

What does *Crompton* do for you?



# We make life better.

In ways too numerous to mention, Crompton touches your life. So many of the products that you buy and use every day are made better by Crompton. From cosmetics to computers, from plastics to petroleum products, Crompton employees are finding solutions to make your life better...

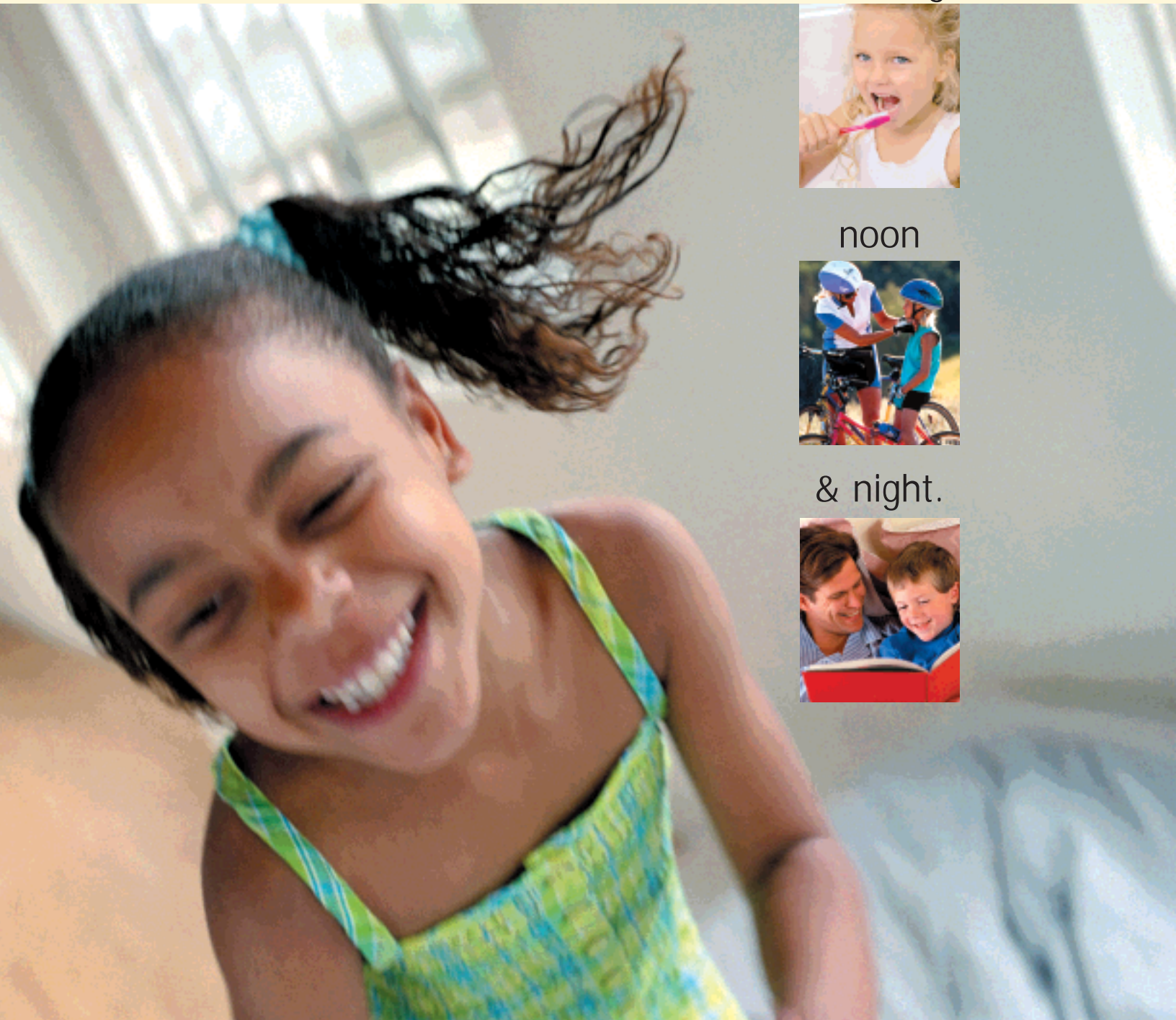
morning



noon



& night.



Crompton is a global producer and marketer of specialty chemicals and polymer products and equipment. The company has approximately 5,500 employees in research, manufacturing, sales and administrative facilities in every major market in the world.

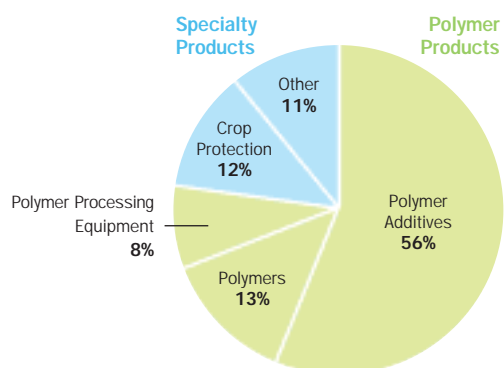
Available in more than 120 countries, our products and services solve customer problems and add value to customers' products. Our 114 million shares of common stock outstanding at December 31, 2003 are traded on the New York Stock Exchange under the symbol CK. Information about the company and an online version of this report are available at [www.cromptoncorp.com](http://www.cromptoncorp.com).

