

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For The Quarterly Period Ended June 30, 2000

Commission File Number 1-8036

WEST PHARMACEUTICAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of
incorporation or organization)

101 Gordon Drive, PO Box 645,
Lionville, PA

(Address of principal executive
offices)

23-1210010

(I.R.S. Employer
Identification Number)

19341-0645

(Zip Code)

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

N/A

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

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the

Securities Exchange Act of 1934 during the preceding twelve months, and
(2) has been subject to such filing requirements for the past

90 days. Yes X . No .

June 30, 2000 -- 14,359,136

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

Page 2

Index

Form 10-Q for the
Quarter Ended June 30, 2000

Page

Part I - Financial Information

Item 1. Financial Statements

Consolidated Statements of Income for the
Three and Six Months ended June 30, 2000 and
June 30, 1999
Condensed Consolidated Balance Sheets at June 30,
2000 and December 31, 1999

3

4

Condensed Consolidated Statements of Cash Flows	5
for the Six Months ended June 30, 2000 and June 30, 1999	6
Notes to Consolidated Financial Statements	6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	10
Item 3. Quantitative and Qualitative Disclosure about Market Risk	14

Part II - Other Information

Item 1. Legal Proceedings	14
Item 2. Change in Securities and Use of Proceeds	14
Item 3. Defaults Upon Senior Securities	14
Item 4. Submission of Matters to a Vote of Security Holders	15
Item 6. Exhibits and Reports on Form 8-K	16

SIGNATURES	17
------------	----

Index to Exhibits	F-1
-------------------	-----

Part I. Financial Information
 Item 1. Financial Statements

West Pharmaceutical Services, Inc. and Subsidiaries
 CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
 (in thousands, except per share data)

	Quarter Ended				Six Months Ended			
	June 30, 2000		June 30, 1999		June 30, 2000		June 30, 1999	
Net sales	\$112,700	100%	\$124,400	100%	\$220,400	100%	\$238,600	100%
Cost of goods and services sold.....	84,500	75	84,600	68	164,000	74	164,400	69
Gross profit	28,200	25	39,800	32	56,400	26	74,200	31
Selling, general and administrative expenses	17,000	15	19,700	16	34,400	16	36,700	15
Other expense, net.....	--	--	300	--	400	--	300	--
Operating profit	11,200	10	19,800	16	21,600	10	37,200	16
Interest expense	3,400	3	2,800	2	6,400	3	4,800	2
Income before income taxes and minority interests	7,800	7	17,000	14	15,200	7	32,400	14
Provision for income taxes	3,000	3	6,600	5	5,700	3	12,500	6
Minority interests	100	--	--	--	200	--	100	--
Income from consolidated operations	4,700	4%	10,400	8%	9,300	4%	19,800	8%
Equity in net income of affiliated companies	300		--		800		100	
Net income	\$ 5,000		\$ 10,400		\$ 10,100		\$ 19,900	
Net income per share:								
Basic	\$ 0.35		\$ 0.70		\$ 0.70		\$ 1.33	
Assuming dilution	\$ 0.35		\$ 0.69		\$ 0.70		\$ 1.32	
Average common shares outstanding	14,463		14,945		14,487		15,017	
Average shares assuming dilution	14,465		15,043		14,495		15,113	

See accompanying notes to consolidated financial statements

West Pharmaceutical Services, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(in thousands)

	Unaudited June 30, 2000	Dec. 31, 1999
	-----	-----
ASSETS		
Current assets:		
Cash, including equivalents	\$ 37,300	\$ 45,300
Accounts receivable	69,800	74,600
Inventories	43,700	42,100
Current deferred income tax benefits	7,200	7,300
Other current assets	20,100	15,400
	-----	-----
Total current assets	178,100	184,700
	-----	-----
Net property, plant and equipment	233,100	227,600
Investments in affiliated companies	21,700	20,200
Goodwill	63,200	66,500
Deferred charges and other assets	59,700	52,800
	-----	-----
Total Assets	\$555,800	\$551,800
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt ..	\$ 2,100	\$ 2,200
Notes payable	9,800	27,400
Accounts payable	22,600	25,500
Accrued expenses:		
Salaries, wages, benefits	12,600	15,600
Income taxes payable	11,900	5,500
Other	27,600	27,800
	-----	-----
Total current liabilities	86,600	104,000
	-----	-----
Long-term debt, excluding current portion ...	172,600	141,500
Deferred income taxes	47,200	48,000
Other long-term liabilities	25,100	26,300
Minority interests	800	800
Shareholders' equity	223,500	231,200
	-----	-----
Total Liabilities and Shareholders' Equity ..	\$555,800	\$551,800
	-----	-----

