

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): March 6, 1997

W. R. GRACE & CO.

(Exact name of registrant as specified in its charter)

Delaware

(State or other
jurisdiction of
incorporation)

1-12139

(Commission File
Number)

65-0654331

(IRS Employer
Identification No.)

One Town Center Road, Boca Raton, Florida 33486-1010

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 561/362-2000

Item 5. Other Events.

W. R. Grace & Co. ("Company") announced its 1996 fourth quarter and full-year earnings on February 4, 1997. On March 6, 1997, the Company released additional components of its 1996 financial statements, including a consolidated balance sheet and a consolidated statement of cash flows. The Company's March 6, 1997 announcement and accompanying financial data are filed as an exhibit hereto and are incorporated by reference herein.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

The Company's March 6, 1997 announcement and accompanying financial data are filed as an exhibit hereto.

SIGNATURES

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

W. R. GRACE & CO.

(Registrant)

By s/ Kathleen A. Browne

Kathleen A. Browne
Vice President and Controller

Dated: March 12, 1997

W. R. GRACE & CO.

Current Report on Form 8-K

Exhibit Index

Exhibit No. -----	Description -----
99.1	Announcement dated March 6, 1997 and accompanying financial data.

#2672

CORPORATE COMMUNICATIONS DIVISION

GRACE NEWS

W. R. Grace & Co.
One Town Center Road
Boca Raton, FL 33486-1010

CONTACT: Chuck Suits or Mary Lou Kromer 561/362-2600 or
800/GRACE99

MEDIA ADVISORY TO BUSINESS EDITORS:
GRACE ISSUES 1996 FINANCIAL STATEMENTS

BOCA RATON, Fla., March 6, 1997--W. R. Grace & Co. (NYSE: GRA) announced its 1996 fourth quarter and full-year earnings on February 4, 1997. Today Grace is releasing several additional components of its 1996 financial statements, including a consolidated balance sheet and a consolidated statement of cash flows. A restated consolidated income statement also is included to reflect minor adjustments.

Following are the statements:

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CONSOLIDATED FINANCIAL STATEMENTS

W. R. Grace & Co. and subsidiaries

CONSOLIDATED STATEMENT OF OPERATIONS

Dollars in millions, except per share amounts	1996	1995	1994
Sales and revenues.....	\$3,454.1	\$3,552.6	\$3,128.5
Other income.....	38.9	41.2	42.0
Total.....	3,493.0	3,593.8	3,170.5
Cost of goods sold and operating expenses.....	2,071.0	2,151.2	1,832.6
Selling, general and administrative expenses.....	713.3	913.7	785.9
Depreciation and amortization.....	184.4	186.1	164.6
Interest expense and related financing costs.....	71.6	71.3	49.5
Research and development expenses.....	93.9	111.6	99.6
Restructuring costs and asset impairments.....	107.5	169.0	--
Provision relating to asbestos-related liabilities and insurance coverage.....	229.1	275.0	316.0
Gain on sales of businesses.....	(326.4)	--	--
Total.....	3,144.4	3,877.9	3,248.2
Income/(loss) from continuing operations before income taxes.....	348.6	(284.1)	(77.7)
Provision for/(benefit from) income taxes.....	134.8	(104.5)	(42.6)
Income/(loss) from continuing operations.....	213.8	(179.6)	(35.1)
Income/(loss) from discontinued operations.....	2,643.9	(146.3)	118.4
Net income/(loss).....	\$ 2,857.7	\$ (325.9)	\$ 83.3
Earnings/(loss) per share:			
Continuing operations.....	\$ 2.32	\$ (1.87)	\$ (.38)
Net earnings/(loss).....	\$ 31.06	\$ (3.40)	\$.88

