemental cash flow information:			
Interest paid, net of amounts capitalized	$ 9,000	$ 5,100	$ 5,700
Income taxes paid	$15,100	$14,700	$20,000

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

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

Summary of Significant Accounting Policies

Basis of Presentation: The financial statements are prepared in conformity with generally accepted accounting principles 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"). Material intercompany transactions and accounts are eliminated in consolidation. Certain items have been reclassified to conform with current classifications. Investments in affiliated companies in which ownership exceeds 20% are accounted for on the equity method.

Statement of Cash Flows: Cash flows from operating activities are reported under the indirect method; 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, except for the cost of inventories of West Pharmaceutical Services Lakewood, Inc. ("West Lakewood"), a wholly owned subsidiary, which is determined on the first-in, first-out (FIFO) 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 uses interest rate swaps and forward exchange contracts to minimize the economic exposure related to fluctuating interest and foreign exchange rates. Amounts to be paid or received under interest rate swaps are accrued as interest expense, and presented in the financial statements on a net basis. Gains and losses on hedges of existing assets and liabilities are recognized monthly and offset gains and losses on the underlying transaction. Gains and losses

related to firm commitments, primarily raw material purchases including local needs in foreign subsidiaries, are deferred and

recognized as part of the underlying transaction.

In 1998, Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", was issued. This standard, which will be adopted by the Company in the year 2001, requires derivatives to be recorded on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the value of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The impact of adopting this standard cannot be determined at this time.

Marketable Securities: Investments in debt and marketable securities are classified under one of three categories: held-to-maturity, available-for-sale and trading, based on management's intentions. Investments in marketable securities are stated at fair market value. Unrealized gains and losses on trading securities are included in income. Unrealized gains and losses on securities available-for-sale are accumulated in other comprehensive income, a separate component of shareholders' equity. Cost of marketable securities is determined on the moving average method.

Revenue Recognition: Sales of manufactured components and contract manufacturing and packaging services are recorded at the time title passes, which generally occurs when the goods are shipped. Clinical services revenue and related direct costs are recognized as specific contract terms are fulfilled under the percentage of completion method (the units of delivery method). Fees for individual contract clinical services are fixed upon execution of the contract and provide for payment for all work performed. Pass-through costs that are paid directly by clients, and for which the Company does not bear the risk of performance, are excluded from revenue. 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 the agreement with the customer.

Property, Plant and Equipment: Property, plant and equipment are carried at cost. Maintenance and minor repairs and renewals are charged to expense as incurred. 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.

Impairment of Asset Value: The Company continually evaluates the appropriateness of the remaining estimated useful life and the carrying value of its operating assets, goodwill and other intangible assets. Carrying values in excess of undiscounted

estimates of related cash flows are expensed when such determination is made.

Depreciation and Amortization: For financial reporting purposes, 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 is being amortized on the straight-line method over periods ranging from 13 to 40 years.

Research and Development: Research, development and engineering expenditures for the creation and application of new or improved products and processes, and drug delivery systems, the totals of which amounted to $16,700 in 1999, $14,500 in 1998, and $12,000 in 1997, are expensed as incurred, net of customer reimbursements.

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 qualify as 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.

Net Income Per Share: Basic net income per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during each period. Net income 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.

Other Income (Expense)

	1999	1998	1997
Interest income	$ 2,500	$ 2,700	$2,000
Foreign exchange (losses) gains	(900)	200	-
Loss on sales of real estate and investments	-	(300)	(700)
Other	(400)	(100)	(200)
	$ 1,200	$ 2,700	$1,100

Restructuring Charges

In 1999, the Company revised its business plan related to its plastics component manufacturing operations. The new business plan includes investment in new capacity and capabilities at the Company's Puerto Rico facility, which resulted in a $3.5 million adjustment of the restructuring charge recorded in 1996 related to this operation. In addition, the Company wrote off the $4.2 million carrying value of equipment and intangibles related to a proprietary plastic product line that has not gained market acceptance.

In September 1998, the Company recorded a pre-tax charge of $4,000. The charge related to employee reductions associated with identified manufacturing and other operating efficiencies. The charge includes severance and benefits for 90 employees including manufacturing and staff positions and other related charges. At

December 31, 1999, the total payout of severance and benefits to date associated with this charge was $3,610.

Acquisitions and Investments

On April 20, 1999, the Company acquired the assets of the Clinical Services Division ("CSD") of Collaborative Clinical Research, Inc. CSD provides clinical research services to the

pharmaceutical and biotechnology industries. Its focus is on the identification, placement, monitoring and management of clinical-trial programs. The CSD purchase price was comprised of a combination of $15,900 in cash, and the assumption of $2,300 of current liabilities. The acquisition was accounted for as a purchase and CSD was consolidated beginning May 1, 1999. The allocation of the purchase price is as follows:

Current assets	$2,900
Equipment and leasehold improvements	800
Goodwill	14,500

The excess of the purchase price over the net assets acquired is being amortized on a straight-line basis over 20 years. Pro forma results assuming the acquisition of CSD as of January 1, 1999 would not materially change reported sales or net income.

