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, 2003

Commission File Number 1-8036

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

Pennsylvania	23-1210010
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
101 Gordon Drive, PO Box 645, Lionville, PA	19341-0645
(Address of principal executive offices)	(Zip Code)

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

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

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

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

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

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

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

The aggregate market value of the Registrant's common equity held by non-affiliates as of June 30, 2003 was approximately $355,117,000.

As of February 24 2004, there were 14,740,214 shares of the Registrant's common stock outstanding.

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 2003 fiscal year (the "2003 Annual Report to Shareholders") are incorporated by reference in Parts I and II; and

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

PART 1

Item 1. Business.

Introduction

West Pharmaceutical Services, Inc. (the "Company") provides closure systems and components, primarily for use with parenterally administered drugs, and conducts research and development of proprietary drug formulation and delivery technology for nasal and targeted oral delivery of drugs. The Company also provides clinical research and laboratory services. The Company is organized into two reportable segments:

1) The Pharmaceutical Systems reporting segment consists of three operating segments, the Americas, Europe/Asia and Devices. The Pharmaceutical Systems reporting segment designs, manufactures and sells stoppers, closures, medical device components and assemblies made from elastomers, metals and plastics and provides contract laboratory services for testing drug packaging.

2) The Drug Delivery Systems reporting segment identifies and develops products using the Company's proprietary drug delivery technologies to improve the pharmaceutical and biopharmaceutical drug's therapeutic performance and/or their method of administration. This segment also includes a clinical services organization, which conducts Phase I and II clinical trials, with capabilities available to support later phases of the drug development process.

Financial information about the Company's segments and geographic areas can be found in Note 8 "Segment Information" of the Notes to Consolidated Financial Statements included in the 2003 Annual Report to Shareholders, incorporated herein by reference.

As of December 31, 2003, the Company and its subsidiaries had 4,365 employees.

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

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

Pharmaceutical Systems Segment

Pharmaceutical Closures and Components

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

Many elastomer component formulations are specially designed to be compatible with a given drug formulation so that the drug will remain safe and effective during storage. New elastomeric components must be tested with each drug solution to show that ingredients do not leach into the customer's product or adversely affect the drug's safety and effectiveness.

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

A growing portion of the Company's closure and components business involves elastomeric and plastic components for empty and pre-filled disposable syringes such as plungers, tip caps and needle covers. The Company also offers blood-collection system components, including vacuum tube stoppers and needle valves, and a number of specialized elastomeric and plastic components for blood-analyzing systems and other medical devices.

Metal Seals

The Company offers a broad line of aluminum seals which are crimped onto glass or plastic pharmaceutical vials and containers to hold the rubber stoppers securely in place. The top of the aluminum seals often contain tamper-evident tabs or Flip-Off (R) plastic covers, which must be removed before the drug can be withdrawn. The seals and Flip-Off covers are sold in a variety of sizes, shapes and colors to enable customers to differentiate and distinguish their drug solutions. The Company has introduced an improved version of its Flip-Off covers that helps the customer protect against counterfeiting of injectable drug products and maintains better control and integrity of in-process filled vials prior to final labeling.

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

Device Group

In 2003, the Company formed the Device Group, an operating segment within the Pharmaceutical Systems reporting segment, to strengthen its global strategic approach to market opportunities outside of the traditional injectable drug delivery systems business. With design, tooling and manufacturing centers in North America and Europe, the Device Group applies the Company's expertise in product design, precision injection molding and assembly for manufacturing sophisticated delivery devices and dispensing systems, with a focus on multiple-piece closures that require high-speed assembly. This group's product portfolio includes plastic contraceptive drug packages, child-resistant and tamper-evident plastic closures; plastic systems used for lyophilized drug reconstitution and delivery, which are molded and fabricated in a clean room environment; plastic containers, bottles and closures for the consumer, medical device and diagnostic markets; and closures for food and beverage processors.

Analytical Laboratory Services

The Company's laboratories conduct tests to determine the compatibility of its rubber components with customers' drugs and, in the United States, file formulation and process information with the Food and Drug Administration ("FDA"), which is used in support of customers' drug applications. The analytical laboratories provide specialized testing for drug delivery systems and container closure components for customers on a contract basis.

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 is 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. In 2003, 56 professional employees were engaged in these activities. Development and engineering expenditures for the creation and application of new and improved device products and manufacturing processes were $6.4 million in 2003, $5.4 million in 2002 and $4.8 million in 2001.

Drug Delivery Systems Segment

Drug Delivery Business Unit

The drug delivery business unit engages in both independent and client-funded research to develop products using drug delivery technologies, patenting these where possible, and, subject to any rights granted or ceded in connection with client funding, retains the rights to exploit the patented technology. The Company has patents or patent applications covering a range of delivery technologies for various routes of administration, including nasal, oral and parenteral, and products that incorporate these technologies. It seeks to license internally developed products to pharmaceutical and biotechnology companies, as well as work with these companies to enhance their drug products through the application of the Company's technologies. The Company will also develop generic versions of drug products and then seek development and marketing partners or licensees for the resulting products. The Company also maintains laboratory capabilities that support client and internal development projects. Research and development expenditures for the drug delivery business unit were $12.3 million in 2003, $11.0 million in 2002 and $8.2 million in 2001.

The drug delivery business unit is focusing the majority of its efforts on developing products using its two key nasal delivery technologies. The first is ChiSys[trademark], a proprietary chitosan-based technology. Chitosan, a highly purified polysaccharide, acts as a bioadhesive excipient that increases the residence time of drugs on mucosal surfaces and may improve bioavailability. ChiSys can be formulated as a liquid or powder. The second nasal technology is based on proprietary pectin formulations that form gels in the nasal cavity. Pectin, a linear polysaccharide found in fruits and vegetables, is widely used in food and nutritional products. These pectin formulations allow the Company to attenuate the absorption profile of certain drugs in order to reduce peak concentrations and extend delivery times.

The Company is also developing orally delivered products using its TARGIT[trademark] system, a proprietary technology for drug release within the lower gastrointestinal tract. Advantages of targeted colonic delivery are its localized disease treatment for conditions such as ulcerative colitis and Crohn's disease (inflammatory bowel disease) and its ability to deliver molecules sensitive to low pH or enzyme action.

The TARGIT[trademark] technology is based on the application of a combination of enteric polymer coatings onto starch capsules. The choice and thickness of the coating determines the site of release, as targeting is based on both pH and time. The capsule can accommodate relatively large doses and can be filled with a wide range of formulations - powders, granules, tablets, mini-tablets, coated pellets, semisolids, or high-temperature liquid melts. The TARGIT[trademark] technology can be combined with several formulation approaches such as absorption enhancement or controlled release to provide sustained release characteristics.

As an extension of the Company's drug delivery and formulation expertise, the drug delivery business unit has been developing a generic version of a commercially available nasal product. The Company is in late-stage discussions with a potential licensing partner for the exclusive rights to market, sell and distribute the product when approved by the FDA.

The following chart identifies products that incorporate the ChiSys, pectin and TARGIT technologies, the products' development stage and licensing status:

PRODUCT	INDICATION	CLINICAL STAGE	STATUS
Nasal Morphine	Cancer pain	Phase II	Licensed
Nasal Fentanyl	Cancer pain	Phase I	Available for licensing
Nasal Leuprolide	Endometriosis	Phase I	Available for licensing
Nasal PTH	Osteoporosis	Phase I	Available for licensing
Nasal Diphtheria & Tetanus	Vaccination	Phase I	Licensed
Nasal Pertussis	Vaccination	Preclinical	Available for licensing
Nasal Influenza	Vaccination	Phase I	Available for licensing
Nasal Ketoprofen	Pain	Preclinical	Available for licensing
Nasal Zolpidem	Insomnia	Preclinical	Available for licensing
Nasal Granisitron	Nausea	Preclinical	Available for licensing
Nasal Morphine -6 - Glucuronide	Pain	Preclinical	Available for licensing
Nasal NSAID	Pain	Preclinical	Available for licensing
Oral Budesonide (TARGIT[trademark])	Ulcerative Colitis	Phase I	Available for licensing

Clinical Services

In April 1999, the Company acquired the Clinical Services division (GFI) of Collaborative Clinical Research, Inc., an 80-bed clinical trials research facility in Evansville, Indiana. GFI operates as a business unit within the Drug Delivery Systems reporting segment. GFI employs a staff of 88 people, including nurses, medical technicians and other support staff.

GFI performs human clinical trials for pharmaceutical and biologic, medical device, and consumer health products, which are conducted on behalf of sponsor applicants seeking marketing approval or post-marketing support for their products. In the pharmaceutical and biologic arena, GFI conducts primarily Phase I and II clinical trials, with capabilities available to support later phases of the drug development process. In addition to performing clinical trials, limited contract research services such as protocol writing, case report form design and various aspects of early phase project management are at times provided to clients.

In conducting the trials, GFI contracts with licensed physicians who oversee the administration of individual trials. In addition, an independent Institutional Review Board that includes medical and non-medical personnel is charged with protecting the safety of study subjects, provides review of both study protocols and trial administration.

The Company may be subject to claims arising from the personal injury or death of persons participating in clinical trials. The Company believes that these risks are mitigated by the following: the oversight of the Institutional Review Board; malpractice insurance coverage that is required to be carried by the physicians who perform the studies; contractual indemnification of the site by the trial sponsors; and the fact that all study subjects are required to sign an informed consent prior to their participation. Finally, government regulations place shared responsibility for proper study conduct and the protection of study subjects onto the principal investigator, the Institutional Review Board and the trial site.

Government Regulation

The FDA extensively regulates the research, development, testing, manufacture, labeling, promotion, advertising, distribution and marketing of drugs in the United States under the Food, Drug and Cosmetic Act. The Company's businesses

are involved in a number of activities regulated by the FDA and by comparable regulatory agencies in other countries.

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

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

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

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

Clinical trials are typically conducted in three sequential phases, but the phases may overlap or be combined. Phase I usually involves the initial introduction of the investigational drug into people to evaluate its safety, dosage tolerance, pharmacodynamics, and, if possible, to gain an early indication of its effectiveness. Phase II usually involves trials in a limited patient population to evaluate the appropriate dosage and dosage tolerance; identify possible adverse effects and safety risks; and preliminarily evaluate the efficacy of the drug for specific indications. Phase III trials usually further evaluate clinical efficacy and test further for safety by using the drug in its final form in an expanded patient population. The FDA sometimes requires Phase IV studies to be conducted after a drug has been approved for marketing. These studies are used to monitor the long-term risks and benefits of a particular drug, to study the effect of alternative dosage levels, or to evaluate the safety and efficacy of a drug in targeted patient populations.

Order Backlog

At December 31, 2003, the Pharmaceutical Systems reporting segment order backlog was $131.6 million, of which $131.0 million is expected to be filled during fiscal year 2004, compared with $118.8 million at the end of 2002. Order backlog in this segment includes firm orders placed by customers for manufacture over a period of time according to a customer's schedule or upon confirmation by the customer. The Company also has contractual arrangements with a number of its customers, and products covered by these contracts are included in the Company's backlog only as orders are received from those customers.

Drug Delivery Systems reporting segment backlog, which is primarily related to the clinical services business unit, consists of signed contracts yet to be completed. Contracts included in backlog are subject to termination or delay at any time and therefore the backlog is not necessarily a meaningful predictor of future results. Delayed contracts remain in the Company's backlog until cancelled. As of December 31, 2003, the Drug Delivery Systems reporting segment backlog was $3.8 million, of which $3.4 million is expected to be filled during fiscal year 2004; at December 31, 2002 the backlog was $1.3 million.

Raw Materials

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

The Company is pursuing a supply chain management strategy in its Pharmaceutical Systems reporting segment, which involves purchasing from integrated suppliers that control their own sources of supply. This strategy has reduced the number of raw material suppliers used by the Company. In most cases, the Company will purchase raw materials from a single source to assure quality and reduce costs. Due to regulatory control over our production processes, and the cost and time involved in qualifying suppliers, the Company relies on single source suppliers for many critical raw materials. 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.

The Company uses two main raw materials in its drug delivery business unit: chitosan and pectin. The Company purchases highly purified chitosan from a single source as there are limited vendors that provide the material. The Company mitigates the risk of supply interruption by maintaining enough chitosan in its inventory to meet demand for the foreseeable future. Although the Company currently purchases pectin from one vendor, there are various vendors that provide the material, and therefore the Company believes there is little risk of supply interruption.

Patents, Trademarks and Proprietary Rights

It is the Company's policy to maintain a strong patent position by obtaining patent protection on products and processes deemed to possess potential commercial significance. This policy applies to patents resulting from the efforts of the Company's research and engineering staff or through the research and development of others financed by the Company. As a general rule, however, the Company does not seek patent protection on its rubber and elastomer formulations, which it regards as trade secrets. The Company also relies upon trademarks, know-how, continuing technological innovations and licensing opportunities to maintain and further develop its competitive position.

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

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

The Company's Drug Delivery reporting segment has developed and maintained a significant portfolio of patents, pending patent applications and related proprietary rights for inventions relating to drug delivery systems technologies and products developed at its Nottingham, England and Lionville, Pennsylvania research facilities. While this portfolio has not produced significant revenues for the Company in the past year, it is expected to be of major value to this segment going forward, particularly in the areas of attracting and developing strategic alliances with ethical drug manufacturers and biotechnology and medical device companies seeking proprietary systems for delivery of their products, and then developing, selling and licensing the Company's proprietary systems for use with the products of these manufacturers, as well as licensing proprietary products taken through early stage development at the Company.

Markets and Major Customers

The Company's Pharmaceutical Systems reporting segment provides components and/or contract services to major pharmaceutical, biotechnology and hospital supply/medical device companies. Products and services are distributed primarily through the Company's own sales force, with nominal use of regional distributors. The Company's Drug Delivery reporting segment also works with pharmaceutical and biotech customers, primarily in the United States and Europe in developing products using its drug delivery technologies and provides clinical research to full service contract research organizations in the United States.

Becton Dickinson and Company ("BD") accounted for approximately 12% of the Company's 2003 consolidated net sales. The principal products sold to BD are synthetic rubber, natural rubber, metal and plastic components used in BD's disposable and pre-filled syringes and blood sampling and analysis systems. The Company expects to continue to be a major BD supplier.

Excluding BD, the next ten largest customers accounted for approximately 31% of the Company's consolidated net sales in 2003 but not one of these customers accounted for more than 4% of 2003 consolidated net sales.

Competition

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

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

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

The clinical research industry is highly fragmented and comprised of several large, and many small, full-service Contract Research Organizations, as well as limited service providers. Other major competitors in the industry also include the research departments and owned clinical research units of pharmaceutical companies.

The drug delivery business unit competes in the United States, Europe and elsewhere with pharmaceutical, biotechnology and drug delivery companies, hospitals, universities, research organizations, individual scientists and nonprofit organizations engaged in the development of alternative drug delivery systems and products or new drug research and testing, as well as with entities already producing and marketing drugs. The biopharmaceutical industry is subject to rapid and substantial technological change. Competition is intense and based substantially on scientific and technological factors. These factors include the availability of patents and other intellectual property, the ability to commercialize technological developments and the ability to obtain governmental approval for testing, manufacturing and marketing.

The Company's ChiSys[trademark] and pectin-based nasal technologies and TARGIT[trademark] oral technologies, along with other technologies and products based on these technologies, provide certain important competitive advantages and are protected by patents. However, new drugs or developments in alternative drug delivery methods may provide greater therapeutic benefits, or comparable benefits at a lower cost. There are a number of companies currently seeking to develop new drug delivery technologies and products, including oral, intranasal, transdermal, buccal (or mouth cavity) and colonic absorption systems. Many of these companies have greater research and development capabilities, experience,

manufacturing, marketing, financial and managerial resources than the Company has committed to the drug delivery business unit. Many of these companies also have exclusive license or co-development arrangements with market leaders for certain products. Accordingly, there can be no assurance that competitors will not introduce products or processes competitive with or superior to those of the Company that could render our technologies and products less competitive or obsolete.

Environmental Regulations

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

Information as to the material effects of compliance with federal, state and local environmental laws, contained in Note 20 "Commitments and Contingencies" of the Notes to Consolidated Financial Statements included in the 2003 Annual Report to Shareholders is incorporated by reference.

International

The Company conducts business in most of the major pharmaceutical markets in the world. Sales outside of the United States account for approximately 50% of consolidated net sales. Although the general business process is similar to the domestic business, international operations are exposed to additional risks including fluctuating foreign currency exchange rates, multiple tax jurisdictions and, particularly in Latin and South America, political and social issues that could destabilize local markets and affect the demand for the Company's products.

For additional information see Note 8 "Segment Information" and Note 14 "Affiliated Companies" of the Notes to Consolidated Financial Statements included in the 2003 Annual Report to Shareholders, incorporated herein by reference.

The Company's financial condition and results are impacted by fluctuations in exchange-rate markets (See Note 1 "Summary of Significant Accounting Policies - Foreign Currency Translation" and Note 6 "Other Income (Expense)" of the Notes to Consolidated Financial Statements included in the 2003 Annual Report to Shareholders, incorporated herein by reference). Hedging by the Company of these exposures is discussed in Note 1 "Summary of Significant Accounting Policies - Financial Instruments" and in Note 17 "Financial Instruments" of the Notes to Consolidated Financial Statements included in the 2003 Annual Report to Shareholders, incorporated herein by reference.

Recent Developments

On January 29, 2003, the Company's Kinston, North Carolina plant suffered an explosion and related fire that resulted in six deaths, a number of injured personnel and substantial damage to the building, machinery and equipment and raw material inventories. The Company's property and business interruption insurance coverage provides for a maximum insurance recovery of approximately $66.0 million. In February 2004, the Company and its insurer reached a consensus that the total losses for business interruption, insured incremental costs and property replacement would exceed the maximum recoverable amount, resulting in the final settlement of the insurance claim for $66.0 million. The Company began construction of a new rubber compression-molding facility at the new Kinston site in 2003 and expects that full production capacity will return to historical levels by September 2004. See Note 5 "Kinston" and Note 20 "Commitments and Contingencies" of the Notes to Consolidated Financial Statements included in the 2003 Annual Report to Shareholders, incorporated herein by reference.

In December 2003, the Company recorded a $7.0 million charge associated with a product designed by a customer and intended for production at our plastics device plant in the United Kingdom. As a result of delays connected with the regulatory approval of the product, the marketing and distribution partner for our customer terminated its involvement with the product. The operating results of the U.K. plant are significantly dependent on the success and timing of this product. As a result of this decision and the resulting delay in product launch, including the possible termination of the product, management concluded that the future cash flows to be generated by this plant will not be sufficient to cover the book value of the property, plant and equipment at this site. Accordingly, the Company recorded a $6.0 million impairment charge for the difference between the carrying value and the expected fair value of these assets. A related charge of $1.0 million was also recorded for statutory post-employment benefit costs deemed probable of being paid. See Note 4 "Restructuring and Impairment Charges" of the Notes to Consolidated Financial Statements included in the 2003 Annual Report to Shareholders, incorporated herein by reference.

Item 2. Properties.

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

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

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

The manufacturing production facilities of the Company are well maintained and are operating generally on a two or three shift basis. An expansion of the Company's facility in France was completed during 2003 and an expansion of the facility in Germany is expected to be finished in 2004. The facilities are being expanded to meet increased customer demand.

The principal facilities in the United States are as follows:

- Approximately 696,000 square feet of owned and 491,000 square feet of leased space in Pennsylvania, Florida, Nebraska, North Carolina and Indiana.

The principal international facilities are as follows:

- Approximately 846,000 square feet of owned space and 90,000 square feet of leased space in Germany, England, Denmark, France, Spain, Yugoslavia and Italy.

- Approximately 247,000 square feet of owned space in Brazil.

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

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

Item 3. Legal Proceedings.

On February 24, 2003, plaintiffs Terry Ellis, Rosalie Whitley and Gloria Young, on behalf of themselves and a purported class of residents of Craven County, North Carolina and the surrounding area, filed a lawsuit naming the Company and Thomas Clagon, then its Kinston, North Carolina plant manager, as defendants. Plaintiffs allege negligence and strict liability arising out of the explosion

at the Company's Kinston, North Carolina plant and seek unspecified compensatory and punitive damages. The lawsuit was filed before the state court in Craven County, North Carolina. On March 28, 2003, defendants removed the case to the United States District Court for the Eastern District of North Carolina. On April 22, 2003, both defendants filed answers to the complaint in federal court, denying liability and denying that class certification is appropriate. On September 29, 2003, the federal court remanded the case to the state court.