See accompanying notes to consolidated financial statements.

West Pharmaceutical Services, Inc. and Subsidiaries
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
 (in thousands)

	Six Months Ended	
	June 30, 2000	June 30, 1999
	-----	-----
Cash flows from operating activities:		
Net income, plus net non-cash items	\$ 21,100	\$ 35,000
Changes in assets and liabilities	3,000	(4,700)
	-----	-----
Net cash provided by operating activities	24,100	30,300
	-----	-----
Cash flows from investing activities:		
Property, plant and equipment acquired	(29,500)	(19,500)
Proceeds from sale of assets	--	100
Payment for acquisitions, net of cash acquired	(1,000)	(15,900)
Customer advances, net of repayments	(1,900)	(1,400)
	-----	-----
Net cash used in investing activities	(32,400)	(36,700)
	-----	-----
Cash flows from financing activities:		
Proceeds from senior debt	--	100,000
Net borrowings (repayments) under revolving credit agreements	31,000	(71,600)
Repayment of other long-term debt	(14,500)	(900)
Notes payable, net	(500)	1,600
Dividend payments	(5,000)	(4,800)
Sale of common stock, net	600	1,600
Purchase of treasury stock	(9,900)	(9,000)
	-----	-----
Net cash provided by financing activities	1,700	16,900
	-----	-----
Effect of exchange rates on cash	(1,400)	(2,200)
	-----	-----
Net (decrease) increase in cash, including equivalents	\$ (8,000)	\$ 8,300
	-----	-----
See accompanying notes to consolidated financial statements		

West Pharmaceutical Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
(In thousands, except share and per share data)

The interim consolidated financial statements for the six-month period ended June 30, 2000 should be read in conjunction with the consolidated financial statements and notes thereto of West Pharmaceutical Services, Inc., appearing in the Company's 1999 Annual Report on Form 10-K. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. Interim results are based on the Company's accounts without audit.

1. Interim Period Accounting Policy

In the opinion of management, the unaudited Condensed Consolidated Balance Sheet as of June 30, 2000 and the related unaudited Consolidated Statements of Income for the three and six-month periods then ended, and the unaudited Condensed Consolidated Statement of Cash Flows for the six-month period then ended and for the comparative period in 1999 contain all adjustments, consisting only of normal recurring accruals, necessary to present fairly the financial position as of June 30, 2000 and the results of operations and cash flows for the respective periods. The results of operations for any interim period are not necessarily indicative of results for the full year.

Operating Expenses

To better relate costs to benefits received or activity in an interim period, certain operating expenses have been annualized for interim reporting purposes. Such expenses include certain employee benefit costs, annual quantity discounts and advertising.

Income Taxes

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

The effective tax rate for 2000 is estimated at 37.5%, a .5% increase over the rate used for the first quarter of 2000. This change was made in response to the currently projected geographic mix of earnings and the potential elimination of a U.S. tax benefit on foreign sales corporations.

