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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10 - Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

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DISCLOSURE INCORPORATED

For the Quarterly Period Ended September 30, 1993

Commission File Number 1-3720

W. R. GRACE & CO.

New York	13-3461988
(State of Incorporation)	(I.R.S. Employer Identification No.)

One Town Center Road
Boca Raton, Florida 33486-1010
(407) 362-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

93,281,719 shares of Common Stock, $1.00 par value, were outstanding at October 29, 1993.

W. R. GRACE & CO. AND SUBSIDIARIES

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As used in this Report, the term "Company" refers to W. R. Grace & Co., and the term "Grace" refers to the Company and/or one or more of its subsidiaries.

Item 1. FINANCIAL STATEMENTS

W. R. Grace & Co. and Subsidiaries Consolidated Statement of Operations (Unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
$ millions (except per share)	1993	1992	1993	1992
Sales and revenues	$1,136.1	$1,114.2	$3,216.4	$3,116.1
Other income	6.6	7.9	42.2	30.8
Total	1,142.7	1,122.1	3,258.6	3,146.9
Cost of goods sold and operating expenses	664.3	649.2	1,909.3	1,824.5
Selling, general and administrative expenses	261.7	269.0	784.4	772.1
Depreciation and amortization	54.2	54.7	162.1	166.8
Interest expense	19.0	22.5	59.1	63.5
Research and development expenses	35.1	34.5	107.5	99.7
Provision covering fumed silica plant	-	140.0	-	140.0
Provision relating to asbestos-related litigation	475.0	-	475.0	-
Total	1,509.3	1,163.9	3,477.4	3,066.6
(Loss)/income from continuing operations before income taxes	(366.6)	(41.8)	(218.8)	80.3
(Benefit)/provision for income taxes	(130.2)	42.7	(68.0)	96.7
Loss from continuing operations	(236.4)	(84.5)	(150.8)	(16.4)
Income/(loss) from discontinued operations	-	2.4	(108.4)	(164.0)
Loss before cumulative effect of accounting changes	(236.4)	(82.1)	(259.2)	(180.4)
Cumulative effect of accounting changes	-	-	-	(190.0)
Net loss	$ (236.4)	$ (82.1)	$ (259.2)	$ (370.4)
Loss per share:				
Continuing operations	$ (2.56)	$ (.94)	$ (1.66)	$ (.19)
Cumulative effect of accounting changes	-	-	-	(2.12)
Net loss	$ (2.56)	$ (.92)	$ (2.86)	$ (4.14)
Dividends declared per common share	$ .35	$ .35	$ 1.05	$ 1.05

The Notes to Consolidated Financial Statements are an integral part of this statement.

W. R. Grace & Co. and Subsidiaries
Consolidated Statement of Cash Flows (Unaudited)

$ millions	Nine Months Ended September 30, 1993	1992
OPERATING ACTIVITIES		
Income/(loss) from continuing operations before income taxes	$(218.8)	$ 80.3
Reconciliation to cash provided by operating activities:		
Depreciation and amortization	162.0	166.8
Provision covering fumed silica plant	–	140.0
Provision relating to asbestos-related litigation	475.0	–
Changes in assets and liabilities, excluding businesses acquired/divested and foreign exchange effect:		
(Increase)/decrease in notes and accounts receivable, net	(90.5)	123.6
Increase in inventories	(55.5)	(36.8)
Net expenditures for asbestos-related litigation	(53.6)	(47.0)
Decrease in accounts payable	(48.3)	(26.8)
Other	22.6	(110.5)
Net pretax cash provided by operating activities of continuing operations	192.9	289.6
Net pretax cash (used for)/provided by operating activities of discontinued operations	(45.9)	65.5
Net pretax cash (used for)/provided by operating activities	147.0	355.1
Income taxes paid	(64.3)	(54.2)
Net cash provided by operating activities	82.7	300.9
INVESTING ACTIVITIES		
Capital expenditures	(188.1)	(257.6)
Businesses acquired in purchase transactions, net of cash acquired	(268.2)	(50.1)
Net proceeds from divestments	418.6	101.8
Proceeds from sale/leaseback transaction	67.4	–
Other	(6.4)	(128.7)
Net cash provided by/(used for) investing activities	23.3	(334.6)
FINANCING ACTIVITIES		
Dividends paid	(96.0)	(94.5)
Repayments of borrowings having original maturities in excess of three months	(503.8)	(261.8)
Increase in borrowings having original maturities in excess of three months	358.2	199.6
Net increase in borrowings having original maturities of less than three months	195.8	54.8
Other	0.6	18.8
Net cash used for financing activities	(45.4)	(83.1)
Effect of exchange rate changes on cash and cash equivalents	(2.5)	0.4
Increase/(decrease) in cash and cash equivalents	$ 58.1	$(116.4)

Supplemental Schedule of Non-Cash Financing Activities:
On July 30, 1993 Grace redeemed in full all of its outstanding Liquid Yield Option Notes ("LYONs") due 2006 ($1,012.5 principal amount at maturity; approximately $371.1 carrying value). In connection with the redemption, approximately 31% of the LYONs (approximately $309.6 principal amount; $113.5 carrying value) were converted into approximately 2.8 million shares of the Company's common stock. The remainder of the LYONs were redeemed for approximately $258.0 in cash.