## financial highlights

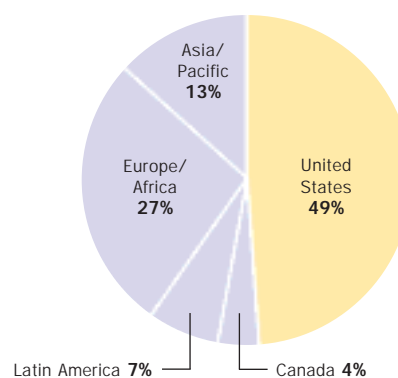
*(In thousands of dollars, except per share data)*

	2003	2002
Net sales	\$ 2,185,043	\$ 2,090,271
Operating profit (loss)	\$ (35,018)	\$ 85,375
Interest expense	\$ 89,653	\$ 101,704
Loss on early extinguishment of debt	\$ 24,699	\$ -
Loss from continuing operations before cumulative effect of accounting change	\$ (118,651)	\$ (35,446)
Earnings from discontinued operations	\$ 26,314	\$ 50,920
Gain on sale of discontinued operations	\$ 111,692	\$ -
Cumulative effect of accounting change	\$ (401)	\$ (298,981)
Net earnings (loss)	\$ 18,954	\$ (283,507)
Basic and diluted earnings (loss) per common share:		
Loss from continuing operations before cumulative effect of accounting change	\$ (1.05)	\$ (0.31)
Net earnings (loss)	\$ 0.17	\$ (2.50)
Total assets	\$ 2,529,182	\$ 2,840,815
Total debt	\$ 814,713	\$ 1,256,843
Stockholders' equity	\$ 302,709	\$ 199,883

2003 Sales by Business Segment



2003 Sales by Geographic Region



## fellow shareholders

The year 2003 was both exciting and disappointing for Crompton. Importantly, we increased our focus on our core businesses and reduced our debt by 35 percent. However, raw-material and energy prices continued to rise, the economy remained challenging, and excess capacity made it difficult to pass cost increases through to our customers. At the same time, we were dealing with several antitrust investigations and related litigation. All of these factors contributed to less-robust results than we had planned.

“We increased our focus  
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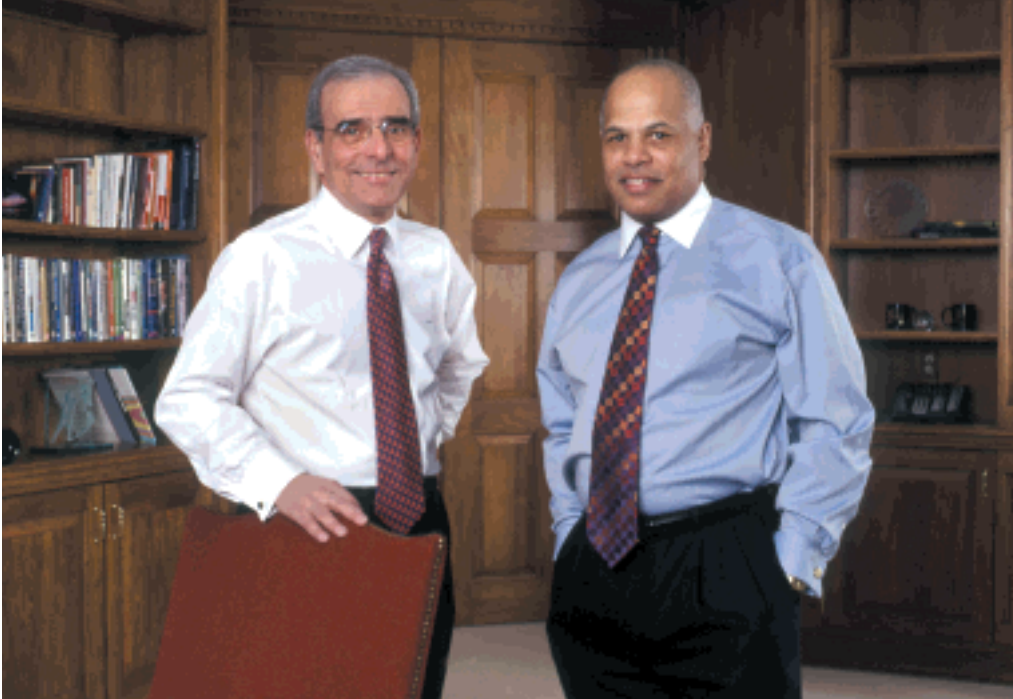
### Accomplishments

In July 2003, we completed the divestiture of our organosilicones business and acquisition of GE Specialty Chemicals, making Crompton one of the top producers and marketers of polymer additives in the world. Our products cover the entire plastics additives supply chain, from monomers and polymerization to finishing, compounding and fabrication. We believe that concentration on our core polymers and polymer additives businesses and our broad range of products and services will enable us to achieve sustainable competitive advantage.