The Notes to Consolidated Financial Statements are integral parts of these statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Dollars in millions	1996	1995	1994
OPERATING ACTIVITIES			
Income/(loss) from continuing operations before income taxes.....	\$ 348.6	\$ (284.1)	\$ (77.7)
Reconciliation to cash provided by operating activities:			
Depreciation and amortization.....	184.4	186.1	164.6
Provision relating to asbestos-related liabilities and insurance coverage...	229.1	275.0	316.0
Provision relating to restructuring costs and asset impairments.....	107.5	169.0	--
Gain on sales of businesses.....	(326.4)	--	--
Changes in assets and liabilities, excluding effect of businesses acquired/divested and foreign currency exchange:			
Increase in notes and accounts receivable, net.....	(126.4)	(44.7)	(159.5)
Decrease/(increase) in inventories.....	51.9	(62.1)	(43.4)
Proceeds from asbestos-related insurance settlements.....	184.5	257.3	138.6
Payments made for asbestos-related litigation settlements, judgments and defense costs.....	(186.6)	(160.3)	(198.6)
(Decrease)/increase in accounts payable.....	(36.4)	(48.3)	10.3
Other.....	(74.6)	(40.6)	74.5
NET PRETAX CASH PROVIDED BY OPERATING ACTIVITIES OF CONTINUING OPERATIONS...	355.6	247.3	224.8
Net pretax cash provided by operating activities of discontinued operations.....	38.5	96.6	314.7
NET PRETAX CASH PROVIDED BY OPERATING ACTIVITIES.....	394.1	343.9	539.5
Income taxes paid.....	(170.8)	(236.9)	(86.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES.....	223.3	107.0	453.5
INVESTING ACTIVITIES			
Capital expenditures.....	(456.6)	(537.6)	(444.6)
Businesses acquired in purchase transactions, net of cash acquired and debt assumed	(32.1)	(37.4)	(276.9)
Net investing activities of discontinued operations.....	(192.9)	(295.2)	(32.9)
Net proceeds from divestments.....	2,720.3	56.7	583.9
Proceeds from disposals of assets.....	36.6	17.9	34.0
Other.....	(2.4)	(6.0)	34.9
NET CASH PROVIDED BY/(USED FOR) INVESTING ACTIVITIES.....	2,072.9	(801.6)	(101.6)
FINANCING ACTIVITIES			
Dividends paid.....	(46.0)	(112.6)	(132.0)
Repayments of borrowings having original maturities in excess of three months....	(196.1)	(68.1)	(141.2)
Increase in borrowings having original maturities in excess of three months.....	.6	148.5	535.1
Net (repayments of)/increase in borrowings having original maturities of three months or less.....	(344.3)	414.9	(605.8)
Stock options exercised.....	70.7	164.1	21.1
Net financing activities of discontinued operations.....	(136.7)	120.8	.2
Purchase of treasury stock.....	(1,319.3)	(12.1)	--
Repurchase of limited partnership interest.....	(297.0)	--	--
Other.....	.3	.2	(.2)
NET CASH (USED FOR)/PROVIDED BY FINANCING ACTIVITIES.....	(2,267.8)	655.7	(322.8)
Effect of exchange rate changes on cash and cash equivalents.....	(.7)	1.2	1.6
Increase/(decrease) in cash and cash equivalents.....	27.7	(37.7)	30.7
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	40.6	78.3	47.6
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 68.3	\$ 40.6	\$ 78.3

The Notes to Consolidated Financial Statements are integral parts of these statements.

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CONSOLIDATED BALANCE SHEET

Dollars in millions, except par value	December 31,	1996	1995
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents.....		\$ 68.3	\$ 40.6
Notes and accounts receivable, net.....		831.4	596.8
Inventories.....		376.1	491.9
Net assets of discontinued operations.....		297.4	323.7
Deferred income taxes.....		183.9	206.1
Other current assets.....		17.8	22.2
		-----	-----
TOTAL CURRENT ASSETS.....		1,774.9	1,681.3
Properties and equipment, net.....		1,871.3	1,736.1
Goodwill, less accumulated amortization of \$18.6 (1995 - \$20.6).....		40.6	111.8
Net assets of discontinued operations - health care.....		--	1,435.3
Asbestos-related insurance receivable.....		296.3	321.2
Deferred income taxes.....		309.2	386.6
Other assets.....		653.5	688.3
		-----	-----
TOTAL ASSETS.....		\$4,945.8	\$6,360.6
		=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt.....		\$ 315.2	\$ 638.3
Accounts payable.....		274.7	339.2
Income taxes.....		123.3	103.3
Other current liabilities.....		773.9	836.4
Minority interest.....		--	297.0
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TOTAL CURRENT LIABILITIES.....		1,487.1	2,214.2
Long-term debt.....		1,073.0	1,295.5
Other liabilities.....		850.7	852.0
Deferred income taxes.....		43.5	44.8
Noncurrent liability for asbestos-related litigation.....		859.1	722.3
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TOTAL LIABILITIES.....		4,313.4	5,128.8
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COMMITMENTS AND CONTINGENCIES (Notes 2, 6, 9 and 11)			
SHAREHOLDERS' EQUITY			
Preferred stock, par value \$.01 and \$100, respectively.....		--	7.4
Common stock, par value \$.01 and \$1, respectively; 300,000,000 shares authorized; outstanding at December 31: 1996 - 78,493,000; 1995 - 97,375,000.....		.8	97.4
Paid in capital.....		524.1	459.8
Retained earnings.....		172.6	709.0
Cumulative translation adjustments.....		(64.6)	(39.4)
Treasury stock, at cost; December 31: 1996 - 10,000; 1995 - 53,000 common shares.....		(.5)	(2.4)
		-----	-----
TOTAL SHAREHOLDERS' EQUITY.....		632.4	1,231.8
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....		\$4,945.8	\$6,360.6
		=====	=====

The Notes to Consolidated Financial Statements are integral parts of these statements.

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Grace is a leading global supplier of flexible packaging and specialty chemicals with annual sales of approximately \$3.5 billion. The company operates in more than 100 countries.

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