

Financial News

ETHYL CORPORATION REPORTS SECOND QUARTER AND 6 MONTH 2002 RESULTS

- Petroleum additives earnings improve significantly
- Debt reduced \$12.6 million in second quarter
- Shareholders approve one-for-five reverse stock split
- TEL earnings decline

Richmond, VA, August 2, 2002 – Ethyl Corporation (NYSE: EY) – Ethyl Corporation President and Chief Executive Officer, Thomas E. (Teddy) Gottwald today released the following earnings report for the second quarter and first half of 2002 and update on the company's operations. All per share information reflects the impact of the one-for-five reverse stock split.

To Our Shareholders:

Earnings excluding nonrecurring items for the second quarter 2002 were income of \$1.4 million or 9 cents per share while earnings for six months on this basis were \$2.3 million or 14 cents per share. On this same basis, earnings for the second quarter last year were \$5.1 million or 30 cents per share while six months results amounted to income of \$8.6 million or 52 cents per share. Net income for this year's and last year's periods include significant nonrecurring items. These nonrecurring items are included in the summary of earnings chart at the end of this press release.

The petroleum additives segment operating profit excluding nonrecurring items improved significantly over the same period last year. Second quarter 2002 petroleum additives operating profit improved 26 percent while the improvement in operating profit for the first half of the year was 27 percent compared to the same period last year. Petroleum additives operating profit in the second quarter was the best quarterly result this segment has had in over two years. The actions we have taken to more fully leverage our technology and product portfolio and strengthen our product marketing and regional teams are improving our results. The improved petroleum additives profit also reflects the combined impact of improved asset utilization resulting in lower manufacturing cost following our restructuring initiatives as well as somewhat lower raw material cost.

Earnings also benefited from lower corporate and interest expense due to our cost reduction and debt reduction initiatives. This strong improvement in petroleum additives earnings was more than offset by the combined impact of lower TEL earnings, lower non-cash pension income and a negative impact related to foreign currency. The lower non-cash pension income reduced earnings 16 cents per share for the quarter and 33 cents for the six months versus the same periods last year.

The second quarter and six months 2002 TEL segment operating profits were lower than the same periods last year largely reflecting the significant quarterly swings in shipments and profits which are characteristics of this business. While the first half of 2001 included

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64 percent of TEL earnings for the year, we expect the second half of 2002 to be the stronger TEL earnings period for this year. TEL earnings in 2001 also benefited from the sale of the remaining TEL inventory to be sold to Octel, which they purchased under our TEL agreement with them. While this product continues to supply strong cash flows, TEL earnings for the year will be lower than last year as the product continues to be phased out around the world.

We made excellent progress on debt reduction during the second quarter. We reduced debt \$12.6 million and also made payments of \$9.6 million related to the required funding associated with the amendment of our TEL marketing agreements. The remaining funding requirements related to these agreements are now expected to be completed in the second half of this year. We also expect to make further progress on debt reduction in the second half of the year.

We are extremely pleased with the progress on our goal of improving the profitability in our petroleum additives business. Our operating profits in this business have improved in essentially all of our regions and major product lines compared to the same periods last year. We made significant progress on debt reduction in the second quarter and are on target to meet our debt reduction objectives for the year. Instability in the world economy and increasing raw material costs add a degree of uncertainty to the future; however, the entire Ethyl team is making steady gains in generating profitable growth opportunities. The actions we have taken and the strategies in place position us to continue this progress.

Sincerely,

Teddy Gottwald

Earnings for the second quarter and six months include significant nonrecurring items. A summary of earnings totaling net income under generally accepted accounting principles is included below as part of the earnings release.

Summary of earnings for the Second Quarter and Six Months:

	Second Quarter Ended June 30		Six Months Ended June 30	
	2002	2001	2002	2001
Net (loss) income:				
Earnings excluding nonrecurring items	\$ 1.4	\$ 5.1	\$ 2.3	\$ 8.6
Nonrecurring items (1)	(3.9)	(99.9)	(3.9)	(114.7)
Cumulative effect of accounting change for goodwill write-off	-	-	(2.5)	-
Net (loss)	<u>\$ (2.5)</u>	<u>\$ (94.8)</u>	<u>\$ (4.1)</u>	<u>\$ (106.1)</u>
Basic and diluted (loss) earnings per share:				
Earnings excluding nonrecurring items	\$ 0.09	\$ 0.30	\$ 0.14	\$ 0.52
Nonrecurring items (1)	(0.23)	(5.98)	(0.23)	(6.87)
Cumulative effect of accounting change for goodwill write-off	-	-	(0.15)	-
Net (loss)	<u>\$ (0.14)</u>	<u>\$ (5.68)</u>	<u>\$ (0.24)</u>	<u>\$ (6.35)</u>

(1) Details included in notes to accompanying financial statements.

Some of the information contained in this press release constitutes forward-looking comments within the meaning of the Private Securities Litigation Reform Act of 1995. Although Ethyl's management believes its expectations are based on reasonable

Although Ethyl's management believes its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that actual results will not differ materially from expectations. Factors that could cause actual results to differ from expectations are included in Ethyl's latest annual report to shareholders, which is available upon request.

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Additional financial information

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