West Pharmaceutical Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
(continued)

2. Inventories at June 30, 2000 and December 31, 1999 are summarized as follows:

	6/30/00	12/31/99
	-----	-----
Finished goods	\$16,000	\$14,000
Work in process	14,400	12,800
Raw materials .	13,300	15,300
	-----	-----
	\$43,700	\$42,100
	-----	-----
	-----	-----

3. A summary of property, plant and equipment at June 30, 2000 and December 31, 1999 is presented in the following table:

	6/30/00	12/31/99
	-----	-----
Property, plant and equipment	\$500,500	\$489,200
Less accumulated depreciation and amortization	267,400	261,600
	-----	-----
Net property, plant and equipment	\$233,100	\$227,600
	-----	-----
	-----	-----

4. For the three and six months ended June 30, 2000 and 1999, the Company's comprehensive income (loss) is as follows:

	Three Months Ended		Six Months Ended	
	6/30/00	6/30/99	6/30/00	6/30/99
	-----	-----	-----	-----
Net income	\$ 5,000	\$10,400	\$10,100	\$ 19,900
Foreign currency translation adjustments	(500)	(4,600)	(4,200)	(13,200)
	-----	-----	-----	-----
Comprehensive income....	\$ 4,500	\$ 5,800	\$ 5,900	\$ 6,700
	-----	-----	-----	-----
	-----	-----	-----	-----

West Pharmaceutical Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
(Continued)

5. Net sales to external customers and operating profit (loss) by operating segment for the three and six months ended June 30, 2000 and June 30, 1999 are as follows:

Net Sales:	Three Months Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
Device product development	\$ 94,600	\$100,800	\$186,700	\$194,200
Contract services	18,100	23,400	33,400	44,000
Drug delivery research and development	300	200	700	400
Corporate and unallocated	(300)	--	(400)	--
Consolidated Total	\$112,700	\$124,400	\$220,400	\$238,600

Operating Profit (Loss):	Three Months Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
Device product development	\$ 20,400	\$ 26,000	\$ 40,200	\$ 47,500
Contract services	(3,800)	1,800	(7,400)	4,000
Drug delivery research and development	(2,400)	(1,600)	(4,700)	(3,000)
Corporate and unallocated items	(3,000)	(6,400)	(6,500)	(11,300)
Consolidated Total	\$ 11,200	\$ 19,800	\$ 21,600	\$ 37,200

Compared with December 31, 1999, there were no material changes in the amount of assets as of June 30, 2000 for any operating segment.

6. Common stock issued at June 30, 2000 was 17,165,141 shares, of which 2,806,005 shares were held in treasury. Dividends of \$.17 per common share were paid in the second quarter of 2000 and a dividend of \$.17 per share payable August 1, 2000 to holders of record on July 19, 2000 was declared on June 20, 2000.
7. The Company has accrued the estimated cost of environmental compliance expenses related to soil or ground water contamination at current and former manufacturing facilities. The ultimate cost to be incurred by the Company and the timing of such payments cannot be fully determined. However, based on consultants' estimates of the costs of remediation in

West Pharmaceutical Services, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
(Continued)

accordance with applicable regulatory requirements, the Company believes the accrued liability of \$1,400 at June 30, 2000 is sufficient to cover the future costs of these remedial actions, which will be carried out over the next several years. The Company has not anticipated any possible recovery from insurance or other sources.

8. In January 2000, the Company paid \$1 million to acquire additional ownership in a firm involved in developing genotyping technology. As of June 30, 2000 the Company's cumulative investment in this firm is \$2.3 million, representing a 12.8% ownership interest. Upon the satisfaction of certain future milestones, the Company is conditionally committed to investing up to an additional \$1.3 million, which would result in a cumulative ownership percentage of up to 19.95%.

Item 2.

Management's Discussion and Analysis of Financial Condition and

 Results of Operations for the Three and Six Months ended June 30, 2000

 versus Comparable 1999 periods.

Net Sales

Net Sales for the second quarter of 2000 were \$112.7 million compared to \$124.4 million reported in the second quarter of 1999. At constant exchange rates, sales for the second quarter 2000 declined 5.9% versus the prior year quarter.

Second quarter 2000 sales for the Device Product Development segment were \$94.6 million, a decline of 1.9% at constant exchange rates, as compared to the second quarter of 1999 which had an unusually high 10.5% growth rate. Sales in domestic markets declined by approximately 6% as a result of inventory reductions at certain customers of some high margin products. Excluding the plastic device facility in the United Kingdom, sales to international markets increased by 4.5% over the prior year quarter. The Company is transitioning its plastics manufacturing plant in Lewes, England to a facility focused on producing medical devices and multi-component consumer products. During the transition period, this plant will be under-utilized.