In the third quarter of 1999, the Company acquired a 7% interest in a firm involved in genotyping technology for $1,300. Upon the satisfaction of certain future milestones, the Company is conditionally committed to investing up to an additional $2,300, which would bring its cumulative ownership percentage up to 19.95%.

On July 1, 1998, the Company acquired Betraine Limited for BPS 7,200 ($11,800 at July 1, 1998). Betraine manufactures precision injection molded plastic components for the healthcare and consumer products industries. The acquisition was accounted for as a purchase and Betraine was consolidated beginning July 1, 1998. The acquisition was financed with existing cash. The excess of the purchase price over the net assets acquired is being amortized on a straight-line basis over 20 years.

On March 31, 1998, the Company acquired for BPS 20,000 ($33,500 at March 31, 1998) the remaining 70% interest in DanBioSyst UK Ltd. ("DBS"), making DBS a wholly owned subsidiary. DBS is engaged in drug delivery system research and development. This transaction was accounted for by the purchase method, and was financed with cash of $9,400, 320,406 shares of restricted common stock valued at $8,700, and short-term notes of $15,400. DBS was consolidated beginning April 1, 1998. The allocation of the purchase price, determined by an independent appraiser using the income approach, follows:

Current assets	$ 1,300
Equipment and leasehold improvements	800
In-process research and development	28,200
Patents	2,800
Other intangibles	400

In-process research and development was written off at the date of acquisition. This value relates to various drug delivery platforms which DBS had in different stages of the development process. The appraisal was based on licensing of such delivery systems with significant revenues generated beginning in 2003. A

discount rate of 32% was used.

The initial 30% interest in DBS was acquired in 10% increments over the period 1994 through 1996.

Income Taxes

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

	1999	1998	1997
Domestic operations	$36,000	$ 8,600	$39,500
International operations	20,500	19,200	17,900
	$56,500	$27,800	$57,400

The related provision for income taxes consists of:

	1999	1998	1997
Currently payable:			
Federal	$ 3,300	$ 8,800	$ 16,000
State	300	900	600
International	6,300	5,600	4,200
	9,900	15,300	20,800

Deferred:			
Federal	7,200	4,200	1,800
International	1,300	1,700	(9,300)
	8,500	5,900	(7,500)
	$18,400	$21,200	$13,300

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 is as follows:

	1999	1998	1997
Statutory corporate tax rate	35.0%	35.0%	35.0%
Tax on international operations in excess of United States tax rate	2.9	1.2	4.7
Tax reorganization benefit	(3.1)	-	(21.7)
Acquired research and development	-	35.5	-
United States tax on repatriated international earnings	.6	.8	4.3
State income taxes, net of Federal tax benefit	.4	2.3	.7
Settlement of tax audit	(1.8)	-	-
Other	(1.5)	1.3	.2
Effective tax rate	32.5%	76.1%	23.2%

In the fourth quarter of 1999, the Company completed a tax reorganization of its European subsidiaries. The reorganization made possible payment of a dividend which triggered refund of taxes previously paid.

In the third quarter of 1997, the Company completed a tax reorganization of certain German subsidiaries. The benefit of this reorganization was reduced in 1997's fourth quarter due to a tax law change and completion of a tax audit.

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

	1999	1998
Net current assets	$ 5,300	$ 7,800
Net noncurrent liabilities	$36,200	$27,900

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

	1999	1998
Deferred tax assets:		
Loss on asset dispositions and plant closings	$ 2,400	$ 2,400
Severance and deferred compensation	9,200	9,900
German tax reorganization	4,900	7,800
Net operating loss carryovers	3,800	2,300
Foreign tax credit carryovers	1,100	800
Restructuring charge	-	1,400
Other	3,800	4,500
Valuation allowance	(4,900)	(2,900)
Total	$20,300	$26,200
Deferred tax liabilities:		
Accelerated depreciation	$34,400	$32,200
Severance and deferred compensation	11,900	7,600
Other	4,900	6,500
Total	$51,200	$46,300

At December 31, 1999, subsidiaries had operating tax loss carryovers of $35,200, which will be available to apply against the future taxable income of such subsidiaries. The carryover periods expire beginning with $7,900 in 2002 and continue through 2006.

In 1997, the Company repatriated $12,000 of undistributed earnings of international subsidiaries and $2,400 of tax was recorded. At December 31, 1999, undistributed earnings of

international subsidiaries, on which deferred income taxes have not been provided, amounted to $151,000. 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, 1999, the Company had available foreign tax credit carryovers of approximately $1,100 expiring in 2000 through 2004.

Net Income Per Share

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

	1999	1998	1997
Net income	$38,700	$ 6,700	$44,400
Average common shares outstanding	14,914	16,435	16,475
Assumed stock options exercised and awards vested	134	69	97
Average shares assuming dilution	15,048	16,504	16,572

Comprehensive Income

Comprehensive income consists of reported net income and other comprehensive income which reflects revenue, expenses and gains and losses which generally accepted accounting principles exclude from net income. For the Company, the items excluded from current net income are unrealized gains or losses on available-for-sale securities and cumulative foreign currency adjustments. Comprehensive income and the cumulative balance of each item of other comprehensive income is displayed in the accompanying Consolidated Statements of Comprehensive Income.

