

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K  
ANNUAL REPORT  
Pursuant to Section 15(d) of the  
Securities Exchange Act of 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 [FEE REQUIRED].  
For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED].  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-7154

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

QUAKER CHEMICAL CORPORATION PROFIT SHARING  
AND RETIREMENT SAVINGS PLAN

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

QUAKER CHEMICAL CORPORATION  
Elm and Lee Streets  
Conshohocken, Pennsylvania 19428

Profit Sharing and  
Retirement Savings  
Plan of Quaker  
Chemical Corporation

Financial Statements and  
Additional Information  
December 31, 1996

Profit Sharing and Retirement Savings Plan of  
Quaker Chemical Corporation  
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December 31, 1996

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\* Other schedules required by Section 2520.103-10 of the Department of Labor  
Rules and Regulations for Reporting and Disclosure under ERISA have been  
omitted because they are not applicable.

Report of Independent Accountants

May 8, 1997

To the Participants and Administrator;  
Profit Sharing and Retirement Savings Plan of  
Quaker Chemical Corporation

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation at December 31, 1996 and 1995 and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles. 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 of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by ERISA. The Fund Information in the statement of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. Schedules I and II and the Fund Information 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.

CAPTION>  
Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation  
Statement of Net Assets Available for Benefits, with Fund Information  
December 31, 1996

Fund Information							
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock Fund	Participant Notes	Other	Total
Investments at fair value:							
Common Stock Fund		\$9,986,849*		\$715,932			\$10,702,781
Bond and Mortgage Fund			\$2,759,029*				2,759,029
Guaranteed Interest Fund	\$2,022,914*						2,022,914
Participant notes receivable					\$8,056		8,056
Cash surrender value of life insurance contracts						\$91,443	91,443
Cash equivalents						1,524	1,524
Total investments	2,022,914	9,986,849	2,759,029	715,932	8,056	92,967	15,585,747
Employer contribution receivable	50,407	244,284	72,966	38,052			405,709
Net assets available for benefits	\$2,073,321	\$10,231,133	\$2,831,995	\$753,984	\$8,056	\$92,967	\$15,991,456

\* Represents greater than 5% of net assets available for benefits.

The accompanying notes are an integral part of these financial statements.

Profit Sharing and Retirement Savings Plan of Quaker Chemical Corporation  
Statement of Net Assets Available for Benefits, with Fund Information  
December 31, 1995

Fund Information							
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock Fund	Participant Notes	Other	Total
Investments at fair value:							
Common Stock Fund		\$7,743,647*		\$552,241			\$8,295,888
Bond and Mortgage Fund			\$2,758,665*				2,758,665
Guaranteed Interest Fund	\$2,544,396*						2,544,396
Participant notes receivable					\$4,960		4,960
Cash surrender value of life insurance contracts						\$111,587	111,587
Cash equivalents						1,481	1,481
Total investments	2,544,396	7,743,647	2,758,665	552,241	4,960	113,068	13,716,977
Net assets available for benefits	\$2,544,396	\$7,743,647	\$2,758,665	\$552,241	\$4,960	\$113,068	\$13,716,977

\* Represents greater than 5% of net assets available for benefits.

The accompanying notes are an integral part of these financial statements.

Profit Sharing and Retirement Savings Plan of  
 Quaker Chemical Corporation  
 Statements of Changes in Net Assets Available For Benefits, with Fund Information  
 December 31, 1996

Fund Information							
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock Fund	Participant Notes	Other	Total
Additions to net assets attributed to:							
Net investment income	\$121,627	\$1,929,896	\$108,072	\$29,928	\$1,759	\$73	\$2,191,355
Participant contributions	81,658	630,825	208,175	93,220			1,013,878
Employer contributions	73,862	317,961	98,534	48,906			539,263
Rollovers	1,409	6,495	4,381	704			12,989
Unrealized appreciation of investments				130,144			130,144
Other	6,032						6,032
	284,588	2,885,177	419,162	302,902	1,759	73	3,893,661
Deductions from net assets attributed to:							
Participant benefits	517,007	385,209	626,560	47,511	15,867		1,592,154
Life insurance premiums	1,889	3,663	1,302			30	6,884
Net participant loan activity	5,542	9,938	1,724		(17,204)		
Decrease in cash surrender value of insurance contracts						20,144	20,144
Interfund transfers	231,225	(1,119)	(283,754)	53,648			
	755,663	397,691	345,832	101,159	(1,337)	20,174	1,619,182
Net increase (decrease)	(471,075)	2,487,486	73,330	201,743	3,096	(20,101)	2,274,479
Net assets at beginning of year	2,544,396	7,743,647	2,758,665	552,241	4,960	113,068	13,716,977
Net assets at end of year	\$2,073,321	\$10,231,133	\$2,831,995	\$753,984	\$8,056	\$ 92,967	\$15,991,456

The accompanying notes are an integral part of these financial statements.

