WEST PHARMACEUTICAL SERVICES INC
Form 424B5
March 12, 2007

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**Filed Pursuant to Rule 424(b)(5)**
**Registration No. 333-141130**

**A filing fee of $5,295.75, calculated in accordance with Rule 457(r), has been transmitted to the SEC in connection with the securities offered by means of this prospectus supplement. This fee also covers the 4.00% Convertible Junior Subordinated Debentures due 2047 issuable upon the exercise of the underwriter's over-allotment option.**

**PROSPECTUS SUPPLEMENT**
**(TO PROSPECTUS DATED MARCH 8, 2007)**

# $150,000,000

# 4.00% Convertible Junior Subordinated Debentures due 2047

**CONVERTIBLE DEBENTURES**

> We are offering $150,000,000 aggregate principal amount of our 4.00% convertible junior subordinated debentures due 2047.

> The convertible debentures will mature on March 15, 2047.

**INTEREST**

> We will pay 4.00% interest per annum on the principal amount of the convertible debentures, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2007. Interest will accrue on the convertible debentures from and including March 14, 2007 or from and including the last date in respect of which interest has been paid or provided for, to, but excluding, the next interest payment date or the final maturity date, as the case may be.

> We may elect to defer interest payments on the convertible debentures as described herein.

> After five years of deferral, we generally must use commercially reasonable efforts to sell qualifying securities with specified characteristics and use the funds from that sale to pay deferred interest, although this obligation is subject to certain limitations and any failure to comply with this obligation would constitute a covenant breach but not an event of default.

> In no event may we defer payments of interest on the convertible debentures for more than 10 years, and an event of default will result if all accrued and unpaid interest in respect of the convertible debentures is not paid in full within 30 days after the tenth anniversary of the commencement of any deferral. In the event of our bankruptcy, insolvency or receivership, any claim in respect of interest that accrued during an interest deferral period in excess of two years of accrued and unpaid interest (including any compounded interest thereon) on the convertible debentures will be extinguished.

**CONVERSION AT OPTION OF HOLDER**

> Holders may convert their convertible debentures into shares of our common stock at any time prior to 5:00 P.M., New York City time, on the business day immediately preceding the final maturity date of the convertible debentures.

>

The initial conversion rate, which is subject to adjustment, is 17.8336 shares of common stock per $1,000 principal amount of convertible debentures. This represents an initial conversion price of approximately $56.07 per share.

> A holder that surrenders convertible debentures for conversion in connection with a "make-whole fundamental change" that occurs prior to March 15, 2047 may in certain circumstances be entitled to an increased conversion rate.

> Upon the occurrence of a "fundamental change," if the market value per share of our common stock multiplied by the conversion rate then in effect is less than $1,000, holders will have the option to convert all or a portion of their convertible debentures into common stock at an adjusted conversion rate equal to the lesser of (1) $1,000 divided by the market value per share of our common stock as of the effective date of the fundamental change and (2) 35.6672 shares. In lieu of issuing common stock pursuant to this alternative conversion right in the event of a fundamental change, we may, at our option, make a cash payment to converting holders equal to the market value of the shares of our common stock, determined as provided in the indenture, otherwise issuable upon conversion.

**AUTOMATIC CONVERSION AT OUR OPTION**

> At any time on or after March 20, 2012, we may cause the convertible debentures to be automatically converted into shares of our common stock at the then prevailing conversion rate if the closing sale price of our common stock exceeds 150% of the then prevailing conversion price of the convertible debentures for at least 20 of the 30 trading days preceding our publicly announcing the automatic conversion. We will not be able to call the convertible debentures for automatic conversion during an optional deferral period.

**SUBORDINATION**

> The convertible debentures will be our unsecured obligations and will rank junior to all of our existing and future senior indebtedness. The convertible debentures will be structurally subordinated to all existing and future liabilities of our subsidiaries, including trade payables. As of December 31, 2006, we had approximately $236.3 million of outstanding indebtedness that would rank senior to the convertible debentures, which includes approximately $16.5 million of additional indebtedness of our subsidiaries.

**LISTING**

> The convertible debentures are a new issue of securities with no established trading market. An active or liquid market may not develop for the convertible debentures and, if developed, may not be maintained. We have not applied, and do not intend to apply, for the listing of the convertible debentures on any securities exchange.

> Our common stock is listed on the New York Stock Exchange under the symbol "WST." On March 8, 2007, the last reported sale price of our common stock was $42.32 per share.

**Investing in the convertible debentures involves risks. See "Risk factors" beginning on page S-13.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

| | Per convertible debenture | | Total |
|---|---|---|---|
| Public offering price | 100.00% | $ | 150,000,000 |
| Underwriting discounts and commissions | 2.75% | $ | 4,125,000 |
| Proceeds, before expenses, to us | 97.25% | $ | 145,875,000 |

We have granted to the underwriters the option, exercisable on or before the 30th day after the date of this prospectus supplement, to purchase up to an additional $22,500,000 aggregate principal amount of convertible debentures to cover over-allotments, if any.

We expect that the convertible debentures will be ready for delivery in book-entry-only form through The Depository Trust Company on or about March 14, 2007.

*Sole Book-Running Manager*

**UBS Investment Bank**

**Banc of America Securities LLC** **Wachovia Securities**

**The date of this prospectus supplement is March 9, 2007**

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any "free writing prospectus" we authorize to be delivered to you. We have not, and the underwriter has not, authorized anyone to provide you with additional information or information different from that contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any such "free writing prospectus." We are offering to sell, and seeking offers to buy the convertible junior subordinated debentures offered hereby only in jurisdictions where those offers and sales are permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, any such "free writing prospectus" or any documents incorporated by reference into any of the foregoing is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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# Forward-looking statements

We make statements in this prospectus supplement and the accompanying prospectus and the documents we incorporate herein and therein by reference that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are often identifiable by the use of words such as "will," "anticipates," "believes," "estimates," "expects," "projects," "plans," "intends," "should" or similar expressions. 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. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and are including this statement for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions and expectations as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions or expectations will be achieved. We have discussed in this document some important risks, uncertainties and contingencies which could cause our actual results, performance or achievements to be materially different from the forward-looking statements we make in these documents.