The sale of our organosilicones business to General Electric Company resulted in net cash proceeds in 2003 of \$633 million, as well as quarterly “earn-out” payments for three years, based on the performance of GE’s existing silicones business and the business it acquired from Crompton. The earn-out will total a minimum of \$105 million and a maximum of \$250 million, which will be applied to further debt reduction.

In addition to the GE transaction, we took a number of steps in 2003 to enhance our competitive position:

- We implemented cost reductions to rightsize our support structure and improve profitability. This restructuring will reduce our global workforce by 7 percent and will result in \$40 million in annual pretax savings in 2004.
- We opened a new facility in Nanjing, China, where we are establishing a platform for new manufacturing investments in key technologies to help us improve service and support to our expanding Chinese customer base.
- We opened a new office in Dubai, United Arab Emirates, to represent several Crompton businesses. We believe the Middle East offers significant new business opportunities, in particular due to ongoing increases by our customers in their polymer production capacity.
- We expanded our use of Six Sigma methodology as part of our continual drive to reduce costs and improve processes throughout the organization. We are developing new ways to use Six Sigma with our customers and suppliers to make those relationships more effective and efficient.



*Vincent A. Calarco, Chairman, left, and Robert L. Wood, President and Chief Executive Officer.*

### **Corporate Governance**

As our annual report went to press, we announced that we reached agreements with U.S. and Canadian authorities regarding their investigations into our rubber chemicals business. We have established reserves of \$45.2 million in connection with the two agreements. In addition, we have completed our own comprehensive internal investigation. The resolution of these investigations and the personnel actions we have taken are major steps in putting these issues behind us and enabling us to concentrate on the future. We continue to work diligently to resolve the pending civil litigation and the European Commission's rubber chemicals investigation.

We are pleased to report that in 2003, we made substantive gains in governance with the appointment of Roger Headrick and C.A. Piccolo as independent co-lead directors; the implementation of an online training program in corporate compliance and business ethics for all Crompton employees; the establishment of a global, around-the-clock employee hot line; and the appointment of a full-time ethics and compliance officer. In addition, we rewrote our Code of Business Conduct and Ethics to be more comprehensive and are distributing it globally in several languages.

In January 2004, the board of directors achieved a major management succession milestone by announcing the successful completion of a year-long search for a new president and chief executive officer (see inset on next page for more details).

### **Looking Ahead**

We began 2004 with a commitment to improved performance. We will use our strengthened balance sheet, market-leading products, and excellent customer relationships to help us fulfill that commitment.

Our objective remains to perform in the top quartile of our peers. In order to do that, our short-term goals are to:

- Resolve our remaining legal issues as quickly as possible.
- Improve cash flow, business unit operating performance and profitability.



Fellow Shareholders:

On behalf of the Crompton Board of Directors, I am delighted to introduce you to Robert L. Wood, recently appointed president, chief executive officer and a member of the Crompton Board. I will remain as chairman of the board until my retirement later this year.

One of the toughest and most important decisions a CEO has to make is naming a successor. Having spent 19 years at the Crompton helm, I looked long and hard for a person who would champion the interests of customers, employees and shareholders and take advantage of the growth opportunities Crompton has to offer. The board and I feel we found just that sort of leader in Bob Wood.

Bob spent more than 27 years at Dow Chemical Company, holding increasingly responsible positions in marketing, sales management and human resources before leading several large and successful Dow businesses. He served as vice president and general manager, North American Polyolefins and Elastomers, and global vice president, Polyurethanes and Engineering Plastics. From 2000 until coming to Crompton, he served as business group president — Thermosets and Dow Automotive, which included a portfolio of businesses with revenues totaling \$5.5 billion. In addition, as a member of the 16-person corporate operating board, Bob was directly involved in overall strategy, planning and policy setting for Dow.

It has been my privilege to lead Crompton for nearly two decades. When I was named president and CEO of Crompton & Knowles in 1985, the company had sales of about \$231 million. Crompton's revenues have increased nearly tenfold, to an annual level of \$2.2 billion. Your support has made building and leading the company extremely rewarding, even through the difficult times we've experienced over the last few years.

Since I began my career more than 40 years ago, the world has changed and so has our industry — and both face challenges. You have a new leader who knows our business, knows our industry and knows the challenges we face. He also knows how to get results and will work with you to face those challenges head-on and deliver the kind of results this company is capable of.

Again, I thank you for your support and encouragement over the years, and I am confident that you will offer the same backing to Bob as he takes Crompton into the future.