Inventories

	1999	1998
Finished goods	$14,000	$15,700
Work in process	12,800	13,700
Raw materials	15,300	14,100
	$42,100	$43,500

Included above are inventories located in the United States that are valued on the LIFO basis, amounting to $11,800 and $10,200 at December 31, 1999 and 1998, respectively, which are approximately $6,800 and $7,200, respectively, lower than replacement value.

Affiliated Companies

At December 31, 1999, the following affiliated companies were accounted for under the equity method:

	Location	Fiscal year end	Ownership interest
West Pharmaceutical Services Mexico S.A. de C.V.	Mexico	Dec. 31	49%
Aluplast S.A. de C.V.	Mexico	Dec. 31	49%
Pharma-Tap S.A. de C.V.	Mexico	Dec. 31	49%
Daikyo Seiko, Ltd.	Japan	Oct. 31	25%

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

	1999	1998
Balance Sheets:		
Current assets	$ 95,400	$ 83,400
Noncurrent assets	111,100	99,600
Total assets	$206,500	$183,000
Current liabilities	$ 62,100	$ 45,000
Noncurrent liabilities	74,300	79,800
Owners' equity	70,100	58,200
Total liabilities and owners' equity	$206,500	$183,000

	1999	1998	1997
Income Statements:			
Net sales	$78,200	$69,500	$77,200
Gross profit	17,000	14,500	18,700
Net income	3,400	1,000	2,900

Unremitted income of affiliated companies included in consolidated retained earnings amounted to $11,600, $11,100 and $11,100 at December 31, 1999, 1998 and 1997, respectively. Dividends received from affiliated companies were $300 in 1999, $200 in 1998 and $400 in 1997.

The Company's equity in unrealized gains and losses of Daikyo Seiko, Ltd.'s investment in securities available for sale included in other comprehensive income, a separate component of shareholders' equity, was $800, $(300) and $100 at December 31, 1999, 1998 and 1997, respectively. The 1999 gains and 1998 losses are net of income taxes of $1,000 and income tax benefits of $300, respectively.

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	1999	1998
Land		$ 3,100	$ 3,400
Buildings and improvements	7-50	103,700	104,200
Machinery and equipment	3-20	304,700	293,600
Molds and dies	4-7	53,500	55,600
Construction in progress		24,200	17,900
		$489,200	$474,700

Debt

Short-Term: Notes payable in the amounts of $27,400 and $35,300 at December 31, 1999 and 1998, respectively, are payable within one year and bear interest at a weighted-average interest rate of 7% and 6%, respectively. At December 31, 1998, short-term debt of $2,800 (under a revolving credit line) was classified as long-term because of the Company's intent to renew the borrowings using an available long-term credit facility.

Long-term:

At December 31,	1999	1998
Unsecured:		
Senior notes, due 2009 (6.81%)	$100,000	$ -
Revolving credit facility, due 2000 (5.51%)	-	55,000
Tax-exempt industrial revenue bonds, due 2005 (4.2% to 5.95%) (a)	10,900	11,100
Subordinated debentures, due 2007 (6.5%)	3,400	3,300
Other notes, due 2000 to 2006 (4.0% to 7.23%)	25,900	29,800
Collateralized:		
Mortgage notes, due 2016 (6.94%) (b)	3,500	6,600
Total long-term debt	143,700	105,800
Less current portion	2,200	800
	$141,500	$105,000

(a) The proceeds of industrial revenue bonds that were not required for the respective construction projects have been invested by the Company. Use of these excess funds and earnings thereon is restricted to servicing the debt. The aggregate of

unexpended proceeds and earnings thereon of $1,600 is reflected as a reduction of the principal outstanding on the bonds.

(b) Real estate, machinery and equipment with a carrying value of

$10,300 at December 31, 1999, are pledged as collateral.

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 CSD, and for general corporate purposes.

The Company's revolving credit agreement provides for borrowings up to $125,000 through August 2000, renewable at the lenders' option. Interest is charged at a floating rate based on LIBOR, and a commitment fee ranging up to 3/20% per annum is payable on the facility.

At December 31, 1999, $4,300 at par value of West Lakewood's subordinated debentures were outstanding. The subordinated debentures are reflected in the balance sheet net of discount, which is being amortized through the maturity date of the subordinated debentures, March 1, 2007. The unamortized discount totaled $900 and $1,000 at December 31, 1999 and 1998, respectively. The holders have the right to convert such subordinated debentures into cash for an amount approximating 50% of the par value of the subordinated debentures converted. Interest is payable semiannually.

Long-term debt maturing in the years following 2000 is: $10,000 in 2001, $0 in 2002, $11,200 in 2003 and $0 in 2004.

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 1999, 1998 and 1997 were $11,000, $7,500 and $6,000, respectively, of which $600, $300 and $400, respectively, were capitalized as part of the cost of acquiring certain assets.

At December 31, 1999, the Company has three interest rate swap contracts outstanding, with notional value of $3,000 each, to fix the interest rates at 6.54%, 6.775% and 6.51% through April, July and August 2001, respectively. Under the terms of these agreements, the Company makes periodic interest payments based on these fixed rates of interest on the notional principal amounts to a counterparty that makes payments based on a market interest rate. The net interest expense recognized in connection with these agreements was less than $200 in 1999 and less than $100 in

the prior two years.