The Notes to Consolidated Financial Statements are an integral part of this statement.

W. R. Grace & Co. and Subsidiaries
Consolidated Balance Sheet (Unaudited)

$ millions (except par value)	September 30, 1993	December 31, 1992
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 120.9	$ 62.8
Notes and accounts receivable, net	666.3	690.4
Inventories	448.3	592.9
Net assets of discontinued operations, current	826.6	606.3
Deferred income taxes, current	117.4	96.8
Other current assets	51.8	42.2
Total Current Assets	2,231.3	2,091.4
Properties and equipment, net of accumulated depreciation and amortization of $1,269.6 and $1,583.1, respectively	1,369.8	1,707.9
Net assets of discontinued operations, noncurrent	-	108.5
Goodwill, less accumulated amortization of $54.6 and $50.1, respectively	446.3	298.6
Asbestos-related insurance receivable	644.0	358.3
Other assets	1,121.8	1,033.9
TOTAL	$5,813.2	$5,598.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term debt	$ 579.4	$ 464.7
Accounts payable	328.0	423.6
Income taxes	47.9	158.1
Other current liabilities	761.5	593.2
Minority interests, current	297.0	-
Total Current Liabilities	2,013.8	1,639.6
Long-term debt	1,164.6	1,354.5
Other noncurrent liabilities	639.4	666.1
Deferred income taxes	19.9	96.4
Asbestos-related litigation liability	748.2	-
Minority interests, noncurrent	-	297.0
Total Liabilities	4,585.9	4,053.6
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stocks, $100 par value	7.4	7.5
Common stock, $1 par value	93.3	89.9
Paid in capital	278.9	151.4
Retained earnings	943.2	1,298.6
Cumulative translation adjustments	(95.5)	(2.4)
Total Shareholders' Equity	1,227.3	1,545.0
TOTAL	$5,813.2	$5,598.6

The Notes to Consolidated Financial Statements are an integral part of this statement.

(a) The financial statements in this Report at and for the three- and nine-month interim periods ended September 30, 1993 and 1992 are unaudited and should be read in conjunction with the consolidated financial statements incorporated by reference in the Company's 1992 Annual Report on Form 10-K and included in its Current Report on Form 8-K dated August 27, 1993. Such interim financial statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented; all such adjustments are of a normal recurring nature.

In 1992, Grace's consolidated financial statements were restated to reflect the classification of the oil and gas operations of Grace Energy Corporation ("Grace Energy"), Colowyo Coal Company, a Grace Energy subsidiary ("Colowyo"), and certain corporate investments as discontinued operations, pending their disposal. In the second quarter of 1993, Grace decided to divest its remaining non-core businesses. As a result, Grace has classified as discontinued operations its cocoa and battery separators businesses; certain engineered materials businesses, principally its printing products, electromagnetic radiation control and material technology businesses (collectively, "EMS"); and other non-core businesses. See note (c) to the consolidated financial statements.

The results of operations for the three months and nine months ended September 30, 1993 are not necessarily indicative of the results of operations for the fiscal year ending December 31, 1993.

(b) As previously reported, Grace is a defendant in lawsuits relating to previously sold asbestos-containing products. At September 30, 1993, Grace was a defendant in approximately 36,700 asbestos-related lawsuits (100 involving claims for property damage and the remainder involving approximately 54,000 claims for personal injury), as compared to approximately 30,900 lawsuits (105 involving claims for property damage and the remainder involving approximately 53,000 claims for personal injury) at December 31, 1992. During the first nine months of 1993, fourteen property damage lawsuits against Grace were dismissed; Grace was held liable for $17 in two asbestos property damage lawsuits now being appealed; and Grace settled six additional property damage lawsuits for a total of $18. Grace also settled approximately 2,500 personal injury claims in the first nine months of 1993 for approximately $8.2, and approximately 11,000 personal injury claims were dismissed.