Sincerely,

Vincent A. Calarco  
Chairman

- Reduce and refinance debt to improve our capital structure and financial flexibility.
- Focus our portfolio on profitable market niches.
- Enhance the utilization of our human resource capital.

Even as the economy improves in 2004, we expect market conditions to remain difficult. Demand for our products, while improving, remains uneven and unpredictable; and feedstock and raw-material costs are still increasing and remain stubbornly high. These conditions require us to act, not react.

Crompton has a history of market-leading performance — to regain that performance will require focus, discipline, execution and follow-up, both externally and internally. We recognize that:

- Our success will be determined by how well we **focus** on the things that matter most in our business. Understanding our customers and markets better than our competitors is at the top of our list. It is also critical that we remain cost competitive. While we have done a good job of reducing costs, we must constantly ask ourselves if we've done enough in light of current market conditions. We must consider focus on costs to be a continuing task if we want to achieve ongoing top-quartile performance. Equally important is the need to improve how we manage pricing. We will not achieve our objectives if we don't improve our understanding of the value of our products to our customers. We have placed a high degree of urgency on succeeding in this area.

■ We must have the **discipline** to define our core products and businesses and allocate resources to those businesses that meet our return expectations and will achieve the best results for the company.

■ The greatest plans and strategies in the world are not very useful unless they are followed by flawless **execution**. We will focus resources and accountability as much or more on execution as on planning.

■ Despite our best efforts, rarely are plans and strategies executed flawlessly, so aggressive **follow-up** and course corrections are required to ensure success.

We will face many challenges in 2004, but the people who are Crompton are prepared to build a solid foundation this year. We have a sense of urgency around the need to change in order to prosper.

To better meet the needs of a rapidly changing marketplace, we are further adapting the Crompton culture into a culture that focuses on taking the initiative and being willing to take some risks — a culture excited about change and meeting new challenges, a culture that concentrates on outcomes, solutions, and results. In short, all the elements necessary to improve our performance.

These are exciting times for Crompton as we go forward with a renewed energy focused on and expecting success. We have market leadership in key product areas and an outstanding reputation for customer service and innovation. We embrace the belief that satisfied employees lead to satisfied, profitable customers, and that translates into satisfied shareholders.

Thank you for your support. We look forward to keeping you informed of our progress.

Respectfully yours,



**Vincent A. Calarco**

Chairman of the Board

March 15, 2004



**Robert L. Wood**

President and Chief Executive Officer

“These are exciting times  
for Crompton as we go forward  
with a renewed energy focused on  
and expecting success.”

# morning

Mornings are hectic times in most households. So hectic that you probably don't notice all the products you touch as you prepare for the day ahead. Crompton is there, in many of those products that make life better.



# noon

It's time for lunch, and you head to the local gym for your yoga class. After changing into exercise clothes, you walk across a gym floor made stronger with our urethanes, and sit on your yoga mat, made softer with our rubber additives.



# night

When you and your family arrive home for the evening, you decide to spend some time outdoors, roller-blading and bicycling. Our urethanes make your daughter's in-line skate wheels stronger, and our plastic additives make your son's bike helmet more protective. And by the way, the next time you and your spouse play golf, you'll find us there too. Our cast urethane prepolymers make golf ball covers more durable.



As you reach out to shut off your alarm clock, you can find Crompton in the plastic additives used to make the clock and the other plastic items you touch as you get ready for the day, including hairdryers, combs and even the plastic bottle of mouthwash on your bathroom counter.

Our peroxides and lubricants are used to make fiberglass showers and tubs, and when you pull that plastic shower curtain closed, you can find Crompton products there too, making the curtain flexible and longer-lasting.

Brushing your teeth? Our EPDM polymers, in the rubber grip, make toothbrushes easier to hold, and if you follow your dentist's advice and floss, you can find us in the wax that makes floss easier to use.



#### How do you get going in the morning?

##### *Just add Crompton.*

- Our white oils, petrolatums, waxes, fatty acids, glycerines and other products are used in the lotions, baby oils and lipsticks you use every day to look and feel better.



After the gym and feeling refreshed, you stop at the dry-cleaning store to pick up your clothes, protected by plastic bags made with our additives. Then you stop at the grocery store to grab a salad, seasoned with dressing made with our fatty acids. Throughout the produce section, you'll find fruits and vegetables, made more plentiful, thanks to our crop protection products. Everywhere you look in the store, you see packaging that keeps food fresh and sanitary. Our extrusion equipment is used to produce all kinds of packaging, and our additives make that packaging stronger.

#### How do you make packaging better?

##### *Just add Crompton.*

- Our vegetable slip agents make produce bags easier to open and our polymer processing equipment is used to coat the film, cardboard and other materials used in packaging for a wide variety of products.



When you do laundry this evening, you'll find Crompton helping your washing machine perform better. Our EPDM polymers are used to make the hoses. And that's not the only appliance where you'll find us. Our refrigeration oils make your refrigerator and air conditioner work better, and our polymer processing equipment helps in the manufacture of appliance parts.