The Contract Services segment's results were significantly below 1999's second quarter. Sales were \$18.1 million, \$5.3 million, or 22.9% below second quarter 1999 levels. The contract manufacturing and packaging unit continues to experience a decline in volume over the prior year as a result of reduced demand, project cancellations and lower-than-anticipated market acceptance for customers' products. Although the Company is aggressively seeking new business, this segment operates in extremely competitive markets. A return to profitability is not forecasted until at least the fourth quarter of 2000.

Net sales for the first half of 2000 were \$220.4 million, 7.6% lower than sales in the same period of 1999 and 4.1% lower at constant exchange rates. Excluding exchange rate variances, Device Product Development sales were .4% higher as strong results in international markets offset decreased sales in domestic markets. Year-to-date Contract Services segment sales declined by 24.2% from the prior year, from the same causes as were stated above for the second quarter decrease.

Gross Profit

The second quarter 2000 consolidated gross margin was 25.1%, compared with 32.0% in 1999. Lower margins were reported in both the Device Product Development and Contract Services segments. For Device Product Development, lower domestic sales volumes, lower-value product mix, severance costs and low volume at the UK plastic device facility, and the higher cost of dollar-based raw materials to international operations negatively impacted gross margins. Low demand, contract cancellations and severance costs within the contract manufacturing and packaging unit caused the Contract Services segment to operate below breakeven margins.

Results of Operations and Financial Condition for the Three and Six Months Ended June 30, 2000 versus Comparable 1999 periods, continued

The consolidated gross profit margin for the six-month period was 25.6% compared with 31.1% in the same period of 1999. The year-to-date negative gross margin of the Contract Services segment, largely from the contract manufacturing and packaging unit, accounts for the majority of the decline in the profit margin. Year-to-date gross margins in the Device Product Development segment also declined as a result of the U.K. Plastics facility volume reductions and severance costs, and the lower demand for high-value product mix in domestic markets.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were down \$2.7 million (13.1%) as compared with the second quarter of 1999. Higher income on pension assets, the favorable impact of foreign exchange rates on non-U.S. dollar expenses, and lower incentive based compensation expenses more than offset higher drug delivery system research and development expenses, an additional month of clinical services expenses, and severance costs in several segments. Drug Delivery Systems costs were higher as the Company continues to advance the development of several promising new products and interprets data from the Phase I clinical trials for nasal morphine. The Company and a potential licensee are in the due diligence process of negotiations which should lead to the first license agreement for several internally developed drug delivery products.

For the six-month period ending June 30 2000, selling, general and administrative expenses declined by \$2.3 million versus the prior year. The same factors that influenced the second quarter comparisons also influenced the year to date figures. In addition, 2000 results include a full 6 months of clinical services costs (acquired April 20, 1999), versus 2 months in 1999.

Other expense

For the second quarter of 2000, foreign currency transaction losses and losses on fixed asset disposals were offset by interest income. The 1999 second quarter contained higher fixed asset disposition losses as a result of Y2K remediation efforts. In addition, the six-month period for 2000 contains costs related to a one-time environmental action by Brazilian customs which resulted in the destruction of raw material and finished products which were imported into that country.

Interest Expense and Equity in Affiliates

Interest expense increased by \$.6 million over 1999 in the second quarter comparison (\$1.6 million in the year-to-date comparison), largely due to additional debt associated with stock repurchases under a one million share buyback program announced in March of 1999. During 2000, 358,700 shares have been purchased at an average cost of \$27.49 per share, bringing the total shares repurchased to 889,500. Higher interest rates and acquisition financing also contributed to the increase over the prior year for both the quarter and year-to-date periods.

