

WEST PHARMACEUTICAL SERVICES INC  
Form 11-K  
June 25, 2008

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS  
AND SIMILAR PLANS PURSUANT TO SECTION 15 (d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-8036

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

WEST PHARMACEUTICAL SERVICES, INC.  
101 GORDON DRIVE  
LIONVILLE, PA 19341  
610-594-2900



Table of Contents

REQUIRED INFORMATION

Items

1 to 3. Not required; see Item 4 below.

4. The following are furnished for the Plan:
    - (a) The West Pharmaceutical Services, Inc. 401(k) Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA") and is, therefore, filing Plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA.
    - (b) A written consent of the accountant.
-

Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
(formerly West Pharmaceutical Services, Inc. Savings Plan)

FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

---

Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
(formerly West Pharmaceutical Services, Inc. Savings Plan)

TABLE OF CONTENTS

	Page
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	1
FINANCIAL STATEMENTS:	
<u>Statements of Net Assets Available for Benefits</u>	2
<u>Statements of Changes in Net Assets Available for Benefits</u>	3
<u>Notes to Financial Statements</u>	4
SUPPLEMENTAL INFORMATION:	
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year)</u>	9
<u>Schedule H, Line 4j - Schedule of Reportable Transactions</u>	10
<u>SIGNATURE</u>	11
<u>EXHIBIT INDEX</u>	F-1

---

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrators of the  
West Pharmaceutical Services, Inc. 401(k) Plan  
(formerly West Pharmaceutical Services, Inc. Savings Plan)

We have audited the accompanying statements of net assets available for benefits of the West Pharmaceutical Services, Inc. 401(k) Plan (formerly West Pharmaceutical Services, Inc. Savings Plan) as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the West Pharmaceutical Services, Inc. 401(k) Plan (formerly West Pharmaceutical Services, Inc. Savings Plan) as of December 31, 2007 and 2006, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Fischer Cunnane & Associates Ltd  
Fischer Cunnane & Associates Ltd  
Certified Public Accountants

West Chester, Pennsylvania  
June 25, 2008

Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
(formerly West Pharmaceutical Services, Inc. Savings Plan)  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2007 AND 2006

	TOTAL	NONPARTICIPANT- DIRECTED	PARTICIPANT- DIRECTED
DECEMBER 31, 2007			
Investments, at fair value:			
West Pharmaceutical Services, Inc.			
Common Stock	\$ 34,150,064	\$ 34,150,064	\$ -
Mutual funds	52,347,360	-	52,347,360
Collective Trust Fund	13,664,130	-	13,664,130
Participant promissory notes	1,610,495	-	1,610,495
Total Investments	101,772,049	34,150,064	67,621,985
Cash in money market fund	154,217	154,217	-
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	101,926,266	34,304,281	67,621,985
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(103,389)	-	(103,389)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 101,822,877	\$ 34,304,281	\$ 67,518,596

	TOTAL	NONPARTICIPANT- DIRECTED	PARTICIPANT- DIRECTED
DECEMBER 31, 2006			
Investments, at fair value:			
West Pharmaceutical Services, Inc. Common Stock			
	\$ 46,844,822	\$ 46,844,822	\$ -
Mutual funds	45,699,333	-	45,699,333
Collective Trust Fund	11,895,649	-	11,895,649
Participant promissory notes	1,421,333	-	1,421,333
Total Investments	105,861,137	46,844,822	59,016,315
Cash in money market fund	250,376	250,376	-
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	106,111,513	47,095,198	59,016,315
	114,468	-	114,468

Adjustment from fair value to contract value for  
fully benefit-responsive investment contracts

NET ASSETS AVAILABLE FOR BENEFITS	\$	106,225,981	\$	47,095,198	\$	59,130,783
-----------------------------------	----	-------------	----	------------	----	------------

The accompanying Notes are an integral part of these statements.