If dinner is on the deck tonight, we'll be right there, under your feet, in the new, popular, wood-composite decking that's designed to be long-lasting. Our additives and equipment are used to make this innovative material.

#### How do you make an outdoor dinner more enjoyable?

##### *Just add Crompton.*

- Our products are used not only to make plastic dinnerware, but also to make your durable patio furniture and the decking, fencing and vinyl siding that give your home character.





As you fix breakfast, you notice how nice your kitchen looks with its new vinyl floor, made with Crompton additives. Your children come into the room, wearing athletic shoes or other footwear whose soles are made with our rubber additives or with our polyester polyols that offer bounce and support. Our agricultural products enhance crops like the oranges and nuts that you pack in their lunches and the cotton used to make their T-shirts and jeans.

When you get into your car or van to drive to work or school, Crompton is there too. Our products enable cars and vans to perform better and more safely. Our plastic additives make dashboards, seats, glove boxes, arm rests, side molding, floor mats, door trim, and air and oil filters stronger, and our polymer processing equipment is used in the manufacture of many auto parts, including rubber hoses and belts and plastic reservoirs. Our EPDM polymers in the weather stripping protect your family from the elements, and as you motor down the road, our lubricant additives help your car's fuel and engine perform better. And that's not all: Our rubber additives have been used to make tires and other rubber products for more than 100 years.

**How do you make a car safer?**

**Just add Crompton.**

► Our polyester polyols in the rigid foam of your dashboard and in the roof of your car's interior add protection for you and your family.



When you visit the personal care section of the store, you'll find Crompton everywhere around you. Our glycerines, white oils, petrolatums and other products can be found in cosmetics, petroleum jelly, soaps and all kinds of elixirs, including cough medicines.



And while you're running errands, your children are enjoying some recreational time at school. Durable plastic playground equipment and toys are made with Crompton additives, and our extrusion equipment is used in the manufacture of many of these products.

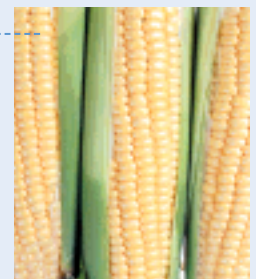
**How do you decorate your office and encourage your child's creativity?**

**Just add Crompton.**

► Our fatty acids and microcrystalline waxes are used to make the crayons your children use to draw the artwork you so proudly display in your office.



Our crop protection products help increase crop yield so there are more ears of corn and other foods on your dinner table. And after dinner, you can store leftovers in plastic bags, made with our products. You may decide to do a little work in your garden and yard. You and your spouse water the shrubs and flowers, whose growth has been enhanced with our crop products. Our plastic additives and EPDM polymers are used to make plastic and rubber garden hoses, plastic watering cans, and other yard tools that you use all the time.



**How do you build a better home?**

**Just add Crompton.**

► For more than a century, Crompton products have been helping to create better materials for building homes — from vinyl siding and windows to wood floors. Our rubber chemicals insulate your pipes; our EPDM and plastic additives protect your wiring; our products make your appliances more efficient and longer-lasting.



When you and your children turn on your computers at work and school — or even when you pick up the phone to call a customer — Crompton is there, in the plastic components and in the wires and cables that connect you to the rest of the world — wires and cables insulated with our EPDM polymers, cable-filling compounds and other products.

You also can find our EPDM polymers in the rubber grips on pens and our additives in the plastic binders you use at work and your children use at school.

# all morning



long, at home, at work or in the classroom, Crompton products are all around you.

As you head back to work, your spouse participates in a blood drive at the local hospital. Crompton products are there too — in blood bags, vials, tubing, rubber and vinyl gloves, and various medical equipment.



While driving, you pass by a marina and dream about owning one of the boats there ... boats made with fiberglass, made stronger by Crompton. Our products also are used to make the life jackets that keep boaters safer and the fuel that helps boats run more smoothly.

# at noon



and throughout the day, no matter where you go, you can find Crompton products, improving the quality of life.



At the end of the day, as your spouse does a little work at the computer, you head upstairs to check on your children. You walk across floors protected by our urethanes and carpets made softer and safer with our rubber additives.

And then, finally, you settle down with a book in your favorite chair... made softer and more plush by our polyester polyols.

# as night



falls, in ways too numerous to mention, Crompton products are everywhere, making your family's lives better.

## polymer additives

Crompton ranks as one of the top three global producers and marketers of plastics additives. Our broad portfolio of products covers the entire supply chain, from monomers and polymerization to finishing, compounding and fabrication. We are the world leader in polyvinyl chloride heat stabilizers, offer one of the most extensive ranges of olefins and styrenics additives in the world, and are a leading producer of ABS-based impact modifiers. In addition, Crompton is a leading global producer of rubber additives and a major supplier to the automotive, industrial, fuels and grease markets.