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 were as follows:

Name	Age	Business Experience During Past Five Years
Joseph E. Abbott	51	Vice President and Corporate Controller since April 2002 and Corporate Controller since December 2000. Previously Director of Internal Audit.
Linda R. Altemus	52	Vice President and Chief Compliance Officer since August 2003; Vice President and Chief Financial Officer from March 2002 until August 2003; Vice President, Finance and Administration from June 2001 to March 2002; Chief Information Officer from June 2000 to June 2001; Vice President, Management Information Systems from March 1999 to June 2000 and Director, Information Systems from May 1997 to March 1999.
Michael A. Anderson	48	Vice President and Treasurer since June 2001; Vice President, Finance & Administration for Drug Delivery Systems from November 1999 to June 2001; Vice President, Business Development from April 1997 to October 1999.
Steven A. Ellers	53	President, Pharmaceutical Systems Division since June 2002; Executive Vice President from June 2000 to June 2002; Senior Vice President and Chief Financial Officer from March 1998 to June 2000; Group President from April 1997 to March 1998.
William J. Federici	44	Vice President and Chief Financial Officer since August 2003; National Industry Director for Pharmaceuticals of KPMG LLP (accounting firm) from June 2002 until August 2003. Prior thereto, audit partner with Arthur Andersen, LLP.
John R. Gailey III	49	Vice President, General Counsel and Secretary.
Robert S. Hargesheimer	46	President of Device Group since April 2003; Corporate Vice President of Strategic Operations from December 2001 until April 2003; prior thereto, General Manager of West Pharmaceutical Services Lakewood, Inc., a former contract manufacturing and packaging subsidiary of the Company.
Herbert L. Hugill	56	President of the Americas, Pharmaceutical Systems Division since January 2002; President, Global Sales and Marketing from May 2001 until January 2002; President, Global Sales and Contract Services from June 2000 until May 2001; Prior thereto, President, Clinical Services Group from April 1999 until June 2000.

Name	Age	Business Experience During Past Five Years
Robert J. Keating	55	President, Europe and Asia Pacific, Pharmaceutical Systems Division since April 2002; Regional Director, Asia Pacific from June 1998 to April 2002; General Manager from July 1997 until June 1998.
Richard D. Luzzi	52	Vice President, Human Resources since June 2002; previously, Vice President Human Resources of GS Industries (a steel manufacturer).

Donald E. Morel, Jr., Ph.D.	46	Chairman of the Board of the Company since March 2003 and President and Chief Executive Officer since April 2002; President and Chief Operating Officer from May 2001 to April 2002; Division President, Drug Delivery Systems from October 1999 to May 2001; Group President from April 1998 to October 1999; previously Vice President, Scientific Services of the Company.
Bruce S. Morra, Ph.D.	49	President, Drug Delivery Systems Division since April 2003; Executive Vice President and Chief Business Officer of Progenitor Cell Therapy, LLC (cell-based drug development) from May 2002 until February 2003; President, Chief Operating Officer and Chief Financial Officer of Biopore Corporation and its sister company Polygenetics, Inc. (porous polymers for industrial, consumer and life science applications) from January 2000 until May 2002; and prior to that time President and Chief Operating Officer of Flamel Technologies, Inc. (a drug delivery systems and biomaterials company) from September 1993 until January 2000.

PART II

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

The Company's common stock is listed on the New York Stock Exchange. The high and low prices for the stock for each calendar quarter in 2003 and 2002 and full year 2003 and 2002 were as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year	
	High	Low	High	Low	High	Low	High	Low	High	Low
2003	24.87	16.65	26.16	19.90	34.75	23.20	35.80	30.90	35.80	16.65
2002	30.53	25.00	32.50	27.90	31.99	21.08	24.80	16.25	32.50	16.25

As of February 24, 2004, the Company had 1,574 shareholders of record. There were also 3,903 holders of shares registered in nominee names. The Company's common stock paid a quarterly dividend of $.19 per share in each of the first three quarters of 2002; $.20 per share in the fourth quarter of 2002 and each of the first three quarters of 2003; and $.21 per share in the fourth quarter of 2003.

Item 6. Selected Financial Data.

Information with respect to the Company's net sales, income from continuing operations, income (loss) from discontinued operations, income per share from continuing operations (basic and assuming dilution), income (loss) per share from discontinued operations (basic and assuming dilution) and dividends paid per share is incorporated by reference to the line items corresponding to those categories under the heading "Five-Year Summary - Summary of Operations" included in the 2003 Annual Report to Shareholders. Information with respect to total assets and total debt is incorporated by reference to the line items corresponding to those categories under the heading "Five-Year Summary - Year-End Financial Position" included in the 2003 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 included in the 2003 Annual Report to Shareholders.

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

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

Foreign Currency Exchange Risk

The Company has subsidiaries outside the United States accounting for approximately 50% of consolidated net sales. Virtually all of these sales and related operating costs are denominated in the currency of the local country and translated into U.S. dollars. Although the majority of the assets and liabilities of these subsidiaries are in the local currency of the subsidiary and are therefore translated into U.S. dollars, the foreign subsidiaries may hold assets or liabilities not denominated in their local currency. These items may give rise to foreign currency transaction gains and losses. As a result, the Company's results of operations and financial position are exposed to changing exchange rates. The Company periodically uses forward contracts to hedge certain transactions or to neutralize month-end balance sheet exposures on cross currency intercompany loans. The Company has a number of small forward contracts totaling $100,000 as of December 31, 2003 to purchase various currencies in Europe and Asia. In order to minimize the effect of foreign currency fluctuations, the Company attempts to pass foreign currency costs on to customers through price increases.

Interest Rate Risk

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

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

(dollars in thousands)	December 31, 2003							
	2004	2005	2006	2007	2008	Thereafter	Carrying Value	Fair Value
Notes Payable and Current Portion of Long-term Debt:								
BPS denominated	$ 8,000						$ 8,000	$ 8,000
Average interest rate - variable	5.1%							
Long-Term Debt:								
U.S. dollar denominated						100,000	100,000	110,900
Average interest rate - fixed						6.8%		
U.S. dollar denominated		51,200					51,200	51,200
Average interest rate - variable		1.9%						
YEN denominated		15,800					15,800	15,800
Average interest rate - variable		.8%						

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)" included in the 2003 Annual Report to Shareholders.

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

None.

Item 9A. Controls and Procedures.

The Company has established disclosure controls and procedures (as defined under

SEC Rules 13a-15(e) and 15d-15(e)) that are designed to, among other things, ensure that information required to be disclosed in the Company's periodic reports is recorded, processed, summarized and reported on a timely basis and that such information is made known to the Company's Chief Executive Officer and Chief Financial Officer regarding required disclosure.

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this annual report, and based on such evaluation, have concluded that such disclosure controls and procedures are effective.

Additionally, the Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the Company's internal control over financial reporting, and based on such evaluation, has concluded that there has been no change to the Company's internal control over financial reporting that occurred during the year ended December 31, 2003 that has materially affected, or is reasonably likely to materially affect, these internal controls.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Information called for by this Item is incorporated by reference to "GOVERNANCE OF THE COMPANY - AUDIT COMMITTEE," "GOVERNANCE OF THE COMPANY - INFORMATION ABOUT THE BOARD AND ITS COMMITTEES," "SHAREHOLDER PROPOSALS FOR 2005 ANNUAL MEETING," "STOCK OWNERSHIP - SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE," "GOVERNANCE OF THE COMPANY - CODE OF BUSINESS CONDUCT," and "PROPOSAL #1: ELECTION OF DIRECTORS" in the Proxy Statement.

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

Item 11. Executive Compensation.

Information called for by this Item is incorporated by reference to "EXECUTIVE COMPENSATION," "GOVERNANCE OF THE COMPANY - COMPENSATION OF DIRECTORS" and "SHAREHOLDER RETURN PERFORMANCE GRAPH" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

Information called for by this Item is incorporated by reference to "EQUITY COMPENSATION PLAN INFORMATION" and "STOCK OWNERSHIP" in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

None.

Item 14. Principal Accountant Fees and Services.

Information called for by this Item is incorporated by reference to "PROPOSAL #3 - RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS - AUDIT AND NON-AUDIT FEES" and "PROPOSAL #3 - RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS - PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES" in the Proxy Statement.

PART IV

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

(a) 1. The following report and consolidated financial statements, included in the 2003 Annual Report to Shareholders, have been incorporated herein by reference:

Consolidated Statements of Income for the years ended December 31, 2003, 2002 and 2001

Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2003, 2002 and 2001

Consolidated Balance Sheets at December 31, 2003 and 2002

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2003, 2002 and 2001

Consolidated Statements of Cash Flows for the years ended December 31, 2003, 2002 and 2001

Notes to Consolidated Financial Statements

Report of Independent Auditors

(a) 2. Financial Statement Schedule

Report of Independent Auditors on Financial Statement Schedule

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

Our audits of the consolidated financial statements referred to in our report dated February 17, 2004 appearing in the 2003 Annual Report to Shareholders of West Pharmaceutical Services Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 17, 2004

Schedule II - Valuation and Qualifying Accounts

		Balance at beginning of period	Charged to costs and expenses	Translation adjustments	Balance at end of period
Deferred tax asset valuation allowance:					
For the year ended December 31,					
	2003	$20,800	$4,300	$1,000	$26,100
	2002	15,700	5,200	(100)	20,800
	2001	15,500	(700)	900	15,700

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

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

(b) Reports on Form 8-K.

On October 21, 2003, the Company filed a Current Report on Form 8-K. Under Item 12 of that Report, the Company furnished to the Commission the press release dated October 21, 2003.

(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/ William J. Federici

William J. Federici
Vice President and Chief Financial Officer

March 12, 2004

Date

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

Signature	Title	Date
/s/ Donald E. Morel, Jr., Ph.D --- Donald E. Morel, Jr., Ph.D	Director, President, Chief Executive Officer and Chairman of the Board, (Principal Executive Officer)	March 12, 2004
/s/ Joseph E. Abbott --- Joseph E. Abbott	Vice President and Corporate Controller (Principal Accounting Officer)	March 12, 2004
/s/ Tenley E. Albright --- Tenley E. Albright*	Director	March 12, 2004
/s/ John W. Conway --- John W. Conway*	Director	March 12, 2004
/s/ George W. Ebright --- George W. Ebright*	Director	March 12, 2004
/s/ William J. Federici --- William J. Federici	Vice President and Chief Financial Officer (Principal Financial Officer)	March 12, 2004
/s/ L. Robert Johnson --- L. Robert Johnson*	Director	March 12, 2004
/s/ William H. Longfield --- William H. Longfield*	Director	March 12, 2004
/s/ John P. Neafsey --- John P. Neafsey*	Director	March 12, 2004
/s/ Anthony Welters --- Anthony Welters	Director	March 12, 2004
/s/ Geoffrey F. Worden --- Geoffrey F. Worden*	Director	March 12, 2004
/s/ Robert C. Young --- Robert C. Young*	Director	March 12, 2004
/s/ Patrick J. Zenner --- Patrick J. Zenner*	Director	March 12, 2004

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

INDEX TO EXHIBITS

Exhibit Number	
(2)	None.
(3)(a)	Amended and Restated Articles of Incorporation of the Company through January 4, 1999, incorporated by reference to Exhibit (3)(a) of the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
(3)(b)	Bylaws of the Company, as amended through October 27, 1998, incorporated by reference to Exhibit (3)(b) to the Company's Form 10-Q for the quarter ended September 30, 1998 (File No. 1-8036).
(4)	Form of stock certificate for common stock, incorporated by reference to Exhibit (4) (a) of the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
(4)(a)(1)	Article 5, 6, 8(c) and 9 of the Amended and Restated Articles of Incorporation of the Company, incorporated by reference to Exhibit (3)(a) of the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
(4)(a)(2)	Article I and V of the Bylaws of the Company, as amended, incorporated by reference to Exhibit (3)(b) to the Company's Form 10-Q for the quarter ended September 30, 1998 (File No. 1-8036).
(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 Exhibit (10)(d) of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1- 8036).
(10)(c)	Lease dated as of December 14, 1999 between White Deer Warehousing & Distribution Center, Inc. and the Company relating to the lease of the Company's site in Montgomery, Pa. , incorporated by reference to Exhibit (10) (c) of the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1- 8036).
(10)(d)	Discounted Stock Purchase Plan, as Amended and Restated, dated as of November 5, 1991, incorporated by reference to Exhibit (10)(aa) of the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-8036).

Exhibit Index	
(10)(d)(1)	Amendment No. 1 to Discounted Stock Purchase Plan, effective as of December 31, 2001, incorporated by reference to Exhibit (10) (bb) of the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-8036).
(10)(e)	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)(f) Amendments to the Long Term Incentive Plan, dated April 30, 1996, incorporated herein by reference to Exhibit (10)(a) of the Company's Form 10-Q for the quarter ended June 30, 1996 (File No. 1-8036).

(10)(f)(1) Amendment to the Long Term Incentive Plan, Effective October 30, 2001, incorporated by reference to Exhibit 10(d)(1) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).

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

(10)(h) Amendment No. 1 to 1999 Non-Qualified Stock Option Plan for Non-Employee Directors, effective October 30, 2001, incorporated by reference to Exhibit 10 (f) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).

(10)(i) 2002 Management Incentive Bonus Plan, incorporated by reference to Exhibit (10) of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 (File No. 1-8036).

(10)(j) Management Incentive Plan 2003, incorporated by reference to Exhibit (10) of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (File No. 1-8036).

(10)(k) Form of Second Amended and Restated Change-in-Control Agreement between the Company and certain of its executive officers dated as of March 25, 2000, incorporated by reference to Exhibit (10)(b) of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 (File No. 1-8036).

(10)(k) (1) Form of Amendment No. 1 to Second Amended and Restated Change-in-Control Agreement dated as of May 1, 2001 between the Company and certain of its executive officers, incorporated by reference to Exhibit 10(g)(1) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).

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

Exhibit Index

(10)(m) Non-Competition Agreement, dated as of April 30, 2002, between the Company and William G. Little, incorporated by reference to Exhibit 10(b) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1-8036).

(10)(n) Employment Agreement, dated as of April 30, 2002, between the Company and Donald E. Morel, Jr., incorporated by reference to Exhibit 10 (c) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1-8036).

(10)(o) Non-Qualified Stock Option Agreement, dated as of April 30, 2002 between the Company and Donald E. Morel, Jr., incorporated by reference to Exhibit 10 (d) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1- 8036).

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

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

(10)(s) Non-Qualified Deferred Compensation Plan for Designated Executive Officers as amended and restated effective January 1, 2004.

(10)(t) Deferred Compensation Plan for Outside Directors, as amended and restated effective May 27, 1999, incorporated by reference to Exhibit (10) (a) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-8036).

(10)(u) 1999 Stock-Equivalents Compensation Plan for Non-Employee Directors, incorporated by reference to Exhibit (10)(a) of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-8036).

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

(10)(v)(1) Amendment No. 1 to 1998 Key Employees Incentive Compensation Plan, effective October 30, 2001, incorporated by reference to Exhibit 10 (s) of the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-8036).

Exhibit
Index

(10)(w) Asset Purchase Agreement, dated as of November 15, 2001, by and among DFB Pharmaceuticals, Inc., DPT Lakewood, Inc., West Pharmaceutical Services, Inc., West Pharmaceutical Services Lakewood, Inc., Charter Laboratories, Inc. and Paco Laboratories, Inc., incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K dated November 20, 2001 (File No. 1-8036).

(10)(x) Side letter dated November 30, 2001, incorporated by reference to Exhibit 2.2 of the Company's Current Report on Form 8-K dated November 20, 2001 (File No. 1-8036).

(10)(y) 2003 Employee Stock Purchase Plan, effective as of June 1, 2003, incorporated by reference to Appendix A of the Company's 2003 Definitive Proxy Statement on Form 14A (File No. 1-8036).

(10)(z) Confidentiality and Non-Competition Agreement, dated as of April 7, 2003, between the Company and Bruce S. Morra, incorporated by reference to Exhibit (10)(d) of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-8036).

(10)(z)(1) Amendment to Non-Competition Agreement, dated as of May 1, 2003, between the Company and Bruce S. Morra, incorporated by reference to Exhibit (10)(e) of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-8036).

(10)(aa)	Extension Agreement, dated as of July 8, 2003, to Credit Agreement, dated as of July 26, 2000 (the "Credit Agreement") among the Company, the several banks and financial institutions listed on the signature pages thereto, and PNC Bank, National Association, as Agent, incorporated by reference to Exhibit (10)(f)(1) of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-8036).
(10)(bb)	Commitment and Acceptance, dated as of July 21, 2003, with respect to the Credit Agreement among the Company, Manufacturers and Traders Trust Company and PNC Bank, N.A., incorporated by reference to Exhibit (10)(f)(2) of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-8036).
(10)(cc)	Amendment to Letter Agreement, dated as of May 1, 2003, between the Company and Robert S. Hargesheimer.
(10)(dd)	2004 Stock-Based Compensation Plan, effective as of May 5, 2004, incorporated by reference to Appendix B to the Proxy Statement.
(11)	Not Applicable.
(12)	Not Applicable.
(13)	Portions of 2003 Annual Report to Shareholders.

Exhibit
Index

(16)	Not Applicable.
(18)	None.
(21)	Subsidiaries of the Company.
(22)	None.
(23)	Consent of Independent Accountants.
(24)	Powers of Attorney.
(31)(a)	Section 302 Certification by Donald E. Morel, Jr., Ph.D.
(31)(b)	Section 302 Certification by William J. Federici.
(32)(a)	Certification by Donald E. Morel, Jr., Ph.D., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32)(b)	Certification by William J. Federici, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(99)	None.

Exhibit (10) (cc)

EXECUTION COPY

AMENDMENT TO LETTER AGREEMENT

THIS IS AN AMENDMENT TO LETTER AGREEMENT (the "Amendment Agreement"), dated as of May 1, 2003, between West Pharmaceutical Services, Inc., a Pennsylvania corporation, (the "Company") and Robert S. Hargesheimer ("Executive").

BACKGROUND

The Company and Executive are parties to a letter agreement dated December 7, 1999 (the "1999 Agreement"), a copy of which is attached to this Agreement as Exhibit "A". Under the Severance Agreement, the Executive is eligible to receive severance compensation and certain other benefits in the event his employment is terminated by the Company other than for cause or by reason of death, disability or retirement pursuant to the Company's Retirement Plan, all as specified in Section 2 thereof.

The Company and Executive has determined to offer Executive with certain enhanced severance compensation and benefits in the event Executive's employment is terminated following a "Change in Control" of the Company, as such term is defined in that certain Change-in-Control Agreement, of even date herewith, between the Company and Executive (the "Change-in-Control Agreement").

The Company and Executive have agreed to modify the 1999 Agreement to clarify that he will continue to receive the benefits specified therein, but only in the event that his employment is terminated under circumstances where he is not also entitled to benefits under the Change-in-Control Agreement, and to make certain other amendments to the 1999 Agreement.

AGREEMENT

In consideration of the foregoing, the Company and Executive, each intending to be legally bound hereby, agree as follows:

1. AMENDMENT OF SECTION 1. Section 1 of the 1999 Agreement is hereby amended to read in its entirety as follows:

> "TERMINATION OF EMPLOYMENT. You will be entitled to the benefits specified in Section 2 if your employment by the Company is terminated by the Company, other than for cause or by reason of death, disability, or retirement pursuant to the Company's Employees' Retirement Plan (or any successor pension plant thereto) (the "Retirement Plan"); provided, however, that you will not be entitled to the benefits specified in Section 2 if:
>
> a) your employment terminates for any other reasons, including, without limitation, your voluntary resignation, or
>
> b) during the term of your employment or at any time thereafter, you engage in any activity specified in Section 3 hereof; or
>
> c) you are entitled to receive the severance and other benefits specified in Section 3 of the Change-in-Control Agreement."

2. AMENDMENT OF SECTION 4 B) I). Section 4 b) i) of the 1999 Agreement is hereby amended to read in its entirety as follows:

> "The "Company's Business" means: (i) the manufacture and sale of stoppers, closures, containers, medical device components and assemblies made from elastomers, metal and plastic for the health-care and consumer-products industries; (ii) the clinical trial business carried on by the Company's GFI Research Center; (iii) the development

of proprietary drug-delivery technologies that provide optimized therapeutic effects for challenging drug molecules, such as peptides and proteins, carbohydrates, oligonucleotides, as well as systems for vaccines, gene therapy and diagnostic applications; and (iv) any other business conducted by the Company or any of its subsidiaries or Affiliates during the term of this Agreement and in which you have been actively involved."