We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. In evaluating forward-looking statements, you should carefully consider the risks and uncertainties in, as well as all of the other information contained in, this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, and you should not place undue reliance on forward-looking statements.

# Incorporation of certain information by reference

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to another document that we filed separately with the SEC. The information incorporated by reference is deemed part of this prospectus, except for any information superseded by information in this prospectus. You should read the information incorporated by reference because it is an important part of this prospectus. We have incorporated by reference into this prospectus the following documents or information filed with the SEC (Commission File No. 1-8036):

> Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed with the SEC on March 1, 2007;

> Current Reports on Form 8-K filed on January 11, 2007, January 30, 2007, February 20, 2007 and March 7, 2007 (in each case, excluding the portions deemed "furnished" and not "filed" with the SEC);

> Description of our common stock set forth in our Registration Statement on Form 8-A filed with the SEC on October 17, 1980; and

> All documents filed by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement of which this prospectus is a part until the offering of shares of common stock pursuant to this prospectus is complete (other than those portions of such documents described in paragraphs (i), (k), and (l) of Item 402 of Regulation S-K promulgated by the SEC or otherwise deemed "furnished" and not "filed" with the SEC).



Any statement contained in a document that is incorporated by reference shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this prospectus (or in any other document that is subsequently filed with the Securities and Exchange Commission and incorporated by reference) modifies or replaces such statement. Any statement so modified or superseded shall not be deemed a part of this prospectus except as so modified or superseded.

If you request, either orally or in writing, we will provide you with a copy of any or all documents which are incorporated by reference. We will provide such documents to you free of charge, but will not include any exhibits, unless those exhibits are incorporated by reference into the document. You should address written requests for documents to John R. Gailey III, Esq., Vice President, General Counsel and Secretary, West Pharmaceutical Services, Inc., 101 Gordon Drive, Lionville, Pennsylvania 19341, (610) 594-2900.



# Summary

*This summary highlights selected information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus, including "Risk factors" beginning on page S-13 and the financial statements and the notes to those statements and the other information incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.*

*References in this prospectus supplement to "West Pharmaceutical Services," "West," "we," "us" and "our" refer to West Pharmaceutical Services, Inc. and its subsidiaries, except where otherwise expressly provided or where the context otherwise requires.*

**OUR BUSINESS**

We are a leading manufacturer of components and systems for injectable drug delivery and plastic packaging and delivery system components for the healthcare, personal care and consumer products markets. Our products include stoppers and seals for vials, and components used in prefillable and disposable syringes, intravenous delivery systems and blood collection and diagnostic systems. We have a history of innovation in our industry and our products are integral to many of the world's most successful pharmaceutical and medical device products.

Our customers include the world's leading pharmaceutical, biotechnology, generic drug and medical-device producers. We are one of the world's largest independent manufacturers of pharmaceutical packaging components, including stoppers, and seals for pharmaceutical vials, and plungers for both prefillable and disposable syringes. Our packaging is incorporated in many of the biotechnology products marketed and sold worldwide.

We have 32 manufacturing locations in North and South America, Europe and Asia Pacific, and affiliates in Mexico and Japan. We operate through two reportable segments: "Pharmaceutical Systems," which designs, tests and manufactures components for drug delivery, and the "Tech Group," a custom contract manufacturer for clients across the healthcare spectrum and personal care and consumer products markets.

**Pharmaceutical Systems segment**

Our Pharmaceutical Systems segment designs, manufactures and sells a variety of elastomer and metal components used in parenteral drug delivery by branded pharmaceutical, generic and biopharmaceutical companies.

Our Pharmaceutical Systems business is composed of the following product lines:

> Elastomeric stoppers and discs, which serve as primary closures for pharmaceutical vials;

> Secondary closures for pharmaceutical vials, called Flip-Off® aluminum seals, consisting of an aluminum seal and removable plastic button, and in some applications, just an aluminum seal;

> Elastomeric syringe plungers, stoppers for blood collection systems and flashback bulbs and sleeve stoppers for intravenous dispensing systems;

> Elastomer and co-molded elastomer/plastic components for IV sets;

> Dropper bulbs including tamper-evident droppers for applications such as eye, ear and nasal drops, diagnostic products and dispensing systems;



> Needle shields and tip caps to fit most standard prefilled syringes and combination seals for dental cartridges and pens; and

>

Baby bottle nipple and pacifier bulbs from a variety of elastomeric formulations.

In recent years, our Pharmaceutical Systems business has experienced increased demand for its product offerings. We believe this demand is due to a combination of factors including an aging population that is expected to consume more healthcare products and services, the increased occurrence and treatment of chronic disorders, including diabetes, and increased spending on healthcare in the world's developing economies. Additional demand for our products has been generated by the approval of new biotechnology drug products delivered by injection or IV infusion, especially those for biologics, estimated to be the fastest growing segment of the pharmaceutical market.

For many of our products, we benefit from regulatory barriers to entry. The FDA approval process for new and generic drugs, under either the New Drug Application (NDA) or Abbreviated New Drug Application (ANDA) methodologies requires the submission of data supporting the stability of the subject drug and the packaging material. We support the NDA and ANDA filings initiated by our customers by authorizing the FDA to review relevant data contained in our confidential Drug Master File (DMF). Our DMF contains extensive stability, functionality and material data relating to the use of our components with our customers' products. Although this data is reviewed by the FDA in connection with our customers' NDA and ANDA filings, it is not made available to our customers or suppliers without our explicit permission. A pharmaceutical customer who wishes to initiate primary packaging changes, including switching its packaging supplier, must conduct new stability studies and amend its regulatory filings, as well as validate the functionality of the substitute component or material in its production processes. These processes are typically lengthy and expensive.