2

---

Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
(formerly West Pharmaceutical Services, Inc. Savings Plan)  
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR  
BENEFITS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	TOTAL	NONPARTICIPANT- DIRECTED	PARTICIPANT- DIRECTED
DECEMBER 31, 2007			
ADDITIONS:			
Interest and dividend income	\$ 5,638,319	\$ 466,624	\$ 5,171,695
Contributions			
Employer	2,258,792	2,258,792	-
Employee	5,518,488	-	5,518,488
Net depreciation in fair value of investments (Note C)	(10,792,356)	(9,117,692)	(1,674,664)
Total Additions	2,623,243	(6,392,276)	9,015,519
DEDUCTIONS:			
Plan withdrawals and liquidations	(6,934,717)	(2,037,359)	(4,897,358)
Plan expenses	(91,630)	(5,004)	(86,626)
Interfund transfers	-	(4,039,383)	4,039,383
Participant loan withdrawals	-	(316,895)	316,895
Total Deductions	(7,026,347)	(6,398,641)	(627,706)
NET (DECREASE) INCREASE	(4,403,104)	(12,790,917)	8,387,813
NET ASSETS AVAILABLE FOR PLAN BENEFITS			
Beginning of the year	106,225,981	47,095,198	59,130,783
End of the year	\$ 101,822,877	\$ 34,304,281	\$ 67,518,596

	TOTAL	NONPARTICIPANT- DIRECTED	PARTICIPANT- DIRECTED
DECEMBER 31, 2006			
ADDITIONS:			

Edgar Filing: WEST PHARMACEUTICAL SERVICES INC - Form 11-K

Interest and dividend income	\$ 3,328,716	\$ 459,783	\$ 2,868,933
Contributions			
Employer	1,259,533	1,259,533	-
Employee	4,234,173	-	4,234,173
Net appreciation in fair value			
of investments (Note C)	27,984,536	24,287,639	3,696,897
Total Additions	36,806,958	26,006,955	10,800,003
DEDUCTIONS:			
Plan withdrawals and liquidations	(4,178,436)	(1,491,535)	(2,686,901)
Plan expenses	(43,497)	(3,455)	(40,042)
Interfund transfers	-	(653,042)	653,042
Participant loan withdrawals	-	(333,404)	333,404
Total Deductions	(4,221,933)	(2,481,436)	(1,740,497)
NET INCREASE	32,585,025	23,525,519	9,059,506
NET ASSETS AVAILABLE FOR PLAN BENEFITS			
Beginning of the year	73,640,956	23,569,679	50,071,277
End of the year	\$ 106,225,981	\$ 47,095,198	\$ 59,130,783

The accompanying Notes are an integral part of these statements.

Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
(formerly West Pharmaceutical Services, Inc. Savings Plan)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE A - Description of Plan

General

The West Pharmaceutical Services, Inc. Savings Plan is a defined contribution plan covering all full-time employees of West Pharmaceutical Services, Inc. (the "Company") who have completed three months of service and are at least eighteen years of age. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Effective January 1, 2007, the name of the plan was changed to West Pharmaceutical Services, Inc. 401(k) Plan (the "Plan") and the Plan was amended and restated in compliance with the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), final 401(k) regulations, safe harbor regulations and the Pension Protection Act of 2006. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Contributions

Each year, participants may contribute up to 15% of pre-tax annual compensation and 12% of after-tax annual compensation, as defined by the Plan. Total contributions may not exceed 20% of compensation. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Plan currently offers twenty-two mutual funds and one collective trust fund as investment options for participants.

The Company matches 100% of the first 3% of base compensation that a participant contributes to the Plan and 50% of the next 2% of contributions. Prior to January 1, 2007, participant contributions of up to 6% of compensation were matched 50% by the Company. All employer contributions are invested in West Pharmaceutical Services, Inc. common stock.

Effective January 1, 2007, any participant, who has at least three years of service, can elect to move any portion of their account that is invested in the Company's common stock into other investment options available under the Plan. Prior to this amendment, only participants that had met certain age, vesting and holding requirements were allowed to invest their employer contributions in other available funds.

Additionally, effective April 1, 2007, any participant who directed their employer contributions into other investment options will also be permitted to reinvest those amounts in Company common stock. In no event, may a participant invest any portion of their elective deferral, catch-up or rollover contributions in common stock of the Company.

While the Company has not expressed any intent to discontinue its contributions, it is free to do so at any time, subject to penalties set forth in ERISA. In the event such discontinuance results in the termination of the Plan, all participants will become 100% vested.

Participants' Accounts

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.



Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
 (formerly West Pharmaceutical Services, Inc. Savings Plan)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

## NOTE A - Description of Plan - continued

## Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. The amended Plan also allows for the immediate 100% vesting of all employer contributions made after January 1, 2007. Employer contributions made prior to January 1, 2007 will retain the previous 5-year vesting schedule, as shown below.

Years of Continuous Service	Percent Vested
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

## Forfeited Accounts

At December 31, 2007 and 2006, forfeited nonvested accounts totaled \$40,173 and \$59,026, respectively. In 2007, \$81,921 was used to pay administrative expenses. In 2006, \$163,804 was used to reduce employer contributions and \$35,435 was used to pay administrative expenses.

## Participant Promissory Notes

Participants may borrow from their fund accounts a maximum amount equal to the lesser of \$50,000 or 50% of the vested portion of their account balances. The loans are secured by the balance in the participant's account. Loan terms generally range from one to five years and bear interest at the Prime rate plus 1% as published in the Wall Street Journal on the first business day of each month following a change in the rate as determined on the date the loan is made. At December 31, 2007, interest rates on outstanding loans ranged from 4.0% to 9.25%. Principal and interest are paid ratably through payroll deductions.

## Payment of Benefits

Benefits are payable upon termination of a participant's employment, or termination of service due to death, disability or retirement. Additionally, participants may make in-service withdrawals of after-tax and rollover contributions annually, and withdrawals after attaining age 59 ½ or upon a hardship. Generally, any benefit due shall be paid as soon as administratively feasible.

## Plan Expenses

Certain expenses of the Plan are paid by the Company.

## NOTE B - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
(formerly West Pharmaceutical Services, Inc. Savings Plan)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE B - Summary of Significant Accounting Policies - continued

Risks and Uncertainties

The Plan provides for various investment options in any combination of stocks, mutual funds, and collective trust funds. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Valuation of Investments and Income Recognition

The Plan's investments are stated at fair value. West Pharmaceutical Services, Inc. common stock is valued at the closing price on the New York Stock Exchange on the last business day of the year. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Units of the Collective Trust Fund are valued at net asset value at year-end, based on the fair value of the underlying investments. Investment contracts are reported at fair value, with an appropriate adjustment to contract value for fully benefit-responsive contracts. Contract value represents contributions made to the collective trust fund, plus earnings, less participant withdrawals and administrative expenses. Participant loans are valued at cost which approximates fair value. Purchases and sales of investments are reflected on a trade-date basis.

The Plan presents in the statements of changes in net assets available for benefits the net appreciation (depreciation) in fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income. Interest income is accrued when earned.

During 2006, the Plan adopted the Financial Accounting Standards Board Staff Position AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the "FSP"). This FSP defines when an investment contract is considered fully benefit-responsive and provides guidance regarding financial statement presentation and disclosure of fully benefit-responsive investment contracts.

The Plan holds an investment in the Vanguard Retirement Savings Trust, a collective trust fund. This trust fund invests in investment contracts issued by insurance companies and commercial banks and in investment contracts backed by high-quality fixed income securities. The fund seeks to minimize exposure to credit risk by diversifying among high credit-quality investments and investment contracts which are structured to smooth market gains and losses over time.

As required by the FSP, the Plan's investment in the collective trust fund is included in the statement of net assets available for benefits at fair value, along with a corresponding adjustment to reflect fully benefit-responsive contracts at contract value. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value is reported to the Plan by the Vanguard Fiduciary Trust Company. The statement of changes in net assets available for plan benefits is prepared on a contract value basis.

The average yield of the Vanguard Retirement Savings Trust was 4.21% and 3.99% for the years ended December 31, 2007 and 2006, respectively.

Table of Contents

WEST PHARMACEUTICAL SERVICES, INC. 401(k) PLAN  
 (formerly West Pharmaceutical Services, Inc. Savings Plan)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE C - Investments

The investments that represent 5% or more of the Plan's net assets are as follows:

		2007
	Number of Shares	Fair Value
West Pharmaceutical Services, Inc. Common Stock	841,342	\$ 34,150,064*
Vanguard 500 Index Fund Investor Shares	42,035	5,680,970
Vanguard Capital Opportunity Fund	141,720	