

**NEWMARKET CORPORATION AND SUBSIDIARIES**  
**SEGMENT RESULTS AND OTHER FINANCIAL INFORMATION**  
(In millions except per share amounts, unaudited)

|  | Three Months Ended<br>December 31 |                 | Twelve Months Ended<br>December 31 |                   |
|--|-----------------------------------|-----------------|------------------------------------|-------------------|
|  | 2007                              | 2006            | 2007                               | 2006              |
| <b>Net sales:</b>  |                                   |                 |                                    |                   |
| Petroleum additives  | \$ 361.1                          | \$ 304.2        | \$ 1,359.7                         | \$ 1,252.6        |
| All other (a)  | 3.0                               | 2.0             | 15.2                               | 10.7              |
| <b>Total</b>   | <b>\$ 364.1</b>                   | <b>\$ 306.2</b> | <b>\$ 1,374.9</b>                  | <b>\$ 1,263.3</b> |
| <b>Segment operating profit:</b>                             |                                   |                 |                                    |                   |
| Petroleum additives before special items                     | \$ 28.7                           | \$ 19.6         | \$ 129.4                           | \$ 100.3          |
| Special items income, net (b)                                | -                                 | 1.6             | -                                  | 4.1               |
| <b>Petroleum additives</b>                                   | <b>28.7</b>                       | <b>21.2</b>     | <b>129.4</b>                       | <b>104.4</b>      |
| <b>All other (a)</b>   | <b>(2.3)</b>                      | <b>(0.2)</b>    | <b>(6.7)</b>                       | <b>(0.9)</b>      |
| <b>Segment operating profit</b>                              | <b>26.4</b>                       | <b>21.0</b>     | <b>122.7</b>                       | <b>103.5</b>      |
| Corporate unallocated expense                                | (3.6)                             | (3.2)           | (13.8)                             | (12.9)            |
| Special items (c)  | -                                 | -               | -                                  | 13.0              |
| Interest expense   | (2.8)                             | (3.7)           | (11.6)                             | (15.4)            |
| Loss on early extinguishment of debt (d)                     | -                                 | (11.2)          | -                                  | (11.2)            |
| Other income, net  | 0.6                               | 0.8             | 3.1                                | 3.0               |
| <b>Income from continuing operations before income taxes</b> | <b>\$ 20.6</b>                    | <b>\$ 3.7</b>   | <b>\$ 100.4</b>                    | <b>\$ 80.0</b>    |
| <b>Net income:</b>   |                                   |                 |                                    |                   |
| Income from continuing operations excluding special items    | \$ 15.4                           | \$ 9.4          | \$ 69.0                            | \$ 48.5           |
| Special items (b) (c) (e)                                    | 11.6                              | (6.0)           | 9.5                                | 3.8               |
| Discontinued operations (f)                                  | -                                 | 1.1             | 16.8                               | 5.2               |
| <b>Net income</b>  | <b>\$ 27.0</b>                    | <b>\$ 4.5</b>   | <b>\$ 95.3</b>                     | <b>\$ 57.5</b>    |
| <b>Basic earnings per share:</b>                             |                                   |                 |                                    |                   |
| Earnings excluding discontinued operations and special items | \$ 0.96                           | \$ 0.54         | \$ 4.09                            | \$ 2.82           |
| Special items (b) (c) (e)                                    | 0.73                              | (0.35)          | 0.57                               | 0.22              |
| Discontinued operations (f)                                  | -                                 | 0.07            | 1.00                               | 0.30              |
| <b>Basic earnings per share</b>                              | <b>\$ 1.69</b>                    | <b>\$ 0.26</b>  | <b>\$ 5.66</b>                     | <b>\$ 3.34</b>    |
| <b>Diluted earnings per share:</b>                           |                                   |                 |                                    |                   |
| Income from continuing operations excluding special items    | \$ 0.96                           | \$ 0.53         | \$ 4.07                            | \$ 2.78           |
| Special items (b) (c) (e)                                    | 0.72                              | (0.34)          | 0.56                               | 0.22              |
| Discontinued operations (f)                                  | -                                 | 0.07            | 0.99                               | 0.30              |
| <b>Diluted earnings per share</b>                            | <b>\$ 1.68</b>                    | <b>\$ 0.26</b>  | <b>\$ 5.62</b>                     | <b>\$ 3.30</b>    |