Our products are sold to producers, compounders and fabricators of acrylics, vinyl, rubber, styrenics, polyolefins, nylon and fiberglass and are used in the manufacture of coatings, adhesives, tires, lubricants and fuels, packaging, flooring, and wire and cable, as well as in other automotive, transportation and construction applications.

Our extensive Vinyl Additives portfolio includes well-known trade names such as Mark® heat stabilizers, Drapex® epoxy plasticizers, Esperox® organic peroxides, Kemamide® lubricants and Blendex® impact and heat modifiers.

Our Olefins & Styrenics additives include leading brands such as Moldpro® nucleating agents, Esperox® organic peroxides and, newly acquired from the former GE Specialty Chemicals business, Weston® and Ultrinox® phenolic and phosphite antioxidants, as well as Blendex® impact modifiers.

Our Rubber Chemicals business offers more than 100 products for rubber processing, including Naugard® antioxidants, Delac® accelerators and Flexzone® antiozonants.

Our Urethane Chemicals include Witcobond® aqueous polyurethane dispersions, which are widely used by the coatings, adhesives and ink industries; Fomrez® polyester polyols, which find broad application in flexible foam, thermoplastic urethanes, coatings, adhesives and elastomers; and Witcothane® microcellular systems, which are used in flexible shoe soles and industrial parts.

Our Petroleum Additives business is the most diversified global supplier of chemical components that enable customers to meet increasingly demanding performance and environmental requirements for fuels and lubricants. Products include Naugalube® antioxidants, Synton® polyalphaolefin synthetic fluids, Calcinate™ calcium sulfonates, Petronate® sodium sulfonates, Lobase® and Hybase® detergents, and G-2000® high-performance grease.



## key developments

2003

- Acquired and fully integrated into our existing business platforms General Electric Company's Specialty Chemicals business, including the world's largest organophosphites antioxidants plant, thus becoming the world's only manufacturer of all four types of antioxidants, including phenolics, secondary diaryl amines, phosphites and thioesters. Newly acquired products include Ultrinox®, Weston® and Genox® antioxidants and Blendex® impact modifiers. Doubled manufacturing capacity in Ultrinox® additive blends at Morgantown, West Virginia.
- Introduced new vinyl additives for use in the manufacture of PVC pipe and window profiles: Mark® 2910 self-lubricating pipe stabilizer eliminates the need to use paraffin wax as a lubricant; Mark® 2289 heat stabilizer for window profiles provides added protection against the effects of ultraviolet light and heat. Also introduced Mark® 9300 series low-phenol stabilizers for vinyl flooring, wall coverings and furniture and Mark® optical brighteners for general ultraviolet protection of vinyls.
- Introduced Hi-Point® 90 Blue organic peroxide for ambient temperature curing of polyester and vinyl ester resins. Hi-Point® 90 Blue is part of an industry-leading family of organic peroxide products that offer consistent performance, low water content and excellent stability.
- Introduced two new solvent-free products: Witcobond® W-281F, a solid-aliphatic aqueous polyurethane adhesive, and Witcobond® W-290HSC, a high-solids-content waterborne polyurethane dispersion. W-281F is an adhesive for a variety of substrates, including laminating fabrics to thermoplastic urethanes, and is suitable for formulating into plastic and leather coatings. W-290HSC offers yellowing resistance when subjected to end-use processing temperatures as high as 140°C and is particularly suitable for applications in plastic coating, textile coating and fiberglass sizing.
- Expanded Naugalube® aminic antioxidant capacity in Elmira, Ontario, Canada and Latina, Italy in anticipation of ILSAC GF-4, the new North American passenger-car engine oil specification that oils must be more thermally and oxidatively robust, requiring additional amounts of antioxidants.
- Achieved ISO 14001 environmental certification and added a new container-filling station for pharmaceutical-grade aluminum alkyls at Bergkamen, Germany; added a glycerine-filling station in Memphis, Tennessee; and expanded capacity at Marshall, Texas to support growth in demand for organic peroxides.

## polymers

Offering more than 200 prepolymer products, Crompton is the leading world supplier of castable urethane prepolymers and the top manufacturer of EPDM polymers in North America. Our polymer products provide unique wear and durability.

Our Adiprene®/Vibrathane® hot-cast polyurethane elastomers are sold to manufacturers of industrial and printing rolls, mining machinery and equipment, mechanical goods, solid industrial tires and wheels, and sporting and recreational goods, including golf ball covers and skate wheels.

Our EPDM products, including Royalene® rubber, are used in automotive, construction, wire and cable, and mechanical goods applications. We produce more than 30 types of EPDM, which withstands heat, sunlight and ozone without deteriorating. A typical car includes about 20 pounds of EPDM in weather stripping, brake parts, hoses and body cladding. Additional EPDM applications include commercial roofing, white sidewalls for tires, seals and gaskets, and garden and industrial hoses.