On September 1, 1993, the United States Court of Appeals for the Second Circuit issued an opinion regarding the availability of insurance coverage with respect to Grace's asbestos litigation and claims. The opinion related to a lower court ruling that Grace's insurance carriers' obligation to defend and indemnify Grace for damages and litigation costs is based on a "discovery of damage" trigger. The Court of Appeals reversed the lower court's ruling and instead adopted a trigger based on the date of installation of asbestos-containing materials. While the Court of Appeals decision does not materially affect the amount of insurance available to Grace with respect to asbestos-related personal injury lawsuits and claims, the effect of the decision is to limit to approximately $720 the amount of insurance available for asbestos-related property damage lawsuits and claims. As a result of this decision, Grace recorded an after-tax charge of $300 to reflect the reduction in its insurance coverage. Grace subsequently asked for reconsideration of the decision and will seek to appeal the decision if it is not changed. In response to Grace's request that the Court of Appeals reconsider its decision, the Court requested counsel for certain of Grace's insurance carriers to submit briefs explaining why the Court should not remand the case to the lower court "to determine in the first instance whether the damages incurred at the time of asbestos installation in a building are continuing". In early November 1993, such counsel advised the Court of Appeals that they do not object to such a remand, although another insurance carrier (that is not a party to the action at the appellate level) has requested the Court's permission to file a brief objecting thereto.

In Grace's opinion, it is probable that the personal injury and property damage lawsuits pending at September 30, 1993 can be disposed of for a total of $848, inclusive of legal fees and expenses expected to be incurred in disposing of such lawsuits. This amount has been increased from the $667 previously reported to reflect various factors, including recent settlement trends, increased estimated future defense costs and uncertainties relating to pending class action asbestos property damage lawsuits.

In addition, Grace had recorded a receivable of approximately $318 at June 30, 1993 for the insurance proceeds expected to be received with respect to payments made and committed to be made to dispose of asbestos litigation. Adding this receivable to the estimated exposure of $848 mentioned above yields a total estimated exposure of $1,166. After deducting the estimated insurance proceeds of $720 and taking into account the 1993 third quarter activities with respect to asbestos litigation (described below), Grace recorded the charge of $475 pretax ($300 after-tax) referred to above. Grace received approximately $30 in the 1993 third quarter pursuant to settlements with certain insurance carriers and is to receive $45 in the next three years under one of these settlements. These settlements have reduced the amounts due from insurance carriers, subject to litigation, to approximately $644. In addition, Grace has recorded a receivable of approximately $100 for amounts to be received in the future from insurance carriers pursuant to previous settlement agreements. In October 1993, Grace settled with another carrier and will receive $17 over the next six years under this settlement.

Grace continues to be involved in litigation against certain of its insurance carriers, including an affiliated group of carriers that had agreed to a settlement and had made a series of payments under that agreement in the second and third quarters of 1993. The group of carriers subsequently notified Grace that it would no longer honor the agreement (which had not been executed) due to the Court of Appeals decision discussed above. Grace believes that the settlement agreement is binding, and it has initiated action to enforce the settlement agreement and believes that such action will be successful. The agreement involves approximately $200 of the $720 referred to above.

Grace's ultimate exposure in respect of its asbestos lawsuits and claims will depend on the extent to which its insurance will cover damages for which it may be held liable, amounts paid in settlement and litigation costs. In Grace's opinion, it is probable that recoveries from its insurance carriers will be available to satisfy the personal injury and property damage lawsuits and claims pending at September 30, 1993, after taking in account the $300 after-tax charge recorded in the 1993 third quarter. Consequently, Grace believes that the resolution of its asbestos litigation will not have a material effect on its consolidated financial position or results of operations.

For additional information, see Note 2 to the consolidated financial statements incorporated by reference in the Company's 1992 Annual Report on Form 10-K and its Current Reports on Form 8-K dated August 27, 1993 and September 30, 1993.

(c) The consolidated financial statements have been restated to reflect the classification, in the second quarter of 1993, of certain businesses as discontinued operations (see note (a) above). The consolidated balance sheet at September 30, 1993 and the statement of cash flows for the period then ended reflect all discontinued operations separately from continuing operations. The consolidated statement of income for all periods presented reflects all discontinued operations separately from continuing operations.

For financial reporting purposes, the assets, liabilities, results of operations and cash flows of Grace Cocoa Associates, L.P. ("LP") are included in Grace's consolidated financial statements as a component of discontinued operations, and the outside investors' interest in LP is reflected as a minority interest. LP's assets consist of the worldwide cocoa and chocolate business of Grace Cocoa, long-term notes and demand notes of various Grace entities that are guaranteed by the Company and its principal operating subsidiary, and cash. LP is a separate and distinct legal entity from each of the Grace entities and has separate assets, liabilities, business functions and operations. The intercompany notes held by LP are eliminated in preparing the consolidated financial statements and, therefore, have not been classified as pertaining to discontinued operations.