**Tech Group segment**

Our Tech Group segment serves the medical, pharmaceutical, diagnostic and healthcare markets with custom contract-manufacturing services. Products and projects include design and manufacturing of unique components for surgical, ophthalmic, diagnostic and drug delivery systems, such as contact lens storage kits, pill dispensers, safety needle syringes, disposable blood collection systems and components and systems associated with drug inhalation devices. Our Tech Group segment has manufacturing operations in the U.S., Mexico, Puerto Rico and Ireland. This segment's global customer base includes many of the world's leading manufacturers of pharmaceuticals, biologics and medical devices.

Our Tech Group segment benefits from some of the same industry factors that impact our Pharmaceutical Systems segment, particularly for products manufactured by us for diabetes care. Significantly, our Tech Group is one of two contract manufacturers for an inhalation delivery device used in connection with Exubera® Inhalation Powder, a pulmonary insulin product developed by our customer Nektar Therapeutics and marketed by Pfizer, Inc. We also produce insulin pen and auto-injector components and assemblies. It is our intention to increase the proportion of Tech Group sales of products that benefit from proprietary intellectual property protection or from the regulatory barriers associated with primary drug packaging and combination products, like the Exubera® inhalation powder device, in which the delivery device is a functioning part of the drug delivery process. Exubera® is a registered trademark of Pfizer Inc.

In the consumer products and personal care markets, Tech Group products include the following:

> Child-resistant and tamper-evident closures and dispensers for personal care products;

> Closures used to seal beverage containers; and

> Multi-piece components for consumer technology products.



**OUR STRATEGY**

The key elements of our strategy include:

> Continuing to maintain our market leadership position in biotechnology packaging;

> Aggressively expanding our IP position via innovation and selective acquisitions;

- Geographic expansion and building-out of our manufacturing capabilities to meet market growth; and
- Creating financial flexibility through conservative balance sheet management.

**CORPORATE INFORMATION**

We were incorporated in Pennsylvania in 1923. Our principal executive offices are located at 101 Gordon Drive, P.O. Box 645, Lionville, PA 19341. Our telephone number is (610) 594-2900. Our website address is http://www.westpharma.com. The information contained on our website is not a part of this prospectus supplement or the accompanying prospectus.



# The offering

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| Issuer | West Pharmaceutical Services, Inc. |
| Offered securities | 4.00% convertible junior subordinated debentures due 2047. |
| Principal amount | $1,000 per convertible debenture. |
| Aggregate principal amount | $150,000,000 (plus up to an additional $22,500,000 principal amount of convertible debentures pursuant to the option we have granted to the underwriters to purchase additional convertible debentures to cover overallotments). |
| Final maturity date | Any unpaid principal amount of the convertible debentures, together with accrued and unpaid interest, including any compounded interest thereon, will be due and payable on March 15, 2047. |
| Interest | We will pay 4.00% interest per annum on the principal amount of the convertible debentures, payable semi-annually in arrears on March 15 and September 15 of each year, starting on September 15, 2007. Interest will accrue on the convertible debentures from and including March 14, 2007 or from and including the last date in respect of which interest has been paid or provided for, to, but excluding, the next interest payment date or the final maturity date, as the case may be.<br><br>We may elect to defer interest payments on the convertible debentures as described in this prospectus supplement. This deferral right, as well as limitations on the sources we may use to fund deferred interest payments, is described under "Description of the convertible debentures Deferral of Interest Payments." Additional restrictions on our ability to make payments (including payments of interest) on the convertible debentures and on any related claim in the event of our bankruptcy, insolvency or receivership are described under "Description of the convertible debentures Subordination" and "Description of the convertible debentures Deferral of Interest Payments Limitation on claims in the event of our bankruptcy, insolvency or receivership." |
| Use of proceeds | We estimate that our net proceeds from the sale of the convertible debentures in this offering, after deducting underwriting discounts and estimated expenses of the offering, will be approximately $145.2 million. We intend to use the net proceeds for general corporate purposes, which may include capital expenditures, working capital, possible acquisitions of other businesses, technologies or products, repaying debt and/or potentially repurchasing shares of our capital stock. |
| Indenture | We will issue the convertible debentures under an indenture and a supplemental indenture thereto, each to be dated as of March 14, 2007, between West Pharmaceutical Services, Inc., as issuer, and U.S. Bank National Association, as trustee. In this prospectus supplement, we |

refer to that indenture, as supplemented by the supplemental indenture, and as may be further supplemented or amended from time to time in respect of the convertible debentures, as the "indenture."



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| Trustee and paying agent | U.S. Bank National Association |
| Subordination | The convertible debentures will be our unsecured subordinated obligations, ranking junior to all existing and future senior indebtedness as described under "Description of the convertible debentures Subordination." The convertible debentures will rank equal in right of payment with obligations we owe, from time to time, to our trade creditors.<br><br>The convertible debentures will be structurally subordinated to all indebtedness and other obligations of our subsidiaries. The indenture places no limitation on the amount of additional indebtedness that we or any of our subsidiaries may incur. We expect that we and our subsidiaries will incur additional indebtedness in the future. |
| Conversion rights | Holders may convert their notes, in whole or in part, into shares of our common stock at any time prior to 5:00 P.M., New York City time, on the business day immediately preceding the final maturity date of the convertible debentures. The initial conversion rate, which is subject to adjustment, is 17.8336 shares of common stock per $1,000 principal amount of notes. This represents an initial conversion price of approximately $56.07 per share.<br><br>A holder that surrenders notes for conversion in connection with a "make-whole fundamental change" may in some circumstances be entitled to an increased conversion rate.<br><br>Upon the occurrence of a "fundamental change," if the market value per share of our common stock multiplied by the conversion rate then in effect is less than $1,000, holders will have the option to convert all or a portion of their convertible debentures into common stock at an adjusted conversion rate as described below under " Alternative conversion right upon a fundamental change."<br><br>See "Description of the convertible debentures Conversion Rights." |
| Automatic conversion | At any time on or after March 20, 2012, we may cause the convertible debentures to be automatically converted into shares of our common stock at the then prevailing conversion rate if the closing price of our common stock exceeds 150% of the then prevailing conversion price of the convertible debentures for at least 20 of the 30 trading days preceding our publicly announcing the automatic conversion.<br><br>We will not be able to call the convertible debentures for automatic conversion during an optional deferral period and will be required to repay all accrued and unpaid deferred interest, if any, and compound interest thereon, in accordance with the alternative payment mechanism provisions of the indenture prior to calling convertible debentures for automatic conversion. |