## key developments

2003

- Introduced Adiprene Extreme® polyurethane prepolymers, a new patent-pending family of wear-resistant cast elastomers available in three ether and three ester grades. This cutting-edge technology exhibits five to 10 times proven improvement in abrasion resistance in dry, aggressive, sliding applications, such as elastomeric pads for tracked vehicles, mining screens and scraper blades. Other potential applications include in-line skate wheels and drive tires and rolls.
- Developed a new line of specialty isocyanate prepolymers: Adiprene® LF HDI and Adiprene® LF MDI. LF HDI provides good UV resistance, low viscosity and high rebound. Potential applications are coatings and room-temperature curing cast formulations. LF MDI-based prepolymers have a low content of unreacted MDI monomer, resulting in a lower-viscosity material. Potential applications include high-solids solvent-based coatings and reactive hot-melt adhesives. Crompton is the only producer of these specialty isocyanate materials in the global urethanes industry.
- Developed a new line of Vibrathane® Quasi-Systems targeted for the European market. This new Quasi product line is designed to be processed at low temperatures with application in end-use markets such as mining, oil and gas, and printing.

## polymer processing equipment

Crompton is a global leader in the manufacture of rubber and plastics extrusion equipment and industrial blow-molding machines.

Davis-Standard extrusion machines are used primarily for the packaging, automotive, construction and medical industries. Our customers are processors of extruded products, including plastic sheet and profiles used in appliances, cars, sports equipment and furniture. Customers also produce items such as medical tubing, plastic bags, roof membranes, fencing and decking materials, footwear, sanitary products and specific tire components.

Our patented feedscrew technology, advanced computer-based controls and integrated systems bring value to rubber and plastic extrusion for a wide range of consumer and industrial products.

## key developments

2003

- Introduced the Super Blue™ extruder, a high-performance machine ready for shipment in two weeks from the order date. This short-delivery concept is being extended to all product lines through the development of standardized, modular components that can be customized for multiple configurations.
- Developed high-speed coating lines for flexible packaging applications capable of 2,500 feet per minute, compared with 1,800 feet per minute previously.
- Engineered one of North America's most advanced multipurpose, co-extrusion systems for processing inexpensive raw materials to manufacture value-added products with a faster return on investment. This system will be used for researching the processing of new-age films and coatings. Target markets include hygiene, medical and technical clothing applications; home insulation; products for flexible and liquid packaging; and synthetic paper.
- Completed development of a complete line of groove feed extruders and feedscrews for blown film, blow molding, sheet, pipe and profile, and wire and cable applications.
- Designed a patent-pending pressure-reducing circuit, called Toolsafe™, to safeguard blow-molding head tooling from inaccurate pin and die adjustment. The new circuit lowers pressure to the hydraulic or programming cylinder to curtail the possibility of head component damage after a product change.
- Became the first extrusion manufacturer to use wireless monitoring technology.

## crop protection

Our Crop Protection business is a world leader in the seed treatment and miticides markets. Serving the agricultural market in 120 countries, we specialize in products for high-value crops, such as nuts, citrus, cotton, tree and vine fruits, turf, and ornamental and specialty plantings.

Our insecticides, fungicides, growth regulators, herbicides, miticides and seed treatments are formulated both for specific crops and for the growing conditions of particular geographic regions. Products we market include Dimilin® insecticide, Vitavax® seed treatment, Omite® and Acramite® miticides, and Casoron® and Pantera® herbicides. Gustafson LLC, our joint venture with Bayer, is the largest seed treatment company in North America.

We expand our presence in worldwide niche markets by developing new products and obtaining registrations for new uses and geographies. Our research and development programs respond to — and even anticipate — new threats to crops around the world. Another important goal of our research is to reduce the environmental impact of crop protection products.



## key developments

2003

- Successfully launched Floramite® miticide in The Netherlands via Certis Europe in which Crompton has a 15 percent equity shareholding.
- Introduced Acramite® miticide in Australia, Harvade® cotton defoliant and Signal® seed treatment insecticide in China, Crusoe® seed treatment fungicide in Argentina, and Omite® miticide in India.
- Continued rollout of strategy to service the ornamental market in Kenya.
- Doubled sales of seed treatment products in Brazil since 2002.
- Attained record sales volumes of Royal MH-30® Xtra and Royal MH-30® SG in the U.S. potato market as growers and processors continue to recognize the products' positive impact on both potato quality and processing characteristics.
- Achieved record sales volumes of Casoron® Technical in the Japanese agricultural and intermediates markets.
- Are rapidly integrating third-party products into our product portfolio where we have invested in direct-selling efforts. These include Sumitomo Chemical and Margarita (Gowan) products for Central and East Europe, BASF seed treatments in Australia, Cheminova products in Argentina and numerous suppliers in Brazil.



## other

Our Refined Products business, whose manufacturing heritage goes back more than 100 years, is the world's largest dedicated supplier of white oils, petrolatums, microcrystalline waxes and other refined hydrocarbons.