Net assets of Grace's discontinued operations (excluding intercompany assets) at September 30, 1993 are set forth as follows:

	Grace Energy	Battery Separators and EMS	Cocoa	Other	Total
Current assets	$ 41.7	$122.9	$238.2	$ 51.5	$ 454.3
Properties and equipment, net	134.3	162.7	171.8	40.7	509.5
Investments in and advances to affiliated companies	4.1	5.0	-	104.0	113.1
Other noncurrent assets	6.8	21.9	46.5	41.9	117.1
Total assets	$186.9	$312.5	$456.5	$238.1	$1,194.0
Current liabilities	$ 26.2	$ 43.1	$149.2	$ 16.3	$ 234.8
Noncurrent liabilities	27.6	38.5	66.5	-	132.6
Total liabilities	$ 53.8	$ 81.6	$215.7	$ 16.3	$ 367.4
Net assets	$133.1	$230.9	$240.8	$221.8	$ 826.6

(d) Inventories consist of:

	September 30, 1993	December 31, 1992
Raw and packaging materials	$127.3	$179.3
In process	74.6	76.2
Finished products	288.5	384.5
	490.4	640.0
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis	(42.1)	(47.1)
Total Inventories	$448.3	$592.9

(e) Earnings per share are calculated on the basis of the following average number of common shares outstanding:

Three Months Ended September 30:
1993 - 92,295,000
1992 - 89,625,000
Nine Months Ended September 30:
1993 - 90,829,000
1992 - 89,474,000

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(a) Review of Operations

(1) Overview:

Sales and revenues increased 8% and 9% for the third quarter and first nine months of 1993, respectively, over the comparable 1992 periods, excluding the results of businesses divested in 1992; including the divested businesses, sales and revenues for the 1993 third quarter and first nine months increased by 2% and 3%, respectively, over the comparable 1992 periods.

As discussed in note (b) to the consolidated financial statements, in the third quarter of 1993, Grace recorded a special non-cash charge of $300 million after taxes to reflect a reduction in its insurance coverage for asbestos property damage lawsuits and claims. In the third quarter of 1992, Grace closed its Belgian fumed silica plant and recorded a one-time provision of $140 million to reflect the impairment of the plant's value and certain additional expenses. Excluding these provisions, income from continuing operations for the 1993 third quarter and first nine months increased 15% and 21% to $63.6 and $149.2 million, respectively, as compared to the 1992 periods (including businesses divested in 1992).

As discussed in note (a) to the consolidated financial statements, in the second quarter of 1993, Grace classified certain businesses as discontinued operations.

(2) Operating Performance:

The following table compares segment results for the 1993 third quarter and first nine months to results for the comparable periods of 1992:

W. R. Grace & Co. and Subsidiaries Operating Results	Three Months Ended September 30,		Nine Months Ended September 30,	
$ millions	1993	1992	1993	1992
Sales and Revenues				
Specialty Chemicals	$ 734.7	$ 723.2	$2,112.7	$2,010.8
Health Care	401.4	332.3	1,103.7	930.3
Total Operating Groups	1,136.1	1,055.5	3,216.4	2,941.1
Divested Units	-	58.7	-	175.0
Total	$1,136.1	$1,114.2	$3,216.4	$3,116.1
Operating Income After Taxes (i)				
Specialty Chemicals	$ 60.5	$ 62.0	$ 158.9	$ 155.6
Health Care	36.9	27.8	99.9	74.0
Total Operating Groups	97.4	89.8	258.8	229.6
Divested Units	-	3.2	-	10.1
Total	$ 97.4	$ 93.0	$ 258.8	$ 239.7

(i) Computed before the allocation of corporate research, corporate overhead and corporate interest. For this table, taxes are computed substantially on a separate return basis for each unit. Other income, as described on page I-11, is not included in this table.

Specialty Chemicals - General

Including the results of the chemical intermediates product line (sold in December 1992) and of other divested businesses prior to their sale (also in 1992), 1993 third quarter and nine months sales and revenues decreased by 6% and 3%, respectively, as compared to the 1992 periods, and operating income after taxes ("operating income") for the 1993 third quarter and nine months decreased by 7% and 4%, respectively, versus the 1992 periods.

Specialty Chemicals - Product Line Results *(excludes results from divested businesses)*

Sales and revenues increased 2% and 5% in the third quarter and first nine months of 1993, respectively, as compared to the 1992 periods. This was due to favorable volume and price/product mix variances estimated at 7% and 2%, respectively, for the 1993 third quarter and 8% and 2%, respectively, for the 1993 first nine months, offset by unfavorable currency exchange variances estimated at 7% and 5% for the third quarter and first nine months of 1993, respectively. Volume increases occurred in both 1993 periods in packaging, fluid cracking catalysts and silica products, construction products and water treatment, the latter reflecting Grace's acquisition of Latin America's largest water treatment business in the first quarter of 1993.

Operating income decreased 2% in the third quarter of 1993 compared to the third quarter of 1992. North American results significantly improved as compared to the third quarter of 1992, as strong growth occurred in packaging and fluid cracking catalysts and silica products, mainly due to the volume increases noted above. Construction products in North America also showed improvement due to the introduction of new concrete products and stronger sales in waterproofing products. European results for most product lines were adversely affected by continuing recessionary conditions, leading to reduced profitability; however results for European fluid cracking catalysts and silica products improved due to increased volumes achieved following the withdrawal of certain competitors from this market in 1992. In the Asia/Pacific region, favorable results were achieved primarily in packaging, water treatment and construction, partially offset by a decline in the container business.