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| Alternative conversion right upon a fundamental change | Upon the occurrence of a fundamental change, if the market value per share of our common stock, determined as provided in the indenture, multiplied by the conversion rate then in effect with respect to the convertible debentures is less than $1,000, each holder of convertible debentures will have the option to convert all or a portion of its convertible debentures into shares of common stock at an adjusted conversion rate equal to the lesser of (1) $1,000 divided by the market value per share of our common stock as of the effective date of the fundamental change, and (2) 35.6672 shares. In lieu of issuing shares of common stock pursuant to this alternative conversion right, we may, at our option, make a cash |

payment to converting holders equal to the aggregate market value of the shares of our common stock, as determined as provided in the indenture, otherwise issuable upon conversion pursuant to this right. If the fundamental change is also a make-whole fundamental change, converting holders will be required to specify whether they are converting their convertible debentures pursuant to this alternative conversion option.

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| Make-whole amount | Upon the occurrence of a make-whole fundamental change, under certain circumstances, we will increase the conversion rate, for the time period described herein, by a specified number of additional shares, as described under "Description of the convertible debentures Conversion rights Make-whole adjustment in connection with conversion upon a make-whole fundamental change." The number of additional shares will be determined based on the price paid per share of our common stock in the transaction constituting a make-whole fundamental change and the effective date of such transaction. Notwithstanding the foregoing, in no event will the total number of shares of our common stock issuable upon conversion in connection with a make-whole fundamental change exceed 23.6295 shares per $1,000 principal amount of convertible debentures, subject to adjustment.<br><br>No increase to the conversion rate will be made upon a make-whole fundamental change if the stock price in connection with such make-whole fundamental change is less than $42.32 or more than $300.00 (in each case, subject to adjustment). |
| Optional deferral | As long as no event of default with respect to the convertible debentures has occurred and is continuing, subject to the conditions described in this prospectus supplement, we may defer payments of interest on the convertible debentures. We refer to this as "optional deferral." Upon optional deferral, any optionally deferred interest will continue to accrue and compound semi-annually, to the extent permitted by applicable law, at the applicable rate of interest on the convertible debentures. |



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| Alternative payment mechanism | After five years of optional deferral (calculated from the first payment date as of which we defer payments on the convertible debentures due to optional deferral), we must use commercially reasonable efforts to sell qualifying securities (generally, qualifying warrants or qualifying preferred stock, including depositary shares representing interests in such preferred stock) and use eligible proceeds (as defined) from those sales to pay deferred interest as described under "Description of the convertible debentures Alternative payment mechanism." This obligation, however, is subject to certain limitations: we will not be required to sell qualifying securities during the continuation of a "market disruption event" (as defined), and the maximum amount of qualifying securities that we are required to sell will be limited by specified caps. Any breach of our obligation to fund payments through the sale of qualifying securities would constitute a covenant breach, but not an event of default permitting acceleration of the principal amount of the convertible debentures. The remedy of holders of the convertible debentures for any covenant breach may be limited to direct monetary damages (if any). See "Description of the convertible debentures Events of Default."<br><br>Notwithstanding the limitations described above, in no event may we defer payments of interest on the convertible debentures beyond the date that is 10 consecutive years after the date on which we began the deferral of interest or past the final maturity date of the convertible debentures. An event of default will result if all accrued and unpaid interest, including any compounded interest thereon, in respect of the convertible debentures has not been paid in full within 30 days after the tenth anniversary of the commencement of any interest deferral.<br><br>At the times described under "Description of the convertible debentures Deferral of Interest Payments," we will be required, subject to the occurrence of a market disruption event and the limits imposed by the specified caps, to use commercially reasonable efforts to sell qualifying securities and apply the eligible proceeds of such sale to pay deferred interest, including any compounded interest thereon. |

"Qualifying securities" generally means:

> "qualifying warrants," which are net-share settled warrants to purchase our common stock that have an exercise price greater than the current stock market price of our common stock as of their date of issuance, that we are not entitled to redeem for cash and that the holders of such warrants are not entitled to require us to repurchase for cash in any circumstance; and

> "qualifying preferred stock," which is preferred stock (or depositary shares representing interests in such preferred stock) issued by us on such terms as we may establish.



We may provide, at a later date at our option, that qualifying preferred stock be subject to a legally binding replacement covenant or a replacement capital intention and/or meet certain other criteria as described under "Description of the convertible debentures Deferral of Interest Payments." The indenture will permit us to amend the indenture without the consent of holders of the convertible debentures to make such provisions. In addition, the indenture may be amended without the consent of holders of the convertible debentures to add, at our election, our common stock to the definition of "qualifying securities."