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

- (a) During the second quarter 2007 and after the settlement of the Arbitration Actions with Innospec Inc. (Arbitration Actions) and the resulting termination of the tetraethyl lead (TEL) marketing agreements with Innospec Inc. (see note f), we determined the continuing operations of our TEL business no longer represented a significant segment. As a result, we have reclassified the continuing results of our TEL business in the "All other" caption above. Also included in the "All other" caption is certain contract manufacturing of Ethyl Corporation. Prior periods have been reclassified.
- (b) Special items income for 2006 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.
- (c) 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 \$4.4 million gain (\$2.9 million after tax) for interest on an income tax settlement; and a \$3.3 million gain (\$2.0 million after tax) on the sale of property.
- (d) 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.
- (e) Special items for 2007 primarily represents a reversal of deferred tax provisions that were previously provided on the undistributed earnings of certain foreign subsidiaries following our determination that no dividends would be paid by these subsidiaries for the foreseeable future. The twelve months 2007 amount was \$9.5 million and the fourth quarter 2007 after tax amount was \$11.6 million.
- (f) Discontinued operations reflect the settlement of the Arbitration Actions and the resulting termination of the TEL marketing agreements with Innospec Inc. effective April 1, 2007. The gain on the settlement of this business was \$22.8 million (\$14.6 million after tax or \$.84 per share) for twelve months 2007. The remaining amounts for the 2007 and 2006 periods represent the after tax earnings of the discontinued business.

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

|  | Three Months Ended<br>December 31 |                   | Twelve Months Ended<br>December 31 |                     |
|--|-----------------------------------|-------------------|------------------------------------|---------------------|
|  | 2007                              | 2006              | 2007                               | 2006                |
| <b>Net sales</b>   | <b>\$ 364,119</b>                 | <b>\$ 306,162</b> | <b>\$ 1,374,874</b>                | <b>\$ 1,263,297</b> |
| Cost of goods sold (a)                                       | 291,563                           | 241,945           | 1,078,302                          | 999,211             |
| <b>Gross profit</b>  | <b>72,556</b>                     | <b>64,217</b>     | <b>296,572</b>                     | <b>264,086</b>      |
| Selling, general, and administrative expenses                | 29,655                            | 29,931            | 111,115                            | 109,191             |
| Research, development, and testing expenses                  | 20,447                            | 19,999            | 76,834                             | 70,263              |
| Special items income (b)                                     | -                                 | 3,732             | -                                  | 14,825              |
| <b>Operating profit</b>                                      | <b>22,454</b>                     | <b>18,019</b>     | <b>108,623</b>                     | <b>99,457</b>       |
| Interest and financing expenses                              | 2,814                             | 3,714             | 11,557                             | 15,403              |
| Loss on early extinguishment of debt (c)                     | -                                 | 11,209            | -                                  | 11,209              |
| Other income, net (d)  | 976                               | 615               | 3,358                              | 7,117               |
| <b>Income from continuing operations before income taxes</b> | <b>20,616</b>                     | <b>3,711</b>      | <b>100,424</b>                     | <b>79,962</b>       |
| Income tax (benefit) expense (e)                             | (6,380)                           | 369               | 21,874                             | 27,651              |
| <b>Income from continuing operations</b>                     | <b>26,996</b>                     | <b>3,342</b>      | <b>78,550</b>                      | <b>52,311</b>       |
| Discontinued operations (f):                                 |                                   |                   |                                    |                     |
| Gain on settlement of discontinued business (net of tax)     | -                                 | -                 | 14,554                             | -                   |
| Income from operations of discontinued business (net of tax) | -                                 | 1,118             | 2,217                              | 5,211               |
| <b>Net income</b>  | <b>\$ 26,996</b>                  | <b>\$ 4,460</b>   | <b>\$ 95,321</b>                   | <b>\$ 57,522</b>    |
| <b>Basic earnings per share</b>                              |                                   |                   |                                    |                     |
| Income from continuing operations                            | \$ 1.69                           | \$ 0.19           | \$ 4.66                            | \$ 3.04             |
| Discontinued operations (f)                                  | -                                 | 0.07              | 1.00                               | 0.30                |
|  | <b>\$ 1.69</b>                    | <b>\$ 0.26</b>    | <b>\$ 5.66</b>                     | <b>\$ 3.34</b>      |
| <b>Diluted earnings per share</b>                            |                                   |                   |                                    |                     |
| Income from continuing operations                            | \$ 1.68                           | \$ 0.19           | \$ 4.63                            | \$ 3.00             |
| Discontinued operations (f)                                  | -                                 | 0.07              | 0.99                               | 0.30                |
|  | <b>\$ 1.68</b>                    | <b>\$ 0.26</b>    | <b>\$ 5.62</b>                     | <b>\$ 3.30</b>      |
| <b>Shares used to compute basic earnings per share</b>       | <b>16,001</b>                     | <b>17,281</b>     | <b>16,841</b>                      | <b>17,223</b>       |
| <b>Shares used to compute diluted earnings per share</b>     | <b>16,117</b>                     | <b>17,415</b>     | <b>16,957</b>                      | <b>17,407</b>       |
| <b>Cash dividends declared per share</b>                     | <b>\$ 0.20</b>                    | <b>\$ 0.125</b>   | <b>\$ 0.575</b>                    | <b>\$ 0.50</b>      |