Operating income for the first nine months of 1993 increased by 2% over the comparable period of 1992, primarily due to the significant growth in fluid cracking catalysts and silica products, packaging and construction products in North America, partially offset by the decline in most product lines in Europe, as discussed above. Packaging in the Asia/Pacific region has also experienced significant growth.

Health Care

Sales and revenues for the third quarter and first nine months of 1993 increased by 21% and 19%, respectively, over the comparable periods of 1992. The improvements over the 1992 third quarter and first nine months were due to increases of 21% and 18%, respectively, in kidney dialysis services and 54% and 31%, respectively, in home health care. Third quarter 1993 results for dialysis services and home health care included the results of Home Intensive Care, Inc., which was acquired in June 1993. Sales and revenues were flat in medical products operations for the third quarter of 1993, and increased 14% for the first nine months of 1993, over the comparable 1992 periods. The number of dialysis centers increased 19%, from 414 at September 30, 1992 to 493 at September 30, 1993 (465 in the U. S. and Puerto Rico, 22 in Portugal, 4 in Spain and 2 in the Czech Republic).

Operating income in the third quarter and first nine months of 1993 increased over the 1992 periods by 33% and 35%, respectively. Results for 1992 included costs related to previously reported long-term incentive arrangements with certain Grace Health Care executives. The 1993 results for all health care businesses have benefited from improvements in cost controls, operating efficiencies and/or capacity utilization. It is unclear at this time whether and to what extent any U.S. health care reforms will affect Grace's health care operations. However, Grace believes that it is among the most cost-efficient of the health care companies in its fields.

As previously reported, the United States Food and Drug Administration ("FDA") has issued import alerts with respect to (1) hemodialysis bloodlines manufactured at the Reynosa, Mexico plant of National Medical Care, Inc. ("NMC"), Grace's principal health care subsidiary, and (2) hemodialyzers manufactured in NMC's facility in Dublin, Ireland. Products subject to FDA import alerts may not enter the United States until the FDA approves the facilities' quality assurance systems. NMC is cooperating with the FDA and has instituted a comprehensive program to address its concerns. In August 1993, the FDA authorized NMC to release approximately 350,000 hemodialysis bloodlines, and in an October 1993 agreement, the FDA authorized NMC to import a total of 400,000 bloodline sets during October and November 1993 to insure a supply adequate to meet patient needs. This agreement is to be reviewed in November 1993 in light of both the developing bloodline supply shortage and progress toward regulatory compliance at the Reynosa facility. Although NMC cannot predict whether or to what extent the agreement may be extended or when the import alerts will be lifted, neither the import alerts nor the previously reported recalls of certain NMC products are expected to have a material effect on Grace's results of operations or financial position.

(3) Statement of Operations:

Other Income

Other income includes dividends, royalties from product licensing agreements, equity in earnings of affiliated companies and, in 1993, interest income of $21.9 million (pretax) relating to an Internal Revenue Service settlement, partially offset by a $15.9 million (pretax) provision related to Grace's strategic restructuring.

Interest Expense

Interest expense decreased by 16% and 7% in the third quarter and first nine months of 1993, respectively, versus the 1992 periods, primarily due to lower debt levels and lower interest rates, the use of financial instruments and the replacement of certain fixed rate debt with lower-cost floating rate borrowings, partially offset by a reduction in interest allocated to discontinued operations and interest capitalized under Statement of Financial Accounting Standards No. 34, "Capitalization of Interest Cost".

See "Financial Condition; Liquidity and Capital Resources" below for information concerning borrowings.

Research and Development Expenses

Research and development spending increased by 2% and 8% in the third quarter and first nine months of 1993, respectively, versus the 1992 periods. Research and development spending is primarily directed toward Grace's core specialty chemicals and health care businesses.

Income Taxes

In the third quarter of 1993, Grace recorded the effects of the Omnibus Budget Reconciliation Act of 1993, which was enacted in August 1993. This Act, among other things, added a new 35% tax bracket with respect to U.S. Federal taxable corporate income in excess of $10 million, effective January 1, 1993. This increase in the U.S. Federal statutory tax rate (from 34%), combined with the other provisions of the Act, did not have a material effect on Grace's results of operations for the third quarter of 1993.

Loss from Discontinued Operations

In the second quarter of 1993, Grace classified certain businesses as discontinued operations (see note (a) to the consolidated financial statements) and recorded a provision of $105 million (net of an applicable tax benefit of $22 million), which includes the net loss expected on the divestment of these non-core businesses, the forecast net operating results of these businesses pending their divestment and a $15.7 million provision for interest expense allocated to the discontinued operations through their expected dates of divestment.