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| Limitations on deferrals | No deferral may extend beyond the final maturity date of the convertible debentures or an acceleration of the convertible debentures upon an event of default. In addition, no interest deferral period may continue for more than 10 years. An interest deferral period will commence on the first interest payment date on which interest is deferred and will end on the first date thereafter on which all deferred interest, including any compounded interest thereon, is paid in full.<br><br>We will not be able to call the convertible debentures for automatic conversion during an optional deferral period and will be required to repay all accrued and unpaid deferred interest, if any, and compounded interest thereon, in accordance with the alternative payment mechanism provisions of the indenture prior to calling convertible debentures for automatic conversion. |
| Payment restrictions | On any date on which accrued interest through the most recent interest payment date has not been paid in full and until such time as all accrued and unpaid interest through the most recent interest payment date, together with any compounded interest, is paid in full, we will not, and will not permit any of our subsidiaries to, declare or pay any dividends or any distributions on, or make any payments of interest, principal or premium, or any guarantee payments on, or redeem, purchase, acquire or make a liquidation payment on, any of our capital stock or any of our debt securities or guarantees ranking equal with or junior to the convertible debentures, with exceptions that are detailed under "Description of the convertible debentures Certain restrictions during optional deferral periods." |
| Limitation on claims in the event of our bankruptcy, insolvency or receivership | In the event of our bankruptcy, insolvency or receivership, whether voluntary or not, prior to the final maturity date or repayment of the convertible debentures, any claim in respect of interest that accrued during an interest deferral period in excess of two years of accrued and unpaid interest (including any compounded interest thereon) on the convertible debentures will be extinguished. |



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| Events of default | The indenture will provide for the following events of default with respect to the convertible debentures: |

- default for 30 calendar days in the payment of any interest on the convertible debentures, including any compounded interest, when it becomes due and payable (however, a default under this bullet will not occur if we have deferred interest, as permitted under the indenture);
- deferral of interest on the convertible debentures that continues for 10 consecutive years after the date on which we began the deferral of interest, without all accrued and unpaid interest, including any compounded interest thereon, having been paid in full within 30 days after the tenth anniversary of the commencement of such deferral;
- default in the payment of the principal of the convertible debentures when due; and
- certain events of bankruptcy, insolvency and reorganization, whether voluntary or not.

The events of default contained in the indenture under which the convertible debentures will be issued (and the circumstances under which payment of the convertible debentures may be accelerated) will not include failure to comply with or breach of our other covenants in the indenture applicable to the convertible debentures, including those described under "Description of the convertible debentures  Deferral of Interest Payments  Alternative Payment Mechanism." In the case of any breach of covenant that will not give rise to an event of default, there will be no right to declare the principal amount of the convertible debentures, or accrued and unpaid interest, including any compounded interest thereon, immediately payable, and the remedy of holders of the convertible debentures for any covenant breach may be limited to direct monetary damages (if any). Notwithstanding the foregoing, the indenture will acknowledge that in the case of any failure to deliver consideration deliverable in respect of any conversion, monetary damages would not be adequate and will provide for specific performance as the remedy for any such failure.

Capital replacement

The convertible debentures are not subject to a legally binding replacement covenant or a replacement capital intention. However, we will be permitted to provide for a replacement capital obligation or replacement capital intention in respect of the convertible debentures in the future, without the consent of the convertible bondholders.

Form

The convertible debentures will be represented by one or more global securities registered in the name of Cede & Co., as nominee for The Depository Trust Company, or DTC. Beneficial interests in the convertible debentures will generally be evidenced by, and transfers thereof will be effected only through, records maintained by the participants in DTC.

Governing law

New York.



U.S. federal income tax treatment

We intend to take the position that the convertible debentures will be classified as our indebtedness for all U.S. federal tax purposes. The convertible debentures are novel financial instruments and there is no statutory, judicial or administrative authority that directly addresses the U.S. federal income tax treatment of securities similar to the convertible debentures. Thus, no assurance can be given that the Internal Revenue Service (the "IRS") or a court will agree with our position. We agree, and by purchasing convertible debentures, you will agree (except with respect to withholding as provided under "Material United States federal income and estate tax consequences  Non-U.S. Holders  Payments of Interest") to treat the convertible debentures as indebtedness for all U.S. federal tax purposes. If the IRS were to successfully challenge the characterization of the convertible debentures as indebtedness, interest payments on the convertible debentures would be treated for such purposes as dividends to the extent of our current or accumulated earnings and profits and non-U.S. holders would be subject to withholding tax on such payments. See "Material United States federal income and estate tax consequences." Accordingly, an investment in the convertible debentures may not be suitable for non-U.S. holders. Non-U.S. holders should consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the convertible debentures.

For a discussion of certain risks that should be considered in connection with an investment in the convertible debentures, see "Risk factors."



# Summary historical condensed financial data

The following table presents our summary historical condensed consolidated financial data for the years ended December 31, 2004, 2005, and 2006. Our condensed consolidated statements of operations data for the years ended December 31, 2004, 2005 and 2006 have been derived from our audited consolidated financial statements which are incorporated by reference in this prospectus supplement and the accompanying prospectus. These historical results are not necessarily indicative of results to be expected for any future period. The as adjusted summary balance sheet data gives effect to the receipt of the net proceeds from the issuance and sale of the debentures.

You should read this summary data together with our audited consolidated financial statements and related notes and the related "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2006, incorporated by reference in this prospectus supplement and the accompanying prospectus.

| | Years ended December 31, | | |
|---|---|---|---|
| **Consolidated statements of income:** | **2004** | **2005** | **2006** |
| | | **(in millions)** | |
| Net sales | $ 541.6 | $ 699.7 | $ 913.3 |
| Cost of goods and services sold | 384.5 | 505.9 | 651.5 |
| Gross profit | 157.1 | 193.8 | 261.8 |
| Selling, general and administrative expenses | 105.2 | 120.3 | 155.9 |
| Restructuring charge (benefit) | 1.0 | (1.3) | |
| Other expense (income), net | 1.5 | 1.4 | 4.9 |
| Operating profit | 49.4 | 73.4 | 101.0 |
| Loss on debt extinguishment | | | 5.9 |
| Interest expense | 8.5 | 14.1 | 12.7 |
| Interest income | (1.5) | (2.1) | (2.1) |
| Income before income taxes and minority interests | 42.4 | 61.4 | 84.5 |
| Provision for income taxes | 11.5 | 17.7 | 24.6 |
| Minority interests | | 0.1 | 0.3 |
| Income from consolidated operations | 30.9 | 43.6 | 59.6 |