3. AMENDMENT OF SECTION 4 A). Section 4 a) of the 1999 Agreement is hereby amended by adding a Schedule "A," attached to this Agreement, and a new clause iv) thereto, which shall read as follows:

"(iv) for the avoidance of doubt, Executive agrees that the phrase "Person engaged in competition with the Company's Business" as used in this Section includes, without limitation, the companies listed on Exhibit "A" to this Agreement."

4. OTHER TERMS.

(a) Confirmation of 1999 Agreement. Except as otherwise set forth in this Amendment Agreement, the 1999 Agreement shall remain in full force and effect in accordance with its terms

(b) Applicable Law. This Amendment Agreement shall be construed under and enforced in accordance with the laws of the commonwealth of Pennsylvania, without regard to its conflicts-of-laws principles.

(c) Headings. The headings or titles of Sections appearing in this Amendment Agreement are provided for convenience and are not to be used in construing this Amendment Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Amendment Agreement as of the date first written above.

West Pharmaceutical Services, Inc.

/s/ Robert S. Hargesheimer
Robert S. Hargesheimer

By: /s/ Donald E. Morel, Jr., Ph.D.
Donald E. Morel, Jr., Ph.D., Chairman of the Board, President and CEO

SCHEDULE "A"

LIST OF PERSONS ENGAGED IN COMPETITION WITH THE COMPANY'S BUSINESS

3-M Drug Delivery Systems Division
Aerogen, Inc.
Alcoa, Inc.
Alkermes, Inc.
Alcan, Inc
ALZA Corporation (subsidiary of Johnson & Johnson)
American Stelmi Corp. (division of Stelmi, SA)
Andrx Corporation
Antares Pharma, Inc. (f/k/a Medi-Ject)
Aradigm Corporation
Bentley Pharmaceuticals, Inc.
Blackhawk/Nepco
The Bespak Group
Biovail Corporation
Cardinal Health, Inc.
CIMA Labs, Inc.
Comar, Inc.
Elan Corporation, Plc
Elite Pharmaceuticals, Inc.
Emisphere Technologies, Inc.

Ethypharm SA
Erie Plastics Corp.
Ferro- Pfanstiehl Laboratories, Inc.
Flamel Technologies, Inc.
Focus Inhalation Oy
Guilford Pharmaceutical, Inc.
Helvoet Pharma (division of Datwyler Holding)
Innovative Drug Delivery Systems, Inc.
In-Site Vision, Inc.
Kerr Group, Inc.
Lavipharm Corporation
Nastech Pharmaceutical Company, Inc.
Nektar Therapeutics
Penwest Pharmaceuticals Company
Phasex Corporation
Plastech Molding and Fabricating, Inc.
Rehxam Corporation
RP Scherer, Inc. (subsidiary of Cardinal Health)
Rx Kinetix, Inc.
Sheffield Pharmaceuticals, Inc.
SkyePharma Plc
Stelmi S.A.
Tech Industries, Inc.
Unigene Laboratories, Inc
Wheaton Science Products (an Alcan Packaging company)

Exhibit 10 (l)

Schedule of Agreements with Executive Officers

The Company has entered into change-in-control agreements with the executive officers listed below. Such agreements are substantially identical in all material respects to the form agreement and amendment thereto, set forth in Exhibits (10)(k) and (10)(k)(1) hereto.

Joseph E. Abbott
Linda R. Altemus
Michael A. Anderson
Steven A. Ellers
John R. Gailey III
Robert S. Hargesheimer
Herbert L. Hugill
Richard D. Luzzi
Bruce S. Morra

Exhibit 10 (s)

WEST PHARMACEUTICAL SERVICES, INC.

NON-QUALIFIED DEFERRED COMPENSATION PLAN

FOR DESIGNATED OFFICERS

(AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2004)

PLAN DOCUMENT

THE WEST PHARMACEUTICAL SERVICES, INC.

NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR DESIGNATED OFFICERS

(AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2004)

West Pharmaceutical Services, Inc. (the "Company") hereby adopts this The West Pharmaceutical Services, Inc. Non-Qualified Deferred Compensation Plan For Designated Officers (the "Plan"), as amended, restated and renamed effective January 1, 2004, to permit designated Officers of the Company to defer receipt of a specified portion of their annual compensation:

1. ELIGIBLE OFFICERS

Employees of the Company or its subsidiaries are eligible to make the election set forth in this Plan if they are: (a) employed in the United States as an officer or senior executive management member of the Company or any of its subsidiaries (an "Officer"), and (b) designated as an Officer eligible to participate in the Plan by the Compensation Committee.

2. DEFERRABLE COMPENSATION

An eligible Officer may separately elect to defer either cash or bonus stock compensation ("Deferrable Compensation") as follows:

(a) any whole percentage of his or her (i) annual aggregate base salary paid by the Company for services rendered exclusive of any additional allowances, payments or non-cash benefits ("Base Salary"), (ii) cash bonus ("Cash Bonus") paid under the Management Annual Incentive Plan ("MIB Plan") , or (iii) both ("Cash Compensation");

(b) any whole number of Shares of restricted bonus stock awarded ("Bonus Stock") under the Company's MIB Plan.

3. ELECTION TO DEFER

(a) An eligible Officer who desires to defer payment of any portion of his

or her Deferrable Compensation in any calendar year shall notify the Company's Secretary in writing on or before December 15 of the prior year, stating the amount of his or her Deferrable Compensation which shall be deferred. An election so made shall be irrevocable and shall apply to each calendar year thereafter until the Officer shall, on or before any December 15, notify the Company's Secretary in writing that a different election shall apply to the following calendar years, which election shall likewise continue in effect until similarly changed.

(b) Notwithstanding Section 3(a) above, if an eligible Officer is hired by the Company during a calendar year, such Officer may elect to participate in the Plan by notifying the Company's Secretary in writing before he or she performs any services for the Company the amount of his or her Deferrable Compensation which shall be deferred. An election so made shall be irrevocable during that calendar year and shall apply to each calendar year thereafter until the Officer changes his or her election in accordance with the procedure set forth in Section 3(a) above.

(c) An eligible Officer who has elected to defer any portion of his or her Cash Bonus, shall be permitted at the time of his or her election to designate that a portion of such Cash Bonus will be deemed to be invested in common stock of the Company ("Common Stock") and ultimately distributable in Common Stock in accordance with Section 7(c)(iii). The portion of the eligible Officer's Cash Bonus so designated will be referred to as "Stock Equivalent Compensation" hereunder.

4. MATCHING CONTRIBUTIONS

(a) The Company will contribute to the Plan an amount equal to 50% of the first 6% of Base Salary that an eligible Officer elects to defer. Matching contributions under this Section 4(a) ("Salary Matching Contributions") shall not be made for deferrals of Base Salary in excess of 6% or any portion of a Cash Bonus or Bonus Stock deferred by an Officer.

(b) The Company shall make a matching contribution ("Incentive Shares") equal to 25% of the aggregate fair market value of the Bonus Stock and Stock Equivalent Compensation (but not Cash Bonuses) that an eligible Officer elects to defer. Fair market value shall be measured as of the date such Bonus Stock or Stock Equivalent Compensation would otherwise be paid to such eligible Officer.

5. INVESTMENT OF DEFERRED COMPENSATION ACCOUNTS

(a) Allocations. The Company shall establish an "A" Account, a "B" Account, a "C" Account and a "D" Account (collectively, the "Accounts") for each Officer contributing to the Plan. The Accounts shall be maintained on the books of the Company and shall be used solely to calculate the amount payable to each Officer and shall not constitute separate funds of assets.

(i) An Officer's Cash Compensation deferred pursuant to Section 3 (except Stock Equivalent Compensation, as described in Section 3(d)) during a month shall be allocated to his or her "A" Account as of the last day of the payroll period to which it relates.

(ii) Company matching contributions made pursuant to Section 4(a) on or before March 31, 2000 shall be allocated to an Officer's "B" Account as of the last day of the payroll period to which they relate.

(iii) Salary Matching Contributions made pursuant to Section 4(a) on or after April 1, 2001 shall be allocated to an Officer's "C" Account as of the last day of the payroll period to which they

relate.

(iv) Bonus Stock, Stock Equivalent Compensation and Incentive Shares deferred in accordance with Section 2(b) will be allocated to a separate "D" Account and subject to the rules of Section 7(c)(iii).

(b) Investment of "A" Account and "B" Account.

(i) Each Officer shall direct the deemed investment of his or her "A" Account and "B" Account among the investment funds offered under the Plan ("Investment Funds") by complying with administrative procedures established by the

Compensation Committee. An Officer's election shall specify the whole percentage of his or her "A" Account and "B" Account deemed to be invested in an Investment Fund. An Officer's election shall remain in effect until a new election is made. An Officer may change an election of Investment Funds or transfer existing Account balances among Investment Funds once per month by complying with the administrative procedures established by the Compensation Committee. The Compensation Committee shall establish procedures to review the investment elections made by an Executive Officer and shall retain the authority to override any investment election if it determines, in its sole discretion, that such an override is in the Company's best interests.

(ii) Investment Funds. The Company shall make available to each Officer literature summarizing the investment characteristics of each Investment Fund.

(iii) Valuation of Participating Officer's Accounts. Any increase or decrease in the fair market value of an Investment Fund shall be computed and credited to or deducted from the "A" Account or "B" Account, as applicable, of all Officers who are deemed to be invested in the Investment Fund in accordance with policies and procedures established by the Compensation Committee.

(c) Investment of "C" Account.

(i) The "C" Account of each Officer shall be deemed to be invested in Common Stock. An Officer shall not have the ability to direct or invest amounts in his or her "C" Account.

(ii) Any increase or decrease in the fair market value of the common stock of the Company shall be computed and credited to or deducted from Account "C" of all of the Officers who are invested in the common stock of the Company in accordance with policies and procedures established by the Compensation Committee.

(d) Investment of "D" Account.

(i) Any Bonus Stock deferred under Section 2(b) and any Stock Equivalent Compensation shall be deemed to be invested in Common Stock. An Officer shall not have the ability to direct or invest amounts in his or her "D" Account.

(ii) Any increase or decrease in the fair market value of the common stock of the Company shall be computed and credited to or

deducted from Account "D" of all of the Executive Officers who are invested in the common stock of the Company in accordance with policies and procedures established by the Compensation Committee.

(e) Indemnity. By electing to contribute Deferrable Compensation pursuant to the Plan, each Officer hereby recognizes and agrees that the Company and any other individual responsible for administering the Plan (including the Company's Secretary or any trustee responsible for holding assets under the Plan) are in no way responsible for the investment performance of the Officer's Accounts.

6. VESTING

(a) Cash Compensation Deferrals. An Officer shall always be 100% vested in the Cash Compensation (including Stock Equivalent Compensation) deferred pursuant to Section 3.

(b) Salary Matching Contributions. An Officer shall be 40% vested in Salary Matching Contributions made on his or her behalf under Section 4 after two years of employment with the Company or any of its subsidiaries (prior to such two-year period, no portion of the Salary Matching Contributions shall be vested). An Officer's vested interest in Salary Matching Contributions will increase by 20% per year of employment, so that he or she is 100% vested after five years of employment with the Company or any of its subsidiaries. A "year of employment" will be credited to an Officer for each 12 month period, beginning on his or her date of hire by the Company or any of its subsidiaries (and each anniversary thereof), during which he or she is continuously employed by the Company or any of its subsidiaries, as determined in the Company's sole discretion.

(c) Bonus Stock. Any Bonus Stock deferred under Section 2(b) shall be immediately 100% vested.

(d) Incentive Shares. No Incentive Shares credited to an Officer's Account in accordance with Section 4(b) shall be vested until the fourth anniversary of the date that the Bonus Stock or Stock Equivalent Compensation with respect to which such Incentive Share relates ("Underlying Stock") was credited to an Officer's Account; provided, however, that if an Officer has received a distribution with respect to any share of Underlying Stock in accordance with Section 7 the Incentive Share that relates to such Underlying Stock will be immediately forfeited by such Officer. An Officer need not remain employed by the Company to continue vesting in accordance with this Section 6(d).

(e) (i) Notwithstanding Section 7(b) or Section 7(d) above, an Officer shall immediately be 100% vested in matching contributions made pursuant to Section 4 after a Change in Control, as defined below.

(ii) A "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to Item 1 of the Current Report on Form 9-K as in effect on April 28,1998, pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Act"), provided that, without limitation, a Change in Control shall be deemed to have occurred if:

(A) any "Person" (as such term is used in sections 13(d) and 14(d) of the Act), other than:

(1) the Company,

(2) any Person who on the date hereof is a director or officer of the Company, or

(3) a trustee or fiduciary holding securities under an employee benefit plan of the Company,

(B) is or becomes the "beneficial owner," (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities; or

(C) during any period of two consecutive years during the term of this Plan, individuals who at the beginning of such period constitute the board of directors of the Company cease for any reason to constitute at least a majority thereof, unless the election of each director who was not a director at the beginning of such period has been approved in advance by directors representing at least two-thirds of the directors then in office who were directors at the beginning of the period; or

(D) the shareholders of the Company approve:

(1) a plan of complete liquidation of the Company; or

(2) an agreement for the sale or disposition of all or substantially all of the Company's assets; or

(3) a merger, consolidation, or reorganization of the Company with or involving any other corporation, other than a merger, consolidation, or reorganization that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), at least fifty percent (50%) of the combined voting power of the voting securities of the Company (or the surviving entity, or an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) outstanding immediately after such merger, consolidation, or reorganization.

7. PAYMENT OF DEFERRED COMPENSATION

(a) Distribution Events. The vested portion of an Officer's Accounts (or relevant portion thereof) shall be distributed as soon as reasonably feasible after the appropriate Valuation Date (as defined in Section 7(b)) following a Distribution Event. The following events, and no others, shall constitute Distribution Events:

(i) For allocations to an Officer's "A" Account, "B" Account, "C" Account and "D" Account, the termination of his or her employment with the Company and all of its subsidiaries for any reason, including retirement, death or;

(ii) For allocations to an Officer's "A" Account and the vested portion of an Officer's "D" Account only, during each calendar year, the fifth anniversary of the end of that year unless the Officer elects (by informing the Company's Secretary) before the

fourth anniversary of the end of that year to defer the distribution to a later, specified date which is at least 24 months after the date

such amounts would otherwise be distributed (in which case the distribution shall be made on the date specified by the Officer); or

(iii) For allocations to an Officer's "A" Account and the vested portion of an Officer's "D" Account only, the determination by the Compensation Committee that the Officer has incurred a Hardship. For purposes of this Section, a "Hardship" is an unforeseeable severe financial emergency arising as a result of events beyond the control of the Officer that cannot reasonably be relieved through use of the Officer's personal assets or cessation of deferrals under this Plan. To apply for a Hardship distribution, an Officer must submit a written application to the Company's Secretary indicating (A) the nature of the hardship, (B) the amount the Officer needed to alleviate the hardship, and (C) the Account from which a distribution, if approved, shall be made. The determination of whether a Hardship exists shall be made in accordance with the claims procedures in Section 11.

(iv) Amounts allocated to an Officer's "B" Account, "C" Account and the unvested portion of an Officer's "D" Account shall not be available for distribution under Sections 7(a)(ii) or 7(a)(iii).

(b) Valuing Accounts for Distributions. The value of each of the Accounts of an Officer shall be determined as of the effective date of a distribution from the Plan (the "Valuation Date"), which shall be a date selected by the Company within an administratively reasonable time period following a Distribution Event. The value of the Accounts will be adjusted on the Valuation Date to reflect earnings, losses, and previous withdrawals. The relevant portion of each of the Accounts, as applicable, shall then be distributed in accordance with this Section 7.

(c) Forms of Distribution.

(i) Subject to Section 7(c)(iii), and unless elected otherwise under Section 7(c)(ii), all distributions from the Plan shall be made in a cash lump sum.

(ii) For amounts payable upon termination of employment pursuant to Section 7(a)(i), an Officer may elect to receive the distribution in substantially equal annual installments.

(A) If an installment distribution is elected, the first installment shall be paid on or as soon as practicable following the January 15 immediately following the Executive's termination from employment, and the others on or as soon as practicable following January 15 of the second, third, fourth and fifth years following such termination. The Officer shall continue to direct the investment of any amount remaining in his or her "A" Account and "B" Account and the second to fifth installments shall be adjusted to take into account any earnings or losses.

(B) At the time the Officer elects to defer Compensation pursuant to Section 3, he or she shall elect whether a distribution pursuant to Section 7(a)(i) shall be made in a cash lump sum or in five equal annual installments. This election shall continue in effect until changed by the Officer, provided that any such change shall be

effective only if the Officer submits appropriate instructions, in accordance with administrative procedures established by the Company, on or before December 15 of the year prior to the year in which the Officer becomes entitled to a distribution.

(iii) (A) Distributions of Stock Equivalent Compensation and amounts allocated to an eligible Officer's "D" Account must be made in the form of whole shares of Common Stock in accordance with this Section. No partial shares of Common Stock shall be distributed, and cash equal to the fair market value of such fractional Common Stock shall be distributed in lieu thereof.

(B) An eligible Officer may elect to receive all or a portion of his or her distribution from his or her "A" Account or "B" Account in accordance with Section 7(a)(ii), in Common Stock; provided that such election to receive Common Stock in lieu of cash shall be effective only if the Executive Officer submits appropriate instructions, in accordance with administrative procedures established by the Company, on or before December 15 of the year prior to the year in which the Executive Officer becomes entitled to a distribution.

(C) Any Common Stock distributable from this Plan in accordance with this Section 7(b)(iii) shall be made under and pursuant to the Company's 2004 Stock-Based Compensation Plan, assuming such Plan receives the approval of shareholders as required thereunder. In the event that such shareholder approval is not obtained, any distributions under this Plan that would otherwise be made in Common Stock, shall instead be made in cash.

(d) Treatment of Unvested Portion of Officer's Account. Incentive Shares that are not vested at the time an Officer terminates employment shall be distributable in accordance with Section 7(a)(i) as soon as reasonably feasible after the date such Incentive Shares become vested, if ever. Unvested Matching Contributions shall be forfeited and may be used by the Company as determined in its sole discretion.

8. DESIGNATION OF BENEFICIARY

Notwithstanding anything in the Plan to the contrary, if an Officer dies prior to receiving the entire balance of his or her Accounts, any balance remaining in his or her Accounts shall be paid in a cash lump sum only to the Officer's designated beneficiary as soon as practicable after such Officer's death, or if the Officer has not designated a beneficiary in writing to the Company's Secretary, to such Officer's estate. Any designation of beneficiary may be revoked or modified at any time by the Officer or his or her authorized designee.

9. UNSECURED OBLIGATION OF THE COMPANY

The Company's obligations to establish and maintain Accounts for each eligible electing Officer and to make payments of deferred compensation to him or her under this Plan shall be the general unsecured obligations of the Company. The Company shall be under no obligation to establish any separate fund, purchase any annuity contract, or in any other way make special provision or specifically earmark any funds for the payment of any amounts called for under this Plan, nor shall this Plan or any actions taken under or pursuant to this Plan be construed to create a

trust of any kind, or a fiduciary relationship between the Company and any eligible Officer, his or her designated beneficiary, executors or administrators, or any other person or entity. If the Company chooses to establish such a fund or purchase such an annuity contract or make any other arrangement to provide for the payment of any amounts called for under this Plan, such fund contract or arrangement shall remain part of the general assets of the Company, and no person claiming benefits under this Plan shall have any right, title, or interest in or to any such fund, contract or arrangement.

10. ADMINISTRATION

The Plan will be administered by the Compensation Committee.

(a) The Compensation Committee shall be the named fiduciary for purposes of the claims procedure pursuant to Section 11 and shall have authority to act to the full extent of its absolute discretion to:

(i) interpret the Plan;

(ii) resolve and determine all disputes or questions arising under the Plan subject to the provisions of Section 11, including the power to determine the rights of participating Officers and their beneficiaries (designated under Section 8), and their respective benefits, and to remedy any ambiguities, inconsistencies or omissions in the Plan;

(iii) create and revise rules and procedures for the administration of the Plan and prescribe such forms as may be required for participating Officers to make elections under, and otherwise participate in, the Plan; and

(iv) take any other actions and make any other determinations as it may deem necessary and proper for the administration of the Plan.

(b) Any expenses incurred in the administration of the Plan will be paid by the Company or the Employer.

(c) Except as the Compensation Committee may otherwise determine (and subject to the claims procedure set forth in Section 11), all decisions and determinations by the Administrative Committee shall be final and binding upon all participating Officers and their designated beneficiaries.