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	
	1999	1998	1999	1998
Cash and cash equivalent	$45,300	$31,300	$45,300	$31,300
Short-and long-term de	171,100	141,100	167,100	135,000
Interest rate swaps(a)	-	-	-	-
Forward exchange contracts(a)	-	-	-	-

(a) The estimated fair value of the interest rate swaps was less

than $100 at December 31, 1999 and 1998. The estimated fair value of forward exchange contracts was less than $100 at December 31, 1999. There were no forward contracts in effect at December 31, 1998.

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 (see preceding Note "Debt") and forward exchange rate contracts are valued at published market prices, market prices of comparable instruments or quotes.

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 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.

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		
	1999	1998	1997	1999	1998	1997
Service cost	$ 4,600	$ 3,600	$ 3,600	$ 400	$500	$400
Interest cost	8,900	8,500	8,000	400	500	500
Expected return on assets	(17,600)	(15,400)	(13,400)	-	-	-
Amortization of unrecognized transition asset	(700)	(800)	(800)	-	-	-
Amortization of prior service cost	400	400	200	(1,500)	(1,500)	(1,400)
Recognized actuarial gains	(2,000)	(1,800)	(1,200)	-	-	-
Curtailment gain	(200)	-	-	-	-	-
Pension (income)	$(6,600)	$(5,500)	$(3,600)	$ (700)	$(500)	$(500)

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

	Pension benefits		Other retirement benefits	
	1999	1998	1999	1998
Change in benefit obligation:				
Benefit obligation, January 1	$(131,900)	$(120,400)	$(8,400)	$(7,400)
Service cost	(4,600)	(3,600)	(400)	(500)
Interest cost	(8,900)	(8,500)	(400)	(500)
Plan participants' contributions	200	200	100	100
Actuarial gain (loss)	17,900	(5,500)	3,100	(400)
Transfers in	(3,300)	-	-	-
Benefits/expenses paid	6,600	6,200	200	300
Curtailment gain	200	-	-	-
Settlement	900	-	-	-
Foreign exchange impact	600	(300)	-	-
Benefit obligation, December 31	$(122,300)	$(131,900)	$(5,800)	$(8,400)
Change in plan assets:				
Fair value of assets, January 1	$189,400	$165,900	$ -	$ -
Actual return on assets	44,500	28,600	-	-
Employer contribution	700	900	100	200
Plan participants' contribution	200	200	100	100
Transfers in	1,400	-	-	-
Benefits/expenses paid	(6,600)	(6,200)	(200)	(300)
Foreign exchange impact	(300)	-	-	-
Fair value of plan assets, December 31	$229,300	$189,400	$ -	$ -

	Pension benefits		Other retirement benefits	
	1999	1998	1999	1998
Funded status:				
Assets in excess (less than) benefits	$107,000	$57,500	$(5,800)	$(8,400)
Unrecognized net actuarial(gain)loss	(90,300)	(47,800)	(2,000)	1,100
Unrecognized transition asset	(1,300)	(3,300)	-	-
Unrecognized prior service cost	2,900	3,300	(4,600)	(6,000)
December 31:				
Prepaid benefit cost	$24,800	$16,700	-	-
Accrued liability	$(6,500)	$(7,000)	$(12,400)	$(13,300)

In 1999, the Company curtailed its pension plan for active non-employee directors. A gain of $200 was recognized on the curtailment. The accrued pension obligation to the active directors was settled by issuing common stock equivalent units. The number of stock equivalent units was determined by dividing each director's accrued pension liability by $33.60, the average

market price of the Company's stock over a 30-day period prior to the settlement.

The aggregate projected benefit obligation and aggregate fair value of plan assets for pension plans with obligations in excess of plan assets were $15,800 and $9,300, respectively, as of December 31, 1999, and $8,500 and $600, respectively, as of December 31, 1998. Weighted average assumptions as of December 31 follow:

(CAPTION>

	Pension Benefits		Other retirement benefits	
	1999	1998	1999	1998
Discount rate	7.8%	6.7%	8%	6.75%
Rate of compensation increase	5.3%	5.5%	-	-
Long-term rate of return on assets	9.1%	9.3%	-	-

The assumed healthcare cost trend used is 8% for participants under age 65 and 7% for participants age 65 and over in 2000, decreasing to 5.5% by 2006. Increasing or decreasing the assumed trend rate for healthcare costs by one percentage point would result in a $400 increase and decrease, respectively, in the accumulated benefit obligation. The related change in the aggregate service and interest cost components of the 1999 plan expense is a $100 increase and 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 under certain circumstances or 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. Total expense of $1,300, $1,200 and $900 was incurred for Company contributions in 1999, 1998 and 1997, respectively.

Capital Stock

Purchases (sales) of common stock held in treasury during the three years ended December 31, 1999, are as follows:

	1999	1998	1997
Shares held, January 1	2,139,500	277,200	462,200
Purchases	530,800	2,026,300	40,200
Stock option exercises	(168,900)	(164,000)	(225,200)
Shares held, December 31	2,501,400	2,139,500	277,200

In March 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 530,800 shares in 1999 under this plan at an average price of $34.10 per share.