Results of Operations and Financial Condition for the Three and Six
Months Ended June 30, 2000 versus Comparable 1999 periods, continued

Equity in net income of affiliates increased by \$0.3 million and by \$0.7 million versus the second quarter and six-month 1999 periods, respectively. These increases were generated from increased sales and improved margins of Daikyo Seiko, Ltd., a Japanese company in which the Company holds a 25% ownership interest.

Taxes

The tax rate in the quarter is 38% compared with 38.5% in the same period of 1999. The estimated effective tax rate for 2000 is 37.5%, a .5% increase over earlier estimates. The charge reflects expectations of the current geographic mix of earnings and the potential elimination of a U.S. tax benefit on foreign sales corporations. These factors largely offset the favorable impact of last year's European tax reorganization. The 2000 estimated tax rate of 37.5% is equal to 1999's full year rate on operations. Expected changes in the German tax law will result in adjustment of deferred tax liabilities for subsidiaries in that country in the period of enactment.

Net Income

Net income for the second quarter 2000 was \$5.0 million, or \$.35 per share, compared with net income of \$10.4 million, or \$.70 per share, in the same period of 1999. Average common shares outstanding in the second quarter were 14.5 million, compared with 14.9 million during second quarter 1999. The reduction in average common shares outstanding is due to the Company's stock buyback program.

For the six-month period, 2000 net income was \$10.1 million, or \$.70 per share, compared with \$19.9 million, or \$1.33 per share, in 1999. Average common shares outstanding for the first six months of 2000 were 14.5 million compared with 15.0 million in 1999.

Financial Position

Working capital at June 30, 2000 was \$91.5 million compared with \$80.7 million at December 31, 1999. The working capital ratio at June 30, 2000 was 2.1 to 1. The improvement in the working capital ratio is due mostly to the Company's completion of a new credit facility replacing the revolving credit agreement expiring in August 2000 which allows it to refinance short-term notes payable on a long-term basis. In July 2000, the Company signed a \$135 million revolving credit agreement with a group of six banks. The credit agreement consists of a \$70 million five-year revolving credit facility and a \$65 million 364-day line of credit. Interest cost on these facilities will be based on London Inter-Bank Offering Rates (LIBOR) plus a margin dependent on the Company's debt to total capital ratio. The interest rate on the initial borrowings under this facility was 7.4%. Commitment fees on these credit agreements fluctuate according to the Company's debt to total capital ratio with a maximum fee of 17.5 basis points on the 364-day facility and 20.0 basis points on the five-year facility. Debt as a percentage of total invested capital at June 30, 2000 was 45.1% compared with 42.5% at December 31, 1999.

Results of Operations and Financial Condition for the Three and Six Months Ended June 30, 2000 versus Comparable 1999 periods, continued

For the six-month period, funds generated from operations totaled \$24.1 million versus \$30.3 million in the prior year period as a result of the lower net income. Capital spending for the year-to-date period totaled \$29.5 million, covering maintenance and efficiency upgrades on Device Product Development segment assets. Full year capital spending for 2000 is projected to be approximately \$60.0 million. Other investment activity for the six months of 2000 included a \$1.0 million additional investment in a genotyping technology company, and \$1.9 million of spending on customer specific projects. The Company paid cash dividends totaling \$5.0 million (\$0.34 per share) and repurchased common stock at a total cost of \$9.9 million (358,700 shares at an average price of \$27.49 per share). These cash outflows were financed by \$16.0 million of increased net borrowings.

The Company believes its financial condition and current capitalization indicate an ability to finance substantial future growth.

Recently Issued Accounting Pronouncements

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" (SAB 101). Among other things, SAB 101 provides guidance for recording revenue related to non-refundable, up-front fees received in connection with conveying licensing or other intangible rights or for delivery of particular products or services. In general SAB 101 defers the recognition of revenue from such up-front payments over any related service period. While SAB 101 has no impact to the Company's current year-to-date or historic earnings recognition from the sale of intangible rights, it may impact recognition of any up front licensing and other fees that may result from licensing agreements currently being negotiated for the Company's drug delivery technologies.