(d) Neither the Secretary nor any member of the Compensation Committee shall participate in any matter involving any questions relating solely to his or her own participation or benefits under the Plan. The Compensation Committee shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon the advice or opinion of any persons, firms or agents retained by it, including but not limited to accountants, actuaries, counsel and other specialists. Nothing in this Plan shall preclude the Company from indemnifying the Secretary or members of the Compensation Committee for all actions under this Plan, or from purchasing liability insurance to protect such persons with respect to the Plan.

11. CLAIMS PROCEDURE

The Company shall administer a claims procedure as follows:

(a) Initial Claim. An Officer or his or her beneficiary who believes that

he or she is entitled to benefits under the Plan (the "Claimant"), or the Claimant's authorized representative acting on behalf of such Claimant, must make a claim for those benefits by submitting a written notification of his or her claim of right to such benefits. Such notification must be on the form and in accordance with the procedures established by the Company. No benefit shall be paid under the Plan until a proper claim for benefits has been submitted.

(b) Procedure for Review. The Compensation Committee shall establish administrative processes and safeguards to ensure that all claims for benefits are reviewed in accordance with the Plan document and that, where appropriate, Plan provisions have been applied consistently to similarly situated Claimants. Any notification to a Claimant required hereunder may be provided in writing or by electronic media, provided that any electronic notification shall comply with the applicable standards imposed under 29 C.F.R. ss.2520.104b-1(c).

(c) Claim Denial Procedure. If a claim is wholly or partially denied, the Compensation Committee shall notify the Claimant within a reasonable period of time, but not later than 90 days after receipt of the claim, unless the Compensation Committee determines that special circumstances require an extension of time for processing the claim. If the Compensation Committee determines that an extension of time for processing is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 180 days from receipt of the claim. The extension notice shall indicate: (i) the special circumstances necessitating the extension and (ii) the date by which the Compensation Committee expects to render a benefit determination. A benefit denial notice shall be written in a manner calculated to be understood by the Claimant and shall set forth: (i) the specific reason or reasons for the denial, (ii) the specific reference to the Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for the Claimant to perfect the claim, with reasons therefor, and (iv) the procedure for reviewing the denial of the claim and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a legal action under section 502(a) of ERISA following an adverse benefit determination on review.

(d) Appeal Procedure. In the case of an adverse benefit determination, the Claimant or his or her representative shall have the opportunity to appeal to the Compensation Committee for review thereof by requesting such review in writing to the Board within 60 days of receipt of notification of the denial. Failure to submit a proper application for appeal within such 60 day period will cause such claim to be permanently denied. The Claimant or his or her representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. A document, record or other information shall be deemed "relevant" to a claim in accordance with 29 C.F.R.ss.2560.503-1(m)(8). The Claimant or his or her representative shall also be provided the opportunity to submit written comments, documents, records and other information relating to the claim for benefits. The Board shall review the appeal taking into account all comments, documents, records and other information submitted by the Claimant or his or her

representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(e) Decision on Appeal. The Board shall notify a Claimant of its decision

on appeal within a reasonable period of time, but not later than 60 days after receipt of the Claimant's request for review, unless the Compensation Committee determines that special circumstances require an extension of time for processing the appeal. If the Compensation Committee determines that an extension of time for processing is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate: (i) the special circumstances necessitating the extension and (ii) the date by which the Compensation Committee expects to render a benefit determination. An adverse benefit decision on appeal shall be written in a manner calculated to be understood by the Claimant and shall set forth: (i) the specific reason or reasons for the adverse determination, (ii) the specific reference to the Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the Claimant's claim (the relevance of a document, record or other information will be determined in accordance with 29 C.F.R.ss.2560-1(m)(8)) and (iv) a statement of the Claimant's right to bring a legal action under section 502(a) of ERISA.

(f) Litigation. In order to operate and administer the claims procedure in a timely and efficient manner, any Claimant whose appeal with respect to a claim for benefits has been denied, and who desires to commence a legal action with respect to such claim, must commence such action in a court of competent jurisdiction within 90 days of receipt of notification of such denial. Failure to file such action by the prescribed time will forever bar the commencement of such action.

(g) Disputes; Enforcement of Rights. All reasonable legal and other fees and expenses incurred by the Claimant in connection with any disputed claim regarding any right or benefit provided for in this Plan shall be paid by the Company, to the extent permitted by law, provided that the Claimant prevails on the merits of his or her claim in material part as the result of litigation, arbitration or settlement.

12. TOP HAT AND NON-QUALIFIED STATUS

This Plan is intended to be a top-hat plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is an unfunded plan for purposes of ERISA and the Code and is not qualified under section 401(a) of the Code.

13. WITHHOLDING OF TAXES

The rights of an Officer (and his or her beneficiaries) to payments under this Plan shall be subject to the Company's obligations at any time to withhold from such payments any income or other tax on such payments.

14. ASSIGNABILITY

No portion of an Officer's Accounts may be assigned or transferred in any manner, nor shall any of the Accounts be subject to anticipation, voluntary alienation or involuntary alienation.

15. AMENDMENTS AND TERMINATION

This Plan may be amended by the Compensation Committee of the Board of Directors of the Company (the "Board"). This Plan may be terminated at any time by the Board. No amendment or termination may adversely affect an Officer's Accounts existing on the date such amendment or termination is made, nor any election previously made under the Plan as to Deferrable Compensation for the calendar year in which the amendment or termination occurs.

16. EFFECTIVE DATE

The Plan was originally effective with respect to an Officer's Deferrable Compensation earned after August 30, 1994. This restatement is effective with respect to an Officer's Deferrable Compensation earned on or after January 1, 2004.

* * * * * *

To record the adoption of the restatement of the Plan, West Pharmaceutical Services, Inc. has caused its authorized officers to affix its corporate name and seal this 10th day of March, 2004.

[CORPORATE SEAL]

WEST PHARMACEUTICAL SERVICES, INC.

Attest: /s/ John R. Gailey III
John R. Gailey III
Secretary

By: /s/ Richard D. Luzzi
Richard D. Luzzi
Vice President, Human Resources

FINANCIAL REVIEW

COMPANY OVERVIEW

West Pharmaceutical Services, Inc. (the Company) provides systems and device components, primarily for parenterally administered drugs, and develops proprietary drug formulation and delivery technology for nasal and targeted oral delivery of pharmaceutical products. These distinct but complementary businesses are organized into two reportable segments: Pharmaceutical Systems and Drug Delivery Systems. West serves a customer base consisting of virtually every major pharmaceutical manufacturer, as well as many generic drug manufacturers, biotechnology companies and medical device firms. The Company has manufacturing locations in North and South America, Europe and Singapore, with partners in Mexico and Japan.

The Pharmaceutical Systems segment develops, manufactures and sells components and systems for injectable, transmucosal, oral and pulmonary drug delivery, including those used for parenteral drug delivery. The closure systems include elastomeric stoppers, which come into direct contact with drug compounds and therefore are subject to demanding regulatory requirements, and aluminum seals sold with and without plastic buttons. The aluminum seals and plastic button components are sold in various sizes, shapes and colors to provide customers with product differentiation and anticounterfeiting features. The segment also manufactures elastomer components for blood collection systems, intravenous drug delivery systems, and empty and pre-filled syringes. Other products in this segment are manufactured from plastics, including child-resistant and tamper-evident closures; dispensers for personal care products, such as unique toothpaste dispensers; and components used to seal beverage containers.

The Pharmaceutical Systems segment has three business units: the Americas, Europe/Asia and the Device Group. The Americas and Europe/Asia business units manufacture and sell the majority of the Company's elastomer and metal component products in their respective geographic regions. The Device Group, formed during 2003, provides added focus to the development and sale of next-generation product delivery systems relying heavily on plastic injection molding and assembly, within the pharmaceutical, diagnostic and consumer markets. The group is focused on opportunities requiring product design, clean room molding, high-speed assembly and regulatory compliance.

The Pharmaceutical Systems segment operates in a global market growing annually at a rate of approximately 3% to 5% in unit volume. The Company has achieved growth above this level by introducing value-added enhancements such as advanced coating technologies (FluroTec and B2-Coating) and post-manufacturing processes (Westar) for washing, siliconizing and preparing components for customer sterilization processes. Because the Westar process eliminates time and capital-intense operations from a customer's manufacturing process, the Westar product line has experienced steady growth. The Company is currently adding Westar capability to Company facilities in Germany, France and Singapore and expanding capacity in the United States. The global availability of Westar enables customers to manufacture products outside of the United States using West closures that consistently meet the rigorous requirements of the U.S. Food and Drug Administration guidelines.

Management believes that revenues in the Pharmaceutical Systems segment will grow at a rate slightly above that of the overall market, as it anticipates continued strong customer demand for high-value barrier coatings and Westar processed components, offset partially by industry trends such as pricing pressures, inventory management and mergers and acquisitions. Some of our pharmaceutical company customers are facing patent expirations resulting in competition from generic manufacturers. This risk is mitigated by West's position as a key supplier to numerous emerging generic companies. The impact of dwindling pipelines for major pharmaceutical manufacturers is often mitigated by new drugs purchased or in-licensed from smaller biotechnology companies. The Company lists biotechnology companies among its fastest-growing market segments and has developed a concerted sales and marketing effort to address biotech needs. Advanced coating technologies and Westar processing are examples of our products that satisfy the specific requirements of the biotechnology industry. In the near term, management will focus on replacing the production capacity lost in the accident at the Kinston, N.C., facility. Longer-term efforts will focus on developing high-value processes and products for the Company's traditional pharmaceutical industry customers and for its expanding customer base in the biotechnology industry.

The Drug Delivery Systems segment is engaged in the development of proprietary drug delivery systems and products for various small molecule and biological active ingredients where alternative methods and routes of administration (e.g., nasal) might improve the therapeutic performance, the side effect profile and/or the cost effectiveness of the therapy. The Company's patented technologies include nasal delivery technologies, using ChiSys

(chitosan) and pectin for the delivery of small molecular weight drugs, proteins, peptides, and vaccines, and TARGIT, a polymer-coated starch capsule for the specific delivery of therapeutic agents to the colon and the terminal end of the small intestine. These efforts incorporate internal and client-funded research to develop unique delivery technologies and products. The segment consists of a research and development unit concentrating on the development and commercialization

of the Company's patented technologies and products, and a clinical services organization that conducts primarily Phase I and II clinical trials, with capabilities available to support later phases of the drug development process. The business strategy for this segment is focused on advancing products that use the Company's patented drug delivery technologies through early phase clinical trials and then out-licensing the products to pharmaceutical and other firms in exchange for a combination of milestone fees, development cost reimbursements and royalties. Management, combining input from current and potential licensing partners with that from a scientific advisory board including members of leading university, hospital and other research centers, has prioritized its portfolio of projects in order to focus on near-term licensing opportunities.

RESULTS OF OPERATIONS

The Financial Review of the Company's operating results for the three years ended December 31, 2003, and its financial position as of December 31, 2003, should be read in conjunction with the accompanying consolidated financial statements appearing elsewhere in this report.

In December 2002, the Company sold its consumer healthcare research unit. In November of 2001, the Company sold its contract manufacturing and packaging operations. These transactions both involved the disposal of a component of the Company for which operations and cash flows were clearly distinguished from the rest of the Company, and accordingly, all prior periods have been restated to reflect the results of these businesses as discontinued operations. In addition, certain reclassifications were made to prior period amounts in order to be consistent with the current period reporting presentation.

NET SALES

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

($ in millions)	2003	2002	2001
Pharmaceutical packaging	$ 341.2	$ 286.2	$ 256.6
Disposable medical components	100.4	88.6	88.1
Personal care/food packaging	32.2	30.7	27.6
Laboratory and other services	9.6	7.3	4.1
Net sales - Pharmaceutical Systems	483.4	412.8	376.4
Clinical services	5.4	5.3	7.8
Development/licensing revenue	1.9	1.6	8.1
Net sales - Drug Delivery Systems	7.3	6.9	15.9
Net sales - Consolidated	$ 490.7	$ 419.7	$ 392.3

Consolidated 2003 net sales increased 17% over sales reported in 2002. Approximately 7% of the sales increase resulted from the strengthening of the euro and other currencies against the U.S. dollar in foreign currency exchange markets. Sales in the Pharmaceutical Systems segment were strong both in international markets (25% growth over 2002, 16% of which was due to foreign currency translation) and in domestic markets (10% growth). The success of customer products for the treatment of diabetes and oncology, as well as various dental applications, led to increased sales of component parts for both prefillable injection systems (pharmaceutical packaging) and non-filled syringes (disposable medical components) in Europe. The increased sales volumes in Europe were made possible by plant expansions in Germany and France that started to come on-line in the fourth quarter of 2002. Several European customers increased in-house inventory levels during 2003, which are expected to result in stock

reduction programs and slower sales growth in 2004. In the United States, sales of products sold under the Company's distributorship agreement with Daikyo Seiko, Ltd. were significantly above 2002 levels, with a portion of this demand attributed to quantities purchased for customer product qualification and validation activities which may result in slower sales growth in 2004. Sales growth remained strong both for Westar processed products and for traditionally processed Teflon(R) treated serum stoppers, partially due to customer purchases of safety stock in advance of a pending formulation change. In addition, the successful introduction of West's D-I-D (Decoration-Identification-Differentiation) System, used by customers to combat drug counterfeiting, led to sales growth in the Company's Flip-Off seal product line. Overall price increases accounted for 1.6% of the sales increase over 2002. The sales order backlog for the Pharmaceutical Systems segment at December 31, 2003, was $131.6 million, versus $118.8 million at December 31, 2002, with all of the increase over the prior year attributed to the strength of foreign currencies versus the U.S. dollar.

Revenues in the Drug Delivery Systems segment were slightly higher than 2002 levels. Revenues were received for both research and development services and the achievement of certain milestones from some of the Company's licensees. In addition, progress was made in advancing other key product development programs, but not to the point where significant milestone revenues were earned in 2003. As a result of increased business development efforts, the clinical services unit experienced a significant revenue increase in the second half of 2003, recovering from the declines experienced during the second half of 2002 and the first half of 2003. The backlog of studies for the clinical services unit at December 31, 2003, was $3.8 million, more than double the amount from the prior year end, indicating stronger sales growth in 2004.

Consolidated net sales of $419.7 million in 2002 compare with sales of $392.3 million in 2001. Sales in the

Teflon(R) is a registered trademark of E.I. DuPont de Nemours & Company.

Pharmaceutical Systems segment increased almost 10% in 2002 versus 2001. International sales grew by 15%, while domestic sales increased by 5%. Consistent sales increases were experienced in all pharmaceutical packaging and processing products, led by serum and lyophilization stoppers, and prefillable syringe components. Sales of disposable medical components also increased, led by increased sales of stoppers, plungers and other items used in non-filled syringes. Price increases accounted for 1.5% of the sales increase over 2001. Foreign exchange rates did not impact comparisons of 2002 sales to 2001, as the dollar's decline against European currencies was largely offset by currency devaluation in South America. 2002 revenues in the Drug Delivery Systems segment were $9.0 million lower than 2001 results. Project delays and cancellations led to lower licensing-related revenues from ChiSys and other technologies. In addition, a decrease in the number of studies conducted by our customers in the pharmaceutical outsourcing market contributed to lower sales for the clinical services unit.

OPERATING PROFIT

The following table summarizes the Company's operating profit by reportable segment, including corporate costs, U.S. pension plan income (expense) and other charges recorded in consolidated operating profit for the three years ended December 31, 2003:

($ in millions)	2003	2002	2001
Pharmaceutical Systems segment	$ 88.2	$ 65.1	$ 55.2
Drug Delivery Systems segment	(17.5)	(15.0)	(4.3)
Corporate costs	(20.1)	(17.9)	(16.2)
Pension income (expense)	(6.4)	2.7	8.1
Insurance settlement	17.3	--	--
Restructuring and impairment charges	(7.0)	(9.9)	(2.9)
Foreign exchange gain	--	1.7	--
Consolidated operating profit	$ 54.5	$ 26.7	$ 39.9

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PHARMACEUTICAL SYSTEMS

Operating profit in the Pharmaceutical Systems segment increased by $23.1 million over 2002 results. The strength of European currencies versus the U.S. dollar contributed $5.8 million of the profit improvement. Gross margin was 31.7%, 28.5% and 28.4% in 2003, 2002 and 2001, respectively. In addition to providing the means to achieve higher sales volumes, the completion of the plant expansion projects in Germany and France greatly reduced production inefficiencies and resulted in substantially improved margins from European operations. In the United States, production costs greatly increased following the accident at the Kinston, N.C., rubber molding and compounding facility. Many Kinston employees were temporarily relocated to other production facilities in North America, and additional shifts and overtime were used to increase production at these facilities and at plants in the United Kingdom and Singapore. As a result of these efforts, customers did not suffer any significant interruptions in supply. The increased production costs associated with the manufacturing recovery plan, totaling $9.8 million, were covered by reimbursements obtained under the Company's property and business interruption insurance policy, resulting in gross margins in the United States comparable with prior year levels. Selling, general and administrative costs in the Pharmaceutical Systems segment were approximately 13% of net sales in each period.

The Company and its principal insurer reached a settlement agreement resulting in the final payment of all amounts due under the policy in February 2004. The settlement agreement covered all of the Company's current and projected claims under the insurance policy. Therefore, no future business interruption reimbursements will be received. The higher production costs, currently estimated at approximately $10 million to $12 million for 2004, are expected to continue until approximately September of 2004, leading to a decline in the gross profit margin in the Pharmaceutical Systems segment. Beginning in the fourth quarter of 2004, the Company expects production capacity to return to historical levels as a new rubber molding facility currently under construction in Kinston becomes fully operational.

DRUG DELIVERY SYSTEMS

Operating losses in the Drug Delivery Systems segment were $2.5 million above those recorded in 2002. In the second half of 2002 and throughout 2003, the Company funded research and development of a generic version of a nasally delivered allergy product. The Company currently expects to complete a licensing agreement for this product during the first half of 2004 that will provide the Company with milestone and royalty revenue. Operating losses in the clinical services unit remained about equal with 2002 results. In addition to the absence of research costs associated with the development of the generic nasal allergy product, 2001 results benefited from ChiSys licensing revenues associated with a nasal morphine system and a nasal flu vaccine.

CORPORATE COSTS

Corporate administrative and other expenses increased by $2.2 million in 2003 compared to 2002. Incentive compensation costs increased, primarily due to the achievement of increased operating results. Also contributing to the higher corporate costs were expenses associated with implementing Sarbanes-Oxley requirements, including the newly created position of Chief Compliance Officer and increased staffing of the internal audit function. In addition, the increase in the Company's stock price resulted in higher directors' compensation plan costs. Partially offsetting these cost increases was a decrease in information systems project expenses. Corporate costs in 2002 exceeded 2001 spending, principally due to higher executive compensation costs, increased funding of the internal audit function and higher consulting charges for international tax planning.

PENSION INCOME (EXPENSE)

The Company's U.S. pension plan performance declined during 2002, reflecting the decline in the fair market value of plan assets throughout 2002 and 2001. The decrease in asset value produced unrealized losses, which for accounting purposes are amortized into expense over subsequent periods. During 2003, the recovery in the U.S. stock market produced unrealized gains that will help reduce future pension costs. The Company projects that U.S. pension plan expenses will be slightly lower in 2004 as a result of the closing asset values at December 31, 2003.

INSURANCE SETTLEMENT

On January 29, 2003, the Company's Kinston, N.C., plant suffered an explosion and related fire that resulted in six deaths, a number of injured personnel and substantial damage to the building, machinery and equipment and raw material inventories. The Company's property and business interruption coverage with its principal insurer provides for a maximum insurance recovery of $66 million. The Company and its insurer reached a consensus that the total losses for business interruption, insured incremental costs and property replacement would exceed the maximum recoverable amount, resulting in the final settlement of the insurance claim for the full $66 million reimbursement.

The final accounting for the insurance settlement and related costs is presented below:

($ in millions)	2003
Insurance coverage reimbursement	$ 66.0
Costs and expenses:	
Business interruption costs	9.8
Insured incremental costs	15.8
Book value of property and equipment	11.7
Uninsured legal and investigation costs	11.4
Total costs and expenses	48.7
Gain on insurance settlement, net of related costs	$ 17.3

RESTRUCTURING, IMPAIRMENT AND OTHER ITEMS

In December 2003, the Company recorded a $7.0 million charge associated with a product designed by a customer and intended for production at our plastics device plant in the United Kingdom. As a result of delays connected with the regulatory approval of the product, the marketing and distribution partner for our customer terminated its involvement with the product. The operating results of the U.K. plant are significantly dependent on the success and timing of this product. As a result of this decision and the resulting delay in the product launch, including the possible termination of the product, management concluded that the future cash flows to be generated by this plant will not be sufficient to cover the book value of the property, plant and equipment at this site. Accordingly, the Company recorded a $6.0 million impairment charge for the difference between the carrying value and the expected fair value of these assets. A related charge of $1.0 million was also recorded for statutory post-employment benefit costs deemed probable of being paid. The Company anticipates that future restructuring costs of approximately $1.5 million will be incurred at this location in 2004.

