

NEWMARKET CORP
Form 10-Q
October 26, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 1-32190

NEWMARKET CORPORATION
(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of
incorporation or organization)

20-0812170
(I.R.S. Employer
Identification No.)

330 SOUTH FOURTH STREET
RICHMOND, VIRGINIA
(Address of principal executive offices)

23219-4350
(Zip Code)

Registrant's telephone number, including area code - (804) 788-5000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Number of shares of common stock, without par value, outstanding as of September 30, 2012: 13,417,877

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

NEWMARKET CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per-share amounts)

(Unaudited)

	Third Quarter Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenue:				
Net sales - product	\$551,187	\$554,539	\$1,698,556	\$1,635,429
Rental revenue	2,857	2,857	8,573	8,573
	554,044	557,396	1,707,129	1,644,002
Costs:				
Cost of goods sold - product	390,918	411,133	1,206,932	1,206,843
Cost of rental	1,067	1,067	3,203	3,203
	391,985	412,200	1,210,135	1,210,046
Gross profit	162,059	145,196	496,994	433,956
Selling, general, and administrative expenses	37,096	36,075	114,703	111,818
Research, development, and testing expenses	30,208	26,888	86,569	76,728
Gain on legal settlement, net	0	38,656	0	38,656
Operating profit	94,755	120,889	295,722	284,066
Interest and financing expenses, net	1,632	4,797	8,498	14,135
Loss on early extinguishment of debt	0	0	9,932	0
Other income (expense), net	81	(12,825)	(3,740)	(16,879)
Income before income tax expense	93,204	103,267	273,552	253,052
Income tax expense	28,489	31,906	87,022	79,843
Net income	\$64,715	\$71,361	\$186,530	\$173,209
Basic earnings per share	\$4.83	\$5.22	\$13.91	\$12.54
Diluted earnings per share	\$4.83	\$5.22	\$13.91	\$12.54
Shares used to compute basic earnings per share	13,406	13,680	13,405	13,807
Shares used to compute diluted earnings per share	13,406	13,680	13,405	13,814
Cash dividends declared per common share	\$0.75	\$0.60	\$2.25	\$1.64

See accompanying Notes to Consolidated Financial Statements

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NEWMARKET CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Third Quarter Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income	\$64,715	\$71,361	\$186,530	\$173,209
Other comprehensive income (loss):				
Pension plans and other postretirement benefits:				
Amortization of prior service cost included in net periodic benefit cost, net of income tax expense of \$13 in third quarter 2012, \$34 in nine months 2012, \$34 in third quarter 2011, and \$104 in nine months 2011				10