In July 2000, the Emerging Issues Task Force (EITF) of the Financial Accounting Standards Board reached a final consensus on Issue 00-10 "Accounting for Shipping and Handling Revenues and Costs". Issue 00-10 addresses the income statement classification of amounts charged to customers for shipping and handling. The EITF concluded that amounts billed to customers for shipping and handling should be included in revenue, rather than netting the shipping revenue against the related cost. For the Company, the reclassification of these shipping costs will increase reported sales and cost of goods sold, with no impact on reported gross profit amounts, however reported gross margin percentages will decrease slightly. The Company will adopt EITF 00-10 in the fourth quarter of 2000 and will restate prior periods in accordance with the requirements.

Market Risk

The Company is exposed to various market risk factors such as fluctuating interest rates and foreign currency rate fluctuations. These risk factors can impact results of operations, cash flows and financial position. These risks are managed periodically with the use of derivative financial instruments such as interest rate swaps and forward exchange contracts. In accordance with Company policy, derivative financial instruments are not used for speculation or trading purposes.

Results of Operations and Financial Condition for the Three and Six
Months Ended June 30, 2000 versus Comparable 1999 periods, continued

At June 30, 2000 and December 31, 1999 the Company had three interest rate swap agreements in effect, with an estimated fair value less than \$0.1 million. There were no forward exchange contracts in effect at June 30, 2000.

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

Item 3. Quantitative and Qualitative Disclosure about Market Risk

The information called for by this item is incorporated by reference to the text appearing in Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations- Market Risk".

Part II - Other Information

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

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

-
- (a) The Company held its annual meeting of shareholders on April 25, 2000.
- (c) Class I directors (with a term expiring in 2003) were elected by a vote of :

	For ---	Against -----
William G. Little	9,950,719	86,736
William H. Longfield	9,960,808	76,648
Monroe E. Trout	9,960,102	77,353
Anthony Welters	9,960,966	76,491

Tenley E. Albright, John Conway, George W. Ebright, L. Robert Johnson, John P. Neafsey, J. Roffe Wike, II and Geoffrey F. Worden continued their term of office after the meeting.

The appointment of PricewaterhouseCoopers LLP as the Company's independent accountants for the year ending December 31, 2000 was approved by a vote of 10,028,563 for the appointment and 5,416 against, with 3,476 abstentions.

Item 6. Exhibits and Reports on Form 8-K

-
- (a) See Index to Exhibits on page F-1 of this Report.
- (b) No reports on Form 8-K have been filed for the quarter ended June 30, 2000.

SIGNATURES

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

WEST PHARMACEUTICAL SERVICES, INC.

(Registrant)

August 14, 2000

Date

/s/ Anna Mae Papso

(Signature)

Anna Mae Papso
Corporate Vice President of Finance

INDEX TO EXHIBITS

Exhibit
Number

- (3) (a) Amended and Restated Articles of Incorporation of the Company through January 4, 1999, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
- (3) (b) ByLaws of the Company, as amended through October 27, 1998, incorporated by reference to Exhibit (3)(b) to the Company's Form 10-Q for the quarter ended September 30, 1998 (File No. 1-8036).
- (4) (a) Form of stock certificate for common stock, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-8036).
- (10)(a) Non-Qualified Deferred Compensation Plan for Designated Executive Officers, adopted August 30, 1994, reflecting amendments effective on March 7, 1995, April 28, 1998 and April 1, 2000.
- (10)(b) Schedule of Agreements with Executive Officers.
- (11) Not Applicable.
- (12) Not Applicable.
- (15) None.
- (16) Not applicable.
- (18) None.
- (19) None.
- (22) None.
- (23) None.
- (24) None.
- (27) Financial Data Schedule
- (99) None.

THE WEST PHARMACEUTICAL SERVICES, INC.
NON-QUALIFIED DEFERRED COMPENSATION
PLAN FOR DESIGNATED EXECUTIVE OFFICERS
(Amended and Restated Effective April 1, 2000)

West Pharmaceutical Services, Inc. (the "Company") hereby adopts this Plan, as amended and restated effective April 1, 2000, to permit designated Executive 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 Executive Officer of the Company or any of its subsidiaries, and (b) designated as an eligible Executive Officer by the Compensation Committee.