In 2002, restructuring charges of $9.9 million were recorded in association with the termination of an information systems implementation project ($6.9 million), a write-down of a technology company investment ($2.8 million), the closure of a sales office in Korea ($0.1 million) and employee terminations at the Nottingham, U.K., drug delivery site ($0.1 million). In 2001, the Company recorded a net $2.9 million restructuring charge consisting of a $4.9 million provision for the termination of 35 mid- and senior-level management positions, offset by a $2.0 million adjustment related to the carrying value of an asset held for sale from the 2000 restructuring program. As of December 31, 2003, the remaining liability for all restructuring programs was $1.4 million, relating to post-employment benefit obligations to be paid during 2004.

In 2002, the Company's subsidiary in Argentina recorded a foreign exchange gain of $1.7 million on assets denominated in non-peso currencies due to the devaluation of the Argentine peso.

INTEREST EXPENSE (NET)

The following table summarizes the Company's net interest expense for the three-year period ended December 31, 2003:

($ in millions)	2003	2002	2001
Interest expense	$ 10.4	$ 11.3	$ 14.3
Capitalized interest	(0.7)	(0.7)	(0.8)

Interest income	(2.2)	(1.1)	(1.5)
Interest expense (net)	$ 7.5	$ 9.5	$ 12.0

Net interest expense declined $2.0 million in 2003 versus 2002 levels. The majority of the decrease is due to interest income generated from advances made to customers in connection with tooling and mold design projects. The remaining decrease in 2003 net interest expense is attributed to lower interest rates, as average debt levels remained essentially

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

INCOME TAXES

The effective tax rate on consolidated income from continuing operations was 35.6% in 2003, 24.0% in 2002 and 30.7% in 2001. The 2003 impairment charge in the United Kingdom did not result in a tax benefit as management does not expect to generate future taxable income in the specific U.K. legal entity sufficient to utilize net operating loss carryforwards. Additionally, management provided a $0.5 million valuation allowance on a deferred tax asset connected with this plant that is now unlikely to be realized. These items increased the 2003 effective tax rate by 5.6%. A $2.4 million tax benefit from a change in U.S. tax law related to loss disallowance rules, partially offset by the tax impact of a foreign exchange gain in Argentina and a non-deductible restructuring charge related to the impairment of a technology investment, resulted in an 8% decrease in the 2002 effective tax rate. A non-taxable adjustment to the carrying value of an asset held for sale resulted in a 2.3% decrease in the 2001 effective tax rate.

EQUITY IN AFFILIATES

The contribution to earnings from a 25% ownership interest in Daikyo Seiko, Ltd. and a 49% ownership interest in three companies in Mexico was income of $1.6 million in 2003, a $0.3 million loss in 2002, and income of $0.5 million in 2001. The affiliate income increase is primarily related to Daikyo's strong results in 2003, reflecting a record sales year, including export sales to the U.S. market distributed by West. The results from the Mexican affiliates improved to almost break-even for 2003, following losses in 2002 which included costs associated with the restructuring of plant operations.

Company purchases from all affiliates totaled approximately $18.4 million in 2003 and $11.5 million in 2002, the majority of which relates to a distributorship agreement allowing the Company to purchase and re-sell Daikyo products. Sales to affiliates were $0.7 million and $1.0 million in 2003 and 2002, respectively.

INCOME FROM CONTINUING OPERATIONS

Net income from continuing operations in 2003 was $31.9 million, or $2.19 per diluted share. Results for 2003 included a net gain from an insurance settlement of $17.3 million ($12.1 million, net of tax), or $0.83 per share, and asset impairment and post-employment benefit charges at the U.K. device operation of $7.0 million ($7.5 million including a related tax charge), or $0.52 per share.

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

Net income from continuing operations in 2001 was $19.7 million, or $1.37 per diluted share. Results in 2001 included a restructuring charge of $2.9 million ($1.3 million, net of tax), or $.09 per share. The charge consisted of a $4.9

million ($3.3 million, net of tax) employee severance provision, offset by a $2.0 million adjustment to the carrying value of a plastic device manufacturing facility held for sale from the 2000 restructuring program.

DISCONTINUED OPERATIONS

On December 4, 2002, the Company sold its consumer healthcare research unit for $2.0 million to Concentrics Research, LLC, a company formed by the former employee management team and Bindley Capital Partners, LLC. As a result of receiving an offer to purchase the business, the Company reduced the carrying value of the assets to fair market value in the third quarter of 2002, resulting in a pre-tax charge of $0.6 million.

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

The cash balance at December 31, 2003, was $37.8 million and working capital totaled $97.8 million, resulting in a ratio of current assets to current liabilities of 1.8 to 1. Included in working capital is a $41.0 million receivable due from our insurance provider in connection with the Kinston accident. This receivable was collected in February 2004. The increase in working capital due to the insurance receivable was largely offset by increased accounts payable (reflecting amounts due on construction projects and implementation of cash management programs in Europe), accrued expenses (costs and obligations associated with the Kinston accident and higher incentive compensation accruals) and deferred tax liabilities (tax impact of gain realized on the Kinston insurance settlement). Consolidated debt totaled $175.0 million at December 31, 2003. Debt to total invested capital (total debt and shareholders' equity) was 40.5% at December 31, 2003, a 6.0 percentage point improvement over year-end 2002 with shareholders' equity benefiting from favorable currency translation on non-U.S. dollar net assets.

Cash flows generated from operations totaled $69.2 million in 2003, compared to $45.7 million in 2002. The increase in cash flow largely resulted from the strong performance of the Pharmaceutical Systems segment, particularly in Europe.

Capital spending for 2003 totaled $60.8 million. The reconstruction of the Kinston molding operation accounts for $14.1 million of the 2003 capital spent. Other major capital projects included the expansion of the Stolberg, Germany, metal and plastics facility ($6.3 million), additional manufacturing capacity for the Westar product line at the Jersey Shore, Pa., plant ($5.2 million) and the finalization of expansion of prefilled injection rubber molding and other operations in Eschweiler, Germany, and Le Nouvion, France ($5.1 million). In addition to the capital spending noted above, the Company paid $2.0 million to acquire land and a vacant building under an economic development grant with Lenoir County, N.C. Under the terms of the agreement, the County will reimburse the purchase price in annual increments as long as the Company maintains minimum capital investment and workforce conditions. The Company anticipates that total 2004 capital spending will be approximately $57.0 million, with approximately $4.5 million needed to complete the Kinston molding facility reconstruction and $5.5 million associated with permanently expanding rubber compounding capacity at plants in St. Petersburg, Fla., and Kearney, Neb. The remaining $47.0 million of projected 2004 capital spending is targeted for new product and expansion projects, cost savings programs and manufacturing operations, principally in the Pharmaceutical Systems segment. The receipt of the insurance proceeds in 2004 will be used to fund the capital spending projects at Kinston and other locations, as well as other general Corporate purposes, including reducing outstanding debt.

Cash provided by investing activities in 2003 includes net insurance proceeds related to the Kinston accident of $2.2 million, consisting of $25.0 million in

cash advances from our insurer offset by $22.8 million of cash payments related to business interruption and other insured costs. The remaining $41.0 million of the insurance settlement was received in February 2004. Other 2003 investing cash flows included the receipt of a $2.0 million payment of an installment note received from the 2001 sale of the contract manufacturing and packaging business, and $1.5 million of repayments of advances made to customers in connection with funding the development of molds and tools to be used in the production of customer products.

Financing cash flows include proceeds from stock option exercises of $3.0 million and dividends paid to shareholders totaling $11.8 million ($0.81 per share).

The following table summarizes the Company's contractual obligations at December 31, 2003, and the effect the obligations are expected to have on its liquidity and cash flow in future periods:

	Payments Due by Period				
($ in millions)	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years	Total
Unconditional purchase obligations	$ 2.8	$ --	$ --	$ --	$ 2.8
Notes payable	8.0	--	--	--	8.0
Long-term debt	--	67.0	--	100.0	167.0
Operating lease obligations	7.2	13.1	12.4	25.1	57.8
Total contractual obligations	$ 18.0	$ 80.1	$ 12.4	$ 125.1	$ 235.6

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

The Company's principal source of short- and medium-term liquidity is a $125.0 million multi-currency revolving credit facility with a group of six banks. The credit agreement consists of a $55.0 million, 364-day line of credit renewable annually each July at the option of the banks and a $70.0 million committed revolving credit facility maturing in July 2005. Interest costs on these facilities are charged at the applicable London Inter-Bank Offering Rates (LIBOR) plus a margin dependent on the Company's debt to total capital ratio. Commitment fees on these agreements also fluctuate according to the Company's debt to total capital ratio with a maximum commitment fee of 30 basis points on the 364-day facility and 25 basis points on the five-year facility. The credit agreement contains several compliance covenants, the most restrictive of which is the requirement not to exceed a debt to total capital ratio of 55%. Failure to meet this or other debt covenants would cause all borrowings under the revolving credit facility, as well as the $100.0 million senior notes, to become immediately due and payable.

The Company believes that its financial condition, capitalization structure and expected income from operations will be sufficient to meet the Company's future cash requirements, at least through July 2005, at which time the Company's revolving credit facility expires. The Company anticipates refinancing the existing facilities in the second quarter of 2004.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

REVENUE RECOGNITION: Sales of manufactured components are recorded at the time title passes. Some customers receive pricing rebates upon attaining established sales volumes. Management records rebate costs based on its

assessment of the likelihood that these volumes will be attained. Revenue associated with drug delivery systems development is recognized as services are provided. The timing of non-refundable licensing fee recognition is subject to management's estimate of future costs to be incurred on the related development agreement.

IMPAIRMENT OF ASSETS: The Company reviews goodwill and long-lived assets (principally property, plant and equipment and patents) on an annual basis and whenever circumstances indicate that the carrying value of these assets may not be recoverable. Goodwill is tested for impairment as part of the reporting unit to which it belongs. The Company has determined its reporting units to be the Americas, Europe/Asia and Device Group divisions of the Pharmaceutical Systems segment, and the drug delivery and clinical services units of the Drug Delivery Systems segment. For assets to be held and used in the business, management estimates the future cash flows to be derived from the related asset or business unit. For other assets held for sale, management determines fair value by estimating the anticipated proceeds to be received upon the sale of the asset. Changes in management's estimate of fair value, including management's estimate of future cash flows, could have a material impact on the Company's future results of operations and financial position.

The majority of the Company's assets are associated with profitable operations within the Pharmaceutical Systems segment. As discussed earlier, the Company did record an impairment charge associated with its U.K. Device Group facility. Unexpected changes in business patterns, plant consolidation or competition could result in similar impairments of equipment associated with other specific products in the future. Estimating future cash flows is especially difficult where new product launches are involved. The Company's introduction of a delivery system for the reconstitution of lyophilized injectable drug products in 2002 has not yet resulted in commercial agreements. The success of the product launch and long-term customer acceptance will be critical in achieving the recoverability of its December 31, 2003, net book value investment in inventories, equipment and license rights of $3.1 million. The Company continues to seek commercial partners for this product.

In the drug delivery unit, the Company's revenue projections include estimated licensing revenues, primarily dependent on the success of the Company's acquired technologies, including ChiSys. These technologies have a book value of $5.5 million at December 31, 2003, and are being amortized over the related remaining patent terms. Management conducted an extensive review of many potential projects utilizing these technologies and determined that the probable future cash flows support the carrying value of the assets. After pursuing near-term opportunities on other projects, management refocused on projects utilizing these platforms in the second half of 2003. This additional focus should result in significant advancement of the clinical trials utilizing three primary technology platforms; however, if acceptable progress is not made against internal targets, management will reassess future cash flows projected for this business. Management anticipates certain ChiSys and other related technology licensing agreements will be completed in 2004 resulting in significantly improved revenues for this unit, but break-even results are not anticipated in the near term.

The Company has also reviewed the operating projections for the clinical services unit, which generated an operating loss in 2003 and 2002 following several years of positive performance. Goodwill associated with this unit was $2.0 million at December 31, 2003. This business unit has experienced significant revenue growth relative to the poor performance of late 2002 and the first half of 2003, and the backlog of projects has more than doubled over prior year levels. Management projects that this business unit should return to profitability in 2004, and would also expect to recover the book value of the assets in the event of a decision to exit this business.

EMPLOYEE BENEFITS: The measurement of the obligations under the Company's defined benefit pension and post-retirement medical plans are subject to a number of assumptions. These include the rate of return on plan assets and the rate at which the future obligations are discounted to present value. For U.S. plans, which account for over 90% of global plan assets, the long-term rate of return assumption remained at 9.0%. This return assumption was determined by reviewing the expected mix of plan assets (approximately 65% equity and 35% debt securities) and the projected return over a 10-year period. The discount rate was reduced 50 basis points to 6.0% on December 31, 2003, to reflect current market conditions. Changes in these estimates, including the market performance of plan assets and other actuarial assumptions, could have a material impact on the Company's future results of operations and financial position. Every 25 basis point reduction in the long-term rate of return assumption would increase

pension expense by approximately $0.4 million. A 25 basis point reduction in the discount rate would increase pension expense by approximately $0.6 million. In addition, restructuring events such as plant closures or changes in pension plan provisions could result in curtailment or settlement of pension plan obligations, which would result in gain or loss recognition in the period when such an event occurs.

INCOME TAXES: The Company estimates income taxes payable based upon current domestic and international tax legislation. In addition, deferred income tax assets and liabilities are established to recognize differences between the tax basis 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. The recoverability of tax assets is subject to the Company's estimates of future profitability, generally at the local subsidiary company and country level. Changes in tax legislation, business plans and other factors may affect the ultimate recoverability of tax assets or final tax payments, which could result in adjustments to tax expense in the period such change is determined.

Please refer to Note 1: Summary of Significant Accounting Policies and Note 21: New Accounting Standards of the Notes to Consolidated Financial Statements of the 2003 Annual Report to Shareholders for additional information on accounting and reporting standards considered in the preparation and presentation of the Company's financial statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Report or in other Company documents and certain statements that may be made by management of the Company orally may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historic or current facts. They use words such as "estimate," "expect," "intend," "believe," "plan," "anticipate" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or condition. In particular, these include statements concerning future actions, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, and financial results.

Because actual results are affected by risks and uncertainties, the Company cautions investors that actual results may differ materially from those expressed or implied in any forward-looking statement.

It is not possible to predict or identify all such risks and uncertainties, but factors that could cause the actual results to differ materially from expected and historical results include, but are not limited to: sales demand; timing of customers' projects; successful development of proprietary drug delivery technologies, systems and products, including but not limited to risks associated with clinical trials and with the creation, use and defense of intellectual property; regulatory, licensee and/or market acceptance of products based on those technologies or generic versions of commercial products; competitive pressures; the strength or weakness of the U.S. dollar; inflation; the cost and availability of raw materials; the availability of credit facilities; and statutory tax rates.

With respect to the explosion and fire at the Company's Kinston, N.C., plant, the following factors should also be taken into consideration: the timely completion of the new production facility at Kinston and customers' approval of the facility and products produced there, and achieving costefficient levels of production in the new facility; the costs associated with business interruption losses; the unpredictability of existing and future possible litigation related to the explosion and the adequacy of insurance recoveries for costs associated with such litigation; government actions or investigations affecting the Company; the ability of the Company to continue to meet production requirements from other plant sites and third parties in a timely manner; the extent of uninsured costs for, among other things, legal and investigation services and incremental insurance; and regulatory approvals and customer acceptance of goods from alternate sites.

The Company assumes no obligation to update forwardlooking statements as circumstances change. Investors are advised, however, to consult any further disclosures the Company makes on related subjects in the Company's 10-K, 10-Q and 8-K reports.

CONSOLIDATED STATEMENTS OF INCOME

West Pharmaceutical Services, Inc. and Subsidiaries for the years ended December 31, 2003, 2002 and 2001.

(in thousands, except per share data)	2003	2002	2001
Net sales	$ 490,700	$ 419,700	$392,300
Cost of goods and services sold	334,900	302,100	277,500
Gross profit	155,800	117,600	114,800
Selling, general and administrative expenses	111,000	82,600	72,000
Insurance settlement	(17,300)	--	--
Restructuring and impairment charges	7,000	9,900	2,900
Other expense (income), net	600	(1,600)	--
Operating profit	54,500	26,700	39,900
Interest expense	9,700	10,600	13,500
Interest income	(2,200)	(1,100)	(1,500)
Income before income taxes and minority interests	47,000	17,200	27,900
Provision for income taxes	16,700	4,100	8,600
Minority interests	--	--	100
Income from consolidated operations	30,300	13,100	19,200
Equity in net income (loss) of affiliated companies	1,600	(300)	500
Income from continuing operations	31,900	12,800	19,700
Discontinued operations, net of tax	--	5,600	(24,900)
Net income (loss)	$ 31,900	$ 18,400	$ (5,200)
Net income (loss) per share:			
Basic:			
Continuing operations	$ 2.20	$ .89	$ 1.38
Discontinued operations	--	.39	(1.74)
	$ 2.20	$ 1.28	$ (.36)
Assuming dilution:			
Continuing operations	$ 2.19	$ .89	$ 1.37
Discontinued operations	--	.39	(1.73)
	$ 2.19	$ 1.28	$ (.36)
Average common shares outstanding	14,513	14,434	14,336
Average shares assuming dilution	14,546	14,434	14,348
Dividends declared per common share	$ .82	$ .78	$ .74

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
West Pharmaceutical Services, Inc. and Subsidiaries for the years ended December 31, 2003, 2002 and 2001.

(in thousands)	2003	2002	2001
Net income (loss)	$ 31,900	$ 18,400	$ (5,200)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	31,200	16,500	(9,700)
Unrealized gains (losses) on securities of affiliates	600	(300)	(100)
Minimum pension liability adjustments	300	(2,300)	(2,800)
Cumulative effect of change in accounting principle for derivatives and hedging activities	--	--	(200)
Net realized losses on derivative instruments	200	200	100
Unrealized losses on derivatives	--	(100)	(200)
Comprehensive income (loss)	$ 64,200	$ 32,400	$(18,100)

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

CONSOLIDATED BALANCE SHEETS
West Pharmaceutical Services, Inc. and Subsidiaries at December 31, 2003 and 2002.

(in thousands, except per share data)	2003	2002
ASSETS		
Current assets:		
Cash, including cash equivalents	$ 37,800	$ 33,200
Accounts receivable	73,900	66,600
Inventories	48,000	41,300
Insurance receivable	41,000	--
Income tax refundable	1,200	3,600
Deferred income taxes	6,100	5,200
Other current assets	8,700	11,900
Total current assets	216,700	161,800
Property, plant and equipment	563,600	499,600
Less accumulated depreciation and amortization	307,900	276,300
	255,700	223,300
Investments in and advances to affiliated companies	22,200	18,000
Goodwill	41,500	35,500
Pension asset	50,500	54,700
Deferred income taxes	20,500	19,900
Patents	6,900	7,300
Other assets	9,600	9,100
Total Assets	$623,600	$529,600
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ --	$ 11,700
Notes payable	8,000	4,100
Accounts payable	29,400	19,200
Accrued expenses:		
Salaries, wages and benefits	24,500	17,000
Income taxes payable	8,400	9,400
Restructuring costs	1,400	1,400
Deferred income taxes	16,600	2,400
Other	30,600	23,000
Total current liabilities	118,900	88,200
Long-term debt, excluding current portion	167,000	159,200
Deferred income taxes	44,800	48,500
Other long-term liabilities	35,300	32,200
Total liabilities	366,000	328,100
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, shares authorized: 3,000; shares issued and outstanding: 2003 - 0; 2002 - 0		
Common stock, par value $.25 per share; shares authorized: 50,000; shares issued: 2003 - 17,165; 2002 - 17,165; shares outstanding: 2003 - 14,632; 2002 - 14,480	4,300	4,300
Capital in excess of par value	30,100	30,900
Retained earnings	281,200	261,200
Accumulated other comprehensive income (loss)	18,900	(13,400)
	334,500	283,000
Less treasury stock, at cost (2003 - 2,533; 2002 - 2,685)	(76,900)	(81,500)
Total shareholders' equity	257,600	201,500
Total Liabilities and Shareholders' Equity	$623,600	$529,600

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, 2003, 2002 and 2001.

