

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): February 13, 1997

QUAKER CHEMICAL CORPORATION
(Exact name of Registrant as specified in its charter)

PENNSYLVANIA
(State or other
jurisdiction of
incorporation)

0-7154
(Commission File Number)

23-0993790
(I.R.S. Employer
Identification No.)

Elm and Lee Streets
Conshohocken, PA
(Address of principal executive offices)

19428
(Zip Code)

Registrant's telephone number, including area code: (610) 832-4000

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ITEM 5: Other Events.

The Company's press release dated February 13, 1997 filed herewith as Exhibit 99.2 is incorporated herein by this reference.

ITEM 7: Financial Statements and Exhibits.

99.2 Press Release.

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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 hereunto duly authorized.

QUAKER CHEMICAL CORPORATION

By: /s/ THOMAS F. KIRK

Thomas F. Kirk
Vice President and Chief Financial Officer

DATE: February 20, 1997

EXHIBIT INDEX

EXHIBIT

99.2

Press Release

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QUAKER CHEMICAL CORPORATION
 [LOGO] CONSHOHOCKEN, PA 19428
 610-832-4000

KWR
 LISTED
 NYSE
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FOR RELEASE:

CONTACT:

IMMEDIATE

THOMAS F. KIRK
 VICE PRESIDENT AND
 CHIEF FINANCIAL OFFICER
 (610) 832-4102

N E W S

QUAKER CHEMICAL ANNOUNCES RECORD YEAR AND FOURTH QUARTER SALES AND
 IMPROVED OPERATING RESULTS OFFSET BY SPECIAL CHARGES

February 13, 1997

CONSHOHOCKEN, PA -- Quaker Chemical Corporation today announced operating results for the fourth quarter and twelve months ended December 31, 1996. Net sales for the year were a record \$240.3 million, an increase of 6% over 1995. Income was \$9.3 million and earnings per share were \$1.08, improvements of 39% and 42%, respectively, over 1995 results, excluding the effect of a special charge of \$24.5 million in 1996 (\$13.1 million recognized in the third quarter and \$11.4 million in the fourth quarter). With this special charge included, the Company's results were a net loss of \$7.6 million or \$.88 per share.

Net sales for the fourth quarter were \$60.5 million, 9% higher than the fourth quarter of 1995. Income was \$2.2 million and earnings per share were \$.25, a \$2.0 million or \$.23 per share increase over a weak fourth quarter of 1995, excluding the effect of the fourth quarter special charge of \$11.4 million. With this special charge included, the Company's results were a net loss of \$6 million or \$.70 per share. Also affecting the fourth quarter of 1996 was an additional provision of approximately \$1.3 million for estimated future remediation costs related to certain soil and groundwater contamination at a Company facility.

Ronald J. Naples, President and Chief Executive Officer, noted that fourth quarter performance benefitted from the strong level of sales and the Company's continued improvement in operations. He added that the significant increase in operating earnings compared to 1995 was due largely to strong volume and strengthening prices in Europe, generally improved performance in the Company's other operating units, and continued stable raw material costs.

Mr. Naples stated that the implementation of the previously announced plan to improve manufacturing capacity utilization, customer responsiveness, operating efficiencies, and asset returns resulted in pretax charges of \$11.4 million (\$8.3 million after tax or \$.95 per share) in the fourth quarter and \$24.5 million (\$16.9 million after tax or \$1.96 per share) for the year, approximately \$1.5 million higher than originally estimated. Mr. Naples added that the fourth quarter charges, about two-thirds of which were non-cash, consisted of a \$6.2 million charge to restructure research and other functional activities in Europe and a \$5.2 million write-down of the Company's investment in its Fluid Recycling Services Company ("FRS") joint venture. The determination to take the FRS charge was made after extensive analysis of FRS's past performance and future prospects compared to the Company's level of investment.

Quaker Chemical Corporation, headquartered in Conshohocken, Pennsylvania, is a worldwide developer, producer, and marketer of high-quality chemical specialty products and a provider of fluid management services for industrial customers, primarily steel, automotive, and can makers around the globe.

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED DECEMBER 31,

Dollars in thousands except per share data

	FOURTH QUARTER		TWELVE MONTHS	
	1996	1995	1996	1995
Net sales	\$ 60,449	\$ 55,604	\$ 240,251	\$ 227,038
Other income, net	354	605	1,508	2,090
	-----	-----	-----	-----
	60,803	56,209	241,759	229,128
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Costs and expenses				
Cost of goods sold	34,337	33,221	138,199	135,490
Selling, administrative and general expenses ...	22,589	21,410	86,853	80,115
Repositioning charges	6,130		19,230	
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	63,056	54,631	244,282	215,605
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(Loss) income from operations	(2,253)	1,578	(2,523)	13,523
Interest expense	(430)	(505)	(1,906)	(1,712)
Interest income	157	84	432	286
	-----	-----	-----	-----
(Loss) income before taxes ..	(2,526)	1,157	(3,997)	12,097
Taxes on income	269	533	466	4,887
	-----	-----	-----	-----
	(2,795)	624	(4,463)	7,210
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Asset impairment charges on equity company interest (net of tax)	(3,445)		(3,445)	
Equity in net income (loss) of associated companies ...	193	(298)	480	(78)
Minority interest in net loss (income) of subsidiaries	5	(123)	(171)	(444)
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NET (LOSS) INCOME	\$ (6,042)	\$ 203	\$ (7,599)	\$ 6,688
	=====	=====	=====	=====

PER SHARE DATA:

Net (loss) income	(\$0.70)	\$0.02	(\$0.88)	\$0.76
Based on weighted average number of shares outstanding	8,575,074	8,803,284	8,587,178	8,810,820

QUAKER CHEMICAL CORPORATION

SUMMARY CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED DECEMBER 31,

Dollars in thousands except per share data

	FOURTH QUARTER		TWELVE MONTHS	
	1996	1995	1996	1995
NET SALES	\$ 60,449	\$ 55,604	\$ 240,251	\$ 227,038
GROSS MARGIN	\$ 26,112	\$ 22,383	\$ 102,052	\$ 91,548
OPERATING INCOME	\$ 3,523	\$ 973	\$ 15,199	\$ 11,433
Income before special charges	\$ 2,224	\$ 203	\$ 9,313	\$ 6,688
Special charges - after tax	(8,266)		(16,912)	
NET (LOSS) INCOME	\$ (6,042)	\$ 203	\$ (7,599)	\$ 6,688

PER SHARE DATA:

Income before special charges	\$0.25	\$0.02	\$1.08	\$0.76
Special charges	(0.95)		(1.96)	
Net (loss) income	(\$0.70)	\$0.02	(\$0.88)	\$0.76