2. Deferrable Compensation: An eligible Executive Officer may elect to defer any whole percentage of his or her (a) annual base salary, (b) cash bonus, or (c) both ("Compensation").

3. Election to Defer:

(a) An eligible Executive Officer who desires to defer payment of any portion of his or her 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 Compensation which shall be deferred. An election so made shall be irrevocable and shall apply to each calendar year thereafter until the Executive 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 Executive Officer is hired by the Company during a calendar year, the Executive 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 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 Executive Officer changes his or her election in accordance with the procedure set forth in Section 3(a) above.

(c) An eligible Executive Officer who elects to defer Compensation to the Plan during a calendar year shall be deemed to have waived his or her right to participate in The West Pharmaceutical Services, Inc. Savings Plan for that year and, accordingly, shall be ineligible to participate in the Savings Plan.

4. Matching Contributions: The Company will contribute to the Plan an amount equal to 50% of the first 6% of base salary an Executive Officer elects to defer. Matching contributions shall not be made for deferrals of base salary in excess of 6% or any portion of a cash bonus deferred by an Executive Officer.

5. Investment of Deferred Compensation Accounts:

(a) Allocations: The Company shall establish an "A" Account, a "B" Account and a "C" Account (collectively, the "Accounts") for each Executive Officer contributing to the Plan. An Executive Officer's Compensation deferred pursuant to Paragraph 3 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. Company matching contributions made pursuant to Paragraph 4 on or before March 31, 2000 shall be allocated to an Executive Officer's "B" Account as of the last day of the payroll period to which they relate. Company matching contributions made pursuant to Paragraph 4 on or after April 1, 2000 shall be allocated to an Executive Officer's "C" Account as of the last day of the payroll period to which they relate.

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

(i) Each Executive Officer shall direct the investment of his or her "A" Account and "B" Account among the Investment Funds offered under the Plan by complying with administrative procedures established by the Company. An Executive Officer's election shall specify the whole percentage of his or her "A" Account and "B" Account to be invested in an Investment Fund. An Executive Officer's election shall remain in effect until a new election is made. An Executive 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 Company. The Company 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 Executive Officer literature summarizing the investment characteristics of each Investment Fund.

(iii) Valuation of Participant 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 Executive Officers who invested in the Investment Fund in accordance with policies and procedures established by the Company.

(c) Investment of "C" Account: (i) The "C" Account of each Executive Officer shall be invested in the common stock of the Company. An Executive 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 Executive Officers who are invested in the common stock of the Company in accordance with policies and procedures established by the Company.

(d) Indemnity. By electing to defer Compensation pursuant to the Plan, each Executive 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) (collectively, the "Administrators") are in no way responsible for the investment performance of the Executive Officer's Accounts.

6. Vesting:

(a) Regular Vesting: An Executive Officer shall always be 100% vested in the Compensation deferred pursuant to Paragraph 3. An Executive Officer shall be 40% vested in matching contribution made on his or her behalf under Paragraph 4 after two years of employment with the Company or any of its subsidiaries. An Executive Officer's vested interest in such 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 Executive 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.

(b) (i) Notwithstanding Paragraph 6(a) above, an Executive Officer shall immediately be 100% vested in matching contributions made pursuant to Paragraph 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 Event: An Executive Officer's Accounts (or relevant portion thereof) shall be distributed as soon as reasonably feasible after the appropriate Valuation Date following a Distribution Event. The following events, and no others, shall constitute Distribution Events:

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

(ii) For allocations to an Executive Officer's "A" Account during each calendar year, the fifth anniversary of the end of that year unless the Executive 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 (in which case the distribution shall be made on the date specified by the Executive Officer); or

(iii) For allocations to an Executive Officer's "A" Account, the determination by the Compensation Committee that the Executive Officer has incurred a Hardship. For purposes of this Paragraph, a "Hardship" is a financial burden of the general type described in Section 10.2 of The West Pharmaceutical Services, Inc. Savings Plan that cannot reasonably be relieved through use of the Executive Officer's personal assets. To apply for a Hardship distribution, an Executive Officer must submit a written application to the Company's Secretary indicating (A) the nature of the hardship, (B) the amount the Executive Officer needed to alleviate the hardship, and (C) the Account from which a distribution, if approved, shall be made. The Compensation Committee shall have complete and unfettered discretion to approve or deny, for any reason or no reason, any application for a Hardship distribution submitted by an Executive Officer.