(in thousands, except per share data)	Common stock	Capital in excess of par value	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total
Balance, January 1, 2001	$ 4,300	$ 32,100	$ 269,800	$ (14,500)	$ (86,900)	$ 204,800
Net (loss)			(5,200)			(5,200)
Shares issued under stock plans		(500)			1,300	800
Shares repurchased					(100)	(100)
Cash dividends declared ($.74 per share)			(10,600)			(10,600)
Changes - other comprehensive (loss)				(12,900)		(12,900)
Balance, December 31, 2001	4,300	31,600	254,000	(27,400)	(85,700)	176,800
Net income			18,400			18,400
Shares issued under stock plans		(700)			4,300	3,600
Shares repurchased					(100)	(100)
Cash dividends declared ($.78 per share)			(11,200)			(11,200)
Changes - other comprehensive income				14,000		14,000
Balance, December 31, 2002	4,300	30,900	261,200	(13,400)	(81,500)	201,500
Net income			31,900			31,900
Shares issued under stock plans		(800)			4,600	3,800
Cash dividends declared ($.82 per share)			(11,900)			(11,900)
Changes - other comprehensive income				32,300		32,300
Balance, December 31, 2003	$ 4,300	$ 30,100	$ 281,200	$ 18,900	$ (76,900)	$ 257,600

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, 2003, 2002 and 2001.

(in thousands)	2003	2002	2001
Cash flows provided by (used in) operating activities of continuing operations:			
Net income (loss)	$ 31,900	$ 18,400	$ (5,200)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities of continuing operations:			
Income from discontinued operations	--	(5,600)	(300)
Loss on disposal of discontinued operations	--	--	25,200
Depreciation and amortization	33,000	33,000	31,900
Gain on insurance settlement	(28,700)	--	--
Restructuring and impairment charges	6,000	8,600	(2,200)
Loss on sales of equipment and other assets	1,400	600	600
Stock-based compensation	1,000	100	400
Deferred income taxes	7,500	1,500	1,400
Pension and other retirement plans	6,000	(4,800)	(10,000)
(Equity) loss in undistributed earnings of affiliated companies, net	(1,600)	200	(300)
Changes in assets and liabilities, net of effects of discontinued operations:			
(Increase) decrease in accounts receivable	(1,200)	(3,700)	(7,500)
(Increase) decrease in inventories	(2,800)	(4,700)	(900)
Decrease (increase) in other current assets	600	(2,800)	700
Increase (decrease) in other current liabilities	16,100	6,000	3,000
Other operating items	--	(1,100)	700
Net cash provided by operating activities of continuing operations	69,200	45,700	37,500
Cash flows (used in) provided by investing activities:			
Property, plant and equipment acquired	(60,800)	(37,700)	(45,200)
Insurance proceeds received for property damage	2,200	--	--
Land acquired under government grant	(2,000)	--	--
Proceeds from sales of assets	2,000	2,400	31,300
Deposit held in trust from sale of assets	--	4,300	(4,300)
Advance to affiliate	--	(1,000)	--
Payments for acquisitions	--	--	(1,100)
Customer advances, net of repayments	1,500	(300)	(1,500)
Net cash used in investing activities of continuing operations	(57,100)	(32,300)	(20,800)
Cash flows (used in) provided by financing activities:			
Borrowings (repayments) under revolving credit agreements, net	5,400	(10,400)	(2,400)
Repayment of industrial revenue bond	--	(6,100)	--
Repayment of subordinated debenture	--	(4,300)	--
Repayment of other long-term debt	(12,100)	(800)	(5,200)
Borrowings (repayments) of other notes payable, net	3,400	(3,500)	1,700
Issuance of common stock	3,000	3,300	700
Dividend payments	(11,800)	(11,100)	(10,500)
Purchase of treasury stock	--	(100)	(100)
Net cash used in financing activities of continuing operations	(12,100)	(33,000)	(15,800)
Net cash provided by discontinued operations	--	8,200	600
Effect of exchange rates on cash	4,600	2,500	(2,100)

Net increase (decrease) in cash and cash equivalents	4,600	(8,900)	(600)
Cash and cash equivalents at beginning of year	33,200	42,100	42,700
Cash and cash equivalents at end of year	$ 37,800	$ 33,200	$ 42,100
Supplemental cash flow information:			
Interest paid, net of amounts capitalized	$ 9,700	$ 10,600	$ 13,500
Income taxes paid (refunded)	$ 8,700	$ (4,700)	$ 5,700

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

PRINCIPLES OF CONSOLIDATION: In deciding which entities should be reported on a consolidated basis, the Company first determines whether the entity is a variable interest entity ("VIE") as defined in Financial Accounting Standards Board ("FASB") Interpretation No. 46. If an entity meets the criteria for VIE status, the Company consolidates that entity if the Company has the obligation to absorb more than 50% of the entity's expected losses or receive more than 50% of the entity's expected residual returns. If an entity does not meet the criteria for VIE status, the Company consolidates those in which it has control. Investments in joint ventures and other companies in which the Company does not have control, but the ability to exercise significant influence over operating and financial policies, are accounted for by the equity method. Investments in which the Company does not have the ability to exercise significant influence over operating and financial policies are carried at cost. Material intercompany transactions and accounts are eliminated in consolidation. Certain items have been reclassified to conform to current classifications.

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

ACCOUNTS RECEIVABLE: The Company's accounts receivable balance at December 31, 2003 and 2002, was net of an allowance for doubtful accounts of $700 for both periods. The Company records the allowance based on a specific identification methodology.

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

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

FINANCIAL INSTRUMENTS: The Company records all derivatives on the balance sheet at fair value. The change in fair value of a derivative designated and qualified as part of a hedging transaction is recorded each period in earnings or other comprehensive income depending on the type of hedging instrument. The change in fair value of a derivative instrument with no hedging designation or purpose is recognized immediately into earnings.

The Company uses interest rate swaps and forward exchange contracts to minimize the economic exposure related to fluctuating interest and foreign exchange rates. Interest rate swaps are designated as cash flow hedges; therefore, unrealized gains and losses are recorded in other comprehensive income. As the underlying transaction occurs, any unrealized gains or losses on the related hedge are reclassified from other comprehensive income to the statement of income (interest expense), offsetting the income effects of the transaction to which they relate. Gains and losses on forward exchange contracts designated as fair value hedges, primarily related to raw material purchase commitments, are deferred and recognized as part of the underlying transaction. Forward contracts that do not qualify for hedge accounting are recorded at fair value with any gains or losses recognized in other (income) expense. The Company also engages in hedges of its net investments in foreign operations in order to minimize the economic exposure to fluctuating foreign exchange rates. Fair value

adjustments for hedges of the net investment in foreign operations are reported in other comprehensive income as foreign currency translation adjustments and are released to earnings upon disposal of the investment.

REVENUE RECOGNITION: Sales of manufactured components are recorded at the time title passes. Some customers receive pricing rebates upon attaining established sales volumes. Management records rebate costs based on its assessment of the likelihood that these volumes will be attained. The Company also establishes product return liabilities for customer quality claims when such amounts are deemed probable and can be reasonably estimated.

Clinical service revenue and related direct costs are recognized as specific contract terms are fulfilled. Fees for individual contract clinical services are fixed upon execution of the contract and provide for payment for all work performed. The termination of a contract typically results in no material adjustments to the revenue or costs previously recognized.

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

For agreements with multiple deliverables, the Company assesses whether more than one unit of accounting exists. If more than one unit exists, revenue for each separate unit is recorded as earned.

SHIPPING AND HANDLING COSTS: Net sales includes shipping and handling costs collected from customers in connection with the sale. Costs incurred for shipping and handling are included in cost of sales.

PROPERTY, PLANT AND EQUIPMENT: Property, plant and equipment assets are carried at cost. Maintenance and minor repairs and renewals are charged to expense as incurred. Costs incurred for computer software developed or obtained for internal use are capitalized for application development activities and immediately expensed for preliminary project activities or post-implementation activities. Upon sale or retirement of depreciable assets, costs and related accumulated depreciation are eliminated, and gains or losses are recognized in other (income) expense. 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.

GOODWILL AND OTHER INTANGIBLES: Goodwill and intangible assets with indefinite lives are tested for impairment on at least an annual basis or more frequently if an event occurs that indicates that there could be an impairment. The first step of the impairment test compares the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the second step is performed. The second step compares the carrying amount of the goodwill to its implied fair value. The implied fair value is determined by allocating the fair value of the reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid to acquire the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the fair value of the goodwill is less than the carrying amount, an impairment loss is recorded.

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

TOOLING: The Company builds tools, molds and dies for certain customers. The tooling is built and paid for by the Company and reimbursed by the customer based upon the tooling agreement. Reimbursement is either in lump sum or as units are produced under long-term supply agreements. At December 31, 2003 and 2002, other noncurrent assets included $3,500 and $5,000, respectively, of unreimbursed tooling costs.

IMPAIRMENT OF LONG-LIVED ASSETS: Long-lived assets including property, plant and equipment, and intangible assets subject to amortization are reviewed for impairment whenever circumstances indicate that the carrying value of these assets may not be recoverable. An asset is considered impaired if the carrying value of the asset exceeds the sum of the future expected undiscounted cash flows to be derived from the asset. Once an asset is considered impaired, an impairment loss is recorded for the difference between the asset's carrying value and its fair value. This loss is included in operating profit. For assets to be held and used in the business, management determines fair value by estimating the future cash flows to be derived from the asset and discounts

these flows to a net present value using an appropriate discount rate. For assets held for sale or for investment purposes, management determines fair value by estimating the anticipated proceeds to be received upon sale of the asset.

RESEARCH AND DEVELOPMENT: Research, development and engineering expenditures are for the creation and application of new or improved products and processes, and drug delivery systems. Expenditures include primarily salaries and outside services for those directly involved in research and development activities. Research and development costs of $18,700 in 2003, $16,400 in 2002 and $13,000 in 2001, were expensed as incurred.

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

LITIGATION: The Company is from time to time party to lawsuits arising from its operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are based on an analysis made by internal and external legal counsel which considers information known at the time.

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

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

The Company has recorded stock-based compensation for employee restricted stock awards and for director stock-based compensation. The Company did not record compensation cost for stock options for the years ended 2003, 2002 and 2001, because stock option grants are at 100% of fair market value of the stock on the grant date. The Company did not record compensation cost for shares issued under the employee stock purchase plan as the plan meets the APB No. 25 criteria for a noncompensatory plan. If the fair value based method prescribed in Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," had been applied to stock option grants and shares issued under the employee stock purchase plan in the most

recent three years, the Company's net income (loss) and basic and diluted net income (loss) per share would have been reduced as summarized below:

	2003	2002	2001
Net income (loss), as reported	$ 31,900	$ 18,400	$ (5,200)
Add: Stock-based compensation expense included in net income, net of tax	600	100	300
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of tax	(2,100)	(1,500)	(1,800)
Pro forma net income (loss)	$ 30,400	$ 17,000	$ (6,700)
Net income (loss) per share:			
Basic, as reported	$ 2.20	$ 1.28	$ (.36)
Basic, pro forma	$ 2.09	$ 1.18	$ (.46)

Diluted, as reported	$ 2.19	$ 1.28	$ (.36)
Diluted, pro forma	$ 2.09	$ 1.18	$ (.46)

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

NOTE 2: DISCONTINUED OPERATIONS

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

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

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

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

Net sales and income from discontinued operations were as follows:

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

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

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

NOTE 3: ACQUISITIONS AND INVESTMENTS

In September 2002, the Company advanced $1,000 to its 49% owned affiliates

in Mexico in connection with a plant shutdown (see Note 14: Affiliated Companies). The note is denominated in U.S. dollars at a 4% annual interest rate with repayment due in 2005.

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

NOTE 4: RESTRUCTURING AND IMPAIRMENT CHARGES

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

	Severance and benefits	Other	Continuing operations	Discontinued operations	Total
Balance, December 31, 2000	$ 2,700	$ --	$ 2,700	$ 1,500	$ 4,200
2001 Charge	4,900	(2,000)	2,900	--	2,900
Non-cash write-offs	200	2,000	2,200	(500)	1,700
Cash payments	(5,700)	--	(5,700)	(900)	(6,600)
Balance, December 31, 2001	2,100	--	2,100	100	2,200
2002 Charge	800	9,100	9,900	600	10,500
Non-cash write-offs	--	(8,600)	(8,600)	(600)	(9,200)
Cash payments	(2,100)	--	(2,100)	--	(2,100)
Balance, December 31, 2002	800	500	1,300	100	1,400
2003 Charge	1,000	6,000	7,000	--	7,000
Non-cash write-offs	--	(6,000)	(6,000)	--	(6,000)
Cash payments	(400)	(500)	(900)	(100)	(1,000)
Balance, December 31, 2003	$ 1,400	$ --	$ 1,400	$ --	$ 1,400

In 2003, the Company recorded a $7,000 charge associated with a product designed by a customer and intended for production at the Company's plastics device plant located in the U.K., a part of the Pharmaceutical Systems segment. The charge consisted of a $6,000 impairment of fixed assets, including related asset retirement obligations, and a $1,000 provision for statutory post-employment benefit obligations for approximately 70 employees. As a result of delays connected with the regulatory approval of the product, the marketing and distribution partner for the Company's customer terminated its involvement with the product. As the Company's fair value projections for the unit significantly relied on the achievement of sales from this agreement, the carrying value of the long-lived assets could no longer be supported.

In 2002, the Company's continuing operations included a $9,900 restructuring charge connected with the termination of an information systems implementation project, an impairment of a technology company investment, the closure of a sales office in Korea and employee terminations at the Nottingham, U.K., drug delivery site. The $800 severance provision covered 19 employee terminations connected with these actions that were completed in the fourth quarter of 2002. In addition to severance, the restructuring charge included a $5,800 write-off of the information systems implementation project, $500 for contract termination fees related to the information systems project and a $2,800 impairment of the Company's investment in a genotyping technology firm. In 2002, the firm discontinued development activities and began marketing the technology for license or sale. In connection with this change in strategy, the Company recorded the impairment charge, bringing the investment in the firm to $500. The Company also recorded a $600 goodwill impairment charge based on an offer to purchase the consumer healthcare research business (see Note 2: Discontinued

Operations).

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

The accrual balance at December 31, 2003, includes $1,400 of severance and post-employment medical obligations. These obligations will be paid within the next year.

NOTE 5: KINSTON

On January 29, 2003, the Company's Kinston, N.C., plant suffered an explosion and related fire that resulted in six deaths, a number of injured personnel and substantial damage to the building, machinery and equipment and raw material inventories. The Company's property and business interruption insurance coverage with its principal insurer provides for a maximum insurance recovery of $66,000. In February 2004, the Company and its insurer reached a consensus that the total losses for business interruption, insured incremental costs and property replacement would exceed the maximum recoverable amount, resulting in the final settlement of the insurance claim for the full $66,000 reimbursement. This settlement is reflected in the Company's results as of December 31, 2003.

The accounting for the insurance settlement and related costs is presented below:

	2003
Insurance coverage reimbursement	$ 66,000
Less costs and expenses	
Business interruption costs	9,800
Insured incremental costs	15,800
Book value of property and equipment	11,700
Gain on insurance settlement	$ 28,700
Uninsured costs incurred	11,400
Insurance settlement	$ 17,300

As of December 31, 2003, the Company had received $25,000 from its principal insurer; therefore, the Company has recorded an insurance receivable of $41,000 as of December 31, 2003. The Company received payment of this receivable in February of 2004.

During 2003, the Company purchased land from Lenoir County, N.C., for $2,000 on which the Company is in the process of rebuilding its compression molding operation. Under the terms of the agreement, commencing in 2005, the County will reimburse the purchase price of the land in yearly increments of $200 as long as the Company complies with certain capital investment and employment conditions.

NOTE 6: OTHER INCOME (EXPENSE)

	2003	2002	2001
Foreign exchange gains	$ 500	$ 2,300	$ 100
Loss on sales of equipment and other assets	(1,400)	(600)	(600)
Other	300	(100)	500
	$ (600)	$ 1,600	$ --

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

NOTE 7: INCOME TAXES

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

	2003	2002	2001
Domestic operations	$ 24,100	$ (8,900)	$ 17,400
International operations	22,900	26,100	10,500
	$ 47,000	$ 17,200	$ 27,900

The related provision for income taxes consists of:

	2003	2002	2001
Current provision:			
Federal	$ (1,600)	$ (5,600)	$ 1,900
State	--	(200)	100
International	10,800	8,400	5,200
	9,200	2,600	7,200
Deferred provision:			
Federal	6,600	(800)	3,300
International	900	2,300	(1,900)
	7,500	1,500	1,400
Provision for income taxes	$ 16,700	$ 4,100	$ 8,600

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

	2003	2002	2001
Statutory corporate tax rate	35.0%	35.0%	35.0%
Tax on international operations (less than) in excess of United States tax rate	(6.4)	(9.0)	(1.9)
Valuation allowance adjustments	9.3	30.2	(2.7)
Foreign exchange gain	--	2.0	--
Loss disallowance adjustment	--	(14.4)	--
United States tax on repatriated foreign earnings	(1.5)	(8.9)	.5
State income taxes, net of federal tax benefit	(3.1)	(10.0)	(3.1)
Other	2.3	(.9)	2.9
Effective tax rate	35.6%	24.0%	30.7%

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

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

	2003	2002

Current assets	$ 6,100	$ 5,200
Noncurrent assets	20,500	19,900
Current liabilities	(16,600)	(2,400)
Noncurrent liabilities	(44,800)	(48,500)
	$ (34,800)	$ (25,800)

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

	2003	2002
Deferred tax assets:		
Net operating loss carryforwards	$ 21,400	$ 17,400
Foreign/R&D tax credit carryforwards	8,000	5,800
Restructuring charges	500	2,100
Capital loss carryforwards	5,700	1,800
Other	9,700	7,500
Valuation allowance	(26,100)	(20,800)
Total deferred tax assets	$ 19,200	$ 13,800
Deferred tax liabilities:		
Accelerated depreciation	$ 26,200	$ 24,700
Severance and deferred compensation	9,300	10,900
Kinston gain	15,800	--
Other	2,700	4,000
Total deferred tax liabilities	$ 54,000	$ 39,600
Total deferred taxes	$ (34,800)	$(25,800)

At December 31, 2003, the Company had state and foreign operating tax loss carryforwards of $78,200 and $34,000, respectively. These loss carryforwards are available to apply against the future taxable income in the tax jurisdictions that created the losses. Management estimates that of the total state and foreign operating tax loss carryforwards, $78,200 and $34,000, respectively, are unlikely to be utilized and therefore have been fully reserved. State loss carryforwards expire as follows: $5,200 in 2005, $7,100 in 2006, $5,700 in 2007 and $60,200 after 2007. Foreign loss carryforwards will expire as follows: $400 in 2004, $9,900 in 2005, $500 in 2008 and $23,200 has no expiration date.

At December 31, 2003, undistributed earnings of foreign subsidiaries, on which deferred income taxes have not been provided, amounted to $204,300. 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 U.S. statutory rate. As of December 31, 2003, the Company had available foreign tax credit carryforwards of $6,900 expiring as follows: $300 in 2004, $400 in 2005, $300 in 2006, $2,600 in 2007 and $3,300 in 2008. Based upon current estimates, management estimates that $2,900 may not be utilized and therefore has been fully reserved. The Company has R&D credit carryforwards of $1,100, of which $500 expires in 2022 and $600 expires in 2023.

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

NOTE 8: SEGMENT INFORMATION

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

The Company's executive management evaluates the performance of these operating segments based on operating profit and cash flow generation. General Corporate expenses, restructuring charges and other items, are not reflected in operating profit reviewed by segment management. Corporate segment assets include pension assets, investments in affiliated companies and net assets of discontinued operations. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The following table provides information on sales by significant product group:

Sales by product group	2003	2002	2001
Pharmaceutical packaging	$341,200	$286,200	$256,600
Disposable medical components	100,400	88,600	88,100
Personal care/food packaging	32,200	30,700	27,600
Laboratory and other services	9,600	7,300	4,100
Pharmaceutical Systems	$483,400	$412,800	$376,400
Clinical services	5,400	5,300	7,800
Development/licensing revenue	1,900	1,600	8,100
Drug Delivery Systems	$ 7,300	$ 6,900	$ 15,900
Net sales	$490,700	$419,700	$392,300

The Pharmaceutical Systems segment includes sales to one customer of approximately $58,100, $54,600 and $50,600 in 2003, 2002 and 2001, respectively.

