

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

	Three Months Ended March 31	
	2004	2003
Net sales:		
Petroleum additives	\$ 214.6	\$ 171.8
Tetraethyl lead	2.2	1.7
Total	\$ 216.8	\$ 173.5
Segment operating profit:		
Petroleum additives before nonrecurring item	\$ 14.9	\$ 11.2
Nonrecurring item (a)	-	0.1
Total petroleum additives	14.9	11.3
Tetraethyl lead before nonrecurring item	7.3	1.4
Nonrecurring item (a)	-	2.4
Total tetraethyl lead	7.3	3.8
Segment operating profit	22.2	15.1
Deduct current year nonrecurring item to reconcile Segment Reporting to Consolidated Statements of Income (b)	-	(2.5)
Corporate unallocated expense	(5.2)	(4.7)
Interest expense	(5.2)	(4.8)
Other expense, net	(2.9)	(3.3)
Income (loss) from continuing operations before income taxes	\$ 8.9	\$ (0.2)
Net income:		
Earnings excluding discontinued operations and nonrecurring item	\$ 5.8	\$ (0.1)
Discontinued operations (c)	-	14.8
Nonrecurring item (a)	-	1.6
Net income:	\$ 5.8	\$ 16.3
Basic earnings per share:		
Earnings excluding discontinued operations and nonrecurring item	\$ 0.35	\$ (0.01)
Discontinued operations (c)	-	0.89
Nonrecurring item (a)	-	0.10
Net income	\$ 0.35	\$ 0.98
Diluted earnings per share:		
Earnings excluding discontinued operations and nonrecurring item	\$ 0.34	\$ (0.01)
Discontinued operations (c)	-	0.89
Nonrecurring item (a)	-	0.10
Net income	\$ 0.34	\$ 0.98

Notes to Segment Results and Other Financial Information

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

- (a) The nonrecurring item after income taxes amounts to \$1.6 million and results from 2003 gain on the implementation of Statement of Financial Accounting Standards (SFAS) No. 143. This nonrecurring item is included in segment operating profit.
- (b) For segment reporting, the 2003 gain on the implementation of SFAS No. 143 is shown in operating profit as a nonrecurring item. In the Consolidated Statements of Income, this item is shown as a cumulative effect of accounting change.
- (c) Discontinued operations reflect the gain (\$23.2 million before tax) on the disposal of the phenolic antioxidant business, which was sold in January 2003.

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

	Three Months Ended March 31	
	2004	2003
Net sales	\$ 216,770	\$ 173,466
Cost of goods sold	170,909	137,406
Gross profit	45,861	36,060
TEL marketing agreements services	7,312	3,001
Selling, general, and administrative expenses	23,518	20,588
Research, development, and testing expenses	15,749	13,682
Operating profit	13,906	4,791
Interest and financing expenses	5,156	4,802
Other income (expense), net	166	(198)
Income (loss) from continuing operations before income taxes	8,916	(209)
Income tax expense (benefit)	3,098	(72)
Income (loss) from continuing operations	5,818	(137)
Discontinued operations (a) Gain on disposal of business (net of tax)	-	14,805
Income before cumulative effect of accounting change	5,818	14,668
Cumulative effect of accounting change (net of tax) (b)	-	1,624
Net income	\$ 5,818	\$ 16,292
Basic earnings per share:		
Earnings (loss) from continuing operations	\$ 0.35	\$ (0.01)
Discontinued operations (net of tax) (a)	-	0.89
Cumulative effect of accounting change (net of tax) (b)	-	0.10
Net income	\$ 0.35	\$ 0.98
Diluted earnings per share:		
Earnings (loss) from continuing operations	\$ 0.34	\$ (0.01)
Discontinued operations (net of tax) (a)	-	0.89
Cumulative effect of accounting change (net of tax) (b)	-	0.10
Net income	\$ 0.34	\$ 0.98
Shares used to compute basic earnings per share	16,813	16,689
Shares used to compute diluted earnings per share	17,121	16,689

Notes to Consolidated Statements of Income

- (a) 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.)
- (b) The cumulative effect of accounting change in the first quarter 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.

ETHYL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	March 31 2004 (unaudited)	December 31 2003
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 22,290	\$ 29,052
Restricted cash	1,805	1,903
Trade and other accounts receivable, less allowance for doubtful accounts (\$2,691 - 2004; \$2,382 - 2003)	135,948	132,542
Receivable - TEL marketing agreements services	2,228	2,456
Inventories	122,304	124,428
Prepaid expenses	9,061	3,810
Deferred income taxes	11,001	11,296
Total current assets	304,637	305,487
Property, plant and equipment, at cost	753,420	751,919
Less accumulated depreciation and amortization	583,481	577,686
Net property, plant and equipment	169,939	174,233
Prepaid pension cost	22,754	21,829
Deferred income taxes	8,527	5,471
Other assets and deferred charges	67,069	75,564
Intangibles, net of amortization	61,272	62,849
Total assets	\$ 634,198	\$ 645,433
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 59,300	\$ 53,589
Accrued expenses	42,345	50,691
Long-term debt, current portion	5,871	6,978
Income taxes payable	15,657	10,055
Total current liabilities	123,173	121,313
Long-term debt	188,205	201,839
Other noncurrent liabilities	117,607	122,598
Shareholders' equity		
Common stock (\$1 par value)		
Issued - 16,831,509 in 2004 and 16,786,009 in 2003	16,832	16,786
Additional paid in capital	67,242	67,091
Accumulated other comprehensive loss	(20,649)	(20,164)
Retained earnings	141,788	135,970
	205,213	199,683
Total liabilities and shareholders' equity	\$ 634,198	\$ 645,433

ETHYL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Three Months Ended March 31	
	2004	2003
Cash and cash equivalents at beginning of year	\$ 29,052	\$ 15,478
Cash flows from operating activities:		
Net income	5,818	16,292
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	10,874	11,271
Amortization of deferred financing costs	1,086	1,318
Noncash pension expense	2,583	2,316
Cumulative effect of accounting change	-	(2,549)
Gain on sale of phenolic antioxidant business	-	(23,196)
Deferred income tax (benefit) expense	(2,356)	2,029
Working capital changes	2,789	3,366
Cash pension contributions	(5,940)	(687)
TEL working capital advance	113	779
Proceeds from legal settlement	-	4,825
Other, net	(3,901)	2,933
Cash provided from operating activities	11,066	18,697
Cash flows from investing activities:		
Capital expenditures	(3,295)	(1,818)
Proceeds from sale of phenolic antioxidant business	-	27,020
Other, net	11	3
Cash (used in) provided from investing activities	(3,284)	25,205
Cash flows from financing activities:		
Repayment of term loan	(14,602)	-
Repayment of debt - previous agreements	-	(41,890)
Debt issuance costs	-	(1,756)
Other, net	58	(131)
Cash used in financing activities	(14,544)	(43,777)
(Decrease) increase in cash and cash equivalents	(6,762)	125
Cash and cash equivalents at end of period	\$ 22,290	\$ 15,603