We pioneered innovations such as bauxite filtration, stabilized and low-volatility plastics oils, and Super White® petrolatums. Our two-stage hydrogenation process yields exceptionally pure products that meet or exceed international pharmacopoeia standards. Many of the world's largest personal care, cosmetic, pharmaceutical and telecommunications companies rely on our products, which include Hydrobrite® PVC Oil, Sonneborn® white mineral oils, Protopet® and Fonoline® petrolatums, Multiwax® microcrystalline waxes, Witcogel® cable-filling compounds and Suniso® refrigeration compressor lubricants.

Our products are used in baby oils; petroleum jelly; cosmetics; ointments, creams, lotions and other personal-care applications; copper telecommunications cables; PVC pipe; candles; and refrigeration and air-conditioning compressors.

## key developments

2003

- New business has followed the successful introduction of Hydrobrite® PVC Oil, a high-viscosity USP mineral oil that has been proven to improve the surface characteristics of rigid PVC products while reducing plate-out. The product has been approved by the Plastic Pipe Institute and National Sanitation Foundation as a replacement for paraffin wax. Hydrobrite® PVC Oil also will help rigid PVC processors eliminate agglomeration problems associated with paraffin wax.

## board of directors

**Vincent A. Calarco**  
Chairman of the Board

**Robert A. Fox** (1,4)  
Managing General Partner  
Fox Investments L.P.  
Chairman  
AgriCapital Advisors

**Roger L. Headrick** (2,3)  
Co-lead Director  
Managing General Partner  
HMCH Ventures

**Leo I. Higdon, Jr.** (2,3)  
President  
College of Charleston

**C.A. Piccolo** (1,3)  
Co-lead Director  
President and Chief Executive Officer  
HealthPic Consultants, Inc.

**Bruce F. Wesson** (1,4)  
President  
Galen Associates  
General Partner  
Galen Partners, L.P.

**Robert L. Wood**  
President and Chief Executive Officer

**Patricia K. Woolf, Ph.D.** (1,4)  
Private Investor and Lecturer  
Department of Molecular Biology  
Princeton University

- 1 Member of Audit Committee
- 2 Member of Finance and Pension Committee
- 3 Member of Organization, Compensation and Governance Committee
- 4 Member of Safety, Health and Environment Committee

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Design: DiCostanzo Design Associates Inc./NYC

## corporate management

**Vincent A. Calarco**  
Chairman

**Robert L. Wood**  
President and  
Chief Executive Officer

**Robert W. Ackley**  
Executive Vice President  
Polymer Processing Equipment

**Mary L. Gum**  
Executive Vice President  
Performance Chemicals  
and Elastomers Group

**Alfred F. Ingulli**  
Executive Vice President  
Crop Protection  
and Strategy & Development

**Myles S. Odaniell**  
Executive Vice President  
Plastics and Petroleum Additives

**Peter Barna**  
Senior Vice President and  
Chief Financial Officer

**John T. Ferguson II**  
Senior Vice President and  
General Counsel

**Marvin H. Happel**  
Senior Vice President  
Organization and Administration

**Syl W. Turicchi**  
Senior Vice President  
Operations

## other corporate officers

**John R. Jepsen**  
Vice President, Treasurer

**James A. Nortz**  
Vice President  
Business Ethics and Compliance

**Barry J. Shainman**  
Secretary

**Michael F. Vagnini**  
Vice President and Controller

**Walter K. Ruck**  
Senior Vice President  
Europe, Africa & the Middle East

**Mark E. Harakal**  
Regional Vice President  
Asia-Pacific

**Cesar R. Lamonega**  
Regional Vice President  
Latin America

## corporate data

**Corporate Headquarters**  
199 Benson Road  
Middlebury, CT 06749 USA  
(203) 573-2000

**Web site**  
[www.cromptoncorp.com](http://www.cromptoncorp.com)

**NYSE symbol**  
CK

**Auditors**  
KPMG LLP  
Stamford Square  
3001 Summer Street  
Stamford, CT 06905

**Transfer Agent and Registrar**  
Mellon Investor Services LLC  
85 Challenger Road  
Ridgefield Park, NJ 07660  
(800) 288-9541  
[www.melloninvestor.com](http://www.melloninvestor.com)

**Form 10-K**  
A copy of the Company's report on Form 10-K for 2003, as filed with the Securities and Exchange Commission, may be obtained free of charge by writing to the Corporate Secretary at the Corporate Headquarters address above.

**Annual Meeting**  
The annual meeting of stockholders will be held at 11:15 a.m. on Tuesday, April 27, 2004, at Sheraton Stamford Hotel 2701 Summer Street Stamford, CT 06905 (203) 359-1300

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Crompton is a member of the American Chemistry Council and a signatory of the Council's Responsible Care® Program.

The company is committed to a continuous effort to improve performance in safety, health and environmental quality.



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