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

	Sales			Long-lived assets		
	2003	2002	2001	2003	2002	2001
United States	$246,800	$225,000	$218,300	$113,100	$111,300	$118,700
Germany	59,700	45,600	36,600	57,300	38,700	29,200
Other European countries	146,000	114,900	103,400	74,500	64,700	52,500
Other	38,200	34,200	34,000	17,700	15,900	17,300
	$490,700	$419,700	$392,300	$262,600	$230,600	$217,700

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

	Pharmaceutical Systems	Drug Delivery Systems	Corporate	Consolidated
2003				
Net sales	$ 483,400	$ 7,300	$ --	$ 490,700
Operating profit (loss)	88,200	(17,500)	(16,200)	54,500
Segment assets	468,800	15,200	139,600	623,600
Capital expenditures	58,400	400	2,000	60,800
Depreciation and amortization expense	29,400	1,800	1,800	33,000
2002				
Net sales	$ 412,800	$ 6,900	$ --	$ 419,700
Operating profit (loss)	65,100	(15,000)	(23,400)	26,700
Segment assets	405,800	16,800	107,000	529,600
Capital expenditures	31,600	1,700	4,400	37,700
Depreciation and amortization expense	28,700	1,800	2,500	33,000
2001				
Net sales	$ 376,400	$ 15,900	$ --	$ 392,300
Operating profit (loss)	55,200	(4,300)	(11,000)	39,900
Segment assets	376,400	20,700	111,100	508,200
Capital expenditures	39,400	1,200	4,600	45,200
Depreciation and amortization expense	27,300	1,800	2,800	31,900

NOTE 9: NET INCOME (LOSS) PER SHARE

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

	2003	2002	2001
Income from continuing operations	$ 31,900	$ 12,800	$ 19,700
Discontinued operations, net of tax	--	5,600	(24,900)
Net income (loss)	$ 31,900	$ 18,400	$ (5,200)
Average common shares outstanding	14,513	14,434	14,336
Assumed stock options exercised and awards vested	33	--	12
Average shares assuming dilution	14,546	14,434	14,348

For 2003, 2002 and 2001, stock options of 1,246,600, 2,117,900 and 862,700, respectively, were excluded from the computation of diluted earnings per share since the options' exercise prices were greater than the average market price for the related periods.

NOTE 10: COMPREHENSIVE INCOME (LOSS)

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

The components of accumulated other comprehensive income (loss) at December

31 are as follows:

	2003	2002
Foreign currency translation	$ 23,700	$ (7,500)
Unrealized gains (losses) on securities of affiliates	300	(300)
Minimum pension liability	(5,100)	(5,400)
Derivative financial instruments	--	(200)
	$ 18,900	$(13,400)

NOTE 11: INVENTORIES

	2003	2002
Finished goods	$ 21,700	$ 18,900
Work in process	8,600	7,400
Raw materials	17,700	15,000
	$ 48,000	$ 41,300

Included in the amounts above are inventories located in the United States that are valued on the LIFO basis, amounting to $15,300 and $15,200 at December 31, 2003 and 2002, respectively, which are approximately $7,500 and $7,100, respectively, lower than replacement value.

NOTE 12: GOODWILL AND INTANGIBLES

The Company performed its initial goodwill impairment test at January 1, 2002, and determined that no impairment of the recorded goodwill existed. The Company has since performed an annual impairment test of its continuing operations and determined that there is no impairment. The Company did not record amortization expense for goodwill in 2003 and 2002 as compared to the $1,200, net of tax, recorded in 2001.

The goodwill balance as of December 31, 2003, was $41,500 compared to $35,500 as of December 31, 2002. Foreign currency translation adjustments in the Pharmaceutical Systems segment increased the goodwill balance $6,000 and $4,800, respectively, as of December 31, 2003 and 2002.

In 2002, the Company recorded a $600 goodwill impairment charge, included in discontinued operations, based on a third-party offer to purchase the Company's consumer healthcare research business. This business, which was previously included in the Drug Delivery Systems segment, was sold in 2002 and the remaining goodwill balance of $1,300 was included in the disposal.

Goodwill by reportable segment as of December 31, 2003 and 2002, was as follows:

	2003	2002
Pharmaceutical Systems	$ 39,500	$ 33,500
Drug Delivery Systems	2,000	2,000
	$ 41,500	$ 35,500

The cost and respective accumulated amortization for the Company's patents was $11,800 and $4,900, respectively, as of December 31, 2003, and $11,400 and $4,100, respectively, as of December 31, 2002. The cost basis of patents includes the effects of foreign currency translation adjustments. There were no intangibles purchased or acquired during 2003 or 2002. The weighted average life of patents purchased or acquired in 2001 was 17 years. Amortization expense for the years ended December 31, 2003, 2002, and 2001 was $800, $800 and $600, respectively. Estimated amortization for each of the next five years is approximately $800 per year.

The following table reconciles the reported net income (loss) and net income (loss) per share to that which would have resulted had the non-amortization provisions of SFAS No. 142, "Goodwill and Other Intangible Assets," been applied to the period ended December 31, 2001:

	2001
As reported	
Income from continuing operations	$ 19,700
Discontinued operations	(24,900)
Net (loss) income	$ (5,200)
Goodwill amortization, net of tax	1,200
As adjusted	$ (4,000)
As reported basic income (loss) per share	
Continuing operations	$ 1.38
Discontinued operations	(1.74)
	$ (.36)
As adjusted	$ (.28)
As reported diluted income (loss) per share	
Continuing operations	$ 1.37
Discontinued operations	(1.73)
	$ (.36)
As adjusted	$ (.28)

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

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

	Years of expected useful life	2003	2002
Land		$ 3,400	$ 3,000
Buildings and improvements	5-50	125,900	120,100
Machinery and equipment	2-15	332,600	301,900
Molds and dies	2-7	61,400	56,900
Construction in progress		40,300	17,700
		$563,600	$499,600

Construction in progress at December 31, 2003, includes $13,100 of costs related to the rebuilding of the Kinston facility.

NOTE 14: AFFILIATED COMPANIES

At December 31, 2003, the following affiliated companies were accounted for under the equity method:

	Location	Ownership interest
West Pharmaceutical Services Mexico, S.A. de C.V.	Mexico	49%
Aluplast S.A. de C.V.	Mexico	49%

Pharma-Tap S.A. de C.V.	Mexico	49%
Daikyo Seiko, Ltd.	Japan	25%

The Company records equity in net income (loss) of these affiliated companies for the 12-month period ended October 31.

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

	2003	2002
Balance Sheets:		
Current assets	$ 99,600	$ 80,100
Noncurrent assets	157,500	126,200
Total assets	$ 257,100	$ 206,300
Current liabilities	$ 80,600	$ 62,400
Noncurrent liabilities	95,300	80,100
Owners' equity	81,200	63,800
Total liabilities and owners' equity	$ 257,100	$ 206,300

	2003	2002	2001
Income Statements:			
Net sales	$103,000	$ 81,800	$ 81,500
Gross profit	26,500	18,100	18,500
Net income	6,500	1,200	2,500

During 2002, the Company's Mexican affiliates recorded a restructuring charge related to the consolidation of two of their rubber molding operations. Equity in net income (loss) of affiliated companies includes $800 related to this restructuring. All employees were terminated and all related payments were made during 2002.

In connection with the 2002 plant consolidation, the Company advanced $1,000 to its Mexican affiliate. The note, which is denominated in U.S. dollars, is at a 4% interest rate and is due in 2005.

Unremitted income of affiliated companies included in consolidated retained earnings amounted to $14,200, $12,700 and $12,900 at December 31, 2003, 2002 and 2001, respectively. Dividends received from affiliated companies were $100 in 2003 and 2002 and $200 in 2001.

The Company's equity in unrealized gains and losses of Daikyo Seiko, Ltd.'s investment in securities available for sale included in accumulated other comprehensive income, a separate component of shareholders' equity, was $300, $(300) and $0 at December 31, 2003, 2002 and 2001, respectively. The unrealized gain in 2003 was net of income tax expense of $400. The unrealized losses in 2002 and 2001 are net of income tax benefits of $200 and $100, respectively.

Company purchases and royalty payments made to affiliates totaled $18,400 and $11,500, respectively, in 2003 and 2002, of which $4,400 and $1,800 was due and payable as of December 31, 2003 and 2002, respectively. These transactions primarily relate to a distributorship agreement allowing the Company to purchase and re-sell Daikyo products. Sales to affiliates were $700 and $1,000, respectively, in 2003 and 2002, of which $200 were receivable as of December 31, 2003 and 2002.

NOTE 15: 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.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) was signed into law. The Act introduced a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to Medicare. As allowed by FASB Staff Position No. FAS 106-1, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" (FSP 106-1), the Company has elected to defer accounting for the effects of the Act. In accordance with FSP 106-1, any measures of the accumulated postretirement benefit obligation or net periodic postretirement benefit cost in the financial statements or accompanying notes do not reflect the effects of the Act on the plan. Specific authoritative guidance on the accounting for the federal subsidy is pending and that guidance, when issued, could require the sponsor to change previously reported information. The Company does not believe the Act will have a material impact on the Company's financial condition or results of operations.

The Company uses a December 31 measurement date for its pension and other retirement benefit plans.

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

	Pension benefits			Other retirement benefits		
	2003	2002	2001	2003	2002	2001
Service cost	$ 4,300	$ 3,300	$ 3,500	$ 600	$ 400	$ 300
Interest cost	10,700	9,700	9,600	500	600	600
Expected return on assets	(12,300)	(16,000)	(19,100)	--	--	--
Amortization of unrecognized transition asset	(100)	(700)	(700)	--	--	--
Amortization of prior service cost	700	600	500	(100)	(1,400)	(1,400)
Recognized actuarial losses (gains)	3,800	100	(1,900)	(100)	--	(100)
Pension expense (income)	$ 7,100	$ (3,000)	$ (8,100)	$ 900	$ (400)	(600)

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

	Pension benefits		Other retirement benefits	
	2003	2002	2003	2002
CHANGE IN BENEFIT OBLIGATION:				
Benefit obligation, January 1	$(164,100)	$(141,900)	$(10,100)	$ (8,100)
Service cost	(4,300)	(3,300)	(600)	(400)
Interest cost	(10,700)	(9,700)	(500)	(600)
Participants' contributions	(500)	(300)	(300)	(300)
Actuarial (loss) gain	(19,300)	(13,300)	1,500	(900)
Amendments/				

transfers in	(700)	(2,400)	--	(500)
Benefits/expenses paid	8,000	8,800	700	700
Foreign currency translation	(2,800)	(2,000)	--	--
Benefit obligation, December 31	$(194,400)	$(164,100)	$ (9,300)	$(10,100)
CHANGE IN PLAN ASSETS:				
Fair value of assets, January 1	$ 142,200	$ 173,700	$ --	$ --
Actual return on assets	32,600	(24,800)	--	--
Employer contribution	1,500	1,000	400	400
Participants' contributions	500	300	300	300
Benefits/expenses paid	(8,000)	(8,800)	(700)	(700)
Foreign currency translation	1,200	800	--	--
Fair value of plan assets, December 31	$ 170,000	$ 142,200	$ --	$ --
FUNDED STATUS:				
Assets less than benefits	$ (24,400)	$ (21,900)	$ (9,300)	$(10,100)
Unrecognized net actuarial loss (gain)	56,300	60,800	(1,600)	(200)
Unrecognized transition asset	1,500	1,200	--	--
Unrecognized prior service cost	5,700	5,200	900	800
	$ 39,100	$ 45,300	$(10,000)	$ (9,500)
DECEMBER 31:				
Pension asset	$ 50,500	$ 54,700	$ --	$ --
Other long-term liabilities	(18,800)	(17,200)	(10,000)	(9,500)
Accumulated other comprehensive income	7,400	7,800	--	--
	$ 39,100	$ 45,300	$(10,000)	$ (9,500)

The accumulated benefit obligation for all defined benefit pension plans was $170,500 and $146,900 at December 31, 2003 and 2002, respectively. The pre-tax change in the additional minimum liability included in other comprehensive income was $(400) in 2003 and $3,400 in 2002.

The aggregate projected benefit obligation and aggregate fair value of plan assets for pension plans with obligations in excess of plan assets were $194,400 and $170,000, respectively, as of December 31, 2003, and $164,100 and $142,200,

respectively, as of December 31, 2002. The aggregate accumulated benefit obligation and aggregate fair value of plan assets for pension plans with obligations in excess of plan assets were $30,100 and $11,700, respectively, as of December 31, 2003, and $23,300 and $8,200, respectively, as of December 31, 2002.

The Company expects to contribute approximately $1,900 to pension plans and $400 to other retirement plans in 2004.

Weighted average assumptions used to determine net periodic pension cost for the years ended December 31 are as follows:

	Pension benefits			Other retirement benefits		
	2003	2002	2001	2003	2002	2001
Discount rate	6.4%	7.1%	7.6%	6.5%	7.3%	7.8%
Rate of compensation increase	4.7%	4.6%	5.1%	--	--	--
Long-term rate of return on assets	8.8%	9.3%	9.4%	--	--	--

Weighted average assumptions used to determine the benefit obligations at December 31 are as follows:

	Pension benefits		Other retirement benefits	
	2003	2002	2003	2002
Discount rate	6.0%	6.4%	6.0%	6.5%
Rate of compensation increase	4.7%	4.8%	--	--

The long-term rate of return for U.S. plans, which account for 93% of global plan assets, was 9% for the year ended December 31, 2003. This return assumption was determined by reviewing the expected mix of plan assets and the projected return over a 10-year period.

The assumed healthcare cost trend used is 12.5% for all participants in 2003, decreasing to 5.5% by 2010. Increasing or decreasing the assumed trend rate for healthcare costs by one percentage point would result in a $500 increase or decrease, respectively, in the accumulated benefit obligation. The related change in the aggregate service and interest cost components of the 2003 plan expense would be a $100 increase or decrease, respectively.

The Company's pension plans weighted average asset allocations by asset category for the years ended December 31 are as follows:

	2003	2002
Equity securities	66%	71%
Debt securities	33	28
Other	1	1
	100%	100%

The Company's U.S. pension plan is managed as a balanced portfolio comprised of two components: equity and fixed income debt securities. Equity investments are used to maximize the long-term real growth of fund assets, while fixed income investments are used to generate current income, provide for a more stable periodic return, and to provide some protection against a prolonged decline in the market value of fund equity investments. Temporary funds may be held as cash. The Company maintains a long-term strategic asset allocation policy which provides guidelines for ensuring that the fund's investments are managed with the short-term and long-term financial goals of the fund but provide the flexibility to allow for changes in capital markets.

The following are the Company's target asset allocations and acceptable allocation ranges:

Asset class	Target allocation	Allocation range

Equity	65%	55% - 75%
Debt securities	35%	25% - 45%
Cash	0%	0% - 5%

Diversification across and within asset classes is the primary means by which the Company mitigates risk. The Company maintains guidelines for all asset and sub-asset categories in order to avoid excessive investment concentrations. Fund assets are monitored on a regular basis. If at any time the fund asset allocation is not within the acceptable allocation range, funds will be reallocated. The Company also reviews the fund on a regular basis to ensure that the investment returns received are consistent with the short-term and long-term goals of the fund and with comparable market returns.

The Company is prohibited from investing pension fund assets in the following: the Company's own stock, securities on margin, or derivative securities, and from pledging of securities.

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

The Company also sponsors a defined contribution savings plan for certain salaried and hourly United States employees. Company contributions are equal to 50% of each participant's contribution up to 6% of the participant's base compensation. Company contributions were $1,200 in 2003, $1,100 in 2002 and $1,300 in 2001.

NOTE 16: DEBT

Short-Term: Notes payable, which includes short-term lines of credit in the amounts of $8,000 and $4,100 at December 31, 2003 and 2002, respectively, are payable within one year and bear interest at a weighted average interest rate of 5.1% and 5%, respectively.

Long-Term:

At December 31,	2003	2002
Unsecured:		
Senior notes, due 2009 (6.81%)	$ 100,000	$ 100,000
Revolving credit facility, due 2005 (1.7%)	67,000	59,200
Other notes, due 2003 (6.8% to 9.2%)	--	11,700
Total long-term debt	167,000	170,900
Less current portion	--	11,700
	$ 167,000	$ 159,200

In 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.

In 2000, the Company entered into a multi-currency revolving credit agreement. The credit agreement consisted of a $70,000, five-year revolving credit facility and a 364-day line of credit. In July 2003, the Company increased the 364-day line of credit to $55,000 from the $44,500 as of December 31, 2002. The total available line of credit was $125,000 and $114,500, respectively, as of December 31, 2003 and 2002. As of December 31, 2003 and 2002, the Company had borrowed $67,000 and $59,200, respectively, under the five-year facility. These borrowings were recorded as long-term debt. Interest on these facilities is charged at the applicable London Inter-Bank Offering Rates (LIBOR) plus a margin dependent on the Company's debt to total capital ratio. Commitment fees on these credit agreements also fluctuate according to the Company's debt to total capital ratio with a maximum commitment fee of 30 basis points on the 364-day facility and 25 basis points on the five-year facility.

Long-term debt maturing in the years following 2003 is: $0 in 2004, $67,000

in 2005, $0 in 2006, $0 in 2007, $0 in 2008 and $100,000 thereafter.

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

Interest costs incurred during 2003, 2002 and 2001 were $10,400, $11,300 and $14,300, respectively, of which $700, $700 and $800, respectively, were capitalized as part of the cost of acquiring certain assets.

During 2003, the Company's remaining interest rate swap contract expired. The swap, with a notional value of British pounds sterling (BPS) 6,950 at a fixed interest rate of 7.23%, expired when the debt was repaid in October 2003. Under the terms of the contract, the Company made periodic interest payments based on the fixed rate of interest on the notional principal amount to a counterparty that made payments based on a variable interest rate. The net interest expense recognized in connection with these agreements was $300 in 2003, $300 in 2002 and $200 in 2001.

NOTE 17: FINANCIAL INSTRUMENTS

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

	Carrying value		Estimated fair value	
Asset (liability)	2003	2002	2003	2002
Cash and cash equivalents	$ 37,800	$ 33,200	$ 37,800	$ 33,200
Short- and long-term debt	(175,000)	(175,000)	(185,900)	(175,500)
Interest rate swaps	--	(200)	--	(200)
Forward exchange contracts	(100)	--	(100)	--

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

The Company recognizes all derivatives as either assets or liabilities and measures those instruments at fair value as of the balance sheet date. The change in fair value is recorded each period in earnings or other comprehensive income depending on its hedging designation. At the adoption of the statement, the Company recorded a charge to other comprehensive income of $200, net of tax, to recognize the fair value of its derivative instruments.

The Company uses interest rate swaps and forward exchange contracts to minimize the economic exposure related to fluctuating interest and foreign exchange rates. Derivatives used by the Company are highly effective as all of the critical terms of the derivative instruments match the hedged item. Effectiveness is measured on a quarterly basis. The Company did not record any amounts to the statement of income as a result of ineffectiveness for the year ended December 31, 2003.

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

In October 2003, the Company's remaining interest rate swap, designated as a cash flow hedge, expired. As a result, the $200, net of tax, which was included in accumulated other comprehensive income as of December 31, 2002, was reclassified from other comprehensive income to the statement of income (interest expense).

The Company is exposed to currency fluctuations on cross-currency intercompany loans. As a result, short-term foreign exchange contracts are used to neutralize month-end balance sheet exposures. The forward contracts are not designated as hedges and are recorded at fair value with any gains or losses recognized in current period earnings in accordance with SFAS

No. 133, "Accounting for Derivative Financial Instruments and Hedging Activities." Gains and losses on these contracts are typically offset by gains and losses on the underlying hedged item.

In January 2003, due to continuing fluctuations in the Japanese yen, the Company entered into an arrangement to hedge its net investment in Daikyo Seiko, Ltd., a Japanese company in which the Company has a 25% ownership interest. The Company's strategy was to minimize the exposure to foreign currency fluctuations by employing borrowings in the functional currency of the investment. The Company borrowed 1.7 billion yen under its five-year revolving credit facility and has designated the borrowing as a hedge of its net investment in the Company's investment in Daikyo. As of December 31, 2003, a $1,500 loss is included in the cumulative foreign currency translation adjustment related to this hedge.

In order to minimize the exposure to foreign currency fluctuations, the Company borrowed 10,000 BPS in 2002 and designated the borrowing as a hedge of the Company's net investment in its U.K. subsidiaries. Due to unfavorable interest rates, the 10,000 BPS debt was repaid in January 2003. The mark-to-market currency adjustments of $1,900, recorded as a cumulative translation adjustment to shareholders' equity, will remain there until the disposal of the investment.

