

NEWMARKET CORPORATION AND SUBSIDIARIES
SEGMENT RESULTS AND OTHER FINANCIAL INFORMATION

(In millions except per share amounts, unaudited)

	Fourth Quarter		Twelve Months	
	2004	2003	2004	2003
Net sales:				
Petroleum additives	\$ 229.1	\$ 202.1	\$ 884.6	\$ 746.8
Tetraethyl lead	2.1	3.1	9.5	9.5
Total	\$ 231.2	\$ 205.2	\$ 894.1	\$ 756.3
Segment operating profit:				
Petroleum additives before nonrecurring items	\$ 4.7	\$ 9.0	\$ 43.5	\$ 48.6
Nonrecurring items (a)	-	-	0.8	0.1
Total petroleum additives	4.7	9.0	44.3	48.7
Tetraethyl lead before nonrecurring items	4.3	6.5	24.5	20.9
Nonrecurring items (a)	-	-	12.5	2.4
Total tetraethyl lead	4.3	6.5	37.0	23.3
Other	0.9	-	1.7	-
Segment operating profit	9.9	15.5	83.0	72.0
Deduct nonrecurring item to reconcile Segment Reporting to Consolidated Statements of Income (b)	-	-	-	(2.5)
Corporate unallocated expense	(3.3)	(3.0)	(12.6)	(9.2)
Interest expense	(4.3)	(4.8)	(18.3)	(21.2)
Other expense, net	(2.1)	(1.9)	(7.5)	(9.8)
Income from continuing operations before income taxes	\$ 0.2	\$ 5.8	\$ 44.6	\$ 29.3
Net income:				
Earnings excluding discontinued operations and nonrecurring items	\$ 2.9	\$ 4.7	\$ 24.7	\$ 20.7
Discontinued operations (c)	-	-	-	14.8
Nonrecurring items (a)	-	-	8.4	1.6
Net income	\$ 2.9	\$ 4.7	\$ 33.1	\$ 37.1
Basic earnings per share:				
Earnings excluding discontinued operations and nonrecurring items	\$ 0.17	\$ 0.28	\$ 1.45	\$ 1.23
Discontinued operations (c)	-	-	-	0.88
Nonrecurring items (a)	-	-	0.50	0.10
Net income	\$ 0.17	\$ 0.28	\$ 1.95	\$ 2.21
Diluted earnings per share:				
Earnings excluding discontinued operations and nonrecurring items	\$ 0.17	\$ 0.28	\$ 1.43	\$ 1.22
Discontinued operations (c)	-	-	-	0.88
Nonrecurring items (a)	-	-	0.49	0.09
Net income	\$ 0.17	\$ 0.28	\$ 1.92	\$ 2.19

Notes to Segment Results and Other Financial Information

Prior periods have been reclassified to conform to the current presentation. The reclassifications consist of an allocation of certain costs in alignment with the transition during 2004 to a holding company structure. There was no impact on net income in any period.

- (a) The 2004 nonrecurring item after income taxes amounts to \$8.4 million and represents the gain on an insurance settlement. The 2003 nonrecurring item after income taxes amounts to \$1.6 million and results from the 2003 gain on the implementation of Statement of Financial Accounting Standard (SFAS) No. 143. These nonrecurring items are 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.

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	
	2004	2003	2004	2003
Net sales	\$ 231,161	\$ 205,206	\$ 894,109	\$ 756,341
Cost of goods sold	191,883	164,609	715,809	590,430
Gross profit	39,278	40,597	178,300	165,911
Operating profit from TEL marketing agreements services	6,287	8,959	33,226	29,603
Selling, general, and administrative expenses	24,698	25,417	96,855	88,090
Research, development, and testing expenses	16,405	14,678	65,356	57,865
Special item income (a)	-	-	13,245	-
Operating profit	4,462	9,461	62,560	49,559
Interest and financing expenses	4,312	4,719	18,254	21,128
Other income, net	83	1,016	324	911
Income from continuing operations before income taxes	233	5,758	44,630	29,342
Income tax (benefit) expense	(2,679)	1,039	11,572	8,718
Income from continuing operations	2,912	4,719	33,058	20,624
Discontinued operations (b) Gain on disposal of business (net of tax)	-	-	-	14,805
Income before cumulative effect of accounting change	2,912	4,719	33,058	35,429
Cumulative effect of accounting change (net of tax) (c)	-	-	-	1,624
Net income	\$ 2,912	\$ 4,719	\$ 33,058	\$ 37,053
Basic earnings per share:				
Earnings from continuing operations	\$ 0.17	\$ 0.28	\$ 1.95	\$ 1.23
Discontinued operations (net of tax) (b)	-	-	-	0.88
Cumulative effect of accounting change (net of tax) (c)	-	-	-	0.10
	\$ 0.17	\$ 0.28	\$ 1.95	\$ 2.21
Diluted earnings per share:				
Earnings from continuing operations	\$ 0.17	\$ 0.28	\$ 1.92	\$ 1.22
Discontinued operations (net of tax) (b)	-	-	-	0.88
Cumulative effect of accounting change (net of tax) (c)	-	-	-	0.09
	\$ 0.17	\$ 0.28	\$ 1.92	\$ 2.19
Shares used to compute basic earnings per share	16,976	16,768	16,916	16,733
Shares used to compute diluted earnings per share	17,318	17,082	17,199	16,940

Notes to Consolidated Statements of Income

Prior periods have been reclassified to conform to the current presentation. The reclassifications consist of an allocation of certain costs in alignment with the transition during 2004 to a holding company structure. There was no impact on net income in any period.

- (a) The special item income in 2004 represents the gain on a settlement with an insurance company.
- (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 \$.88 per share).
- (c) The cumulative effect of accounting change for twelve 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.