| | Years ended December 31, | | |
|---|---|---|---|
| Equity in net income of affiliated companies | 3.4 | 2.4 | 1.9 |
| Income from continuing operations | 34.3 | 46.0 | 61.5 |
| Pretax income (loss) from discontinued operations | (13.5) | (0.3) | 0.6 |
| Pretax gain (loss) on disposal of business segment | (4.7) | 0.7 | |
| Income tax benefit from discontinued operations | 4.1 | | 5.0 |
| Income (loss) from discontinued operations | (14.1) | 0.4 | 5.6 |
| Net income | $ 20.2 | $ 46.4 | $ 67.1 |



| Consolidated statements of income: | 2004 | 2005 | 2006 |
|---|---|---|---|
| | (in millions, except per share data) | | |
| Net income (loss) per share: | | | |
| Basic | | | |
| Continuing operations | $ 1.14 | $ 1.48 | $ 1.91 |
| Discontinued operations | (0.47) | 0.01 | 0.18 |
| | $ 0.67 | $ 1.49 | $ 2.09 |
| Assuming dilution(1) | | | |
| Continuing operations | $ 1.11 | $ 1.41 | $ 1.83 |
| Discontinued operations | (0.46) | 0.01 | 0.17 |
| | $ 0.65 | $ 1.42 | $ 2.00 |
| Average common shares outstanding | 30.0 | 31.1 | 32.2 |
| Average shares assuming dilution(1) | 30.8 | 32.5 | 33.6 |

*(1)* *The number of shares outstanding includes the following: (i) approximately 3.0 million shares of common stock issuable upon exercise of outstanding share-based equity awards and (ii) approximately 3.5 million shares of common stock reserved for future issuance under our equity plans.*

| Consolidated balance sheet data: | Actual | As adjusted(1) |
|---|---|---|
| | As of December 31, 2006 | |

| | As of December 31, 2006 | |
|---|---|---|
| | (in millions) | |
| | | (unaudited) |
| Cash, including cash equivalents | $ 47.1 | $ 192.3 |
| Working capital | 124.8 | 270.0 |
| Total assets | 918.2 | 1,068.2 |
| Long term debt | 235.8 | 385.8 |
| Retained earnings | 375.7 | 375.7 |
| Total shareholders' equity | 414.5 | 414.5 |

*(1)* *Adjusted to give effect to the offering of the convertible debentures (assuming no exercise of the underwriters' over-allotment option), after deducting underwriting discounts and commissions and our estimated offering expenses.*



# Risk factors

*This section describes some, but not all, of the risks related to our business and of purchasing convertible debentures in the offering. Before purchasing convertible debentures, you should carefully consider these risks, in addition to the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. In connection with the forward-looking statements that appear in this document, you should carefully review the factors discussed below and the cautionary statements referred to in "Forward-Looking Statements."*

## RISKS RELATED TO OUR BUSINESS

**Our sales and profitability depend to a large extent on the sale of drug products delivered by injection. If the products developed by our customers in the future use another delivery system, our sales and profitability could suffer.**

Our business depends to a substantial extent on customers' continued sales and development of products that are delivered by injection. We also rely on our customers who develop products that use other delivery means, including oral and trans-mucosal, specifically, the Exubera® Inhalation-Powder insulin device. However, if our customers fail to continue to sell, develop and deploy new injectable products or we are unable to develop new products that assist in the delivery of drugs by alternative methods, our sales and profitability may suffer.

**If we are unable to provide comparative value advantages, timely fulfillment of customer orders, or resist pricing pressure, we will have to reduce our prices, which may negatively impact our profit margins.**

We compete with several companies across our major product lines. 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. We differentiate ourselves from our 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. However, we face continued pricing pressure from our customers and competitors. If we are unable to resist or to offset the effects of continued pricing pressure through our value-added services, improved operating efficiencies and reduced expenditures, or if we have to reduce our prices, our sales and profitability may suffer.

If we are unable to expand our production capacity at our European and Asian facilities or otherwise experience any disruption in our production activities, there may be a delay in fulfilling or we may be unable to fulfill customer orders and this could potentially reduce our sales and our profitability may suffer.

**We have significant indebtedness and debt service payments which could negatively impact our liquidity.**

We owe substantial debts and have to commit significant cash flow to debt service requirements. The level of our indebtedness, among other things, could:

- make it difficult for us to obtain any necessary future financing for working capital, capital expenditures, debt service requirements or other purposes;
- limit our flexibility in planning for, or reacting to changes in, our business; and



- make our financial results and share value more vulnerable in the event of a downturn in our business.

Our ability to meet our debt service obligations and to reduce our total indebtedness depends on the results of our product development efforts, our future operating performance, our ability to generate cash flow from the sale of our products and on general economic, financial, competitive, legislative, regulatory and other factors affecting our operations. Many of these factors are beyond our control and our future operating performance could be adversely affected by some or all of these factors.

If we incur new indebtedness in the future, the related risks that we now face could intensify. Whether we are able to make required payments on our outstanding indebtedness and to satisfy any other future debt obligations will depend on our future operating performance and our ability to obtain additional debt or equity financing.

**We are subject to regulation by governments around the world, and if these regulations are not complied with, existing and future operations may be curtailed, and we could be subject to liability.**

The design, development, manufacturing, marketing and labeling of certain of our products and our customers' products that incorporate our products are subject to regulation by governmental authorities in the United States, Europe and other countries, including the FDA and the European Medicines Agency. The regulatory process can result in required modification or withdrawal of existing products and a substantial delay in the introduction of new products. Also, it is possible that regulatory approval may not be obtained for a new product. In addition, our analytical laboratories perform certain contract services for drug manufacturers and are subject to the FDA's current good manufacturing practices regulations. We must also register as a contract laboratory with the FDA and are subject to periodic inspections by the FDA. The Drug Enforcement Administration has licensed our contract analytical laboratories to handle and store controlled substances.