NOTE 18: CAPITAL STOCK

Purchases (sales) of common stock held in treasury during the three years ended December 31, 2003, are as follows:

	2003	2002	2001
Shares held, January 1	2,684,700	2,821,300	2,854,800
Employee stock purchase plan	(38,300)	--	--
Purchases	500	2,900	2,400
Stock-based compensation plans	(100,200)	(121,400)	(35,900)
Donation of shares	(14,000)	(18,100)	--
Shares held, December 31	2,532,700	2,684,700	2,821,300

In 2002, the Company's Board of Directors authorized the donation of up to 40,000 shares of the Company's stock over the next three years to a related party charitable organization. The Company donated 14,000 and 18,100 shares held in treasury to this organization in 2003 and 2002, respectively.

In 2000, the Company established a nonqualified deferred compensation plan for designated executive officers. Deferred amounts are invested in funds at the executives' election. The plan requires that a portion of the deferred amount be invested in the Company's stock. Purchases of the Company's stock by the plan were 500, 2,900 and 2,400 in 2003, 2002 and 2001, respectively. As of December 31, 2003, there were 8,200 shares of the Company's stock held by the plan.

The Company maintains an employee stock purchase plan, which provides for the sale of the Company's common stock to substantially all employees at a 15% discount. The plan has two six-month offering periods per calendar year at which time employees can enroll. Payroll deductions are limited to 25% of the employee's base compensation. Employees may also make cash contributions to the plan. Employees may not buy more than $25 worth of Company stock under the plan in any one calendar year. Shares are purchased at the lower of 85% of the Company's stock price on the last trading day before commencement of the offering period or 85% of the Company's stock price on the last day of the offering period. During 2003, the Company began utilizing shares held in treasury for the purchases made by the plan. The plan expires on December 31, 2006.

NOTE 19: 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, 2003, there were 9,000 shares of common stock available for future grants. A

committee of the Board of Directors determines the terms and conditions of grants, except that the exercise price of certain options cannot be less than 100% of the fair market value of the stock on the date of grant. All stock options and stock appreciation rights are exercisable at the date indicated in connection with their issuance, but not later than ten years after the date of grant. Option activity is summarized in the following table:

	2003	2002	2001
Options outstanding, January 1	2,027,900	1,865,200	1,667,000
Granted	395,500	316,000	360,000
Exercised	(79,700)	(134,600)	(59,700)
Forfeited	(73,500)	(18,700)	(102,100)
Options outstanding, December 31	2,270,200	2,027,900	1,865,200
Options exercisable, December 31	1,520,800	1,393,900	1,020,700

WEIGHTED AVERAGE EXERCISE PRICE	2003	2002	2001
Options outstanding, January 1	$27.78	$27.65	$27.86
Granted	23.15	28.35	26.02
Exercised	26.66	27.20	22.26
Forfeited	30.36	28.74	28.50
Options outstanding, December 31	$26.93	$27.78	$27.65
Options exercisable, December 31	$27.96	$28.04	$28.77

The range of exercise prices at December 31, 2003, was $22.59 to $32.84 per share.

Under the Company's management incentive plan, participants are paid cash bonuses on the attainment of certain financial goals. Bonus participants are required to receive 25% of the value of their bonus, after certain adjustments for taxes payable, in shares of the Company's common stock at current fair market value. Bonus participants are given a restricted stock award equal to one share for each four shares of common stock issued with bonus awards. The restricted stock awards vest at the end of four years provided that the participant has not made a disqualifying disposition of the stock purchased. Restricted stock award grants were 4,300 shares in 2003 and 4,100 shares in 2002. There were no restricted stock awards granted in 2001.

Restricted stock forfeitures of 1,200 shares, 700 shares and 1,300 shares occurred in 2003, 2002 and 2001, respectively. Compensation expense is recognized over the vesting period based on the fair market value of common stock on the award date: $19.34 per share in 2003 and $28.83 per share in 2002.

In 1999, the Company replaced its previously existing non-qualified stock option plan for non-employee directors. The new plan made 125,000 shares available for future grants to plan participants. Options granted under the new plan vest over a three-year period. At December 31, 2003, 41,000 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. There are no outstanding options under the former plan at December 31, 2003. The exercise price on all options is established at the market value of the Company's common stock on the date of grant. Vesting requirements vary by option grant. Option activity under the non-employee directors' plan(s) is summarized below:

	2003	2002	2001
Options outstanding, January 1	90,000	66,000	79,500
Granted	6,000	37,500	--
Exercised	(300)	(3,000)	(6,000)
Forfeited	(12,000)	(10,500)	(7,500)
Options outstanding, December 31	83,700	90,000	66,000
Options exercisable, December 31	52,700	52,500	52,500

WEIGHTED AVERAGE EXERCISE PRICE	2003	2002	2001
Options outstanding, January 1	$30.50	$31.55	$30.62
Granted	23.21	27.89	--
Exercised	25.72	28.13	22.69
Forfeited	30.72	28.50	28.78
Options outstanding, December 31	$29.96	$30.50	$31.55
Options exercisable, December 31	$31.70	$32.36	$31.22

The range of exercise prices at December 31, 2003, was $23.21 to $32.84 per share.

Stock options outstanding under all plans totaled 2,353,900 at December 31, 2003. The weighted average remaining contractual life at December 31, 2003, for all plans is 4.6 years. The weighted average fair value per option granted in 2003, 2002 and 2001 using the Black-Scholes option-pricing model was $3.89, $5.04 and $4.95, respectively. The following weighted average assumptions were used to compute the fair value of the option grants in 2003, 2002 and 2001: a risk-free interest rate of 1.9%, 3.3% and 4.4%, respectively; stock volatility of 29.1%, 26.8% and 23.1%, respectively; and dividend yields of 3.2%, 4.4% and 3.0%, respectively. Expected lives averaged 3 years for options granted in 2003, 6 years for options granted in 2002 and 5 years for options granted in 2001 under the key management employee plan.

NOTE 20: COMMITMENTS AND CONTINGENCIES

At December 31, 2003, the Company was obligated under various operating lease agreements with terms ranging from one month to 20 years. Net rental expense in 2003, 2002 and 2001 was $6,700, $6,500 and $6,300, respectively, and is net of sublease income of $700, $600, and $600, respectively.

At December 31, 2003, future minimum rental payments under non-cancelable operating leases were:

2004	$ 7,200
2005	6,900
2006	6,200
2007	6,000
2008	6,400
Thereafter	25,100
Total	57,800
Less sublease income	2,600
	$ 55,200

At December 31, 2003, outstanding unconditional contractual commitments for the purchase of equipment and raw materials amounted to $2,800, all of which is due to be paid in 2004.

Pursuant to applicable state programs, the Company is currently completing environmental remediation activities at one current and three former manufacturing facilities. The Company has reserved a total of $1,000 to address the cost of remediation at these facilities. The Company has not anticipated any possible recovery from insurance or other sources. Neither collectively nor individually do these remediation projects present material impacts to the Company's operating budgets, profits or competitive position.

The facilities being addressed are as follows: 1) former Technical Center facility in Phoenixville, Pa.; 2) former plastics manufacturing facility in Wayne, N.J.; 3) current operating plant in St. Petersburg, Fla.; and 4) former Kinston, N.C., facility, which was destroyed by fire in January 2003. Although the Company cannot be certain, the Company expects that remediation activities at all of these facilities will be completed in 2004, with the exception of periodic groundwater compliance monitoring activities.

In July 2003, the Company signed an Administrative Order on Consent with the U.S. Environmental Protection Agency (EPA) requiring the Company to complete certain site assessment and cleanup activities following the explosion and fire at its Kinston, N.C., facility. As part of that agreement, the Company also reimbursed the EPA's past response costs of $300, and agreed to reimburse the future oversight costs associated with the on-going site assessment and cleanup.

At December 31, 2003, the Company had outstanding letters of credit of $500. The letters of credit act as a guarantee of payment to certain third parties in accordance with specified terms and conditions.

The Company has been named a defendant in a lawsuit filed in connection with the explosion and related fire in which plaintiffs seek unspecified compensatory and punitive damages. Because this lawsuit is in its early stages, the Company is unable to estimate these plaintiffs' alleged damages. The Company believes that overall it has sufficient insurance to cover losses from expected litigation associated with the incident.

NOTE 21: NEW ACCOUNTING STANDARDS

In December 2003, the Financial Accounting Standards Board ("FASB") released SFAS No. 132 (revised 2003), "Employer's Disclosures about Pensions and Other Postretirement Benefits." This statement revises employers' disclosures about pension plans and other postretirement benefit plans by expanding disclosures for assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. The statement is effective, except as noted, for fiscal years ending after December 15, 2003. Certain disclosures about foreign plans and benefit payments are required for fiscal years ending after June 15, 2004. The Company adopted revised SFAS No. 132 in December 2003 and has therefore included the disclosures required by the statement, except the disclosures for benefits, which will be included after June 15, 2004.

In December 2003, the FASB released Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51" (FIN 46R). FIN 46R requires a company to consolidate a variable interest entity if the equity investment at risk is not sufficient to permit the entity to finance its activities without additional financial support, or if the equity investors lack the essential characteristics of a controlling financial interest, or if the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor. FIN 46R is effective for entities that have interests in structures referred to as special purpose entities for periods ending after December 15, 2003. Application for all other types of variable interest entities is required in financial statements for periods ending after March, 15, 2004. FIN 46R will not have a material effect on the Company's consolidated financial position or results of operations.

In November 2002, the Emerging Issues Task Force ("EITF") reached a consensus opinion on EITF 00-21, "Revenue Arrangements with Multiple Deliverables." The consensus provides guidance on accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. Specifically, the consensus addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. EITF 00-21 is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. EITF 00-21 did not have a material effect on the Company's consolidated financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires that a liability for costs associated with a disposal activity, including those related to employee termination benefits, be recognized when the liability is incurred, and not

necessarily at the date of an entity's commitment to an exit plan as had been the practice under the prior accounting guidance. The Company adopted SFAS No. 146 on January 1, 2003.

In 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which addresses financial accounting and reporting obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or normal use of the asset. The Company adopted SFAS No. 143 on January 1, 2003. SFAS No. 143 did not have a material impact on the Company's financial position or results of operation.

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, 2003, have been prepared in conformity with accounting principles generally accepted in the United States of America and that information presented in this Annual Report is consistent with those statements. In preparing the financial statements, management makes informed judgments and estimates where necessary, with appropriate consideration given to materiality.

In meeting its responsibility for preparing financial statements, management maintains a system of internal accounting controls to assure the safety of its assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded properly and executed in accordance with management's authorization, allowing for preparation of reliable financial statements. There are inherent limitations in the effectiveness of all internal control systems. The design of the Company's system recognizes that errors or irregularities may occur and that estimates and judgments are required to assess the relative cost and expected benefits of the controls. Management believes 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 Audit Committee of the Board of Directors, with the approval of the shareholders. As part of their engagement, the independent accountants audit the Company's financial statements, express their opinion thereon, and review and evaluate selected systems, accounting procedures and internal controls to the extent they consider necessary to support their report.

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

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

/s/ William J. Federici

William J. Federici
Vice President and Chief Financial Officer

REPORT OF INDEPENDENT AUDITORS

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of West Pharmaceutical Services, Inc. and its subsidiaries at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December

31, 2003, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 12 to the Consolidated Financial Statements, the Company changed the manner in which it accounts for goodwill and other intangible assets as of January 1, 2002.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 17, 2004

FIVE-YEAR SUMMARY
West Pharmaceutical Services, Inc. and Subsidiaries

(in thousands of dollars, except per share data)		2003	2002	2001	2000	1999
SUMMARY OF OPERATIONS						
Net sales	$	490,700	419,700	392,300	372,500	390,200
Operating profit	$	54,500	26,700	39,900	40,200	60,300
Income from continuing operations	$	31,900	12,800	19,700	20,000	36,400
Income (loss) from discontinued operations	$	--	5,600	(24,900)	(18,400)	2,300
Net income (loss)	$	31,900	18,400	(5,200)	1,600	38,700
Income per share from continuing operations:						
Basic (a)	$	2.20	.89	1.38	1.39	2.44
Assuming dilution (b)	$	2.19	.89	1.37	1.39	2.42
Income (loss) per share from discontinued operations:						
Basic (a)	$	--	.39	(1.74)	(1.28)	.15
Assuming dilution (b)	$	--	.39	(1.73)	(1.28)	.15
Average common shares outstanding		14,513	14,434	14,336	14,407	14,914
Average shares assuming dilution		14,546	14,434	14,348	14,409	15,048
Dividends paid per common share	$	.81	.77	.73	.69	.65
Research and development expenses	$	18,700	16,400	13,000	10,900	9,300
Capital expenditures	$	60,800	37,700	45,200	47,700	39,300
YEAR-END FINANCIAL POSITION						
Working capital	$	97,800	73,600	83,200	93,800	80,700
Total assets	$	623,600	529,600	508,200	554,100	549,600
Total invested capital:						
Total debt	$	175,000	175,000	193,000	199,400	171,100
Minority interests	$	--	--	--	1,000	800
Shareholders' equity	$	257,600	201,500	176,800	204,800	231,200
Total invested capital	$	432,600	376,500	369,800	405,200	403,100
PERFORMANCE MEASUREMENTS						
Gross margin (c)	%	31.8	28.0	29.3	28.9	33.9
Operating profitability (d)	%	11.1	6.4	10.2	10.8	15.5
Effective tax rate	%	35.6	24.0	30.7	34.7	31.4
Asset turnover ratio (e)		.85	.81	.74	.68	.74
Return on average shareholders' equity	%	13.9	9.8	(2.7)	.7	16.8
Total debt as a percentage of total invested capital	%	40.5	46.5	52.2	49.2	42.5
Stock price range		$ 35.80 - 16.65	32.50 - 16.25	28.35 - 22.75	31.88 - 19.63	40.44 - 30.88

Performance measurements represent indicators commonly used in the financial community. They are not measures of financial performance under generally accepted accounting principles.

(a) Based on average common shares outstanding.

(b) Based on average shares, assuming dilution.

(c) Net sales minus cost of goods sold, including applicable depreciation and

amortization, divided by net sales.

(d) Operating profit divided by net sales.

(e) Net sales divided by average total assets.

- 2003 includes a net gain from an insurance settlement of $12.1 million (net of tax) and includes asset impairment and post-employment benefit charges that reduced operating results by $7.5 million (including a related tax charge).

- 2002 includes a net restructuring charge of $7.4 million (net of tax), tax benefits of $2.4 million resulting from a change in tax law, a $0.8 million charge related to the restructuring of one of the Company's affiliates and a foreign currency exchange gain of $0.8 million (net of tax).

- 2001 includes a net restructuring charge that reduced operating results by $1.3 million (net of tax).

- 2000 includes tax benefits totaling $1.5 million realized upon the favorable resolution of tax issues connected to the 1997 reorganization of the Company's German subsidiaries, and includes a restructuring charge that reduced operating results by $4.9 million (net of tax).

- 1999 includes net tax benefits totaling $2.3 million related to a favorable determination of a prior years' tax appeal and the refund of taxes paid previously as a result of a dividend, and includes for the first time results of the clinical service business acquired on April 20, 1999.

QUARTERLY OPERATING AND PER SHARE DATA (UNAUDITED)
West Pharmaceutical Services, Inc. and Subsidiaries

(in thousands of dollars, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2003					
Net sales	$117,800	$126,400	$120,100	$126,400	$490,700
Gross profit	36,400	41,400	35,800	42,200	155,800
Net income	3,800	6,900	4,100	17,100	31,900
Basic earnings per share					
Continuing operations	.26	.48	.28	1.17	2.20
Diluted earnings per share					
Continuing operations	.26	.48	.28	1.14	2.19
2002					
Net sales	$101,700	$106,500	$104,100	$107,400	$419,700
Gross profit	30,800	30,700	26,300	29,800	117,600
Income (loss) from continuing operations	6,300	5,200	(2,000)	3,300	12,800
Discontinued operations, net	(200)	100	5,600	100	5,600
Net income	6,100	5,300	3,600	3,400	18,400
Basic earnings (loss) per share					
Continuing operations	.44	.36	(.14)	.23	.89
Discontinued operations	(.02)	.01	.39	.01	.39
	.42	.37	.25	.24	1.28
Diluted earnings (loss) per share					
Continuing operations	.44	.36	(.14)	.23	.89
Discontinued operations	(.02)	.01	.39	.01	.39
	.42	.37	.25	.24	1.28

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

- Full year 2003 results include costs associated with the Kinston plant explosion. See Note "Kinston."

- Fourth quarter 2003 results include the effect of the gain from the insurance settlement from the Kinston plant explosion. See Note "Kinston."

- Fourth quarter 2003 results include the effect of the impairment of the Company's plastics device plant. See Note "Restructuring and Impairment Charges."

- First quarter 2002 results include a foreign currency exchange gain. See Note "Other Income (Expense)."

- Third quarter 2002 results include the write-off of the Company's information systems implementation project, the write-down of an investment, the tax benefit resulting from a change in tax law, and the restructuring of one of the Company's affiliates. See Notes "Restructuring and Impairment Charges," "Income Taxes" and "Affiliated Companies."

- Fourth quarter 2002 results include severance provisions primarily associated with the termination of the information systems implementation project. See Note "Restructuring and Impairment Charges."

	First Quarter			Second Quarter			Third Quarter			Fourth Quarter			Year		
STOCK PRICE	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
2003	$24.87	$16.65	$19.60	$26.16	$19.90	$24.50	$34.75	$23.20	$31.31	$35.80	$30.90	$33.90	$35.80	$16.65	$33.90
2002	30.53	25.00	30.35	32.50	27.90	32.09	31.99	21.08	21.42	24.80	16.25	24.40	32.50	16.25	24.40
2001	26.16	22.75	23.35	27.60	22.80	27.00	28.35	23.12	24.60	28.30	23.30	26.60	28.35	22.75	26.60

Close is the last trading day of the quarter or the year.

DIVIDENDS PAID PER SHARE	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
2003	$.20	$.20	$.20	$.21	$.81
2002	.19	.19	.19	.20	.77
2001	.18	.18	.18	.19	.73

Exhibit 21

SUBSIDIARIES OF THE COMPANY

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

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

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Registration No. 333-88358) and Forms S-8 (Registration Nos. 333-12287, 333-12289, 333-53817, 333-78783, 333-87802 and 333-87804) of West Pharmaceutical Services, Inc. of our report dated February 17, 2004 relating to the financial statements, which appears in the 2003 Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 17, 2004 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
March 12, 2004

Exhibit 24

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as her attorneys-in-fact to sign on her behalf and in her capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ Tenley E. Albright, M.D.

Tenley E. Albright, M.D.

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ John W. Conway

John W. Conway

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ George W. Ebright

George W. Ebright

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ L. Robert Johnson

L. Robert Johnson

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ William H. Longfield

William H. Longfield

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ John P. Neafsey

John P. Neafsey

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ Geoffrey F. Worden

Geoffrey F. Worden

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ Robert C. Young, M.D.

Robert C. Young, M.D.

POWER OF ATTORNEY

The undersigned hereby authorizes and appoints Donald E. Morel, Jr. and John R. Gailey III, and each of them, as his attorneys-in-fact to sign on his behalf and in his capacity as a director of West Pharmaceutical Services, Inc., and to file, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and all amendments, exhibits and supplements thereto.

Date: March 6, 2004 /s/ Patrick J. Zenner

Patrick J. Zenner

Exhibit 31 (a)

CERTIFICATION

I, Donald E. Morel, Jr., PhD., certify that:

1. I have reviewed the Annual Report on Form 10-K of West Pharmaceutical Services, Inc. for the fiscal year ended December 31, 2003;

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

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

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

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

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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

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

Date: March 12, 2004

Exhibit 31 (b)

CERTIFICATION

I, William J. Federici, certify that:

1. I have reviewed the Annual Report on Form 10-K of West Pharmaceutical Services, Inc. for the fiscal year ended December 31, 2003;

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

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

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

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

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ William J.Federici
William J.Federici
Vice President and Chief Financial Officer

Date: March 12, 2004

Exhibit 32 (a)

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

In connection with the Annual Report of West Pharmaceutical Services, Inc. (the "Company") on Form 10-K for the period ending December 31, 2003 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald E. Morel, Jr., Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

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

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

March 12, 2004

Exhibit 32 (b)

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

In connection with the Annual Report of West Pharmaceutical Services, Inc. (the "Company") on Form 10-K for the period ending December 31, 2003 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William, J. Federici, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ William J. Federici

William J. Federici
Vice President and
Chief Financial Officer

March 12, 2004