Profit Sharing and Retirement Savings Plan of  
 Quaker Chemical Corporation  
 Statements of Changes in Net Assets Available For Benefits, with Fund Information  
 December 31, 1995

Fund Information							
	Guaranteed Interest Fund	U.S. Stock Fund	Bond and Mortgage Fund	Quaker Chemical Corporation Common Stock Fund	Participant Notes	Other	Total
Additions to net assets attributed to:							
Net investment income	\$140,813	\$1,912,169	\$411,953	\$22,946	\$959	\$751	\$2,489,591
Participant contributions	91,350	493,395	191,000	119,483			895,228
Employer contributions	15,497	43,252	21,099	13,904			93,752
Transfers in from Subsidiaries' Plan						212,340	212,340
Rollovers	3,827	11,489	7,564	1,769			24,649
Increase in cash surrender value of insurance contracts						2,483	2,483
Loan distributions					(3,467)		(3,467)
Other	(227)	1,974	1,974				3,721
	251,260	2,462,279	633,590	158,102	(2,508)	215,574	3,718,297
Deductions from net assets attributed to:							
Participant benefits	96,459	247,186	67,271	20,675			431,591
Life insurance premiums		406				7,360	7,766
Net participant loan activity	(2,762)	(7,007)	1,410		(111)	8,470	
Interfund transfers	(335,777)	45,348	96,517	(19,070)		212,982	
Unrealized depreciation of investments				170,173			170,173
	(242,080)	285,933	165,198	171,667	8,470	220,342	609,530
Net increase (decrease)	493,340	2,176,346	468,392	(13,565)	(10,978)	(4,768)	3,108,767
Net assets at beginning of year	2,051,056	5,567,301	2,290,273	565,806	15,938	117,836	10,608,210
Net assets at end of year	\$2,544,396	\$7,743,647	\$ 2,758,665	\$552,241	\$4,960	\$113,068	\$13,716,977

The accompanying notes are an integral part of these financial statements.

## 1. Description of Plan

The following description of the Quaker Chemical Corporation Profit Sharing and Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan for all employees of the Quaker Chemical Corporation (the "Company") except for employees compensated in whole or in part by commissions on sales. Eligible employees, including employees compensated in whole or in part by commissions on sales, may choose to make elective contributions to the Plan on a "before tax" basis. Effective July 1, 1995 the profit sharing plan of AC Products, Inc., a subsidiary of Quaker Chemical Corporation, was merged into the Company's Plan. The Plan is administered by a six-member committee appointed by the Company's Board of Directors.

Effective March 1, 1996, employees become eligible for participation in the Plan on the first day of the month following employment commencement, unless the employee is hired on the first day of the month in which case the employee is eligible immediately. Prior to March 1, 1996, employees were eligible to participate in the plan after one year of service. Plan participants are immediately vested in their account balance. All administrative expenses of the Plan are paid by the Company.

### Contributions

The Company's Board of Directors, at its discretion, determines the amount, if any, of the contribution to the Plan for each Plan year. The Company's 1996 profit sharing contribution was \$404,709 and was based on the level of domestic company profit from operations (as defined) versus the target profit (as defined). No contribution was made in 1995. The target profit is determined as the average of the prior three years' domestic company profit from operations increased by 15%.

Participants of the Plan may elect to contribute any whole percentage of their compensation, up to 8%, during the year. Each year, the Company makes a matching contribution of \$150 for each whole percentage of the participant's compensation contributed to the Plan during the Plan year, with the Company's matching contribution for each individual participant limited to \$450 in any calendar year.

### Payment of Benefits

Participants are entitled to receive their account balance upon retirement or termination from the Company.

In the event of Plan termination, the Plan provides that the assets shall continue to be held by the Trustees (currently, CoreStates Bank, N.A. and Principal Mutual Life Insurance Company "PML") for normal distribution.

#### Investment Options

Participants in the Plan may elect to invest their pro-rata share of the Company's contribution in any of the following pooled investment funds of PML: Guaranteed Interest, U.S. Stock and/or Bond and Mortgage. Participants may also elect to invest in Quaker Chemical Corporation common stock.