In October 1998, the Company purchased 2,000,000 shares of its common stock in a Dutch Auction self-tender at a price of $30.00 per share.

In 1992, the Company made an offering under 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 offer has been extended to December 31, 2001. An employee's purchases are limited annually to 10% of base compensation. Shares are purchased in the open market, or treasury shares are used.

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, 1999, 1,293,000 shares of common stock are 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.

	1999	1998	1997
Options outstanding, January 1	1,220,600	1,285,200	750,400
Granted	151,500	132,500	748,500
Exercised	(232,700)	(144,100)	(213,700)
Forfeited	(79,800)	(53,000)	-
Options outstanding, December 31	1,059,600	1,220,600	1,285,200
Options exercisable, December 31	636,300	594,200	640,200

Weighted-Average Exercise Price	1999	1998	1997
Options outstanding, January 1	$28.08	$27.23	$23.42
Granted	33.26	30.46	28.82
Exercised	24.09	22.32	21.45
Forfeited	28.90	28.84	-

Options outstanding, December 31	29.15	28.08	27.23
Options exercisable, December 31	28.09	27.67	27.04

The range of exercise prices at December 31, 1999, is $22.31 to $38.84 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 use 25% of their cash bonus, after certain adjustments for taxes payable, to purchase common stock of the Company at current fair market value. Bonus participants are given a restricted stock award equal to one share for each four shares of common stock purchased with bonus awards. These 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 awards were granted for 3,600 shares in 1999, 3,800 shares in 1998 and 3,800 shares in 1997. Restricted stock forfeitures of 300 shares were recorded in both 1998 and 1997. Compensation expense is being recognized over the vesting period based on the fair market value of common stock on the award date: $32.81 per share in 1999, $31.47 per share in 1998 and $27.57 per share in 1997.

In 1999, the Company replaced its previously existing non-qualified stock option plan for non-employee directors. The new plan established 125,000 shares available for future grants to plan participants. Options granted under the new plan vest over a three-year period; 45,000 options were granted under the new plan in 1999. At December 31, 1999, 80,000 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; 51,000 options granted under the former plan remain outstanding at December 31, 1999. 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:

	1999	1998	1997
Options outstanding, January 1	66,500	63,500	61,500
Granted	45,000	15,000	13,500
Exercised	(15,500)	(12,000)	(11,500)
Options outstanding, December 31	96,000	66,500	63,200
Options exercisable, December 31	51,000	51,500	63,500

Weighted-Average Exercise Price	1999	1998	1997
Options outstanding, January 1	$26.97	$25.49	$24.18
Granted	32.84	30.72	28.13
Exercised	25.25	23.81	22.28
Options outstanding, December 31	30.04	26.97	25.49
Options exercisable, December 31	27.57	25.88	25.49

The range of exercise prices at December 31, 1999, is $22.69 to $32.84 per share. The weighted-average remaining contractual life at December 31, 1999 for all plans is 4.9 years.

The Company has elected to measure compensation cost using the intrinsic value method of accounting. Accordingly, no compensation cost has been recognized related to stock option and stock purchase plans because grants are at 100% of fair market value on the grant date. If the fair-value based method of accounting had been applied to stock option grants in the most recent three years, the Company's net income and basic net income per share would have been reduced as summarized below:

	1999	1998	1997
Net income:			
As reported	$38,700	$6,700	$44,400
Pro forma	37,800	5,700	43,200

Net income per share:			
As reported	$ 2.59	$ .41	$ 2.69
Pro forma	2.53	.35	2.62

The following assumptions were used to compute the fair value of the option grants in 1999, 1998 and 1997 using the Black-Scholes option-pricing model: a risk-free interest rate of 6.50%, 5.75% and 6.15%, respectively; stock volatility of 20.2%, 22.4% and 22.2%, respectively; dividend yield of 2% for all years; and expected option lives of three years for the long-term incentive and key management employees' plans and five years for the revised non-employee directors' plan (two-year lives were used under the former plan for 1998 and 1997).

Segment Information

West Pharmaceutical Services, Inc. serves the healthcare and consumer products industries through design, manufacture and sales of stoppers, closures, medical device components and assemblies made from elastomers, metal and plastics. This segment is referred to as Device Product Development and it consists of four regional business units that manufacture and sell these products to customers mainly in their respective regions. The Company also provides contract services to healthcare and consumer companies consisting of manufacture and/or packaging of drugs and personal care items, clinical services and laboratory testing. This segment is referred to as Contract Services and consists of four business units. Finally, the Company is engaged in research and development of drug delivery systems for biopharmaceutical and other drugs to improve their therapeutic performance and/or the method of administration. This segment, consisting of two business units, is referred to as Drug Delivery Research and Development.