Failure to comply with applicable regulatory requirements can result in actions that could adversely affect our business and financial performance.

**Our business may be adversely affected by changes in the regulation of drug products and devices.**

An effect of the governmental regulation of our customers' drug products, devices, and manufacturing processes is that compliance with regulations makes it costly and time consuming for customers to substitute or replace components and devices produced by one supplier with those from another. In general terms, regulation of our customers' products that incorporate our components and devices has increased over time. However, if the applicable regulations were to be modified in a way that reduced the cost and time involved for customers to substitute one supplier's components or devices for those made by another, it is likely that the competitive pressure on us would increase and adversely affect our sales and profitability.

**Our business may be adversely affected by risks typically encountered in international operations and fluctuations in currency exchange rates.**

We conduct business in most of the major pharmaceutical markets in the world. Sales outside the U.S. account for approximately 49% of our consolidated net sales. Although the general business process is similar to the domestic business, international operations are exposed to additional risks, including the following: fluctuations in currency exchange rates; transportation delays and interruptions; political and economic instability and disruptions, especially in Latin and South America, Asia, and Israel; the imposition of duties and tariffs; import and export controls; the risks of divergent business expectations or cultural incompatibility inherent in establishing and maintaining operations in foreign countries; difficulties in staffing and managing multi-national operations; labor strikes and/or disputes; limitations on our ability to enforce legal rights and remedies; and potentially adverse tax consequences.

Any of these events could have an adverse effect on our international operations in the future by reducing the demand for our products, decreasing the prices at which we can sell our products or otherwise have an adverse effect on our business, financial condition or results of operations. In addition, we may not be able to operate in compliance with foreign laws and regulations, or comply with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject, in the event that these laws or regulations change.

**Raw material and energy prices have a significant impact on our profitability. If raw material and/or energy prices increase, and we cannot pass those price increases on to our customers, our profitability and financial condition may suffer.**

We use three basic categories of raw materials in the manufacture of our products: elastomers (which include synthetic and natural material), aluminum and plastic. In addition, our manufacturing facilities consume a wide variety of energy products to fuel, heat and cool our operations. Supply and demand factors, which are beyond our control, generally affect the price of our raw materials and utility costs. If we are unable to pass along increased raw material prices and energy costs to our customers, our profitability, and thus our financial condition, may be adversely affected. The prices of many of these raw materials and utilities are cyclical and volatile. For example, the prices of certain commodities, particularly petroleum-based raw materials, have rapidly increased in the recent past, increasing the cost of synthetic elastomers and plastic. While we generally attempt to pass along increased costs to our customers in the form of sales price increases, historically there has been a time delay between raw material and/or energy price increases and our ability to increase the prices of our products. In some circumstances, we may not be able to increase the prices of our products due to competitive pressure and other factors**.**

**Disruptions in the supply of key raw materials and difficulties in the supplier qualification process could adversely impact our operations.**

We utilize a supply chain management strategy in our reporting segments, 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 us. In most cases, we 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, we rely on single source suppliers for many critical raw materials. This strategy increases the risks that our supply lines may be interrupted in the event of a supplier production problem. These risks are managed, where possible, by selecting suppliers with multiple manufacturing sites, rigid quality control systems, surplus inventory levels and other methods of maintaining supply in the case of interruption in production.

However, should one of our suppliers be unable to supply materials needed for our products or should our strategies for managing these risks be unsuccessful, we may be unable to complete the process of qualifying new replacement materials for some programs in time to meet future production needs.



Prolonged disruptions in the supply of any of our key raw materials, difficulty completing qualification of new sources of supply, or in implementing the use of replacement materials or new sources of supply could have a material adverse effect on our operating results, financial condition or cash flows.

**Our operations must comply with environmental statutes and regulations, and any failure to comply could result in extensive costs which would harm our business.**

The manufacture of some of our products involves the use, transportation, storage and disposal of hazardous or toxic materials and is subject to various environmental protection and occupational health and safety laws and regulations in the countries in which we operate. This has exposed us in the past, and could expose us in the future, to risks of accidental contamination and events of non-compliance with environmental laws. Any such occurrences could result in regulatory enforcement or personal injury and property damage claims or could lead to a shutdown of some of our operations, which could have an adverse effect on our business and results of operations. We currently incur costs to comply with environmental laws and regulations and these costs may become more significant.

**A loss of key personnel or highly skilled employees could disrupt our operations.**

Our executive officers are critical to the management and direction of our businesses. Our future success depends, in large part, on our ability to retain these officers and other capable management personnel. With the exception of our Chief Executive Officer, in general, we do not enter into employment agreements with our executive officers. We have entered into severance agreements with several of our officers that allow those officers to terminate their employment under particular circumstances, such as a change of control affecting our company. Although we believe that we will be able to attract and retain talented personnel and replace key personnel should the need arise, our inability to do so could disrupt the operations of the unit affected or our overall operations. In addition, because of the complex nature of many of our products and programs, we are generally dependent on an educated and highly skilled engineering staff and workforce. Our operations could be disrupted by a shortage of available skilled employees.

**The nature of our business exposes us to litigation risk.**

The nature of our business exposes us to litigation risk, and we are a party to lawsuits in the ordinary course of our business. While we do not believe that the resolution of any currently pending lawsuits against us will, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations, it is possible that one or more lawsuits to which we are currently a party to or to which we subsequently become a party to, could adversely affect us in the future.

**RISKS RELATED TO THE DEBENTURES**

**Increased leverage as a result of this offering may harm our financial condition and results of operations.**

As adjusted to include the sale of the convertible debentures we are offering by this prospectus supplement, assuming the underwriters do not exercise their option to purchase additional convertible debentures, our total consolidated long-term debt as of December 31, 2006 would have been approximately $385.8 million and would have represented approximately 47.9% of our total capitalization as of that date. The indenture for the convertible debentures will not restrict our ability



to incur additional indebtedness, including indebtedness that ranks senior to the convertible debentures.