**Notes to Consolidated Statements of Income**

- (a) Twelve months 2006 and fourth quarter 2006 include 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.
- (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 (benefit) expense for both twelve months 2007 and fourth quarter 2007 includes a special item primarily representing a reversal of deferred tax provisions that were previously provided on the undistributed earnings of certain foreign subsidiaries following our determination that no dividends would be paid by these subsidiaries for the foreseeable future. The twelve months 2007 amount was \$9.5 million and the fourth quarter 2007 amount was \$11.6 million.
- (f) Discontinued operations reflect the settlement of the Arbitration Actions and the resulting termination of the TEL marketing agreements with Innospec Inc. effective April 1, 2007. The gain on the settlement of this business was \$22.8 million (\$14.6 million after tax or \$.84 per share) for twelve months 2007. The income from operations for the 2007 and 2006 periods represent the after tax earnings of the discontinued operations. Income from operations before tax amounted to \$3.5 million for twelve months 2007, \$1.8 million for the fourth quarter 2006, and \$8.2 million for twelve months 2006.

**NEWMARKET CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands)

|  | December 31<br>2007<br>(unaudited) | December 31<br>2006 |
|--|------------------------------------|---------------------|
| <b>ASSETS</b>  |                                    |                     |
| Current assets:  |                                    |                     |
| Cash and cash equivalents  | \$ 71,872                          | \$ 60,300           |
| Restricted cash  | 190                                | 240                 |
| Trade and other accounts receivable, less<br>allowance for doubtful accounts (\$1,059 - 2007;<br>\$835 - 2006) | 207,190                            | 198,243             |
| Inventories  | 193,694                            | 185,581             |
| Deferred income taxes  | 18,727                             | 12,277              |
| Prepaid expenses   | 3,368                              | 5,319               |
| <b>Total current assets</b>  | <b>495,041</b>                     | <b>461,960</b>      |
| Property, plant and equipment, at cost   | 789,634                            | 751,355             |
| Less accumulated depreciation and amortization   | 606,072                            | 589,241             |
| <b>Net property, plant and equipment</b>   | <b>183,562</b>                     | <b>162,114</b>      |
| Prepaid pension cost   | 2,616                              | 85                  |
| Deferred income taxes  | 21,396                             | 30,088              |
| Other assets and deferred charges  | 22,764                             | 38,838              |
| Intangibles, net of amortization   | 45,555                             | 51,708              |
| <b>Total assets</b>  | <b>\$ 770,934</b>                  | <b>\$ 744,793</b>   |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                                    |                     |
| Current liabilities:   |                                    |                     |
| Accounts payable   | \$ 104,636                         | \$ 81,623           |
| Accrued expenses   | 57,043                             | 59,692              |
| Dividends payable  | 3,154                              | 2,162               |
| Book overdraft   | 6,249                              | 2,549               |
| Long-term debt, current portion  | 736                                | 691                 |
| Income taxes payable   | 5,843                              | 13,466              |
| <b>Total current liabilities</b>   | <b>177,661</b>                     | <b>160,183</b>      |
| Long-term debt   | 157,061                            | 152,748             |
| Other noncurrent liabilities   | 119,205                            | 130,460             |
| Shareholders' equity   |                                    |                     |
| Common stock and paid in capital (without par<br>value) Issued - 15,566,225 in 2007<br>and 17,289,860 in 2006  | 5,235                              | 88,263              |
| Accumulated other comprehensive loss   | (34,360)                           | (47,165)            |
| Retained earnings  | 346,132                            | 260,304             |
| <b>Total liabilities and shareholders' equity</b>  | <b>\$ 770,934</b>                  | <b>\$ 744,793</b>   |