The Company's executive management evaluates performance of these segments based on operating profit, and allocates resources to them based on the assessment for market growth and profitability. Operating profit is income before interest expense, income taxes, minority interests and equity in affiliates. Corporate expenses, including global functional management costs, and unusual items (restructuring charges and the 1998 acquired in-process research and development charge) are not allocated to segments. The accounting policies of the segments are the same as those reported in the Summary of Significant Accounting Policies on page 8. Total net sales generated from the Device Product Development segment include sales to one customer of approximately $54,600, $53,200 and $50,500 in 1999, 1998 and 1997, respectively.

profit in the accompanying Consolidated Statements of Income.

	Device product development	Contract services	Drug delivery research and development	Corporate and unallocated items	Consolidated total
1999					
Net sales	$384,000	$ 83,800	$ 1,300	$ -	$ 469,100
Interest income	1,200	300	-	1,000	2,500
Operating profit	93,400	4,300	(7,700)	(23,100)	66,900
Segment assets	354,000	105,000	12,500	80,300	551,800
Capital expenditures	34,100	7,200	800	4,100	46,200
Depreciation and amortization expense	26,500	5,700	1,300	2,200	35,700
1998					
Net sales	$365,600	$82,600	$1,500	$ -	$449,700
Interest income	1,600	100	-	1,000	2,700
Operating profit	83,800	9,700	(5,300)	(53,200)	35,000
Segment assets	339,800	80,500	13,400	74,400	508,100
Capital expenditures	31,500	6,700	1,400	2,200	41,800
Depreciation and amortization expense	24,000	4,400	1,300	2,600	32,300
1997					
Net sales	$371,900	$80,600	$ -	$ -	$452,500
Interest income	1,300	100	-	600	2,000
Operating profit	85,300	3,800	(3,200)	(22,900)	63,000
Segment assets	326,700	73,300	2,800	77,600	480,400
Capital expenditures	25,200	4,300	1,200	3,700	34,400
Depreciation and amortization expense	24,500	4,400	200	2,800	31,900

The following table presents sales by country in which the legal subsidiary is domiciled and assets are located.

	Sales			Long-lived assets		
	1999	1998	1997	1999	1998	1997
United States	$296,100	$282,300	$293,200	$143,400	$137,900	$130,200
Germany	52,100	50,000	51,800	25,400	29,100	26,200
Other European countries	89,900	85,400	71,300	50,500	50,800	35,500
Other	31,000	32,000	36,200	16,800	17,300	17,100
	$469,100	$449,700	$452,500	$236,100	$235,100	$209,000

Commitments and Contingencies

At December 31, 1999, the Company was obligated under various operating lease agreements with terms ranging from one month to 20 years. Rental expense in 1999, 1998 and 1997 was $7,800, $7,300 and $7,600, respectively. Minimum rentals for noncancelable operating leases with initial or remaining terms in excess of one year are: 2000--$7,200; 2001--$6,500; 2002--$6,800; 2003--$6,900; 2004--$6,800 and thereafter $46,100. Minimum operating lease payments have been reduced by related minimum

sublease income.

At December 31, 1999, outstanding contractual commitments for the purchase of equipment and raw materials amounted to $8,400, all of which is due to be paid in 2000.

The Company has accrued the estimated cost of environmental compliance expenses related to soil or groundwater contamination at current and former manufacturing facilities. The ultimate cost to be incurred by the Company and the timing of such payments cannot be fully determined. However, based on consultants' estimates of the costs of remediation in accordance with applicable regulatory requirements, the Company believes the accrued liability of $1,500 at December 31, 1999 is sufficient to cover the future costs of these remedial actions, which are expected to be carried out over an extended period. The Company has not anticipated any possible recovery from insurance or other sources.

QUARTERLY OPERATING AND PER SHARE DATA (UNAUDITED)
(in thousands of dollars, except per share data)

Quarter ended	Net sales	Gross profit	Net Income (loss)	Net income (loss) per share: Basic	Net income (loss) per share: Assuming dilution
March 31, 1999	$114,200	$ 34,400	$ 9,500	$ .63	$ .63
June 30, 1999	124,400	39,800	10,400	.70	.69
September 30, 1999(1)	115,100	34,300	8,600	.58	.57
December 31, 1999(2)	115,400	35,800	10,200	.69	.68
	$469,100	$144,300	$ 38,700	$ 2.59	$ 2.57
March 31, 1998(3)	$105,200	$ 31,300	$(19,700)	$(1.19)	$(1.19)
June 30, 1998	115,800	34,800	9,900	.58	.58
September 30, 1998(4)	113,900	33,400	6,500	.38	.38
December 31, 1998	114,800	35,700	10,000	.66	.66
	$449,700	$135,200	$ 6,700	$ .41	$ .40

(1) Third quarter 1999 results include the tax benefit realized on the favorable settlement of a prior years' tax claim.

(2) Fourth quarter 1999 results include the net tax benefit due mainly to a refund of foreign taxes triggered by a dividend from a foreign subsidiary, a charge related to the write-off of a plastic product line which had not gained market acceptance, and the reversal of a portion of a 1996 restructuring charge because of a change in the business plan. See Notes "Income Taxes" and "Restructuring Charges".

(3) First quarter 1998 results include a charge for acquired research and development. See Note "Acquisitions and Investments".

(4) Third quarter 1998 results include a charge related to staff reductions. See Note "Restructuring Charges".

