

**NEWMARKET CORPORATION AND SUBSIDIARIES**  
**SEGMENT RESULTS AND OTHER FINANCIAL INFORMATION**

(In millions except per share amounts, unaudited)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2006	2005	2006	2005
<b>Net sales:</b>				
Petroleum additives	\$ 304.2	\$ 293.3	\$ 1,252.6	\$ 1,066.9
Tetraethyl lead	2.0	0.4	10.7	8.6
<b>Total</b>	<b>\$ 306.2</b>	<b>\$ 293.7</b>	<b>\$ 1,263.3</b>	<b>\$ 1,075.5</b>
<b>Segment operating profit:</b>				
Petroleum additives before special items	\$ 19.6	\$ 17.6	\$ 100.3	\$ 60.0
Special items income, net (a)	1.6	-	4.1	-
<b>Petroleum additives</b>	<b>21.2</b>	<b>17.6</b>	<b>104.4</b>	<b>60.0</b>
Tetraethyl lead before special item	0.6	(1.2)	3.1	14.1
Special item income (b)	-	-	-	3.9
<b>Tetraethyl lead</b>	<b>0.6</b>	<b>(1.2)</b>	<b>3.1</b>	<b>18.0</b>
<b>Contract manufacturing and other</b>	<b>0.9</b>	<b>0.9</b>	<b>4.2</b>	<b>2.7</b>
<b>Segment operating profit</b>	<b>22.7</b>	<b>17.3</b>	<b>111.7</b>	<b>80.7</b>
Corporate unallocated expense	(3.2)	(4.8)	(12.9)	(14.6)
Special items income (c)	-	4.9	13.0	7.8
Interest expense	(3.7)	(3.9)	(15.4)	(16.8)
Loss on early extinguishment of debt (d)	(11.2)	-	(11.2)	-
Other income (expense), net	0.9	-	2.9	(0.1)
<b>Income before income taxes</b>	<b>\$ 5.5</b>	<b>\$ 13.5</b>	<b>\$ 88.1</b>	<b>\$ 57.0</b>
<b>Net income:</b>				
Earnings excluding special items	\$ 10.5	\$ 8.0	\$ 53.7	\$ 35.0
Special items (a) (b) (c) (d)	(6.0)	3.1	3.8	7.4
<b>Net income</b>	<b>\$ 4.5</b>	<b>\$ 11.1</b>	<b>\$ 57.5</b>	<b>\$ 42.4</b>
<b>Basic earnings per share:</b>				
Earnings excluding special items	\$ 0.61	\$ 0.47	\$ 3.12	\$ 2.05
Special items (a) (b) (c) (d)	(0.35)	0.18	0.22	0.44
<b>Basic earnings per share</b>	<b>\$ 0.26</b>	<b>\$ 0.65</b>	<b>\$ 3.34</b>	<b>\$ 2.49</b>
<b>Diluted earnings per share:</b>				
Earnings excluding special items	\$ 0.60	\$ 0.46	\$ 3.08	\$ 2.02
Special items (a) (b) (c) (d)	(0.34)	0.18	0.22	0.43
<b>Diluted earnings per share</b>	<b>\$ 0.26</b>	<b>\$ 0.64</b>	<b>\$ 3.30</b>	<b>\$ 2.45</b>

**Notes to Segment Results and Other Financial Information**

Certain prior period amounts have been reclassified to conform to the current presentation. There was no impact on net income in any period.

- Special items income in petroleum additives includes a gain associated with a legal settlement related to transportation charges of \$3.3 million (\$2.1 million after tax) for twelve months 2006 and \$0.7 million (\$0.5 million after tax) for fourth quarter 2006. In addition, special items income in petroleum additives also includes a net gain of approximately \$0.9 million (\$0.5 million after tax) for both the twelve months 2006 and fourth quarter 2006 resulting from other legal settlements.
- The 2005 special item in TEL represents the gain associated with the insurance settlement related to premises asbestos liabilities. The after tax gain amounted to \$2.5 million.
- Twelve months 2006 includes a \$5.3 million gain (\$3.3 million after tax) related to an earn-out agreement for certain pharmaceutical intellectual property that we sold in 1994; a \$3.3 million gain (\$2.0 million after tax) on the sale of property; and a \$4.4 million gain for interest on an income tax settlement (\$2.9 million after tax).

The special item for both twelve months 2005 and fourth quarter 2005 are gains on sales of corporate property. The after tax gain amounted to \$5.0 million for twelve months 2005 and \$3.1 million for fourth quarter 2005.

- In December 2006 in a tender offer, we purchased \$149.75 million of the outstanding \$150 million aggregate principal amount of our 8.875% senior notes due 2010. As a result of the transaction, we recognized a loss of \$11.2 million (\$7.0 million after tax) on the early extinguishment of debt for both the twelve months 2006 and fourth quarter 2006. This loss included the write-off of unamortized deferred financing costs of \$2.6 million and cash paid associated with the purchase of \$8.6 million. Subsequently in December 2006, we issued \$150 million aggregate principal amount of 7.125% senior notes due in 2016.

