

SEGMENT RESULTS AND OTHER FINANCIAL INFORMATION
ETHYL CORPORATION AND SUBSIDIARIES

(In millions except per share amounts, unaudited)

	Second Quarter		Six Months	
	2003	2002	2003	2002
Net sales:				
Petroleum additives	\$ 178.8	\$ 167.9	\$ 350.6	\$ 312.4
Tetraethyl lead	1.8	3.0	3.4	4.7
Total	\$ 180.6	\$ 170.9	\$ 354.0	\$ 317.1
Segment operating profit:				
Petroleum additives before nonrecurring items	\$ 16.6	\$ 12.3	\$ 28.3	\$ 21.6
Nonrecurring items (a)	-	0.3	0.1	(1.2)
Total petroleum additives	16.6	12.6	28.4	20.4
Tetraethyl lead	6.3	3.4	7.8	7.8
Nonrecurring items (a)	-	-	2.4	(1.6)
Total tetraethyl lead	6.3	3.4	10.2	6.2
Segment operating profit	22.9	16.0	38.6	26.6
(Deduct) add back nonrecurring items to reconcile Segment Reporting to Consolidated Statements of Income (b)	-	-	(2.5)	3.1
Corporate unallocated expense	(4.4)	(4.0)	(9.0)	(6.3)
Interest expense	(6.4)	(6.6)	(11.2)	(13.6)
Writedown investments and property (a)	-	(4.1)	-	(4.1)
Pension expense	(1.4)	(1.5)	(2.8)	(3.0)
Other expense, net	(2.0)	(2.5)	(4.7)	(5.5)
Income (loss) from continuing operations before income taxes	\$ 8.7	\$ (2.7)	\$ 8.4	\$ (2.8)
Net income (loss):				
Earnings excluding discontinued operations and nonrecurring items	\$ 5.7	\$ 0.8	\$ 5.6	\$ 0.8
Discontinued operations (c)	-	0.6	14.8	1.5
Nonrecurring items (a)	-	(3.9)	1.6	(6.4)
Net income (loss):	\$ 5.7	\$ (2.5)	\$ 22.0	(\$4.1)
Basic earnings (loss) per share:				
Earnings excluding discontinued operations and nonrecurring items	\$ 0.34	\$ 0.05	\$ 0.33	\$ 0.05
Discontinued operations (c)	-	0.04	0.89	0.09
Nonrecurring items (a)	-	(0.23)	0.10	(0.38)
Net income (loss)	\$ 0.34	\$ (0.14)	\$ 1.32	\$ (0.24)
Diluted earnings (loss) per share:				
Earnings excluding discontinued operations and nonrecurring items	\$ 0.34	\$ 0.05	\$ 0.33	\$ 0.05
Discontinued operations (c)	-	0.04	0.88	0.09
Nonrecurring items (a)	-	(0.23)	0.10	(0.38)
Net income (loss)	\$ 0.34	\$ (0.14)	\$ 1.31	\$ (0.24)

Notes to Segment Results and Other Financial Information

Prior periods have been reclassified to conform to the current presentation.

- (a) Nonrecurring items after income taxes are shown below. The gain on the implementation of Statement of Financial Accounting Standards (SFAS) No. 143, as well as the impairment of goodwill and engine oil additives rationalization, are included in segment operating profit.

Gain on implementation of SFAS No. 143	\$ -	\$ -	\$ 1.6	\$ -
Impairment of goodwill	-	-	-	(2.5)
Loss on impairments of nonoperating assets	-	(4.1)	-	(4.1)
Engine oil additives rationalization	-	0.2	-	0.2
	\$ -	\$ (3.9)	\$ 1.6	\$ (6.4)

- (b) For segment reporting, the 2003 gain on the implementation of SFAS No. 143, as well as the 2002 impairment of goodwill, is shown in operating profit as nonrecurring items. In the Consolidated Statements of Income, these items are shown as cumulative effect of accounting changes in both years.

- (c) Discontinued operations reflect the phenolic antioxidant business, which was sold in January 2003. The six months 2003 amount is the gain on the disposal of the business (\$23.2 million before tax). The second quarter and six months 2002 amount represents the earnings of the business.

CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share amounts, unaudited)

ETHYL CORPORATION AND SUBSIDIARIES

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
Net sales	\$ 180,574	\$ 170,943	\$ 354,040	\$ 317,119
Cost of goods sold	136,576	135,665	273,982	251,783
Gross profit	43,998	35,278	80,058	65,336
TEL marketing agreements services	7,931	4,446	10,932	10,162
Selling, general, and administrative expenses	21,904	18,978	42,492	35,108
Research, development, and testing expenses	15,021	13,160	28,703	25,166
Operating profit	15,004	7,586	19,795	15,224
Interest and financing expenses	6,402	6,562	11,204	13,600
Other income (expense), net (a)	56	(3,734)	(142)	(4,420)
Income (loss) from continuing operations before income taxes	8,658	(2,710)	8,449	(2,796)
Income tax expense	2,913	374	2,841	278
Income (loss) from continuing operations	5,745	(3,084)	5,608	(3,074)
Discontinued operations (b)				
Gain on disposal of business (net of tax)	-	-	14,805	-
Income from operations of discontinued business (net of tax)	-	622	-	1,495
Income (loss) before cumulative effect of accounting changes	5,745	(2,462)	20,413	(1,579)
Cumulative effect of accounting changes (net of tax) (c)	-	-	1,624	(2,505)
Net income (loss)	\$ 5,745	\$ (2,462)	\$ 22,037	\$ (4,084)
Basic earnings (loss) per share:				
Earnings (loss) from continuing operations	\$ 0.34	\$ (0.18)	\$ 0.33	\$ (0.18)
Discontinued operations (net of tax) (b)	-	0.04	0.89	0.09
Cumulative effect of accounting changes (net of tax) (c)	-	-	0.10	(0.15)
	\$ 0.34	\$ (0.14)	\$ 1.32	\$ (0.24)
Diluted earnings (loss) per share:				
Earnings (loss) from continuing operations	\$ 0.34	\$ (0.18)	\$ 0.33	\$ (0.18)
Discontinued operations (net of tax) (b)	-	0.04	0.88	0.09
Cumulative effect of accounting changes (net of tax) (c)	-	-	0.10	(0.15)
	\$ 0.34	\$ (0.14)	\$ 1.31	\$ (0.24)
Shares used to compute basic earnings (loss) per share	16,724	16,691	16,706	16,691
Shares used to compute diluted earnings (loss) per share	16,969	16,691	16,829	16,691

Notes to Consolidated Statements of Income

Prior periods have been reclassified to conform to the current presentation.

- (a) Other income (expense), net includes a loss on the impairment of nonoperating assets for second quarter 2002 and six months 2002 of \$4.1 million (\$4.1 million after tax or \$.24 per share), as well as expenses related to debt refinancing activities of \$300 thousand for six months 2003 and \$1.0 million for six months 2002.
- (b) Discontinued operations reflect the phenolic antioxidant business, which was sold in January 2003. The gain on the disposal of this business was \$23.2 million (\$14.8 million after tax or \$.89 per share).
- (c) The cumulative effect of accounting change for six months 2003 reflects the gain of \$2.5 million (\$1.6 million after tax or \$.10 per share) recognized upon the adoption of Statement of Financial Accounting Standard (SFAS) No. 143 on January 1, 2003. The six months 2002 amount reflects the impairment of goodwill of \$3.1 million (\$2.5 million after tax or \$.15 per share) resulting from the January 1, 2002 adoption of SFAS No. 142.