(b) Financial Condition; Liquidity and Capital Resources

During the first nine months of 1993, the net pretax cash flow provided by Grace's continuing operating activities was $192.9 million. After giving effect to discontinued operations and payments of income taxes, the net cash provided by operating activities was $82.7 million in the first nine months of 1993 versus $300.9 million of net cash provided by operating activities in the first nine months of 1992.

Investing activities generated $23.3 million of cash in the first nine months of 1993, largely reflecting net proceeds of $418.6 million from divestments, mainly those of Grace Energy's oil and gas operations, and proceeds of $67.4 million received from a sale/leaseback transaction. These activities were offset by capital expenditures and business acquisitions and investments, primarily in health care and the water treatment business. During 1993, Grace acquired 100% of the outstanding stock of Home Intensive Care, Inc. for approximately $120 million (inclusive of related costs).

Net cash used for financing activities in the first nine months of 1993 was $45.4 million, reflecting the payment of $96 million of dividends. Total debt was approximately $1.74 billion at September 30, 1993, a decrease of $75.2 million from December 31, 1992. However, Grace's total debt as a percentage of total capital (debt ratio) increased from 49.7% at December 31, 1992 to 53.4% at September 30, 1993, primarily as a result of the $300 million after-tax charge recorded in the 1993 third quarter, as discussed in note (b) to the consolidated financial statements.

In January 1993, Grace sold $300 million principal amount of 7.4% Notes Due 2000. The net proceeds from the sale of these notes were used to repay commercial paper and bank borrowings.

Grace completed the redemption in full of all of its outstanding LYONs due 2006, on July 30, 1993. The LYONs were convertible into common stock of the Company until the close of business on July 30, 1993, at the rate of 8.916 shares of common stock for each $1,000 principal amount at maturity of LYONs. Of the $1,012.5 million principal amount at maturity of LYONs outstanding immediately prior to the redemption date, approximately 31% was converted into approximately 2.8 million shares of common stock. The remainder of the LYONs were redeemed for approximately $258 million in cash.

Grace completed the redemption in full of all of its outstanding 6 1/4% Convertible Subordinate Debentures Due 2002 ("6 1/4% Debentures") on September 15, 1993. The 6 1/4% Debentures were convertible into common stock of the Company at a conversion price of $42.125 per share. Substantially all of the $150 million principal amount of the 6 1/4% Debentures outstanding immediately prior to the redemption date was redeemed for cash (equal to the principal amount outstanding).

Grace has announced that a subsidiary will redeem its remaining 6 1/2% Convertible Debentures Due 1996 ("6 1/2% Debentures") on November 15, 1993. The principal amount of the 6 1/2% Debentures currently outstanding is approximately $835,000. The redemption price will be 100% of the principal amount of the 6 1/2% Debentures, plus interest accrued to November 15, 1993. The 6 1/2% Debentures are convertible into shares of the Company's Common Stock until November 15, 1993 at a conversion price of $14.8125.

As reported in note (b) to the consolidated financial statements, Grace is a defendant in lawsuits relating to previously sold asbestos-containing products. In the first nine months of 1993, Grace paid $53.6 million in connection with the defense and disposition of both property damage and personal injury litigation related to asbestos, net of amounts received in 1993 from settlements with certain of Grace's insurance carriers. In the third quarter of 1993, Grace also recorded a special non-cash charge of $300 million after taxes to reflect a reduction in its insurance coverage for asbestos property damage lawsuits and claims. The balance sheet at September 30, 1993 includes a receivable due from insurance carriers, subject to litigation, of $644 million. Grace has also recorded a receivable of approximately $100 million for amounts to be received in the future from insurance carriers pursuant to previous settlement agreements. While Grace cannot precisely estimate the amounts to be paid in 1993 in respect of asbestos-related lawsuits and claims, Grace expects that it will be required to expend approximately $60 million (net of applicable tax benefit) in 1993 to defend and dispose of such lawsuits and claims (after giving effect to both payments received and to be received from certain insurance carriers, as discussed in note (b) to the consolidated financial statements). As indicated therein, the amounts reflected in the consolidated financial statements with respect to the probable cost of disposing of pending asbestos lawsuits and claims and probable recoveries from insurance carriers represent estimates; neither the outcomes of such lawsuits and claims nor the outcomes of Grace's continuing litigations with certain of its insurance carriers can be predicted with certainty.

Grace expects to satisfy its 1993 cash requirements from the following sources: (1) funds generated by operations, (2) proceeds from the sales of businesses and (3) financings. Such financings could include new borrowings, the availability and cost of which will depend upon general economic and market conditions.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

(a) Reference is made to Item 3 of the Company's Annual Report on Form 10-K for the year ended December 31, 1992 (under the heading "Environmental and Other Proceedings") for information concerning a lawsuit against Grace by Hatco Corporation ("Hatco").