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, comprehensive income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of West Pharmaceutical Services, Inc. and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. 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 in accordance with auditing standards generally accepted in the United States 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 the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
February 25, 2000

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, 1999, have been prepared in conformity with accounting principles generally accepted in the United States and that information presented in this Annual Report is consistent with those statements. In preparing the financial statements, management makes informed judgements 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 executed in accordance with management's authorization and recorded properly, 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 judgements 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/ William G. Little

William G. Little
Chairman and Chief Executive Officer

/s/ Steven E. Ellers

Steven A. Ellers
Senior Vice President and Chief Financial Officer

West Pharmaceutical Services, Inc. and Subsidiaries
(in thousands, except per share data)

		1999	1998	1997
SUMMARY OF OPERATIONS				
Net sales	$	469,100	449,700	452,500
Operating profit (loss)	$	66,900	35,000	63,000
Income (loss) before income taxes and minority interests	$	56,500	27,800	57,400
Provision for income taxes	$	18,400	21,200	13,300
Minority interests	$	200	100	200
Income (loss) from consolidated operations	$	37,900	6,500	43,900
Equity in net income of affiliated companies	$	800	200	500
Income (loss)before change in accounting method	$	38,700	6,700	44,400
Income (loss) before change in accounting method per share:				
Basic (a)	$	2.59	.41	2.69
Assuming dilution (b)	$	2.57	.40	2.68
Average common shares outstanding		14,914	16,435	16,475
Average shares assuming dilution		15,048	16,504	16,572
Dividends paid per common share	$	.65	.61	.57
Research, development and engineering expenses	$	16,700	14,500	12,000
Capital expenditures	$	46,200	41,800	34,400
YEAR-END FINANCIAL POSITION				
Working capital	$	80,700	53,000	110,200
Total assets	$	551,800	508,100	480,400
Total invested capital:				
Total debt	$	171,100	141,100	89,000
Minority interests	$	800	600	400
Shareholders' equity	$	231,200	230,100	277,700
Total	$	403,100	371,800	367,100
PERFORMANCE MEASUREMENTS				
Gross margin (c)	%	30.8	30.1	29.2
Operating profitability (d)	%	14.3	7.8	13.9

Tax rate	%	32.5	76.1	23.2
Asset turnover ratio (e)		.89	.91	.94
Return on average shareholders' equity	%	16.8	2.6	16.7
Total debt as a percentage of total invested capital	%	42.5	37.9	24.2
Shareholders' equity per share	$	15.77	15.31	16.76
Stock price range		$40 7/16-30 7/8	35 11/16-25 3/4	35 1/16-27

(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 (loss) divided by net sales.
(e) Net sales divided by average total assets; 1993 asset turnover ratio is based on 12 months' sales for

international subsidiaries.

1999 includes net tax benefits totaling $.15 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 1999 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 1998 includes for the first time the results of two companies acquired in 1998.
1997 includes the net tax benefit mainly from a German tax reorganization which increased net income per share by $.48.
1996 includes a restructuring charge that reduced operating results by $.91 per share.
1995 includes for the first time the net operating results of the contract manufacturing and packaging subsidiary from May 1.
1994 includes for the first time the results of two companies in which majority ownership was acquired in 1994.
1993 includes 13 months of operating results for international subsidiaries.
Beginning in 1992 the Company's ownership interest in glass manufacturing operating results is reported as equity in net income of affiliates. Prior to the 1992 sale of a majority interest in such operation, operating results were fully

consolidated.
1991 includes a restructuring charge that reduced operating results by $1.37 per share.
1990 includes a restructuring charge that reduced operating results by $.45 per share, and 1990 included for the first time the results of two companies in which controlling ownership was acquired in 1989.

Ten Year Summary
West Pharmaceutical Services, Inc. and Subsidiaries
(in thousands, except per share data)

1996	1995	1994	1993	1992	1991	1990
458,800	412,900	365,100	348,700	337,500	328,900	323,200
32,700	49,800	45,400	40,600	38,700	(1,600)	15,600
25,800	42,500	42,100	37,500	34,800	(7,700)	9,600
10,800	13,900	13,400	14,300	14,300	4,700	6,400
100	800	1,900	1,700	1,700	(2,400)	300
14,900	27,800	26,800	21,500	18,800	(10,000)	2,900
1,500	900	500	1,000	900	1,500	1,400
16,400	28,700	27,300	22,500	19,700	(8,500)	4,300
1.00	1.73	1.70	1.42	1.26	(.55)	.27
.99	1.71	1.69	1.41	1.25	(.55)	.27
16,418	16,557	16,054	15,838	15,641	15,527	15,793
16,500	16,718	16,215	16,010	15,776	15,527	15,816
.53	.49	.45	.41	.40	.40	.40
11,200	12,000	12,000	11,400	11,100	10,800	10,900
31,700	31,300	27,100	33,500	22,400	25,600	33,200

