

NEWMARKET CORPORATION AND SUBSIDIARIES
SEGMENT RESULTS AND OTHER FINANCIAL INFORMATION

(In millions except per share amounts, unaudited)

	Three Months Ended	
	March 31	
	2011	2010
Revenue:		
Petroleum additives	\$ 502.7	\$ 389.3
Real estate development	2.9	2.9
All other (a)	2.5	2.9
Total	\$ 508.1	\$ 395.1
Segment operating profit:		
Petroleum additives	\$ 80.6	\$ 70.4
Real estate development	1.8	1.8
All other (a)	0.2	0.9
Segment operating profit	82.6	73.1
Corporate unallocated expense	(4.1)	(4.2)
Interest and financing expenses	(4.6)	(3.9)
Gain (loss) on an interest rate swap agreement (b)	0.9	(2.4)
Other (expense), net	(1.4)	(0.1)
Income before income tax expense	\$ 73.4	\$ 62.5
Net income	\$ 49.6	\$ 42.1
Basic earnings per share	\$ 3.57	\$ 2.79
Diluted earnings per share	\$ 3.57	\$ 2.78

Notes to Segment Results and Other Financial Information

- (a) "All other" includes the results of our TEL business, as well as certain contract manufacturing of Ethyl Corporation.
- (b) The gain (loss) on an interest rate swap agreement represents the change, since the beginning of the reporting period, in the fair value of an interest rate swap which we entered into on June 25, 2009. We are not using hedge accounting to record the interest rate swap and, accordingly, any change in the fair value is immediately recognized in earnings.

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

	Three Months Ended	
	March 31	
	2011	2010
Revenue:		
Net sales - product	\$ 505,225	\$ 392,265
Rental revenue	2,858	2,861
	<u>508,083</u>	<u>395,126</u>
Costs:		
Cost of goods sold - product	366,051	273,628
Cost of rental	1,068	1,090
	<u>367,119</u>	<u>274,718</u>
Gross profit	140,964	120,408
Selling, general, and administrative expenses	38,424	30,574
Research, development, and testing expenses	24,461	21,083
	<u>62,885</u>	<u>51,657</u>
Operating profit	78,079	68,751
Interest and financing expenses	4,645	3,949
Other expense, net (a)	67	2,311
	<u>4,712</u>	<u>6,260</u>
Income before income tax expense	73,367	62,491
Income tax expense	23,778	20,353
	<u>23,778</u>	<u>20,353</u>
Net income	\$ 49,589	\$ 42,138
Basic earnings per share	\$ 3.57	\$ 2.79
Diluted earnings per share	\$ 3.57	\$ 2.78
Shares used to compute basic earnings per share	13,890	15,118
Shares used to compute diluted earnings per share	13,906	15,154
Cash dividends declared per share	\$ 0.440	\$ 0.375

Notes to Consolidated Statements of Income

(a) On June 25, 2009 we entered into an interest rate swap. The gain on the interest rate swap was \$0.9 million for the three months ended March 31, 2011, and the loss on the interest rate swap was \$2.4 million for the three months ended March 31, 2010. We are not using hedge accounting to record the interest rate swap, and accordingly, any change in the fair value is immediately recognized in earnings.

NEWMARKET CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, unaudited)

	<u>March 31</u> <u>2011</u>	<u>December 31</u> <u>2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 49,803	\$ 49,192
Short-term investments	-	300
Trade and other accounts receivable, less allowance for doubtful accounts (\$956 - 2011; \$733 - 2010)	292,513	257,748
Inventories	295,468	273,215
Deferred income taxes	4,625	6,876
Prepaid expenses and other current assets	15,202	15,444
Total current assets	<u>657,611</u>	<u>602,775</u>
Property, plant and equipment, at cost	1,019,474	988,180
Less accumulated depreciation and amortization	667,394	654,204
Net property, plant and equipment	<u>352,080</u>	<u>333,976</u>
Prepaid pension cost	10,734	8,597
Deferred income taxes	19,318	21,974
Other assets and deferred charges	47,566	48,893
Intangibles (net of amortization) and goodwill	44,358	46,526
Total assets	<u>\$ 1,131,667</u>	<u>\$ 1,062,741</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 116,279	\$ 109,250
Accrued expenses	60,045	71,558
Dividends payable	5,189	5,304
Book overdraft	2,912	1,063
Long-term debt, current portion	4,347	4,369
Income taxes payable	26,500	14,843
Total current liabilities	<u>215,272</u>	<u>206,387</u>
Long-term debt	253,829	217,544
Other noncurrent liabilities	141,764	147,170
Shareholders' equity		
Common stock and paid in capital (without par value) Issued and Outstanding - 13,845,311 in 2011 and 14,034,884 in 2010	4	-
Accumulated other comprehensive loss	(64,071)	(73,820)
Retained earnings	584,869	565,460
Total liabilities and shareholders' equity	<u>\$ 1,131,667</u>	<u>\$ 1,062,741</u>

NEWMARKET CORPORATION AND SUBSIDIARIES
SELECTED CONSOLIDATED CASH FLOW DATA

(In thousands, unaudited)

	Three Months Ended	
	March 31	
	2011	2010
Net income	\$ 49,589	\$ 42,138
Depreciation and amortization	10,167	8,779
Working capital changes	(45,598)	(10,903)
Capital expenditures	(24,151)	(6,677)
Acquisition of business	0	(43,748)
Net borrowings under revolving credit agreement	37,000	0
Repayment of Foundry Park I construction loan	0	(99,102)
Borrowing under Foundry Park I mortgage loan	0	68,400
Repurchases of common stock	(27,427)	(14,276)
Dividends paid	(903)	(5,641)
All other	1,934	(2,830)
Increase (decrease) in cash and cash equivalents	<u>\$ 611</u>	<u>\$ (63,860)</u>