Amounts allocated to an Executive Officer's "B" Account and "C" Account shall not be available for distribution under Paragraphs 7(a)(ii) and (iii).

(b) Valuing Accounts for Distributions: The value of each of the Accounts of an Executive 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 relevant portion of each of the Accounts, as applicable, shall then be distributed in accordance with this Paragraph 7.

(c) Form of Distribution: Except as otherwise provided herein, all distributions from the Plan shall be made in a cash lump sum. For amounts payable upon termination of employment pursuant to Paragraph 7(a)(i), an Executive Officer may receive the distribution in a lump sum or in five equal annual installments. If an installment distribution is elected, the first installment shall be paid on the January 15 immediately following the Executive's termination from employment, and the others on January 15 of the second, third, fourth and fifth years following such termination. The Executive 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.

At the time the Executive Officer elects to defer Compensation pursuant to Paragraph 3, he or she shall elect whether a distribution pursuant to Paragraph 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 Executive Officer, provided that any such change 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.

8. Designation of Beneficiary: If an Executive 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 lump sum to the Executive Officer's designated beneficiary, or if the Executive Officer has not designated a beneficiary in writing to the Company's Secretary, to such Executive Officer's estate. Any designation of beneficiary may be revoked or modified at any time by the Executive Officer.

9. Unsecured Obligation of the Company: The Company's obligations to establish and maintain Accounts for each eligible electing Executive 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 Executive 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. Withholding of Taxes: The rights of an Executive 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.

11. Assignability: No portion of an Executive 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.

12. Amendments and Termination: This Plan may be amended by a Committee of the Board of Directors consisting only of Directors not eligible to defer compensation under this Plan. This Plan may be terminated at any time by the Board of Directors. No amendment or termination may adversely affect an Executive Officer's Accounts existing on the date such amendment or termination is made, nor any election previously made under the Plan as to compensation for the calendar year in which the amendment or termination occurs.

13. Effective Date: The Plan was originally effective with respect to an Executive Officer's Compensation earned after August 30, 1994. This restatement is effective with respect to an Executive Officer's compensation earned on or after April 1, 2000.

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 as of the First day of April, 2000.

[CORPORATE SEAL]

WEST PHARMACEUTICAL SERVICES, INC.

Attest: /s/ John R. Gailey III

By: /s/ George R. Bennyhoff

John R. Gailey III
Secretary

George R. Bennyhoff
Senior Vice President - Human Resources

SCHEDULE OF AGREEMENTS WITH EXECUTIVE OFFICERS

The Company has entered into agreements with the following executive officers. Such agreements are substantially identical in all material respects to the form agreement set forth in Exhibit (10)(b) to the Company's Form 10-Q for the quarter ended March 31, 2000.

George R. Bennyhoff
Steven A. Eilers
John R. Gailey III
Stephen M. Heumann
Lawrence P. Higgins
Herbert L. Hugill
Donald E. Morel, Jr.
Anna Mae Papso

This schedule contains summary financial information extracted from the financial statements included in the Company's Form 10-Q for the quarterly period ended June 30, 2000 and is qualified in its entirety by reference to such financial information.

		1,000
6-MOS		
	DEC-31-2000	
	JAN-01-2000	
	JUN-30-2000	
		37,300
		0
		69,800
		0
		43,700
		27,300
		500,500
		267,400
		555,800
86,600		
		172,600
		0
		0
		4,300
		219,200
555,800		
		220,400
		164,000
		164,000
		0
		0
		6,400
		15,200
		5,700
10,100		
		0
		0
		0
		10,100
		.70
		.70