The Plan includes a provision whereby PML, if so instructed by the Plan administrator, shall invest an amount less than 50% of the employer's current contribution allocable to each participant for the year in whole life insurance contracts. These contracts are owned by PML and may be borrowed against by PML. The Plan is the sole beneficiary of the contracts.

#### Investment income

PML, a Plan trustee, is unable to separately report interest and dividends and net appreciation (depreciation) in the market value of investments. Therefore, all such amounts are included in net investment income.

## 2. Summary of Accounting Policies

#### Method of accounting

The Plan's financial statements are prepared on the accrual basis of accounting.

#### Income recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

#### Participant notes receivable

Participant notes receivable are valued at cost, which approximates fair value.

#### Payment of benefits

Benefits are recorded when paid.

#### Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

#### Investments

Investments in pooled investment funds are valued at the Plan's pro rata share of the market value of the funds. Market value is determined using the daily net asset value quoted by the trustee based on the published market prices of the underlying securities in the funds. The market value of Quaker Chemical stock is based on the closing price as listed on the New York Stock Exchange.

3. Participant Notes Receivable

At December 31, 1996 and 1995, outstanding loans were \$8,056 and \$4,960 with original principal of \$29,177 and \$45,900, respectively. Interest rates on loans approximate the prime rate in effect at loan inception. The Plan has certain limitations on loans that can be made to Plan participants. Participants should refer to the Plan document for a complete description of these limitations.

4. Tax Status of the Plan

The Plan has received a tax determination letter from the Internal Revenue Service dated August 18, 1995 indicating that the Plan is a qualified plan under Section 401 of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for income taxes has been recorded in the financial statements.

5. Related Party Transactions

Certain Plan assets are invested in shares of separate accounts managed by Principal Mutual Life Insurance Company. Principal Mutual Life Insurance Company is a trustee as defined by the Plan and, therefore, these investments qualify as party-in-interest.

Units of participation	Description	Interest rate	Maturity	Market value	Cost
	Principal Mutual Life Pooled Investment Funds:				
2,022,914	Guaranteed Interest Fund	various	2/28/97 - 2/28/01	\$ 2,022,914	\$ 1,899,579
32,759	U.S. Stock Fund	n/a	n/a	9,986,849	5,354,279
6,642	Bond and Mortgage Fund	n/a	n/a	2,759,029	2,083,108
42,248	Quaker Chemical Corporation Common Stock	n/a	n/a	715,932	747,501
-	Participant Notes	8% - 9.75%	n/a	8,056	8,056
				<u>\$15,492,780</u>	<u>\$10,092,523</u>

Party Involved	Description of asset	Number of transactions	Purchase price	Selling price	Cost of asset	Current value of asset on transaction date	Net gain
Series of transactions:							
Principal Mutual Life Insurance Co.	U.S. Stock Fund	36	\$963,497	-	\$963,497	\$963,497	-
	U.S. Stock Fund	40	-	\$650,192	370,459	650,192	\$279,733
Principal Mutual Life Insurance Co.	Guaranteed Interest Fund	30	635,724	-	635,724	635,724	-
	Guaranteed Interest Fund	42	-	1,278,862	1,278,862	1,278,862	-
Principal Mutual Life Insurance Co.	Bond and Mortgage Fund	38	608,895	-	608,895	608,895	-
	Bond and Mortgage Fund	34	-	716,603	531,469	716,603	185,134

\*Transactions or series of transactions in excess of 5 percent of the current value of the Plan's assets as of December 31, 1995 as defined in Section 2520.103-6 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Committee which acts as Plan Administrator has duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

QUAKER CHEMICAL CORPORATION PROFIT  
SHARING AND RETIREMENT SAVINGS PLAN

June 30, 1997 /s/ Irving H. Tyler  
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Irving H. Tyler,  
Chairman of the Committee

June 30, 1997 /s/ Richard J. Fagan  
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Richard J. Fagan,  
Member of the Committee

June 30, 1997 /s/ Donald F. Fahey  
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Donald F. Fahey,  
Member of the Committee

June 30, 1997 /s/ Joseph C. Hudson  
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Joseph C. Hudson,  
Member of the Committee

June 30, 1997 /s/ Howard Wilson  
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Howard Wilson,  
Member of the Committee



Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-54158) of the Quaker Chemical Corporation Profit Sharing and Retirement Savings Plan of our report dated May 8, 1997, appearing on page 1 of the Annual Report of the Quaker Chemical Corporation Profit Sharing and Retirement Savings Plan on Form 11-K for the year ended December 31, 1996.

Price Waterhouse LLP  
Philadelphia, Pennsylvania  
June 26, 1997