On October 4, 1993, the United States District Court for the District of New Jersey ruled that Grace is partially responsible for the remediation of the Hatco site in Fords, New Jersey. A final determination of the extent of Grace's insurance coverage with respect to the site is to be determined in a separate phase of the Hatco trial, expected to occur during 1994. The cost of remediation of the Hatco site will depend upon the nature of the final remediation plan for the site, as approved by the State of New Jersey. Such approval is not expected before the end of 1994; Grace's share of the remediation cost, however, is not expected to be material.

(b) Note (b) to the consolidated financial statements in Part I of this Report is incorporated herein by reference. Reference is also made to the Company's Current Report on Form 8-K dated September 30, 1993 (see Item 6(b) below).

Item 5. Other Information.

(a) On September 15, 1993, a Grace subsidiary redeemed in full all of its outstanding 6 1/4% Convertible Subordinate Debentures Due 2002 ("6 1/4% Debentures"), at a redemption price equal to 100% of the principal amount of the 6 1/4% Debentures ($150 million), plus interest accrued to September 15, 1993.

(b) On September 30, 1993, Magic Restaurants Inc. announced that it had signed a letter of intent to purchase 15 American Cafe restaurants from a subsidiary of Grace for cash and other consideration totalling approximately $3.5 million. Completion of the transaction is subject to various conditions, including the negotiation and execution of definitive agreements, and is expected to occur in the fourth quarter of 1993.

(c) On October 14, 1993, Grace announced that a subsidiary will redeem its remaining 6 1/2% Convertible Subordinate Debentures Due 1996 (" 6 1/2% Debentures") on November 15, 1993, at a redemption price equal to 100% of the principal amount of the 6 1/2% Debentures, plus interest accrued to November 15, 1993. Approximately $835,000 principal amount of the 6 1/2% Debentures was outstanding at the time of Grace's announcement. The 6 1/2% Debentures are convertible into shares of the Company Common Stock until the close of business on November 15, 1993 at a conversion price of $14.8125 per share.

(d) On October 25, 1993, The Scotts Company ("Scotts") announced an agreement among Scotts, a Grace subsidiary and other investors to acquire Grace-Sierra Horticultural Products Company ("Grace-Sierra"). Grace owns 49% of Grace-Sierra's common stock and 100% of its preferred stock and expects to receive after-tax proceeds of approximately $28 million from this transaction. Completion of the transaction is subject to various conditions, including obtaining certain regulatory approvals, and is expected to occur during the fourth quarter of 1993. Grace-Sierra manufactures and markets specialty fertilizers and related products for commercial and consumer markets.

(e) On October 26, 1993, The Restaurant Enterprises Group, Inc. ("REG"), a 73.2% indirectly owned subsidiary of Grace, announced the execution of a definitive agreement by which Apollo Advisors, L.P., Green Equity Investors, L.P., and Foodmaker, Inc. ("Foodmaker") will acquire REG by means of (i) a $160 million equity investment in REG and (ii) REG's acquisition of Chi-Chi's, Inc. (the operator and franchisor of 237 full-service Mexican restaurants) from Foodmaker. The acquisition of REG is part of a restructuring plan ("Restructuring"), which includes the exchange of REG's existing debt and equity securities for $280 million ($27.8 million of which will be paid to Grace) in a prepackaged plan of reorganization ("Prepackaged Plan") under Chapter 11 of the U.S. Bankruptcy Code, and the issuance of $425 million of new REG debt in a public offering. The Restructuring is subject to various conditions, including approval of the Prepackaged Plan by the federal bankruptcy court. As part of the approval process, REG has distributed to its securityholders a Disclosure Statement soliciting acceptances of the Prepackaged Plan. The deadline for securityholders to accept or reject the Plan is November 18, 1993, unless extended.

(f) See Management's Discussion and Analysis of Financial Condition and Results of Operations in Part I of this Report for information concerning certain actions taken by the United States Food and Drug Administration with respect to certain of Grace's health care operations.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits. The following are being filed as exhibits to this Report:

- weighted average number of shares and earnings used in per share computations; and
- computation of ratio of earnings to fixed charges and combined fixed charges and preferred stock dividends.

(b) Reports on Form 8-K. During the quarter ended September 30, 1993, the Company filed the following Current Reports on Form 8-K:

(i) a Report dated August 27, 1993 containing Grace's consolidated financial statements for the three fiscal years in the period ended December 31, 1992, together with the report thereon and related consent of Price Waterhouse, independent accountants, and unaudited interim financial statements for the quarters ended March 31, 1993 and 1992, restated to give effect to the classification of certain of the Company's non-core businesses as discontinued operations; and

(ii) a Report dated September 30, 1993 concerning the recording of a $300 million charge to reflect a reduction in the amount of insurance coverage available with respect to asbestos property damage lawsuits and claims against Grace.