Our level of indebtedness could have important consequences to you, because:

> it could affect our ability to satisfy our obligations under the convertible debentures;

> the portion of our cash flows from operations required to make interest and principal payments will not be available for operations, working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes;

> it may impair our ability to obtain additional financing in the future;

> it may limit our flexibility in planning for, or reacting to, changes in our business and industry; and

> it may make us more vulnerable to downturns in our business, our industry or the economy in general.

**The convertible debentures will be subordinated to substantially all of our other debt.**

The convertible debentures will be our unsecured obligations, ranking junior to all existing and future senior indebtedness (including all of our existing indebtedness that is subordinated to other debt, but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business) of West Pharmaceutical Services, Inc., as described under "Description of the convertible debentures Subordination." This means that no direct or indirect payment, in cash, property or securities, by set-off or otherwise, may be made or agreed to be made on account of the convertible debentures or interest thereon, or in respect of any payment, redemption, retirement, purchase or other acquisition of the convertible debentures, if we default in the payment of any principal, or premium, if any, or interest on any senior indebtedness, or if an event of default occurs with respect to any senior indebtedness permitting the holders to accelerate the maturity thereof and written notice of such event of default, requesting that payments on the convertible debentures cease, is given to us by the holders of such senior indebtedness, unless and until such default in payment or event of default has been cured or waived or ceases to exist, provided that the subordination provisions will not limit the rights of the holders of the convertible debentures to convert their convertible debentures into common stock. In addition, in connection with any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to us, our creditors or our property and in certain other circumstances, payments that would otherwise be made on the convertible debentures will generally be paid to the holders of senior indebtedness, or their representatives, in accordance with the priorities existing among these creditors at that time until the senior indebtedness is paid in full.

As of December 31, 2006, after giving effect to the convertible debentures offered hereby, we had total indebtedness of approximately $236.3 million that will rank senior to the convertible debentures. The indenture places no limitation on the amount of additional indebtedness, including senior indebtedness, that we or any of our subsidiaries may incur. We expect to incur additional indebtedness in the future.

Due to the subordination provisions contained in the indenture governing the convertible debentures, in the event of our bankruptcy, insolvency or receivership, funds which we might otherwise use to pay the holders of the convertible debentures would instead be used to pay the holders of our senior indebtedness until such indebtedness is paid in full. As a result of such payments, the holders of such other indebtedness would likely recover more, ratably, than the holders of the convertible debentures in the event of our bankruptcy, insolvency or receivership, and holders of the convertible debentures might not receive anything at all.



**We will be dependent on dividends and other discretionary distributions from our subsidiaries to make payments in respect of the convertible debentures. The convertible debentures will be structurally subordinated to all indebtedness of our subsidiaries.**

We will be dependent on dividends and other discretionary distributions from our subsidiaries to make payments in respect of the convertible debentures. We derive substantially all of our revenues from our subsidiaries. All obligations of our subsidiaries would have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us. As of December 31, 2006, after giving effect to the issuance of the convertible debentures offered hereby, our subsidiaries would have had total third party indebtedness and other liabilities (including trade payables and accrued expenses) of approximately $648.9 million, all of which would be structurally senior to the convertible debentures.

We also have joint ventures and subsidiaries in which we own less than 100% of the equity so that, in addition to the structurally senior claims of creditors of those entities, the equity interests of our joint venture partners or other shareholders in any dividend or other distribution made by these entities would need to be satisfied on a basis proportionate to our interest. These joint ventures and less-than-wholly-owned subsidiaries may also be subject to contractual or regulatory restrictions that limit their ability to distribute cash to us and, as a result, we may not be able to access their cash flows to help service the convertible debentures. In addition, the payment of dividends and the making of loans and advances or other payments to us by our subsidiaries may be subject to statutory, contractual or other restrictions, may depend on the earnings or financial condition of those subsidiaries and are subject to the cash flow and assets of our subsidiaries. Among other things, our ability to repatriate funds from our international subsidiaries, which represent a significant portion of our business, may be limited by legal, tax and other considerations.

You will not have any claim as a creditor against our subsidiaries, and indebtedness and other liabilities, including trade payables, whether secured or unsecured, of our subsidiaries will be structurally senior to the convertible debentures.

**The indenture relating to the convertible debentures will not limit the ability of us or our subsidiaries to incur substantially more debt. This could further exacerbate the risks associated with our substantial indebtedness.**

The indenture relating to the convertible debentures will not limit the ability of us or our subsidiaries to incur substantial additional indebtedness in the future, including senior indebtedness. Our senior unsecured revolving credit facility provides borrowing capacity of $200.0 million, and an "accordion" feature for an additional $50.0 million. At December 31, 2006, we had an unused commitment level under this facility of $141.5 million. On July 28, 2005, we concluded a private placement of $75.0 million in senior floating rate notes. The total amount of the private placement was divided into two tranches with $50.0 million maturing on July 28, 2012 ("Series A Notes") and $25.0 million maturing on July 28, 2015 ("Series B Notes"). On February 27, 2006, we issued Euro-denominated notes totaling €81.5 million. Euro note A of €20.4 million (or $26.8 million at December 31, 2006) has a term of 7 years due February 27, 2013 with a fixed annual interest rate of 4.215% while Euro note B of €61.1 million ($80.3 million at December 31, 2006) has a term of 10 years due February 27, 2016 at a fixed annual interest rate of 4.38%. All of this indebtedness is senior to the convertible debentures and we and our subsidiaries will be able to incur additional debt in the future that is contractually or structurally senior to the convertible debentures. In addition, if we incur any additional indebtedness that ranks *pari passu* to the convertible debentures, the holders of such indebtedness will be entitled to share ratably with the holders of the convertible debentures in any