88,600	86,600	50,400	46,400	37,700	26,500	36,500
479,900	480,100	397,400	309,200	304,400	313,200	343,500
98,400	114,300	57,800	32,300	42,000	58,400	78,500
300	200	1,900	10,900	10,100	8,400	11,700
252,000	254,100	227,300	188,100	168,600	152,600	176,100
350,700	368,600	287,000	231,300	220,700	219,400	266,300
27.5	28.6	32.1	30.2	28.8	25.6	24.4
7.1	12.1	12.4	11.7	11.5	(.5)	4.8

41.8	32.8	31.8	38.2	41.1	61.7	66.5
.96	.94	1.04	1.11	1.10	1.00	.98
6.5	11.9	13.2	13.2	12.3	(8.9)	2.4
28.1	31.0	20.1	14.0	19.1	26.6	29.5
15.39	15.29	13.81	11.82	10.71	9.81	11.37
30-221/8	30 -22	29 -211/4	251/4-19	24 -16	18 -11	20-101/2

Exhibit 21

SUBSIDIARIES OF THE COMPANY

	State/County of Incorporation	Stock Ownership
West Pharmaceutical Services, Inc	Pennsylvania	Parent Co.
The West Company of Michigan, Inc.	Michigan	100.0
West Pharmaceutical Services Cleveland, Inc.	Delaware	100.0
West Pharamceutical Services Evansville, Inc.	Delaware	100.0
West Pharmaceutical Services Lakewood, Inc.	Delaware	100.0
Paco Technologies, Inc.	Delaware	100.0
Paco Laboratories, Inc.	Delaware	100.0
Charter Laboratories, Inc.	Delaware	100.0
West Pharmaceutical Services Canovanas, Inc.	Delaware	100.0
Citation Plastics Co.	New Jersey	100.0
West Pharmaceutical Services Vega Alta, Inc	Delaware	100.0
West Pharmaceutical Services of Florida, Inc.	Florida	100.0
Senetics, Inc.	Colorado	100.0
West International Sales Corporation	Barbados	100.0
West Pharmaceutical Services of Delaware, Inc.	Delaware	100.0
West Pharmaceutical Services Colombia S.A.	Colombia	98.2(1)
West Pharmaceutical Services Holding GmbH	Germany	100.0
West Pharmaceutical Services Stolberg GmbH	Germany	100.0
West Pharmaceutical Services Danmark A/S	Denmark	100.0
West Pharmaceutical Services Italia S.R.L.	Italy	100.0
West Pharmaceutical Services France S.A.	France	99.9(3)
West Pharmaceutical Services Holding France SAS	France	100.0
West Pharmaceutical Services Verwaltungs GmbH	Germany	100.0
West Pharmaceutical Services Deutschland GmbH & Co KG	Germany	100.0
West Pharmaceutical Services Hispania S.A.	Spain	82.1
Pharma-Gummi Beograd	Yugoslavia	84.7(2)
The West Company (Mauritius) Ltd.	Mauritius	100.0
The West Company (India) Private Ltd.	India	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
Penmed Limited	England	100.0
Schiemann Tools Limited	England	100.0
West Pharmaceutical Services Holding Danmark ApS	Denmark	100.0
West Pharmaceutical Services Finance Danmark ApS	Denmark	100.0
West Pharmaceutical Services Argentina S.A.	Argentina	100.0
West Pharmaceutical Services Brasil Ltda	Brasil	100.0
West Pharmaceutical Services Venezuela C.A.	Venezuela	100.0
West Pharmaceutical Services Singapore Pte. Ltd	Singapore	100.0
West Pharmaceutical Services Australia Pty. Ltd.	Australia	100.0
West Pharmaceutical Services Korea Limited	Korea	100.0

(1) 1.55% is held in treasury by West Pharmaceutical Services Colombia S.A.
(2) Affiliated company accounted for on the cost basis.
(3) 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 of West Pharmaceutical Services, Inc. and subsidiaries, on Form S-8 (Registration Nos. 2-95618, 2-45534, 33-39506, 33-32580, 33-37825, 33-61074, 33-61076, 333-12287, 333-12289, 333-53817, and 333-78783) of our report dated February 25, 2000, on our audits of the consolidated financial statements of West Pharmaceutical Services, Inc. and subsidiaries as of December 31, 1999 and December 31, 1998, and for the three years in the period ended December 31, 1999, which report is incorporated in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

_____
PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
March 27, 2000

Exhibit 24

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 14, 2000 /s/ Tenley E. Albright, M.D.

Tenley E. Albright, M.D.

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 14, 2000

/s/ John W. Conway
John W. Conway

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 14, 2000

/s/ G. W. Ebright
George W. Ebright

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 11, 2000

/s/ L. Robert Johnson
L. Robert Johnson

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 14, 2000

/s/ William H. Longfield
William H. Longfield

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements

thereto.

Date: March 13, 2000 /s/ J. P. Neafsey
John P. Neafsey

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 12, 2000 /s/ Monroe E. Trout, M.D.
Monroe E. Trout, M.D.

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 14, 2000 /s/ Anthony Welters
Anthony Welters

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 16, 2000 /s/ J. Roffe Wike, II
J. Roffe Wike, II

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints William G. Little 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, 1999 and all amendments, exhibits and supplements thereto.

Date: March 12, 2000

/s/ Geoffrey F. Worden

Geoffrey F. Worden

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