**NEWMARKET CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands except per share amounts, unaudited)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2006	2005	2006	2005
<b>Net sales</b>	<b>\$ 306,162</b>	<b>\$ 293,656</b>	<b>\$ 1,263,297</b>	<b>\$ 1,075,544</b>
Cost of goods sold (a)	241,945	241,843	999,211	875,286
<b>Gross profit</b>	<b>64,217</b>	<b>51,813</b>	<b>264,086</b>	<b>200,258</b>
Operating profit from TEL marketing agreements services	1,755	3,525	8,181	23,154
Selling, general, and administrative expenses	29,931	25,581	109,191	96,810
Research, development, and testing expenses	19,999	17,398	70,263	65,394
Special items income, net (b)	3,732	4,922	14,825	11,668
<b>Operating profit</b>	<b>19,774</b>	<b>17,281</b>	<b>107,638</b>	<b>72,876</b>
Interest and financing expenses	3,714	3,929	15,403	16,849
Loss on early extinguishment of debt (c)	11,209	-	11,209	-
Other income, net (d)	615	182	7,117	925
<b>Income before income taxes</b>	<b>5,466</b>	<b>13,534</b>	<b>88,143</b>	<b>56,952</b>
Income tax expense (e)	1,006	2,383	30,621	14,571
<b>Net income</b>	<b>\$ 4,460</b>	<b>\$ 11,151</b>	<b>\$ 57,522</b>	<b>\$ 42,381</b>
<b>Basic earnings per share</b>	<b>\$ 0.26</b>	<b>\$ 0.65</b>	<b>\$ 3.34</b>	<b>\$ 2.49</b>
<b>Diluted earnings per share</b>	<b>\$ 0.26</b>	<b>\$ 0.64</b>	<b>\$ 3.30</b>	<b>\$ 2.45</b>
<b>Shares used to compute basic earnings per share</b>	<b>17,281</b>	<b>17,071</b>	<b>17,223</b>	<b>17,028</b>
<b>Shares used to compute diluted earnings per share</b>	<b>17,415</b>	<b>17,341</b>	<b>17,407</b>	<b>17,320</b>

**Notes to Consolidated Statements of Income**

- (a) Twelve months 2006 and fourth quarter 2006 includes certain settlement cost of \$2.1 million (\$1.3 million after tax).
- (b) Twelve months 2006 includes a \$5.3 million gain (\$3.3 million after tax) related to an earn-out agreement for certain pharmaceutical intellectual property that we sold in 1994; a \$3.3 million gain (\$2.1 million after tax) associated with a legal settlement related to transportation charges; a \$3.0 million net gain (\$1.9 million after tax) resulting from other legal settlements; and a \$3.3 million gain (\$2.0 million after tax) on the sale of property. The fourth quarter 2006 includes \$0.7 million gain (\$0.5 million after tax) associated with the legal settlement related to transportation charges and \$3.0 million net gain (\$1.9 million after tax) resulting from the other legal settlements.
- Twelve months 2005 include gains of \$7.8 million (\$5.0 million after tax) on sales of corporate property and a gain of \$3.9 million (\$2.5 million after tax) associated with the insurance settlement related to premises asbestos liabilities. The special item for the fourth quarter 2005 was related to a gain on the sale of corporate property amounting to \$3.1 million after tax.
- (c) In December 2006 in a tender offer, we purchased \$149.75 million of the outstanding \$150 million aggregate principal amount of our 8.875% senior notes due 2010. As a result of the transaction, we recognized a loss of \$11.2 million (\$7.0 million after tax) on the early extinguishment of debt for both twelve months 2006 and fourth quarter 2006. This loss included the write-off of unamortized deferred financing costs of \$2.6 million and cash paid associated with the purchase of \$8.6 million. Subsequently in December 2006, we issued \$150 million aggregate principal amount of 7.125% senior notes due in 2016.
- (d) Other income, net for twelve months 2006 includes a gain of \$4.4 million for interest on an income tax settlement. The after tax gain amounted to \$2.9 million.

(e) Income tax expense for the twelve months ended December 31, 2005 includes a benefit of \$1.1 million related to the settlement of certain open tax years with the Internal Revenue Service.

**NEWMARKET CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	December 31 2006 (unaudited)	December 31 2005
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 60,300	\$ 56,413
Restricted cash	240	1,419
Trade and other accounts receivable, less allowance for doubtful accounts (\$835 - 2006; \$1,045 - 2005)	198,243	189,460
Inventories	185,581	151,999
Deferred income taxes	12,277	9,289
Prepaid expenses	5,319	3,119
<b>Total current assets</b>	<b>461,960</b>	<b>411,699</b>
Property, plant and equipment, at cost	751,355	764,945
Less accumulated depreciation and amortization	589,241	610,939
<b>Net property, plant and equipment</b>	<b>162,114</b>	<b>154,006</b>
Prepaid pension cost	85	18,316
Deferred income taxes	26,696	23,157
Other assets and deferred charges	38,838	44,480
Intangibles, net of amortization	51,708	49,874
<b>Total assets</b>	<b>\$ 741,401</b>	<b>\$ 701,532</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 81,623	\$ 88,350
Accrued expenses	59,692	58,847
Dividends payable	2,162	-
Book overdraft	2,549	4,222
Long-term debt, current portion	691	640
Income taxes payable	13,466	14,728
<b>Total current liabilities</b>	<b>160,183</b>	<b>166,787</b>
Long-term debt	152,748	153,189
Other noncurrent liabilities	130,460	115,496
Shareholders' equity		
Common stock and paid in capital (without par value) Issued - 17,289,860 in 2006 and 17,081,559 in 2005	88,263	85,162
Accumulated other comprehensive loss	(50,557)	(30,511)
Retained earnings	260,304	211,409
<b>Total liabilities and shareholders' equity</b>	<b>\$ 741,401</b>	<b>\$ 701,532</b>