SIGNATURE

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

W. R. GRACE & CO.
(Registrant)

Date: November 12, 1993

By /s/ Richard N. Sukenik
Richard N. Sukenik
Vice President and Controller
(Principal Accounting Officer)

W. R. GRACE & CO. AND SUBSIDIARIES

WEIGHTED AVERAGE NUMBER OF SHARES AND EARNINGS USED IN PER SHARE COMPUTATIONS
(Unaudited)

The weighted average number of shares of Common Stock outstanding were as follows (in thousands):

	3 Mos. Ended 9/30/93	3 Mos. Ended 9/30/92	9 Mos. Ended 9/30/93	9 Mos. Ended 9/30/92
Weighted average number of shares of Common Stock outstanding	92,295	89,625	90,829	89,474
Conversion of convertible debt obligations	*	*	*	*
Additional dilutive effect of outstanding options (as determined by the application of the treasury stock method)	*	*	*	*
Weighted average number of shares of Common Stock outstanding assuming full dilution	92,295	89,625	90,829	89,474

Earnings/(loss) used in the computation of earnings per share were as follows (in thousands except per share):

	3 Mos. Ended 9/30/93	3 Mos. Ended 9/30/92	9 Mos. Ended 9/30/93	9 Mos. Ended 9/30/92
Net Loss	$(236,338)	$(82,098)	$ (259,172)	$(370,390)
Dividends paid on preferred stocks	(132)	(132)	(396)	(395)
Loss used in per share computation of earnings	(236,470)	(82,230)	(259,568)	(370,785)
Interest, net of tax on convertible debt obligations	*	*	*	*
Loss used in per share computation of earnings assuming full dilution	$(236,470)	$(82,230)	$(259,568)	$(370,785)
Loss per share	$ (2.56)	$ (.92)	$ (2.86)	$ (4.14)
Earnings/(loss) per share assuming full dilution	*	*	*	*

* The effect of the convertible securities and outstanding options would be anti-dilutive. Therefore, they are not shown.

Exhibit 12

W. R. GRACE & CO. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(in millions except ratios)
(Unaudited)

	Years Ended December 31, (b)					Nine Months Ended September 30, (b)	
	1992(c)	1991	1990	1989	1988	1993(d)	1992(c)
Net income/(loss) from continuing operations	$ 57.7	$201.7	$174.6	$145.9	$139.5	$(150.8)	$ (16.4)
Add (deduct):							
Provision/(benefit) for income taxes	134.8	132.5	97.5	81.3	100.3	(68.0)	96.7
Income taxes of 50%-owned companies	2.1	1.5	1.9	1.2	2.3	.1	2.3
Minority interest in income of majority-owned subsidiaries	-	-	1.2	.6	4.6	-	-
Equity in unremitted earnings of less than 50%-owned companies	(1.8)	(2.5)	(2.1)	(.3)	(.3)	(.2)	(1.8)
Interest expense, including amortization of capitalized interest	152.9	198.4	235.7	224.8	178.3	81.3	116.8
Amortization of debt discount and expense	1.5	2.1	1.9	1.9	2.3	.5	1.1
Estimated amount of rental expense deemed to represent the interest factor	26.6	21.7	21.0	19.1	15.6	21.4	18.2
Income/(loss) as adjusted	$373.8	$555.4	$531.7	$454.5	$442.6	$(115.7)	$216.9
Combined fixed charges and preferred stock dividends:							
Interest expense, including capitalized interest	$166.5	$213.3	$244.7	$229.3	$182.1	$83.4	$127.8
Amortization of debt discount and expense	1.5	2.1	1.9	1.9	2.3	.5	1.1
Estimated amount of rental expense deemed to represent the interest factor	26.6	21.7	21.0	19.1	15.6	21.4	18.2
Fixed charges	194.6	237.1	267.6	250.3	200.0	105.3	147.1
Preferred stock dividend requirements (a)	1.3	1.3	1.5	1.8	1.3	0.4	0.9
Combined fixed charges and preferred stock dividends	$195.9	$238.4	$269.1	$252.1	$201.3	$105.7	$148.0
Ratio of earnings to fixed charges	1.92	2.34	1.99	1.82	2.21	(e)	1.47
Ratio of earnings to combined fixed charges and preferred stock dividends	1.91	2.33	1.98	1.80	2.20	(e)	1.47

(a) Preferred stock dividend requirements, increased to an amount representing the pretax earnings that would be required to cover such dividend requirements based on the effective tax rates for the periods presented.
(b) Restated to conform to the 1993 presentation.
(c) Includes a $140.0 provision relating to Grace's Belgian fumed silica plant.
(d) Includes a $475.0 provision relating to a reduction in the insurance coverage available to Grace for asbestos property damage lawsuits and claims.
(e) As a result of the loss incurred for the nine-month period ended September 30, 1993, Grace was unable to fully cover the indicated fixed charges.